



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 333

730707548???



FEDERAL ELECTION COMMISSION

LETTER TO HETTLER (DRAFT)

DRAFT GENERAL COUNSEL'S REPORT

MISS. GEN. COUNSEL'S REPORTS

LETTER TO HED (DRAFT)

TRUMP CONSTITUTIONAL AGREEMENT

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):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input checked="" type="checkbox"/> (2) Internal rules and practices | <input checked="" type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed

(Signature)

date

11 July 1978

10010751821



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Pierre V. Heftler
Bodman, Longley & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333(76)

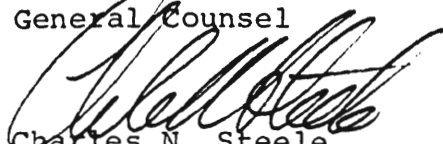
Dear Mr. Heftler:

This letter is to inform you that the Commission determined on June 21, 1978 to reverse its decision on December 21, 1977 which found reasonable cause to believe that your client, Mr. Henry Ford II, violated 2 U.S.C. § 441a.

Accordingly, this matter has been closed with regard to respondent Henry Ford II.

Sincerely,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald Eastman
Cadwalader, Wickersham & Taft
11 Dupont Circle
Washington, D.C. 20036

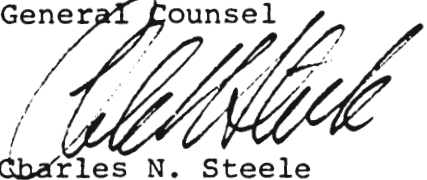
Re: MUR 333(76)

Dear Mr. Eastman:

On June 21, 1978, the Commission approved the enclosed conciliation agreement. Accordingly, we are sending you a copy of this agreement with regard to your client, 1976 Democratic Presidential Campaign Committee.

Sincerely,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel



PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

335 HUGHES

SENDER Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
[] Show to whom and date delivered
[X] Show to whom, date, and address of delivery
[] RESTRICTED DELIVERY
[] RESTRICTED DELIVERY. (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ronald Eastman

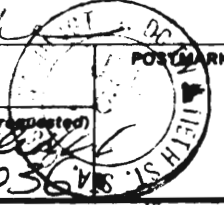
3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
942494

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE [] Addressee [] Authorized agent

4. DATE OF DELIVERY POSTMARK
[Signature]

5. ADDRESS (Complete only if requested)
11 Dupont Circle NW
WASH. DC 20036

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS



1 8 1 5 0 0 6 6

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

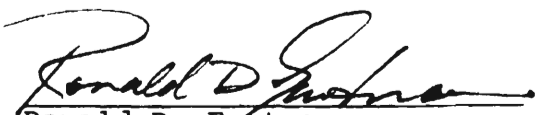
GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

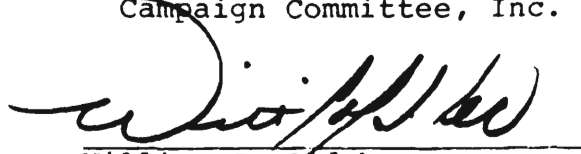
II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

June 7, 1978
Date


Ronald D. Eastman
Ronald D. Eastman
Counsel for
1976 Democratic Presidential
Campaign Committee, Inc.

June 7, 1978
Date


William C. Oldaker
William C. Oldaker
General Counsel

29040054851

LAW OFFICES
VERNER LIIPFERT, BERNHARD AND MCPHERSON

SUITE 000
1660 L STREET N.W.
WASHINGTON D C 20036

By Hand

Mr. Hal Ponder
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alan P. Dye, Esq.
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C.

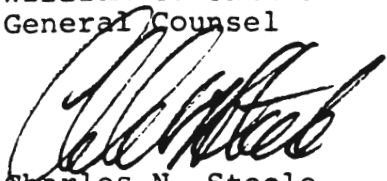
Re: MUR 333(76)

Dear Mr. Dye:

On June 29, 1978, the Commission approved the signed conciliation agreement for your client, Non-partisan Committee For Good Government. Accordingly, we are sending you a copy of this agreement.

Sincerely,

William C. Oldaker
General Counsel



Charles N. Steele
Associate General Counsel



Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government)
1976 Democratic Presidential)
Campaign Committee, Inc.)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

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of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.


GENERAL CONDITIONS

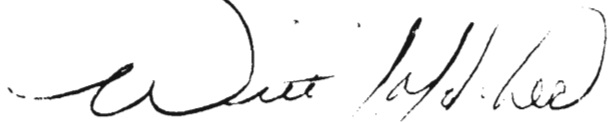
I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a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

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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For the Respondent
Nonpartisan Committee for Good
Government


William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for Good) MUR 333 (76)
Government)
1976 Democratic Presidential)
Campaign Committee, Inc.)
Edgar Bronfman, and)
Henry Ford II)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 28, 1978, the Commission approved by a vote of 6-0 the conciliation agreement in the above-captioned attached to the General Counsel's memorandum dated June 23, 1978.

Date: 6/28/78

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 6-23-78, 4:30
Circulated on 48 hour vote basis: 6-26-78, 12:00

73010751863

June 23, 1978

MEMORANDUM TO: Magge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 333

Please have the attached Memorandum and
Conciliation report on MUR 333 distributed to the
Commission on a 48 hour tally basis.

Thank you.

78040054839



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 23, 1978

MEMORANDUM

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER *WCO*
GENERAL COUNSEL

RE: MUR 333 (76) - Conciliation Agreement

On June 22, 1978, we received the attached letter and signed conciliation agreement for respondent Nonpartisan Committee For Good Government (Coca-Cola). This is similar to the conciliation agreement attached to the Conciliation Report dated March 30, 1978.

Accordingly, it is recommended that the Commission approve the signed conciliation agreement.

730-10751810

The Coca-Cola Company

FEDERAL ELECTION COMMISSION

F. Hughes

ATLANTA, GEORGIA JUN 22 AM 11:46

ROBERT A. KELLER
VICE PRESIDENT
AND
DEPUTY GENERAL COUNSEL

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404-697-2121

June 16, 1978

CERTIFIED -- RETURN RECEIPT REQUESTED

803856

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

RE: MUR 333 (76)

Dear Mr. Oldaker:

Enclosed are two duplicate original Conciliation Agreements which conform to the provisions outlined in your letter to Alan Dye of May 18, 1978. Both have been signed by C. W. Adams, the current Chairman of the Nonpartisan Committee for Good Government.

Upon receipt of one original Agreement executed by the Commission, we will then forward to the Commission a check in the amount of \$500.

Sincerely,

Robert A. Keller
Robert A. Keller

RAK/lc
Enclosures

78040754811

In the Matter of)	
)	
Nonpartisan Committee for Good	)	MUR 333 (76)
Government)	
1976 Democratic Presidential)	
Campaign Committee, Inc.)	
Edgar Bronfman, and)	
Henry Ford II)	

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

23040754812

III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

73040751812

of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

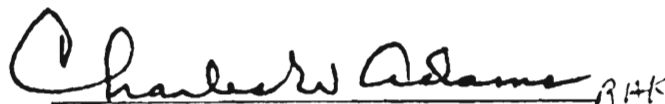
GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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For the Respondent
Nonpartisan Committee for Good
Government

William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Nonpartisan Committee for)	
Good Government;	)	MUR 333 (76)
1976 Democratic Presidential)	
Campaign Committee, Inc.;)	
Edgar Bronfman; and)	
Henry Ford, II.)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 21, 1978, the Commission took the following actions in the above-captioned matter:

1. Determined by a vote of 6-0 to adopt the recommendation of the General Counsel to approve the signed conciliation agreement for the 1976 Democratic Presidential Campaign Committee, Inc., attached to the General Counsel's Report signed June 12, 1978.

2. Failed to pass the following motion:

MOVED that the Commission approve recommendations 2, 3, and 4 in the General Counsel's Report signed June 12, 1978.

The vote was: YEA (3) Commissioners Aikens, Harris, Springer
NAY (3) Commissioner Staebler, Thomson, and Tiernan.

3. Failed to pass the following motion with regard to the conciliation agreement with Henry Ford, II:

MOVED that the staff be instructed to include language in the conciliation agreement that respondent Henry Ford II "agree that he will not undertake any activity which is in violation of the Act. 2 U.S.C. Section 431, et seq."

The vote was: YEA (1) Commissioner Tiernan
NAY (5) Commissioners Aikens, Harris, Springer, Staebler, and Thomson.

CONTINUED

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MWE

4. Determined by a vote of 4-1 to reverse the December 21, 1977 finding of Reasonable Cause to Believe that Henry Ford, II had violated 2 U.S.C. Section 441a.

The vote was: YEA (4) Commissioners Aikens, Harris, Staebler, and Thomson

NAY (1) Commissioner Tiernan

ABSTAIN (1) Commissioner Springer

This concluded the actions taken on MUR 333 (76) at the Commission meeting of June 21, 1978.

Attest:

6/26/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

78040751811

In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976) MUR 333 (76)
Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

GENERAL COUNSEL'S REPORT

The status of the matters regarding each of the four respondents are presented individually below.

1. Nonpartisan Committee For Good Government (Nonpartisan Committee):

Staff was notified on June 7, 1978 that respondent had signed our proposed conciliation agreement which was attached to the Conciliation Report dated March 30, 1978.

2. 1976 Democratic Presidential Campaign Committee, Inc.:

On June 7, 1978, the respondent signed and delivered to the Commission the conciliation agreement which was approved by the Commission on May 10, 1978 (see Attachment A).

3. Edgar Bronfman:

A conciliation agreement has already been entered.

4. Henry Ford II:

On June 5, 1978, the staff received a letter and proposed conciliation agreement from Mr. Heftler, legal counsel for Henry Ford II (see Attachment B). Included with this letter was a copy of a letter dated May 31, 1978 addressed to the Commissioners from Mr. Heftler.

797403518111

We would propose that the Commission must first determine whether the letter from counsel for Henry Ford II to the Commissioners provides a basis on which to close the matter against respondent Ford and take no further action. We would point out that the facts of Mr. Ford's voluntary action in attempting to rectify the violation (which is the basis of the argument to close this matter) was set out in the proposed conciliation agreement attached to the Conciliation Report of February 22, 1978. It was this consideration that apparently prompted the Commission to not seek a civil penalty against Henry Ford II, while pursuing a civil penalty against the Nonpartisan Committee and Bronfman. However, the Commission apparently deemed at that time that an admission of having committed a violation was required of Mr. Ford.

If the Commission determines that a conciliation agreement is still appropriate in this matter, then it should consider the comments below concerning the countersettlement proposed by counsel for Henry Ford II.

This Office disagrees with some of the proposals made by Mr. Heftler in the attached conciliation agreement. Specifically, page 2, paragraph C states that: "... Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office." This language is self-serving and inappropriate for a conciliation agreement.

Paragraph I, page 3 should be changed to read:

"I. That the Commission construes 'cooperation, consultation,

11810001811

or concert, with...a candidate, his authorized political committees, or their agents,' in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate." This language was adopted by the Commission in the conciliation agreement for the Presidential Committee on May 10, 1978.

Lastly, page 3, paragraph IV contains language that this Office has not agreed to. Therefore, we are substituting the following language which is similar to that contained in the conciliation agreement sent to Mr. Heftler on May 1, 1978: " That the respondent Henry Ford II will pay no civil penalty because, on his own accord, he made a good faith effort to rectify the violation prior to the Commission's knowledge and investigation of the matter, by seeking and obtaining a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon."

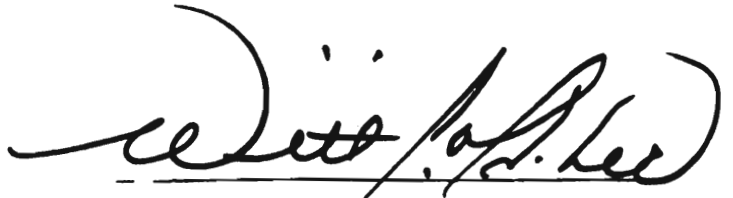
This Office recommends that the above described changes be made in the conciliation agreement if the Commission insists upon a conciliation agreement for respondent Henry Ford II.

Recommendation

1. Approve the signed conciliation agreement for the Presidential Committee.

2. Require conciliation with respondent Henry Ford II on the basis of the conciliation agreement attached to the notification letter.
3. Approve the conciliation agreement attached to the notification letter.
4. Send attached notification letter and conciliation agreement to counsel for Henry Ford II.

6/12/78
Date



William C. Oldaker
General Counsel

72040051851

WASHINGTON PARTNERS
 H. CLAYTON COOK, JR.
 H. LAWRENCE FOX
 ROBERT T. LASKY
 THOMAS A. RUSSO
 STEPHEN N. SHULMAN
 FRANK WILLE

NEW YORK PARTNERS
 RICHARD A. ABORN
 JACK AOELMAN
 STEPHEN G. AUSTIN
 JOHN BOYER
 PETER MEGARKEE BROWN
 WILLIAM N. CLARKE
 RODNEY S. DAYAN
 DANIEL C. DRAPER
 STEVE C. DUNE
 DAVID W. FEENEY
 R. JAY FLOCKEN
 JOHN F. FRITTS
 TERENCE P. GILHEANY
 STEPHEN P. GOTTLIEB
 GRANT B. HEARING
 LEONARD E. KUST
 ROBERT C. LAWRENCE III
 JAY H. MCDOWELL
 WILLIAM J. MOSS
 HORACE P. MOULTON
 JOHN J. O'GRADY III
 ROY ALBERT POVELL
 GEORGE D. REYCRAFT
 HADLEY S. ROE
 HAVEN C. ROOSEVELT
 STUART D. ROOT
 STEVEN A. RUSKIN
 JEROME SHELBY
 GERALD T. SLEVIN
 JOHN A. SULLIVAN
 RICHARD T. TAYLOR
 COURTLAND W. TROUTMAN
 JONATHAN M. WAINWRIGHT
 JOHN J. WALSH
 MALCOLM P. WATTMAN
 ARNOLD J. ZURCHER, JR.

Cadwalader, Wickersham & Taft

Eleven Dupont Circle

Washington, D.C. 20036

Telephone: (202) 387-8100

Fax: 710-822-1934

ONE WALL STREET
 NEW YORK, N. Y. 10005
 TELEPHONE: (212) 785-1000
 CABLE ADDRESS: LABELLUM
 TELEX: 12-9146
 687465

Hughes

June 7, 1978

Mr. William C. Oldaker, Esquire
 General Counsel
 Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20463

RE: MUR 333(76)

Dear Mr. Oldaker:

Enclosed is the conciliation agreement, approved by the Commission in the above matter, signed on behalf of the 1976 Democratic Presidential Campaign Committee.

Sincerely,

Lynda S. Mounts

Lynda S. Mounts

LSM/dsf
 cc: ✓Hal Ponder
 Enclosure

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

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This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.


GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

June 7, 1978
Date


Ronald D. Eastman
Ronald D. Eastman
Counsel for
1976 Democratic Presidential
Campaign Committee, Inc.

June 7, 1978
Date

William C. Oldaker
General Counsel

78040751810

ATTACHMENT B
JOC 3706

RECEIVED
FEDERAL ELECTION COMMISSION
BODMAN, LONGLEY & DAHLING

803277

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243 5 AM 10:29

(313) 259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

May 31, 1978

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER JR.
KENNETH R. LANGO
LLOYD C. TELL
JAMES T. HEIMBUCH
HEROLD MCG. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JAMES R. BUSCHMANN
JOSEPH N. BROWN
ANDREW J. BRODER
GEORGE G. KEMSLEY
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JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1886-1954
HENRY C. BOGLE
1892-1977

Hughes

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

MUR 353(76)

Attn: Mr. Hal Ponder

Dear Mr. Ponder:

In accordance with our recent conversation, I am enclosing a form of conciliation agreement (draft of May 31, 1978) which I would sign if the Commission decides that there must be a conciliation agreement in this case. I believe you will find that it follows our conversation and includes only those changes from your draft that you said you would accept.

At the same time, and believing the censure and humiliation of a conciliation agreement is inappropriate to this case, and feeling entitled to have these issues made known to the Commission in my own way, I have written a letter to each of the Commissioners setting forth why we feel no action should be taken. A copy of that letter is enclosed.

I await word of the Commission's decision.

Very truly yours,

Pierre V. Heftler

PVH/ch
Encl.

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107
107
107

HEFTLER DRAFT

Draft of May 31, 1978

In the Matter of: :
: :
Nonpartisan Committee For : :
Good Government, 1976 : : MUR 333 (76)
Presidential Campaign : :
Committee, Inc. : :
Edgar Bronfman and : :
Henry Ford II : :

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford II and the subject matter of this proceeding.

II. That respondent Henry Ford II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford II paid \$1,510.03 for his share of the costs of the luncheon. Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office.

D. Subsequently, and on being advised by his counsel that paying for the Carter luncheon might, under the 1976 amendments to the law, be construed as a contribution, respondent Henry Ford II voluntarily sought to redress the situation and make the question moot by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

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Wherefore, respondent Henry Ford II and the Commission agree:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That the payment by respondent Henry Ford II of his portion of the luncheon at which Presidential nominee Carter appeared constituted, according to the Commission's construction, a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford II's payment was made in violation of such section.

IV. That the Commission has determined that the respondent Henry Ford II pay no civil penalty because, on his own accord, he made a good faith effort to rectify a matter, construed by the Commission as a violation, prior to the Commis-

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sion's knowledge and investigation of the matter, by seeking and obtaining, before the campaign was over, a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

PIERRE V. HEPTLER
FOR THE RESPONDENT
HENRY FORD II

WILLIAM C. OLDAKER
GENERAL COUNSEL

1984001001

BOCMAN, LONGLEY & DAHLING

ATTORNEYS AT LAW

DETROIT, MICHIGAN 48243

313 259 7777

May 31, 1977

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48066
313 362 2110

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BOCMAN
A74 1963
CLIFFORD B. LONGLEY
188A 1954
HENRY C. BOGLE
1892 1977

The Honorable Joan D. Aikens
The Honorable Robert O. Tiernan
The Honorable Thomas E. Harris
The Honorable Neil O. Staebler
The Honorable William G. Springer
The Honorable Vernon W. Thomson
Federal Election Commissioners
Federal Election Commission
Washington, D. C.

Dear Commissioners:

Since August, 1977, I have been involved in discussions with your staff on whether our client, Henry Ford II, should be required to enter into a conciliation agreement because of his participation in a businessman's luncheon attended by presidential candidate Jimmy Carter. For reasons which I will explain, Mr. Ford feels the facts in this case do not warrant a conciliation agreement whereas your staff insists that there be one. In my letter of March 6, 1978 to your staff, I asked that, if the staff intended to propose to the Commission any action other than closing the file, I be given the opportunity to appear before the Commission and present argument. The staff's response was: "If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court."

I feel strongly, particularly under the unusual facts of this case, that there ought to be some way for a person under investigation by the Commission to put his side of the matter to the members of the Commission directly. To communicate with the

May 31, 1978

Page 2.

Commission only through the staff with whom he is already in disagreement, amounts to a denial of effective communication between the one being investigated and the body whose judgment he is entitled to have in the disposition of his case. I have, therefore, presumed to send to each member of the Commission and, of course, to the Commission's General Counsel, this letter setting out as briefly as possible the issue in this case:

1. The Facts.

For a number of years Henry Ford II sponsored luncheons or dinners held to introduce political candidates to the business community. Prior to the election law amendments of 1976, payment for such a luncheon was not considered a political contribution.

On May 20, 1976 Henry Ford II was invited by J. Paul Austin to join him and Edgar Bronfman in hosting a businessman's luncheon at which candidate Jimmy Carter would appear and speak. Mr. Ford agreed. The luncheon took place on July 22, 1976, attended by 52 business persons. Candidate Jimmy Carter was present and spoke. Henry Ford II's one-third share of the bill was \$1,510.03. He received this bill approximately August 9, 1976, approved it for payment, and it was paid August 10th, out of his personal funds.

Several weeks later, Henry Ford II's secretary brought to his attention a memo written by me in response to the secretary's request for general information on political contributions under Federal and Michigan law. This memo set out various limitations and included a warning on independent expenditures and on acting as a host. As a result of the warning in this memorandum, Henry Ford II instructed me to look into the Jimmy Carter luncheon. I investigated the facts and consulted with representatives of Mr. Austin and Mr. Bronfman, and on September 21 I advised that the payment of the luncheon bill might be construed to be a contribution under the 1976 amendments. Mr. Ford immediately applied for reimbursement from the Democratic National Committee and he was reimbursed in full on October 22, 1976.

Two other facts, although not crucial, are of some pertinence: The plans included having candidate Gerald Ford address the same group of business executives, but it was never possible to arrange a suitable date. The luncheon bill included

May 31, 1978

Page 3.

not only the cost for those for whom the luncheon was intended; it also included the cost of meals for the press corps that travelled with the candidate. If this latter cost were excluded, Mr. Ford's share of the bill would have been less than \$1,000.

2. Negotiations with Staff.

Your staff's first inquiry into this was by letter of July 29, 1977, some 9 months later. I responded on August 11, 1977, by letter reciting the facts, giving copies of the check by which the bill was paid by Mr. Ford, and the one by which he was reimbursed by the Democratic National Committee, and I stated that we had considered the matter closed.

Following this we have had a number of letters back and forth. The staff insists upon a conciliation agreement. We have insisted there is nothing to conciliate, that there is nothing for the Commission to correct; and that if any error was made, it was corrected by Mr. Ford himself when he proceeded, entirely on his own initiative, and without any thought of there being an investigation, to correct any violation that might have existed by obtaining reimbursement from a proper party.

The staff has insisted that obtaining reimbursement "does not obviate the violation", pointing out that the reimbursement was not obtained until three months after the event. But reimbursement was obtained within two months after payment; it was requested within about two weeks after Mr. Ford became aware that there might be a problem; and, most important of all, the correction by Mr. Ford was instituted sua sponte, and accomplished while the political campaign was still going on.

The staff insists that whenever there is a violation there must be a conciliation agreement, a position which I submit is contrary to the statute, for the statute provides in 437(g)(4) that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken". I think it is significant that the statute does not require a person to demonstrate that there was no violation but only that no action should be taken. If, under the circumstances here, action must be taken, the words, carefully selected by Congress, have no rational meaning and serve no useful purpose.

We are now at the point where the staff, in effect, has said either we have a conciliation agreement or I must present my arguments to the court.

May 31, 1978

Page 4.

3. Objections to Conciliation Agreement.

The staff has made a number of suggestions as to the form of the conciliation agreement and I am prepared to say that if there must be a conciliation agreement the form now proposed is as innocuous as one could imagine. However, it is not so much the form of the conciliation agreement which is objectionable as it is the fact that a conciliation agreement in any form is demanded.

We take the position that, given the circumstances in this case, being required to sign an agreement can have no other purpose than to humiliate Mr. Ford. A conciliation agreement is a method by which violators of the Federal election laws are brought into line; by which violators are required to make some amends for their transgressions; and by which others are warned not to be violators. Now it does not matter that the form of agreement now proposed for Mr. Ford is relatively innocuous. The conciliation agreement becomes a matter of public record. Even if it is reported verbatim in the press, the readers would not be sufficiently versed on the subject to distinguish between an innocuous conciliation agreement and a most severe one. The persons named in conciliation agreements would all be lumped together as reprehensible persons whom a Federal agency decided should be censured for their actions.

Instead of being censured and humiliated, we think Mr. Ford should be commended for his efforts to abide by the law and, without any outside stimulus, to correct any instance where there might have been a question. We would suggest that if all persons could be counted on to have the same attitude toward the election laws and to see to it that contributions come from proper sources, there would be no need for the Commission to have any enforcement apparatus whatever.

We submit, as we have to the staff, that this is an instance in which, in the words of the statute, "no action should be taken".

4. Policy Toward Spontaneous Correction.

Three persons were involved in hosting this luncheon: Mr. Ford, and Messrs. Bronfman and Austin. The last two have signed (or are about to sign) conciliation agreements which

Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 5.

include express or implied admissions that there was a violation and provide for a \$500 fine. Notwithstanding the fact that Mr. Ford acted promptly to correct any possible violation, without any knowledge of or stimulus provided by the FEC, whereas the others did not, the staff proposes that conciliation agreements be required from all three with the difference that no fine will be exacted from Mr. Ford.

Now if the staff has its way what has Mr. Ford gained by having himself undertaken to correct the matter? He has saved \$500!

I put it to you that to a person with the means to make a \$1,500 contribution, a \$500 saving is nothing. And if it is to be the position of the Commission that one who, upon his own discovery that he has a political contribution problem, undertakes to correct the same will save himself \$500 but otherwise be put through the same humiliation and censure as another who is aware of the problem but elects to do nothing, then the former would be well advised to do nothing, keep everything as quiet as possible, and hope the matter escapes official attention.

This can hardly be sound public policy or a sound way to encourage respect for the election laws.

5. Reason for Not Litigating.

When it first began to appear that the staff might insist on a conciliation agreement Mr. Ford had resolved, as a matter of principle, to force the issue into the courts, if necessary. In addition to there being some legal issues as to the existence of a violation (the plan to hold a similar luncheon with candidate Gerald Ford could not be worked out; disregarding the cost of luncheons for the candidate's supernumery press contingent, the amount involved is less than \$1000; and the purpose of the luncheon was not to influence the election but to influence the candidate), there is also the question of whether, as a matter of law, any violation was obviated by securing reimbursement from a proper source before the election was over, and the question of whether under all the circumstances it would be an abuse of the court's process to be bringing to it a matter already corrected.

Unfortunately, entirely unrelated events have since caused Mr. Ford to submit to a conciliation agreement, if demanded by the Commission. I refer to a stockholders' suit recently instituted by Roy Cohn, a well-known controversial lawyer, against Mr. Ford and charging him, as the chief executive of Ford

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 6.

Motor Company, with various financial wrongdoings including accepting a \$750,000 bribe, purchasing and furnishing dwellings in England with Company funds, etc. Although these charges are utterly without foundation and have been vigorously denied in detail, they are reported in the press and doubtless each step in the progress of that litigation will be reported, but in the nature of things it could be a year or two or more before the public learns from the court that the charges are without any foundation.

While there is no connection between that stockholders' suit and this campaign contribution matter, suit by the Commission against Mr. Ford at this time could be misconstrued by some as calling into question Mr. Ford's integrity or his reputation as a law-abiding citizen or in some crazy way supportive of Mr. Cohn's unfounded charges.

Therefore, Mr. Ford has foregone his original resolve not to accept censure and has instructed me to sign a conciliation agreement to dispose of the matter if the Commission does not agree that "no action should be taken".


* * *

In brief, but for this other pending litigation, it would be our advice and Mr. Ford's inclination to challenge the staff's position in court. Since the time is unfortunately not propitious for this, I request the Commission afford the relief I believe, in normal times, we would obtain from a court. I believe the statute above cited provides the authority for "no action", and the facts of this case warrant such relief.

I understand that there is no other instance in which the staff has pursued an excess contributor who obtained reimbursement entirely on his own initiative and before the campaign was over. Mr. Ford is not asking for special treatment. Rather he is seeking to avoid "special treatment" by the FEC staff, for it is inconceivable that any citizen not a public figure would be required to sign a conciliation agreement under the circumstances.

Your attention to this matter is greatly appreciated.

Very sincerely yours,


Pierre V. Heftler

PVH/ch

BODMAN, LONGLEY & DAHLING
34TH FLOOR, 110 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

100-100000-1000
100-100000-1000

JUN 5 AM 10:29

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Attn: Mr. Hal Ponder

ACC 3886

RECEIVED
FEDERAL ELECTION
COMMISSION

The Coca-Cola Company

ATLANTA, GEORGIA

JUN 22 AM 11:46

ROBERT A. KELLER
VICE PRESIDENT
AND
DEPUTY GENERAL COUNSEL

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA 30301
404-897-2121

June 16, 1978

CERTIFIED -- RETURN RECEIPT REQUESTED

803856

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

RE: MUR 333 (76)

Dear Mr. Oldaker:

Enclosed are two duplicate original Conciliation Agreements which conform to the provisions outlined in your letter to Alan Dye of May 18, 1978. Both have been signed by C. W. Adams, the current Chairman of the Nonpartisan Committee for Good Government.

Upon receipt of one original Agreement executed by the Commission, we will then forward to the Commission a check in the amount of \$500.

Sincerely,

Robert A. Keller
Robert A. Keller

RAK/lc
Enclosures

1800100000

RECEIVED
FEDERAL ELECTION
COMMISSION

78 JUN 22 AM 11:46

Postage

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The Coca-Cola Company

P. O. Drawer 1734
ATLANTA, GEORGIA 30301

FOR CERTIFIED - RETURN RECEIPT REQUESTED

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

WEIGHT
5.12 OZ (145g)

CERTIFIED
MAIL

No. 025044

RETURN RECEIPT REQUESTED

USA 1328 48075 R

DOC 3432
NRV

WASHINGTON PARTNERS
H. CLAYTON COOK, JR.
H. LAWRENCE FOX
ROBERT T. LASKY
THOMAS A. RUSSO
STEPHEN N. SHULMAN
FRANK WILLE

Cadwalader, Wickersham & Taft

ONE WALL STREET
NEW YORK, N. Y. 10005
TELEPHONE: (212) 788-1000
CABLE ADDRESS: LABELLUM
TELEX: 12-0146
667468

Eleven Dupont Circle

Washington, D.C. 20036

Telephone: (202) 387-8100

Telex: 710-822-1934

NEW YORK PARTNERS
RICHARD A. ABORN
JACK ADELMAN
STEPHEN G. AUSTIN
JOHN BOYER
PETER MEGARGEE BROWN
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RODNEY S. DAYAN
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STEVE C. DUNE
DAVID W. FEENEY
P. JAY FLOCKEN
JOHN F. FRITTS
TERENCE F. GILHEAN
STEPHEN P. GOTTLIEB
GRANT B. HERING
LEONARD E. KUST
ROBERT C. LAWRENCE III
JAY H. MCDOWELL
WILLIAM J. MOSS
HORACE P. MOULTON
JOHN J. O'GRADY III
ROY ALBERT POVELL
GEORGE D. REYCRAFT
HADLEY S. ROE
HAVEN C. ROOSEVELT
STUART D. ROOT
STEVEN A. RUSKIN
JEROME SHELBY
GERALD T. SLEVIN
JOHN A. SULLIVAN
RICHARD T. TAYLOR
COURTLAND W. TROUTMAN
JONATHAN M. WAINWRIGHT
JOHN J. WALSH
MALCOLM P. WATTMAN
ARNOLD J. ZURCHER, JR.

June 7, 1978

Mr. William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 333(76)

Dear Mr. Oldaker:

Enclosed is the conciliation agreement,
approved by the Commission in the above matter,
signed on behalf of the 1976 Democratic Presiden-
tial Campaign Committee.

Sincerely,

Lynda S. Mounts

Lynda S. Mounts

LSM/dsf
cc: Hal Ponder
Enclosure

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7 8 0 4 0 0 5 1 8 7 2

By Hand

Cadwalader, Wickersham & Taft

Eleven Supreme Court, Washington, D. C. 20036

Mr. Hal Ponder, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Doc 3706

803277

BODMAN, LONGLEY & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48203 5 AM 10:29

(313) 259 7777

May 31, 1978

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

JOSEPH A SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977

- LOUIS F. DAHLING
- FREDERICK C. NASH
- PIERRE V. HEFTLER
- RICHARD D. ROHR
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- JOSEPH J. KOCHANEK
- RANDOLPH S. PERRY
- KATHLEEN A. LIEDER
- JAMES J. WALSH

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

MUR 333(76)

Attn: Mr. Hal Ponder

Dear Mr. Ponder:

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I await word of the Commission's decision.

Very truly yours,

Pierre V. Heftler

PVH/ch
Encl.

7301035187

BEFORE THE FEDERAL ELECTION COMMISSION
JUNE , 1978

Draft of May 31, 1978

In the Matter of: :
: :
Nonpartisan Committee For :
Good Government, 1976 : MUR 333 (76)
Presidential Campaign :
Committee, Inc. :
Edgar Bronfman and :
Henry Ford II :

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford II and the subject matter of this proceeding.

II. That respondent Henry Ford II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford II paid \$1,510.03 for his share of the costs of the luncheon. Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office.

D. Subsequently, and on being advised by his counsel that paying for the Carter luncheon might, under the 1976 amendments to the law, be construed as a contribution, respondent Henry Ford II voluntarily sought to redress the situation and make the question moot by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

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Wherefore, respondent Henry Ford II and the Commission agree:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That the payment by respondent Henry Ford II of his portion of the luncheon at which Presidential nominee Carter appeared constituted, according to the Commission's construction, a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford II's payment was made in violation of such section.

IV. That the Commission has determined that the respondent Henry Ford II pay no civil penalty because, on his own accord, he made a good faith effort to rectify a matter, construed by the Commission as a violation, prior to the Commis-

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sion's knowledge and investigation of the matter, by seeking and obtaining, before the campaign was over, a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

PIERRE V. HEFTLER
FOR THE RESPONDENT
HENRY FORD II

WILLIAM C. OLDAKER
GENERAL COUNSEL

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BODMAN, LONGLEY & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

May 31, 1977

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 262-2100

JOSEPH A. SULLIVAN
1951

HENRY E. BOGLEY
1953
CLIFFORD B. LONGLEY
1954
HENRY C. BOGLEY
1977

LOUIS E. DAHLING
FREDERICK C. HARRIS
BERNARD V. HEFFLER
RICHARD B. BOHR
THEL BORE SCOURIS
TARSON C. GRUBENWALD
WALTER G. KOCH
ALBERT C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
KENNETH R. LAN
LLOYD C. FELL
JAMES T. HEMMICH
MERO D. MEE DEASON
JAMES A. SMITH
GERALD VAN WYKE
JAMES R. BUSCHMANN
JOSEPH M. BROWN
ANDREW J. BRODER
SERGEI G. REMELEY
H. HALL A. STACY
DAVID M. HEMSTEAD
JOHN J. KOBENBERG
DANIEL S. PERRY
KATHLEEN A. DIEHL
JAMES J. WALSH

The Honorable Joan D. Aikens
The Honorable Robert O. Tiernan
The Honorable Thomas E. Harris
The Honorable Neil O. Staebler
The Honorable William G. Springer
The Honorable Vernon W. Thomson
Federal Election Commissioners
Federal Election Commission
Washington, D. C.

Dear Commissioners:

Since August, 1977, I have been involved in discussions with your staff on whether our client, Henry Ford II, should be required to enter into a conciliation agreement because of his participation in a businessman's luncheon attended by presidential candidate Jimmy Carter. For reasons which I will explain, Mr. Ford feels the facts in this case do not warrant a conciliation agreement whereas your staff insists that there be one. In my letter of March 6, 1978 to your staff, I asked that, if the staff intended to propose to the Commission any action other than closing the file, I be given the opportunity to appear before the Commission and present argument. The staff's response was: "If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court."

I feel strongly, particularly under the unusual facts of this case, that there ought to be some way for a person under investigation by the Commission to put his side of the matter to the members of the Commission directly. To communicate with the

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 2.

Commission only through the staff with whom he is already in disagreement, amounts to a denial of effective communication between the one being investigated and the body whose judgment he is entitled to have in the disposition of his case. I have, therefore, presumed to send to each member of the Commission and, of course, to the Commission's General Counsel, this letter setting out as briefly as possible the issue in this case:

1. The Facts.

For a number of years Henry Ford II sponsored luncheons or dinners held to introduce political candidates to the business community. Prior to the election law amendments of 1976, payment for such a luncheon was not considered a political contribution.

On May 20, 1976 Henry Ford II was invited by J. Paul Austin to join him and Edgar Bronfman in hosting a businessman's luncheon at which candidate Jimmy Carter would appear and speak. Mr. Ford agreed. The luncheon took place on July 22, 1976, attended by 52 business persons. Candidate Jimmy Carter was present and spoke. Henry Ford II's one-third share of the bill was \$1,510.03. He received this bill approximately August 9, 1976, approved it for payment, and it was paid August 10th, out of his personal funds.

Several weeks later, Henry Ford II's secretary brought to his attention a memo written by me in response to the secretary's request for general information on political contributions under Federal and Michigan law. This memo set out various limitations and included a warning on independent expenditures and on acting as a host. As a result of the warning in this memorandum, Henry Ford II instructed me to look into the Jimmy Carter luncheon. I investigated the facts and consulted with representatives of Mr. Austin and Mr. Bronfman, and on September 21 I advised that the payment of the luncheon bill might be construed to be a contribution under the 1976 amendments. Mr. Ford immediately applied for reimbursement from the Democratic National Committee and he was reimbursed in full on October 22, 1976.

Two other facts, although not crucial, are of some pertinence: The plans included having candidate Gerald Ford address the same group of business executives, but it was never possible to arrange a suitable date. The luncheon bill included

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 3.

not only the cost for those for whom the luncheon was intended; it also included the cost of meals for the press corps that travelled with the candidate. If this latter cost were excluded, Mr. Ford's share of the bill would have been less than \$1,000.

2. Negotiations with Staff.

Your staff's first inquiry into this was by letter of July 29, 1977, some 9 months later. I responded on August 11, 1977, by letter reciting the facts, giving copies of the check by which the bill was paid by Mr. Ford, and the one by which he was reimbursed by the Democratic National Committee, and I stated that we had considered the matter closed.

Following this we have had a number of letters back and forth. The staff insists upon a conciliation agreement. We have insisted there is nothing to conciliate, that there is nothing for the Commission to correct; and that if any error was made, it was corrected by Mr. Ford himself when he proceeded, entirely on his own initiative, and without any thought of there being an investigation, to correct any violation that might have existed by obtaining reimbursement from a proper party.

The staff has insisted that obtaining reimbursement "does not obviate the violation", pointing out that the reimbursement was not obtained until three months after the event. But reimbursement was obtained within two months after payment; it was requested within about two weeks after Mr. Ford became aware that there might be a problem; and, most important of all, the correction by Mr. Ford was instituted sua sponte, and accomplished while the political campaign was still going on.

The staff insists that whenever there is a violation there must be a conciliation agreement, a position which I submit is contrary to the statute, for the statute provides in 437(g)(4) that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken". I think it is significant that the statute does not require a person to demonstrate that there was no violation but only that no action should be taken. If, under the circumstances here, action must be taken, the words, carefully selected by Congress, have no rational meaning and serve no useful purpose.

We are now at the point where the staff, in effect, has said either we have a conciliation agreement or I must present my arguments to the court.

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 4.

3. Objections to Conciliation Agreement.

The staff has made a number of suggestions as to the form of the conciliation agreement and I am prepared to say that if there must be a conciliation agreement the form now proposed is as innocuous as one could imagine. However, it is not so much the form of the conciliation agreement which is objectionable as it is the fact that a conciliation agreement in any form is demanded.

We take the position that, given the circumstances in this case, being required to sign an agreement can have no other purpose than to humiliate Mr. Ford. A conciliation agreement is a method by which violators of the Federal election laws are brought into line; by which violators are required to make some amends for their transgressions; and by which others are warned not to be violators. Now it does not matter that the form of agreement now proposed for Mr. Ford is relatively innocuous. The conciliation agreement becomes a matter of public record. Even if it is reported verbatim in the press, the readers would not be sufficiently versed on the subject to distinguish between an innocuous conciliation agreement and a most severe one. The persons named in conciliation agreements would all be lumped together as reprehensible persons whom a Federal agency decided should be censured for their actions.

Instead of being censured and humiliated, we think Mr. Ford should be commended for his efforts to abide by the law and, without any outside stimulus, to correct any instance where there might have been a question. We would suggest that if all persons could be counted on to have the same attitude toward the election laws and to see to it that contributions come from proper sources, there would be no need for the Commission to have any enforcement apparatus whatever.

We submit, as we have to the staff, that this is an instance in which, in the words of the statute, "no action should be taken".

4. Policy Toward Spontaneous Correction.

Three persons were involved in hosting this luncheon: Mr. Ford, and Messrs. Bronfman and Austin. The last two have signed (or are about to sign) conciliation agreements which

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 5.

include express or implied admissions that there was a violation and provide for a \$500 fine. Notwithstanding the fact that Mr. Ford acted promptly to correct any possible violation, without any knowledge of or stimulus provided by the FEC, whereas the others did not, the staff proposes that conciliation agreements be required from all three with the difference that no fine will be exacted from Mr. Ford.

Now if the staff has its way what has Mr. Ford gained by having himself undertaken to correct the matter? He has saved \$500!

I put it to you that to a person with the means to make a \$1,500 contribution, a \$500 saving is nothing. And if it is to be the position of the Commission that one who, upon his own discovery that he has a political contribution problem, undertakes to correct the same will save himself \$500 but otherwise be put through the same humiliation and censure as another who is aware of the problem but elects to do nothing, then the former would be well advised to do nothing, keep everything as quiet as possible, and hope the matter escapes official attention.

This can hardly be sound public policy or a sound way to encourage respect for the election laws.

5. Reason for Not Litigating.

When it first began to appear that the staff might insist on a conciliation agreement Mr. Ford had resolved, as a matter of principle, to force the issue into the courts, if necessary. In addition to there being some legal issues as to the existence of a violation (the plan to hold a similar luncheon with candidate Gerald Ford could not be worked out; disregarding the cost of luncheons for the candidate's supernumery press contingent, the amount involved is less than \$1000; and the purpose of the luncheon was not to influence the election but to influence the candidate), there is also the question of whether, as a matter of law, any violation was obviated by securing reimbursement from a proper source before the election was over, and the question of whether under all the circumstances it would be an abuse of the court's process to be bringing to it a matter already corrected.

Unfortunately, entirely unrelated events have since caused Mr. Ford to submit to a conciliation agreement, if demanded by the Commission. I refer to a stockholders' suit recently instituted by Roy Cohn, a well-known controversial lawyer, against Mr. Ford and charging him, as the chief executive of Ford

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 6.

Motor Company, with various financial wrongdoings including accepting a \$750,000 bribe, purchasing and furnishing dwellings in England with Company funds, etc. Although these charges are utterly without foundation and have been vigorously denied in detail, they are reported in the press and doubtless each step in the progress of that litigation will be reported, but in the nature of things it could be a year or two or more before the public learns from the court that the charges are without any foundation.

While there is no connection between that stockholders' suit and this campaign contribution matter, suit by the Commission against Mr. Ford at this time could be misconstrued by some as calling into question Mr. Ford's integrity or his reputation as a law-abiding citizen or in some crazy way supportive of Mr. Cohn's unfounded charges.

Therefore, Mr. Ford has foregone his original resolve not to accept censure and has instructed me to sign a conciliation agreement to dispose of the matter if the Commission does not agree that "no action should be taken".

* * *

In brief, but for this other pending litigation, it would be our advice and Mr. Ford's inclination to challenge the staff's position in court. Since the time is unfortunately not propitious for this, I request the Commission afford the relief I believe, in normal times, we would obtain from a court. I believe the statute above cited provides the authority for "no action", and the facts of this case warrant such relief.

I understand that there is no other instance in which the staff has pursued an excess contributor who obtained reimbursement entirely on his own initiative and before the campaign was over. Mr. Ford is not asking for special treatment. Rather he is seeking to avoid "special treatment" by the FEC staff, for it is inconceivable that any citizen not a public figure would be required to sign a conciliation agreement under the circumstances.

Your attention to this matter is greatly appreciated.

Very sincerely yours,


Pierre V. Heftler

PVH/ch

78040054886



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 18, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ronald D. Eastman, Esq.
Verner, Liipfert, Bernhard
and McPherson
Suite 1000
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333 (76)

Dear Mr. Eastman:

On May 10, 1978, the Commission approved the proposed conciliation agreement for respondent 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) with the exclusion of paragraph III, page 2 and paragraph IV, page 3.

Accordingly, we are submitting the approved conciliation agreement to you for respondent Presidential Committee. If your client agrees with the provisions of the agreement, please have it signed and returned to the Commission within ten (10) days of receipt of this letter.

If you have any questions, please contact Hal Ponder or Ellen Hughes (telephone no. (202)523-4006). This letter and the attached conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

A handwritten signature in black ink, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

Enclosure

7 9 0 4 0 0 5 1 8 3 1

233-8A

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
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 - RESTRICTED DELIVERY
Show to whom and date delivered.....¢
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ ____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Ronald D. Eastman Esq. Verne Lippert Bernhard and AC Phursh, Suite 1000, 1460 L St. NW, Washington, D.C. 20036*

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438190	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY *L. Hunt* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

7 3 0 1 0 7 5 4 8 3 5
This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

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III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

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II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Date

For the Respondent
1976 Democratic Presidential
Campaign Committee, Inc.

Date

William C. Oldaker
General Counsel

23040751830



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 18, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alan P. Dye, Esq.
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C.

Re: MUR 333 (76)

Dear Mr. Dye:

Enclosed is the proposed conciliation agreement which we believe may satisfy the Commission's aims, as well as your client's desires.

We have omitted paragraph E, page 2, of your proposed conciliation agreement dated March 29, 1978, due to the Commission's objection to this language in a similar conciliation agreement with another respondent in this matter. Paragraph E, page 2, of the attached conciliation agreement includes language that was submitted by you in a draft conciliation agreement dated July 6, 1977, and which the Commission approved on July 20, 1977.

We have also amended paragraph I, page 3, of your proposed conciliation agreement dated March 29, 1978, to include language which has been approved for another respondent in this matter.

Accordingly, if your client agrees with the provisions of the agreement, please have it signed and returned to the Commission within five (5) days of receipt of this letter.

If you have any questions, please contact Hal Ponder or Ellen Hughes (telephone no. (202)523-4006). This letter and the attached conciliation agreement will remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel

cc: Robert A. Keller

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11825006137

333-EH

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
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 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$.....
 (CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
 Alan P. Day, Esq.
 Webster & DeHambartain
 1747 Pennsylvania Ave., N.W.
 Washington, D.C.

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438191	

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: **MAY 22 1978** POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

Before the Federal Election Commission

May 12, 1978

In the Matter of)
Nonpartisan Committee for Good) MUR 333 (76)
Government)
1976 Democratic Presidential)
Campaign Committee, Inc.)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by the Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

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of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Date

For the Respondent
Nonpartisan Committee for Good
Government

William C. Oldaker
General Counsel

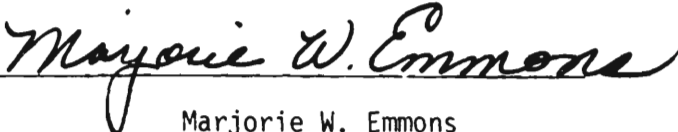
730100518

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee for Good)
Government)
1976 Presidential Campaign) MUR 333 (76)
Committee, Inc.)
Edgar Bronfman)
Henry Ford II)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 10, 1978, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to accept the conciliation agreement attached to the General Counsel's Report in the above-captioned matter, with the exception of Paragraph III, page 2 and Paragraph IV, page 3.


Marjorie W. Emmons
Secretary to the Commission

Date: 5/12/78

73040751817

Before the Federal Election Commission

May 5, 1978

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government)
1976 Presidential Campaign)
Committee, Inc.)
Edgar Bronfman)
Henry Ford II)

General Counsel's Report

The attached draft conciliation agreement has been submitted by respondent 1976 Democratic Presidential Campaign Committee for Commission approval. Counsel for respondent has requested that his letter of April 25, 1978 be submitted in conjunction with the proposed conciliation agreement.

Paragraph I, page 2 of the conciliation agreement is based on language drafted by the General Counsel's office. This language contains the ideas discussed at the Commission meeting of April 13, 1978, but has been amplified both in order to be more specific and to be in accord with the language used in the agreement with respondent Bronfman in this same MUR.

The staff recommends against Commission approval of paragraphs III, page 2 and IV, page 3.

With respect to paragraph III, even though the identical language was approved by the Commission in the agreement with the President Ford Committee (MUR 190, 198), it is irrelevant to the facts in this case. The events in question in the Ford agreement

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occurred in 1975, while the events on which this matter is based occurred in 1976, after the law with its present amendments became effective. Although the regulations did not become effective until April 12, 1977, they do not address the issue at hand (i.e., the issue described in paragraph I, page 2 of the agreement). Further, the Supreme Court decision in Buckley v. Valeo does not deal with this particular issue. Therefore, paragraph III appears to be particularly inappropriate in this matter.


With respect to paragraph IV, this language is self-serving and therefore inappropriate to a conciliation agreement. Further, since the purpose of the wording would appear to be to show that the respondents took their actions in good faith, this idea is clearly implied in the wording of paragraph VIII, page 3, thereby making paragraph IV unnecessary.

With the exception of paragraphs III and IV (on pages 2 and 3), this office recommends Commission approval of the conciliation agreement.

Recommendation

Approve the conciliation agreement with the exception of paragraph 3, page 2 and paragraph IV, page 3.

5/5/78
Date



William C. Oldaker
General Counsel

73040751800

In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976)
Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford, II)

MUR 333-76

CONCILIATION-AGREEMENT

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007 (b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g (a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford, II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. 441a (a) (7) (B) (i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford, II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

III. It is acknowledged that the 1976 primary and general elections were the first such elections to be governed by the Federal Election Campaign Act, as amended; that portions of the previous campaign act had been found unconstitutional by the Supreme Court in Buckley v. Valeo, 424 U.S. 1 (1976), and that the applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period.

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IV. That respondent Presidential Committee has taken the position that appearance of a candidate before a group which is nonpartisan, not established in connection with a particular election, and which represents that it is issuing a similar invitation to other major candidates for a subsequent similar appearance would not constitute a contribution-in-kind.

V. In accordance with the construction of 2 U.S.C. §441a (a) (7) (B) (i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002 (11).

VI. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b) (3).

VII. That inasmuch as the expenditure by Henry Ford, II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VIII. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g (a) (1) concernign the matters at issue therein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

10064001002

OC 334.5
NRW

LAW OFFICES

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

JAMES M. VERNER
EUGENE T. LIIPFERT
BERL BERNHARD
HARRY MCPHERSON
RONALD B. NATALIE
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RICHARD L. CYS
W. CLARK MCFADDEN
EDWARD A. CHERRY

MERRITT RUHLEN
WHITNEY GILLILLAND
OF COUNSEL

April 25, 1978

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Hughes

Re: MUR 333 (76)

Dear Mr. Oldaker:

In response to your letter of April 21, 1978, the 1976 Democratic Presidential Campaign Committee (Committee) submits the following comments regarding paragraphs III and IV, pages 2-3 of the proposed conciliation agreement in the above-referenced proceeding. We respectfully request that you present these views to the Federal Election Commission (Commission).

The language in paragraph III, page 2 is modeled after a provision approved by the Commission in a conciliation agreement with The President Ford Committee, MUR 190 (76) and MUR 198 (76). Inclusion of the provision is equally appropriate in this agreement. As we propose in paragraph III "... applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period." The Committee sees no reason to exclude this language from the formal document.

Your staff has suggested that the language is inappropriate because The President Ford Committee conciliation agreement involved events in the primary campaign period, shortly after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), while the instant agreement involves an event during the general election period. The Committee does not believe that difference is relevant. The Federal Election Campaign Act governed both the primary and general election campaigns for the first time in 1976, and the Buckley decision deals with

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William C. Oldaker
April 25, 1978
Page 2

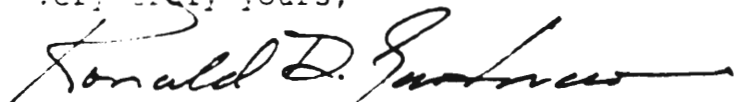
issues covering both periods. Moreover, the Commission did not finally promulgate its regulations until April 12, 1977 (42 F.R. 19324), well after both the primary and general election campaign period. The uncertainty created significant burdens and difficulties for campaigns and contributors during both the general election and primary campaign periods.

Paragraph IV, page 3 is a statement of the position taken by the Committee concerning in-kind contributions. This paragraph is necessary because, in the Committee's view, the language in paragraph I, page 2 recites an overly broad principle as to what constitutes a contribution under 2 U.S.C. 441a (a) (7) (B) (i). It would cover many instances in the future which the Committee believes properly lie outside of the statutory definition, including appearances by all major candidates before well established, non-partisan groups.

The Committee has agreed, however, to the inclusion of paragraph I in the spirit of the conciliation process. That process contemplates voluntary rectification of alleged violations without adjudicating controverted legal issues. The parties need not agree on broad legal principles to agree that certain expenditures should be reimbursed. However, in order to insure that there is no misunderstanding to the effect that the Committee agrees with the legal principle stated in paragraph I, the Committee believes that the formal document ought to reflect its disagreement about the principle involved. It hopes the Commission will permit the Committee to express its position on the record in a case where the Committee would agree to include language enunciating a principle with which it disagrees.

The Committee would appreciate your including these views in your report to the Commission and in your agreement for the Commission's consideration.

Very truly yours,



Ronald D. Eastman
Lynda S. Mounts

Counsel for the 1976 Democratic
Presidential Campaign, Inc.

By Hand

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 1, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Pierre V. Heftler
Bodman, Longley, Bogle
& Dahling
34th Floor
100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333 (76)

Dear Mr. Heftler:

This letter is in response to your letter that we received on March 10, 1978, in reference to the proposed conciliation agreement that we sent to you on February 17, 1978.

In view of the concern which you expressed that language be included in the agreement to reflect Mr. Ford's good faith efforts to rectify the violation once it came to his attention, we have added language to that effect (see page 2, paragraph D and page 3, paragraph IV).

However, Mr. Ford's actions do not moot the fact that a violation occurred, but only go to mitigate the penalty. Therefore, we must insist upon this matter being resolved by a conciliation agreement. As you are aware, if your client declines conciliation, the Commission may determine that there is probable cause to believe that a violation has occurred and institute a civil action for relief. 2 U.S.C. §437g(a)(5)(B).

In your letter, you request the opportunity to appear before the Commission to present argument if our recommendation to the Commission is any other than closing the



333 - E. Haynes

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- Show to whom and date delivered. _____ \$
 - Show to whom, date, and address of delivery. _____ \$
 - RESTRICTED DELIVERY
Show to whom and date delivered. _____ \$
 - RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____
- (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Wisma U. Heitler,*
Bodman, Langley, Boyer Building
34th Floor, 700 Renaissance Center
Detroit, Mi. 48243

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>943925</i>	

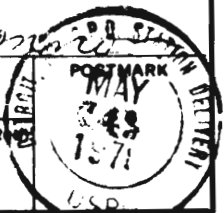
(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

[Handwritten Signature]

DATE OF DELIVERY
MAY 4 1978



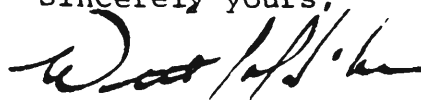
5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

file. If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court.

Sincerely yours,



William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION
March , 1978

In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976)
Presidential Campaign) MUR 333 (76)
Committee, Inc.,)
Edgar Bronfman and)
Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Henry Ford, II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon to which business executives were invited. Presidential nominee

Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

D. On being advised by his counsel that paying for the Carter luncheon might be construed as a contribution, respondent Henry Ford, II voluntarily sought to redress the situation by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford, II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

Wherefore, respondent Henry Ford, II agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

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II. That according to this construction, the payment by respondent Henry Ford, II of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford, II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford, II's payment was made in violation of such section.

IV. That the respondent Henry Ford, II will pay no civil penalty because, on his own accord, he made a good faith effort to rectify the violation prior to the Commission's knowledge and investigation of the matter, by seeking and obtaining a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford, II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or

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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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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HARRY MCPHERSON
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EDWARD A. CHERRY
MERRITT RUHLEN
WHITNEY GILLILLAND
OF COUNSEL

April 25, 1978

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

In response to your letter of April 21, 1978, the 1976 Democratic Presidential Campaign Committee (Committee) submits the following comments regarding paragraphs III and IV, pages 2-3 of the proposed conciliation agreement in the above-referenced proceeding. We respectfully request that you present these views to the Federal Election Commission (Commission).

The language in paragraph III, page 2 is modeled after a provision approved by the Commission in a conciliation agreement with The President Ford Committee, MUR 190 (76) and MUR 198 (76). Inclusion of the provision is equally appropriate in this agreement. As we propose in paragraph III "... applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period." The Committee sees no reason to exclude this language from the formal document.

Your staff has suggested that the language is inappropriate because The President Ford Committee conciliation agreement involved events in the primary campaign period, shortly after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), while the instant agreement involves an event during the general election period. The Committee does not believe that difference is relevant. The Federal Election Campaign Act governed both the primary and general election campaigns for the first time in 1976, and the Buckley decision deals with

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William C. Oldaker
April 25, 1978
Page 2

issues covering both periods. Moreover, the Commission did not finally promulgate its regulations until April 12, 1977 (42 F.R. 19324), well after both the primary and general election campaign period. The uncertainty created significant burdens and difficulties for campaigns and contributors during both the general election and primary campaign periods.

Paragraph IV, page 3 is a statement of the position taken by the Committee concerning in-kind contributions. This paragraph is necessary because, in the Committee's view, the language in paragraph I, page 2 recites an overly broad principle as to what constitutes a contribution under 2 U.S.C. 441a (a)(7)(B)(i). It would cover many instances in the future which the Committee believes properly lie outside of the statutory definition, including appearances by all major candidates before well established, non-partisan groups.

The Committee has agreed, however, to the inclusion of paragraph I in the spirit of the conciliation process. That process contemplates voluntary rectification of alleged violations without adjudicating controverted legal issues. The parties need not agree on broad legal principles to agree that certain expenditures should be reimbursed. However, in order to insure that there is no misunderstanding to the effect that the Committee agrees with the legal principle stated in paragraph I, the Committee believes that the formal document ought to reflect its disagreement about the principle involved. It hopes the Commission will permit the Committee to express its position on the record in a case where the Committee would agree to include language enunciating a principle with which it disagrees.

The Committee would appreciate your including these views when you submit the proposed conciliation agreement for the Commission's consideration.

Very truly yours,



Ronald D. Eastman
Lynda S. Mounts

Counsel for the 1976 Democratic
Presidential Campaign, Inc.

By Hand

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

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NRW

LAW OFFICES

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OF COUNSEL

April 17, 1978

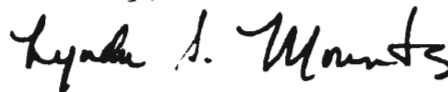
Mr. Hal Ponder
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Ponder:

Enclosed is the conciliation agreement we are proposing in the above referenced case on behalf of the 1976 Democratic Presidential Campaign Committee.

Sincerely,



Lynda S. Mounts

Enclosure

7309051915

LAW OFFICES
VERNER, LIIPFERT, BERNHARD AND MCPHERSON
SUITE 000
1660 L STREET, N.W.
WASHINGTON D.C. 20036

By Hand

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

Attention: Hal Ponder/Ellen Hughes

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee for)
Good Government, 1976)
Democratic Presidential) MUR 333 (76)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

CONCILIATION AGREEMENT

7 8 0 1 0 7 5 1 9 1 1

This matter was initiated by the Federal Election Commission (Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g (a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee For Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with ...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a (7) (B) (i), to include any instance in which an invitation is extended to a candidate to appear at a function before a group constituted in connection with a particular election, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions in-kind.

III. It is acknowledged that the 1976 primary and general elections were the first such elections to be governed by the Federal Election Campaign Act, as amended; that portions of the

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previous campaign act had been found unconstitutional by the Supreme Court in Buckley v. Valeo, 424 U.S. 1 (1976), and that the applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period.

IV. That respondent committee was unaware that appearance of the candidate for a group represented as nonpartisan would constitute a contribution in-kind.

V. The candidate's appearance at the luncheon, in the Commission's view, constituted authorization for the expenses so that the expenditures constituted a contribution within the Commission's interpretation referred to above.

VI. That respondent Presidential Committee under this construction is deemed to have accepted such contribution to defray expenses as set forth in U.S.C. §9007(b)(3).

VII. That inasmuch as the alleged contribution by Henry Ford II has already been reimbursed, respondent Presidential Committee will correct the alleged violation by reimbursement of \$3,285.14 to the Secretary of the Treasury (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VIII. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

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GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g (a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

7 3 0 1 0 7 5 1 9 : :

DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

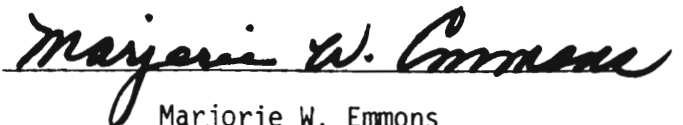
In the Matter of)
)
Nonpartisan Committee for Good)
Government; 1976 Presidential)
Campaign Committee, Inc.;)
Edgar Bronfman; and Henry Ford II)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 13, 1978, the Commission determined by a vote of 4-0 to approve the conciliation agreement submitted by the General Counsel in the above-captioned matter and amended by the General Counsel in the meeting of April 13, 1978, subject to circulation of the amended conciliation agreement to the Commission on a no-objection basis.

Commissioners Thomson and Tiernan were not present at the time of the vote.



Marjorie W. Emmons
Secretary to the Commission

Date: April 17, 1978

Conciliation Report signed by the General Counsel on April 3, 1978
Received in the Office of the Commission Secretary April 4, 1978 at 2:20 p.m.
Circulated by the Commission Secretary on April 5, 1978 at 9:00 a.m. on a
no-objection basis.
Objection filed at 4:09 p.m. on April 5, 1978.
Placed on Agenda of April 13, 1978 on April 6, 1978

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 6, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: MUR 333 (76) - Conciliation Report dated 3-30-78
Signed by General Counsel 4-3-78
Received in Office of Commission
Secretary 4-4-78, 2:20

The above-mentioned document was circulated to the Commissioners on a 24 hour no-objection basis at 9:00 a.m., April 5, 1978.

Commissioner Aikens submitted an objection a 4:09 p.m., April 5, 1978, thereby placing MUR 333 (76) on the Executive Session Agenda for April 13, 1978.

April 4, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 333

Please have the attached Conciliation Report on MUR 333 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

78040054923

Before the Federal Election Commission

March 30, 1978

In the Matter of)
)
Nonpartisan Committee for Good) MUR 333 (76)
Government, 1976 Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and Henry Ford II)

Conciliation Report

On March 3, 1978, the Commission approved the Conciliation Agreement signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Bronfman, on a no-objection basis. On March 28, 1978, the civil penalty assessed against respondent Edgar Bronfman was paid.

On March 7, 1978, a letter and proposed conciliation agreement were sent to Mr. Ronald Eastman, legal counsel for the 1976 Presidential Campaign Committee, Inc. (see Attachment A). On March 24, 1978, Hal Ponder and Ellen Hughes met with Mr. Ronald Eastman and discussed the proposed conciliation agreement. He will be sending us some suggested revisions to the proposed conciliation agreement within two weeks.

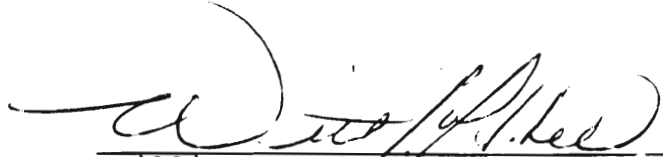
On March 9, 1978, a letter and proposed conciliation agreement were sent to Mr. Alan P. Dye, legal counsel for the Nonpartisan Committee for Good Government (see Attachment B). We will be meeting with Mr. Dye on April 11 to discuss the proposed conciliation agreement.

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On March 10, 1978, we received a response letter from Mr. Pierre V. Heftler, legal counsel for Henry Ford II. We are presently drafting a revised proposed conciliation agreement for respondent Henry Ford II and will shortly be sending it to Mr. Heftler.

4/3/78

Date



William C. Oldaker
General Counsel

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In the Matter of)
)
 Nonpartisan Committee For)
 Good Government, 1976)
 Democratic Presidential) MUR 333(76)
 Campaign Committee, Inc.,)
 Edgar Bronfman, and)
 Henry Ford, II)

CONCILIATION AGREEMENT

This matter was initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Federal Election Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford, II paid \$1,510.03, respectively, as their share of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford, II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their share of the costs of the luncheon was a contribution-in-kind.

III. That Presidential nominee Jimmy Carter's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which were such as to further his election within the meaning of 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee accepted such contribution to defray a qualified campaign expense as set forth in 2 U.S.C. §9007(b)(3).

V. That inasmuch as the contribution by respondent Henry Ford, II has already been reimbursed, respondent Presidential Committee will correct the violation through

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a reimbursement of \$3,285.14 to the Secretary of the Treasury. [This reimbursement figure is derived from the sum of the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon.]

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

76040054931

DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

730400519??

In the Matter of)
)
 Nonpartisan Committee For)
 Good Government, 1976) MUR 333(76)
 Democratic Presidential)
 Campaign Committee, Inc.,)
 Edgar Bronfman, and)
 Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee For Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by the Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in

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the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford, II, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

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Wherefore, Respondent Nonpartisan Committee agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That because the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was reported as an independent expenditure, respondent Nonpartisan Committee was in violation of 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred dollars (\$500) pursuant to 2 U.S.C. §437(a)(6)(B).

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V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes

730103519

effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT

NONPARTISAN COMMITTEE FOR
GOOD GOVERNMENT

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

73040751911

800 3085

801306

Edgar M. Bronfman

375 Park Avenue
New York, New York 10022 35
March 23, 1978

Hal Ponder, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Ponder:

In satisfaction of paragraph III in
the conciliation agreement in the matter of
MUR 333 (76), I enclose a check from Mr. Bronfman's
personal account in the amount of \$500.00

Sincerely yours,

Maxine Hornung
Maxine Hornung
Attorney-in-Fact

mh

79040754935

EDGAR M. BRONFMAN

No. 8983

MARCH 23 19 78 1-1
210

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION

\$500.00

FIVE HUNDRED & 00/100----- DOLLARS

THE BANK OF NEW YORK

360 PARK AVENUE, NEW YORK, N.Y. 10022

Maria Hornung

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43 4728⑆



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON D.C. 20463

March 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Sorenson:

On March 3, 1978, the Commission approved the signed conciliation agreement for respondent Edgar Bronfman. Attached is a copy of the final conciliation agreement.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

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066 333 EH

● SENDER: Complete items 1., 2., and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$ (CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Theodore Sorenson, Paul, Weiss, Rifkind, Wharton, & Garrison 345 Park Ave NY NY 10022	
3. ARTICLE DESCRIPTION: REGISTERED NO. 438425	CERTIFIED NO. INSURED NO.
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
4. DATE OF DELIVERY 3/7/78	POSTMARK
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

7 8 3

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 7 , 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald D. Eastman

Verner, Liipfert, Bernhard and
McPherson
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333 (76)

Dear Mr. Eastman:

In accordance with the conversation with Mr. Hal Ponder of this office on February 16, 1978, we are attaching the conciliation agreement we would propose for your client, the 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee).

To briefly review the facts of this matter, on April 11, 1977, a letter was sent to Mr. Douglas Huron, White House Deputy Counsel, notifying him that the Commission found reasonable cause to believe that the Presidential Committee accepted a contribution to defray a qualified campaign expense in violation of 26 U.S.C. §9007(b)(3), and inviting the Presidential Committee to conciliate the matter. Attached you will find a copy of this letter.

In the April 11, 1977 letter the Commission requested the the Presidential Committee reimburse the Secretary of the Treasury in the amount of \$1,775.11. However, further investigation into this matter revealed that Mr. Edgar Bronfman and Mr. Henry Ford, II also shared in the costs of the luncheon, expending approximately \$1,510.03 each. Therefore, both Mr. Bronfman's and Mr. Ford's expenditures for the luncheon are also considered contributions-in-kind accepted by Presidential nominee Carter to defray a qualified campaign expense.



78040054969

MUR 333 Hughes

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered. _____

Show to whom, date, and address of delivery. _____

RESTRICTED DELIVERY
Show to whom and date delivered. _____

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Ronald Eastman
1660 L Street, NW
Wash DC 20036

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438426	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

H. Hunt

DATE OF DELIVERY

3/9/78

POSTMARK

MAR 9 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered. _____¢

Show to whom, date, and address of delivery. _____¢

RESTRICTED DELIVERY
Show to whom and date delivered. _____¢

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

*Alan P. Dye, Esq., Webster &
Chamberlain, 1747 Pennsylvania Ave
Wash, D.C. 20006*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>43845</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

Jay Necker

DATE OF DELIVERY,	POSTMARK
ADDRESS (Complete only if requested)	

6. UNABLE TO DELIVER BECAUSE:	CLERK'S INITIALS

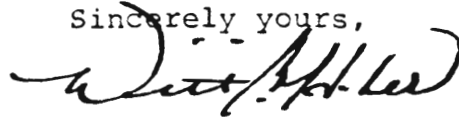
On October 22, 1976, Mr. Ford, II was reimbursed by the Democratic National Committee for his share of the luncheon cost. Mr. Bronfman has not, as of this date, been reimbursed by any affiliated committee of President Carter.

Accordingly, we have requested, in the attached proposed conciliation agreement, that the Presidential Committee reimburse the Secretary of the Treasury in the amount of \$3,285.14.

We would appreciate a response from you regarding the enclosed proposed conciliation agreement within five days of receipt of this letter. If you have any questions, please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement will remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,



William C. Oldaker
General Counsel

enclosure

78040054941



11 APR 1977

Mr. Douglas Huron
Deputy Counsel
The White House
Washington, D. C.

Re: MUR 333 (76)

Dear Mr. Huron:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007(b)(3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002(11). The Commission thus rejects the view, put further by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone number)

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202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CREed:cfb:3/29/77

cc: Compliance Section MUR 333 (76)
CR

In the Matter of)	
)	
Nonpartisan Committee For)	
Good Government, 1976)	
Democratic Presidential	)	MUR 333(76)
Campaign Committee, Inc.,)	
Edgar Bronfman, and)	
Henry Ford, II)	

CONCILIATION AGREEMENT

This matter was initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Federal Election Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Government(Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford, II paid \$1,510.03, respectively, as their share of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford, II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their share of the costs of the luncheon was a contribution-in-kind.

III. That Presidential nominee Jimmy Carter's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which were such as to further his election within the meaning of 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee accepted such contribution to defray a qualified campaign expense as set forth in 2 U.S.C. §9007(b)(3).

V. That inasmuch as the contribution by respondent Henry Ford, II has already been reimbursed, respondent Presidential Committee will correct the violation through

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a reimbursement of \$3,285.14 to the Secretary of the Treasury. [This reimbursement figure is derived from the sum of the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon.]

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

73040054917

DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040751913

2000922

FEDERAL ELECTION COMMISSION

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259 7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

LOUIS F. DAHLING
FREDERICK C. N...
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE S. SOUBIS
CARSON C. GRUNEWALD
WALTER D. KOCH
ALFRED J. WORTLEY, JR.
MICHAEL H. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. HILL
JAMES T. HEIMBUCH
HEROLD MCG. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES R. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

1977 MAR 10 AM 10:52

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1887-1975

March 6, 1978

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Dear Mr. Oldaker:

I write to reply to your letter of February 17, 1978 and to comment on the proposed agreement you enclosed.

You have, indeed, removed the various erroneous statements in the earlier draft which gave an improper and prejudicial aspect to this matter. This has been done by reducing the facts to a six line statement that Mr. Ford co-sponsored a luncheon and paid \$1510.03 as his share of the cost. The facts and circumstances which we consider mitigating and even exonerating have been left out with the result that the factual statement gives a picture much less favorable to Mr. Ford than is his due.

Among the matters favorable to Mr. Ford which are not mentioned are the following:

- (i) that Mr. Ford was in the habit of giving luncheons and dinners and similar affairs at which candidates for public office were introduced to the business community, a practice he had formed long before the law was changed;
- (ii) that the luncheon was conceived as a non-partisan program to present both major candidates to the business community;

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 2.

(iii) that Mr. Ford was unaware of the change in the law at the time of the Carter luncheon and at the time he paid the bill;

(iv) that the possibility of a problem under the new law was spotted by Mr. Ford himself when he saw a comment in a memo his counsel had given to Mr. Ford's private secretary on the general subject of contribution limits and which, in passing, warned about acting as a host;

(v) that when Mr. Ford saw this comment he immediately instructed his counsel to investigate the Carter luncheon;

(vi) that on being advised by his counsel that paying for the Carter luncheon might be construed as a contribution, Mr. Ford immediately sought reimbursement from the Democratic National Committee and shortly thereafter he was reimbursed [it is true that reimbursement is mentioned in the proposed agreement, but not as a part of the facts, but only as a reason for not assessing a civil penalty and the reader is allowed to speculate on whether the Commission's effort brought about the reimbursement];

(vii) and finally, that Mr. Ford's own investigation of the matter, his request for reimbursement and his reimbursement all took place before the election, was done without any stimulus from the Federal Election Commission, and without any knowledge that the Commission or anyone else was interested in the subject or even aware of the facts.

I submit that by failing to include these extenuating and redeeming facts, the proposed agreement is misleading and unfair to Mr. Ford. You make it appear that through the efforts of the Commission a violator has been brought to heel, taught a lesson and forced to correct his violation.

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 3.

Each of your letters has closed with a statement that the subject matter is to remain confidential, but 437(6)(C) of the statute provides that any conciliation agreement is to be made available to the public. This places an exceptional burden on the Commission to be fair in its statement of what happened and to avoid misleading the public, and particularly the media, into unwarranted interpretations and inferences.

If the agreement were to state all the facts in Mr. Ford's case it would be clear to anyone reading it that Mr. Ford's involvement was entirely innocent, that he spontaneously corrected it and, all in all, that he acted in an exemplary fashion. I have no doubt that the reader would wonder why an agreement in such a case was necessary, how the Federal Election Commission justifies the time that must have been spent on it, and whether the case is typical of those dealt with by the Commission.

As for the need for any agreement, I continue to feel that a fair interpretation of the law does not require the Commission to "correct" a violation already corrected by the citizen on his own initiative, or to "conciliate" with a citizen who by his own actions has demonstrated that he has great respect for the election laws. Surely you are not taking the position that in every case in which you believe a violation occurred you are bound by statute to insist on a conciliation agreement. We all know that law enforcement agencies do not prosecute in every instance where they think there was a violation. They use a little common sense. Otherwise the patrolmen who gives a motorist a warning instead of a ticket would be derelict in his duty. Indeed, the very statute under which the Commission operates contemplates that the Commission has the discretion to decide whether or not to take action. I refer to 437(g)(4) which provides that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken against such person." If the statute required the Commission, willy nilly, to pursue every violation, and to enter into conciliation agreements in every case, this section would have required the accused to demonstrate that he was innocent. The fact that the statute gives to the accused the opportunity to

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 4.

demonstrate not that he was innocent, but only that "no action should be taken," makes it clear that it is within the Commission's discretion to drop the matter even if it believes a violation took place.

To insist on a written agreement, which the act makes public, which involves an admission by Mr. Ford that he violated the law and a promise not to violate the law, would have no purpose other than to degrade and humiliate him in a manner totally uncalled for by the letter or spirit of the law or the facts of this case.

If the recommendation you make to the Commission proposes any action other than closing the file, I request the opportunity to appear before the Commission to present argument.

Sincerely,

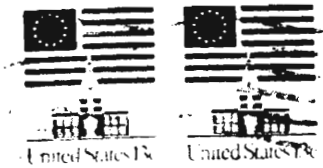


Pierre V. Heftler

P.S. While I have written this letter as though there were in fact a violation, this should not be understood as a concession on that issue. I think there is a meritorious legal question and this has been pointed out by others. However, as an alternative to replying to your first letter with an involved legal and factual presentation, I felt that Mr. Ford's situation could be expeditiously disposed of by pointing out that if any violation existed it was corrected by Mr. Ford on his own initiative by arranging for the ultimate cost of the luncheon, so far as he was concerned, to be borne by an unimpeachable source for campaign expenditures in a presidential election: the Democratic National Committee.

3
BODMAN, LONGLEY & DAHLING
34TH FLOOR, 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

71 1 10 AM



Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N. W.
Washington, D. C. 20463

GA

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rikkind,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Sorenson:

On March , 1978, the Commission approved the signed conciliation agreement for respondent Edgar Bronfman. Attached is a copy of the final conciliation agreement.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

78040054954

In the Matter of)
Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

78 FEB 27 PM 1:09

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

78040054911

A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

73040054955

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded ^{the} \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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

73040051912

in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Feb 23, 1978
DATE

Theresa C. Spence
FOR THE RESPONDENT
EDGAR BRONFMAN

March 3, 1978
DATE

William C. Oldaker
WILLIAM C. OLDAKER
GENERAL COUNSEL

7304075493

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 3, 1978, the Commission accepted the recommendation of the General Counsel to approve the conciliation agreement signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Brofman, on February 23, 1978.

Date: 3-1-78

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Memorandum dated: March 1, 1978
Received in Commission Secretary's Office: March 1, 1978, 2:38
Circulated to the Commissioners: March 2, 1978, 11:30
Method of Circulation: 24 Hour No-objection basis

780407549;

March 1, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 333

Please have the attached Conciliation Agreement distributed to the Commission on a 24 hour no-objection basis.

Thank you.

78040054960



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 1, 1978

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

SUBJECT: MUR 333(76)

Attached is the conciliation agreement approved by the Commission on February 1, 1978 and signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Bronfman, on February 23, 1978.

Approval for this conciliation agreement is recommended.

1961504087

78 MAR 1 P 2: 38

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded ^{the} \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Feb. 23, 1978
DATE

Thomas C. Spence
FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

730107519



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: MUR 333 (76) - Conciliation Report dated Feb. 23, 1978
Signed by General Counsel Feb. 24, 1978

The above-mentioned document was circulated on a 24 hour no-objection basis on February 27, 1978 at 12:30.

As of 12:30, this date, no objections have been received in the Office of Commission to the Conciliation Report.

73040751900

February 24, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 333

Please have the attached Conciliation Report on
MUR 333 distributed to the Commission on a 24 hour
no-objection basis.

Thank you.

78040054967

BEFORE THE FEDERAL ELECTION COMMISSION

February 23, 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,) MUR 333(76)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman,)
and Henry Ford, II)

CONCILIATION REPORT

On February 1, 1978, the Commission approved a proposed conciliation agreement for Mr. Edgar Bronfman, with the following amendments:

1. Deletion of paragraph A on pages two and three of the proposed agreement.
2. Deletion of paragraph D on pages two and three of the proposed agreement.
3. Substitution of the word "penalty" for the word "assessment" at the end of line five on page four of the proposed agreement.

On February 7, 1978, a letter was sent to Theodore Sorenson, legal counsel for Mr. Bronfman, setting out the above described amendments to the previously discussed proposed conciliation agreement. Subsequently, on February 16, 1978, a letter and amended proposed conciliation agreement incorporating the changes suggested by the Commission were sent to Mr. Sorenson (see Attachment A).

On February 17, 1978, a proposed conciliation agreement was sent to Mr. Pierre V. Heftler, legal counsel for Henry Ford, II (see Attachment B).

730405191

We are concluding negotiations with Alan P. Dye, legal counsel for the Nonpartisan Committee for Good Government (Nonpartisan Committee). The proposed conciliation agreement for the Nonpartisan Committee was reviewed by the Commission on July 20, 1977. A revised draft was sent to Mr. Dye in September, 1977 (exact date unknown) (see Attachment C).

On February 23, 1978, legal counsel for Mr. Bronfman telephoned to inform us that he will sign the conciliation agreement approved by the Commission and will forward it to us as soon as possible.

2/24/78
Date


William C. Oldaker
General Counsel

73040051900

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee)
 For Good Government,)
 1976 Presidential)
 Campaign Committee,)
 Inc., Edgar Bronfman)
 and Henry Ford, II)

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
Nonpartisan Committee For)	
Good Government, 1976	)	MUR 333(76)
Presidential Campaign)	
Committee, Inc., Edgar)	
Bronfman and Henry Ford, II)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford, II violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action

should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon at which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II was in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

III. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the

Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

800018

Revised Draft
September 9, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

Hughes

In the Matter of)	
)	
NONPARTISAN COMMITTEE FOR	)	MUR 333 (76)
GOOD GOVERNMENT and)	
1976 PRESIDENTIAL CAMPAIGN)	
COMMITTEE, INC.)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

This agreement is entered into after conference and conciliation with representatives of the Nonpartisan Committee for Good Government who cooperated fully with the FEC staff. The agreement shall in no manner be construed as an admission by the Nonpartisan Committee for Good Government that it has violated any provisions of the Federal election laws and should not be construed in any way to reflect on the actions or intentions of others involved in the activity described herein.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly

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entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford 2d, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission

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could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and should be so reported to avoid conflict with the FEC. Thus, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, Respondent Nonpartisan Committee solely for the purpose of this proceeding agrees:

I. That the Commission has construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. § 441a(a)(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function intended to influence a federal election, and the candidate accepts and appears at the function.

II. According to this construction, the invitation to Presidential nominee Jimmy Carter, his acceptance, and his appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i), and Respondent's action in reporting the expenditure as an independent expenditure

7804075197

was in violation of 2 U.S.C. § 434(3)(2).

III. The Commission concludes that Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431e.

✓ IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$200 pursuant to 2 U.S.C. § 437(a)(6)(B).

V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the Respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

73040751937

III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

73040351911

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
NEW YORK, N. Y. 10022

TELEPHONE (212) 644-8000
TELECOPIER (212) 644-8202

CABLE: LONGSIGHT, N. Y.
TELEX 12-7831

RANDOLPH E. PAUL (1946-1986)
LOUIS S. WEISS (1927-1980)
JOHN F. WHARTON (1927-1977)

LLOYD K. GARRISON
COUNSEL

MC 2813

SIMON H. RIFKIND
HOWARD A. BEITZ
ADRIAN W. DEWIND
MORRIS B. ABRAHAM
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH S. ISEMAN
JAMES B. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBARD
RICHARD H. PAUL
NORMAN ZELENGO
JOHN E. MASSINGALE
JAY TOPKIS
EDWARD N. COSTIKYAN
RAYLESS MANNING
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, JR.
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
JAMES L. PURCELL
ARTHUR KALISH
DAVID T. WASHBURN
BERNARD FINKELSTEIN
ARTHUR L. LIMAN
SEYMOUR HERTZ
WALTER F. LEINHARDT
GERALD D. STERN
ANTHONY B. KURLIN
MARTIN LONDON
DAVID C. BRODHEAD
PETER R. HAJE
LEONARD V. QUIGLEY
ALLAN BLUMSTEIN
NEALE M. ALBERT
JAY GREENFIELD
KEVIN J. O'BRIEN
ALFRED P. YOUNGWOOD
DONALD F. MOORE
JOSEPH E. BROWDY
SIDNEY S. ROSDEITCHER
ROBERT L. LAUFER
ALLEN L. THOMAS
PETER L. FEICHER
MARK H. ALCOTT
JOHN P. MCENROE
PETER J. ROTHENBERG
JUDITH R. THAYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITTER
JOHN J. ONEILL
CAMERON CLARK
LEWIS A. KAPLAN

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

February 23, 1978

73040054932

RECEIVED
FEB 24 1978

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Your file MUR 333(76)
Edgar Bronfman

Dear Hal,

In accordance with our telephone conversation, I have signed the enclosed conciliation agreement which the Commission sent to me with its letter of February 16, 1978. Please notify me when it has been approved and signed on behalf of the Commission and my client will promptly thereafter send his check.

Many thanks for your cooperation in this matter.

Sincerely,

Theodore C. Sorensen

TCS/mh
Enc.

cc: Mr. Bronfman

PAUL WEISS, RIFKIND, WHARTON & GARRISON

345 PARK AVENUE

NEW YORK, NEW YORK 10022

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

7801075483



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

February 17, 1978

Pierre V. Heftler, Esq.
Bodman, Longley, Bogle &
Dahling
34th Floor, 100 Renaissance
Detroit, Michigan 48243

Re: MUR 333(76)

Dear Mr. Heftler:

On February 7, 1978, we received a response from you on behalf of Henry Ford, II, which was in reference to the proposed conciliation agreement that the Commission sent to you on January 20, 1978.

We agree with the changes you have recommended in your letter and have revised the proposed conciliation agreement accordingly.

However, we cannot agree with your suggestion on page 4, paragraph 3 that the Commission drop the matter as having been satisfactorily resolved by the action of the respondent. Section 437g of Title 2 of the United States Code establishes the enforcement powers of the Federal Election Commission and the procedures by which this enforcement is to be accomplished. Section 437g(5)(a), which states, in part, that the Commission "... shall make every endeavor...to correct or prevent such violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement..." clearly contemplates that a conciliation agreement is to be the natural conclusion to a successful conciliation of a Commission matter. We therefore must insist that the violation, which the Commission has found reasonable cause to believe occurred, must be resolved through a conciliation agreement.



We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions, please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely,

William C. Oldaker
General Counsel

MUR 333 Hughes

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered. _____ c

Show to whom, date, and address of delivery. _____ c

RESTRICTED DELIVERY
Show to whom and date delivered. _____ c

RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ _____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*Pierre v. Heftler
Badman, Longley, Boyle &
Dabling*

3. ARTICLE DESCRIPTION

REGISTERED NO. _____ CERTIFIED NO. *438171* INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

[Signature]

4. DATE OF DELIVERY *2/24* POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee For)
Good Government, 1976) MUR 333(76)
Presidential Campaign)
Committee, Inc., Edgar)
Bronfman and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford, II violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action

should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon at which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II was in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

III. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the

Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

In accordance with a letter sent to you on February 7, 1978, we are attaching a revised conciliation agreement this office would propose for your client, Edgar Bronfman.

We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel



78040754937

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

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III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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

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in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

79090751900
DATE _____

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE _____

WILLIAM C. OLDAKER
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson, Esq.
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

We regret to inform you that, on February 1, 1978, the Commission rejected the proposed conciliation agreement that you submitted to us on January 26, 1978.

Specifically, subsections III. A and D of the proposed conciliation agreement were not, in the Commission's view, appropriate to include at this stage of the matter.

In reference to page three, paragraph III of the proposed conciliation agreement, the Commission prefers the term "penalty" rather than "assessment". In addition, a \$500 fine has been approved by the Commission as the appropriate penalty.

We remain open to any further negotiations and will arrange to meet with you if it is pertinent to the conclusion of conciliation. If you have any questions, please do not hesitate to call Hal Ponder or Ellen Hughes at 202-523-4006.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. C. Oldaker".

William C. Oldaker
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee for)
Good Government,)
1976 Presidential Campaign)
Committee, Inc.,)
Edgar Bronfman and)
Henry Ford, II)

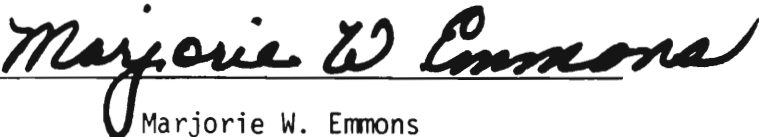
MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 1, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel in a report dated January 27, 1978, to approve the Conciliation Agreement in the above-captioned matter, said Conciliation Agreement having been amended by the General Counsel in the following respects:

1. Deletion of paragraph A on page two of the draft Agreement.
2. Deletion of paragraph D on pages two and three of the draft Agreement.
3. Substitution of the word "penalty" for the word "assessment" at the end of line five on page four of the draft Agreement.

Voting for this determination were Commissioners Aikens, Harris, Staebler, Thomson, and Tiernan. Commissioner Springer was not present at the time of the vote.



Marjorie W. Emmons
Secretary to the Commission

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RECEIVED
FEDERAL ELECTION
COMMISSION

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

'78 FEB 7 AM 10:23

OKLAHOMA COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCC. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES P. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

January 30, 1978

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1867-1975

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to respond to your letter of December 22, 1977 to the effect that you believe Mr. Ford violated 2 USC §441a (1)(A) and your letter of January 19, 1978 suggesting a conciliation agreement. (To simplify this response [and only for that purpose] I will assume that payment for the luncheon was a contribution within the meaning of the statute).

1. First with regard to the need or appropriateness of correction by the Commission through a conciliation agreement or otherwise:

I believe it is evident from the facts that: (i) there was no element of knowingly or wilfully violating the law; (ii) all that could be involved was a contribution \$510.03 in excess of the statutory \$1,000 limit; and (iii) in the end the entire amount, not merely the excess, was paid by the Democratic National Committee, itself a duly authorized source of payment of political expenses. Under these circumstances, even if it were assumed for the purpose of discussion that there was a violation, it is not clear what scope is left for you to "endeavor to correct any violation by informal methods . . ."

If correction was needed, it was fulfilled by Mr. Ford on his own initiative promptly after he became aware of a possible violation.

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William C. Oldaker, Esq.
Federal Election Commission

January 30, 1978

Page 2.

Your letter of December 22 emphasizes that reimbursement did not take place until three months after the luncheon. However, if this three months is broken up into segments we find that: (i) it was a half a month until a bill was received, and even a person fully versed in the new law would have had no cause for concern until he received a bill for more than \$1,000; (ii) a month elapsed between the payment of the bill and Mr. Ford's becoming alerted, by counsel's memorandum on the new law in general, to the possibility of a problem and asked that it be investigated; (iii) counsel took ten days to investigate and express concern that an excess contribution was involved; (iv) within a few days the Democratic National Committee was asked to reimburse Mr. Ford; and (v) within a month reimbursement was received. I do not see how Mr. Ford could be expected to have acted more promptly than he did; I do not find any delay attributable to him.

I suggest that the time lapse (whether three months from luncheon to reimbursement, or a few days between Mr. Ford's awareness of the problem and application for reimbursement) is of less importance than the reimbursement. What is more significant, I would think, is that Mr. Ford acted promptly, while the presidential election was still in its early stages; that he was reimbursed before the election took place; and, I would emphasize, all without any stimulus from the Federal Election Commission or any knowledge of the investigation referred to in your letter. I suspect, although I do not know, that all this took place even before the Commission had any knowledge of the payment.

If indeed the act was violated, it was completely unintentional, and, given the newness of the act and the prompt voluntary, corrective action, the violation should be excused.

2. Secondly, I cannot agree that a conciliation agreement is appropriate.

To begin with, the agreement proposed does not contain a fair statement of the circumstances. The implications of paragraph IIID of the proposed conciliation agreement are inaccurate and misleading. Mr. Ford did not receive a memo from me on July 29. The July 29th memo was addressed to his secretary. It probably did not reach his secretary until a day or so later; and it did not come to Mr. Ford's attention until quite some time later, and after he had paid the bill. You have Mr. Ford getting the memo on July 29.

Further, paragraph IIID implies that the memo was written in connection with the Jimmy Carter luncheon. It was not. It was in response to a general inquiry from Mr. Ford's secretary on contribution limits. My reference in the memo to acting as a host was purely gratuitous and included in the memo solely because Mr. Ford had frequently acted as

William Oldaker, Esq.
 Federal Election Commission

January 30, 1978

Page 3.

a host in prior years and before the recently enacted change in the law. Contrary to what is stated in paragraph IIID, my memo did not refer to acting as a host for "the (Carter) luncheon", but referred to acting as a host in general with no thought in mind of the Jimmy Carter luncheon. A copy of the July 29 memo is attached.

The last sentence of paragraph IIID says that on September 10, I "again" expressed concern about the Jimmy Carter luncheon. This is wrong: September 10 is the first time any concern directed specifically to the Jimmy Carter luncheon was ever expressed by anyone.

Paragraph IIID makes it appear that before Mr. Ford paid the bill he was warned by counsel and that after he paid the bill he was warned again by counsel, and only after the two warnings did he take corrective action.

This is a grave misunderstanding of what actually took place, and implies an element of wilfulness which did not exist. The fact is that after paying the bill Mr. Ford ran across a gratuitous caution about acting as host: as soon as he did he had the Jimmy Carter matter investigated, and as soon as he learned that I, as his counsel, was concerned over the Jimmy Carter matter he sought to correct it.

Paragraph I of page 3 is wrong in stating that Mr. Ford "is" in violation of 2USC 441. If he ever was in violation, he corrected it and cannot properly be said to be in violation at the present time.

Paragraph II of page 3 of the proposed agreement, to the effect that the purpose of the luncheon was to influence the presidential election, is not correct. Mr. Ford's purpose was to enable business leaders in the nation to meet with both major candidates for the presidency, although it unfortunately developed that the Gerald Ford luncheon plan could not be worked out. The impressions these business leaders formed were their own affair.

Paragraph IV of page 3 would have Mr. Ford agree not to violate 2 USC 431. I can understand that such an undertaking might be appropriate in the case of one who has carelessly or wilfully violated the law and made no attempt at correction. But here the correction was spontaneous, prompt, effective and without stimulus from any law enforcement agency or outside source. In essence Mr. Ford achieved an end result fully in accord with the law, namely, payment of the luncheon from committee funds. It does not make sense in these circumstances to ask such a person to sign an agreement not to violate the election laws when the history of the incident and his own deportment emphatically demonstrate that he needs no such reminder. Mr. Ford's actions in themselves show a great concern and respect for the laws. A conciliation agreement of the type proposed might be appropriate for those whose actions demonstrate

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William Oldaker, Esq.
Federal Election Commission

January 30, 1978

Page 4.

they lack these characteristics of concern and respect. But such an agreement, under the circumstances in this case, can have no purpose other than to demean and humiliate. It does nothing to preserve the purity of the election laws.

Finally, I do not understand what paragraph III of general conditions could mean.

* * * * *

Having acted conscientiously and promptly to correct any possible election law violation, without knowledge of any investigation by the FEC (and possibly before it even began an investigation), it is impossible to discern what else Mr. Ford, or the FEC together with Mr. Ford, can do that has not already been done to carry out the intent of Congress in enacting this law.

In view of the particular facts of this case, I respectfully suggest that the Commission ought to drop the matter as having been satisfactorily resolved by the action of the respondent himself.

Very truly yours,


P. V. Heftler

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MEMO FOR FILE
HENRY FORD II
POLITICAL CONTRIBUTIONS

1. Federal Elections

In the case of Federal elections the contribution limitations are as follows:

(i) not more than \$1,000 to any political candidate or his authorized committee, with respect to any one election.

(ii) not more than \$20,000 in any calendar year to any political committee established and maintained by a national political party which is not the authorized committee of any candidate.

(iii) not more than \$5,000 in any calendar year to any other political committee (namely, a political committee which is not authorized by any candidate and which is not maintained by a national party - examples would be committees established by trade associations, corporations, anti-abortion groups, etc.).

(iv) finally, not more than \$25,000 in any calendar year. (A contribution made to a candidate in a calendar year in which he is not running is treated as made during the calendar year in which the election is held.)

The subject of independent expenditures to promote a candidacy or a proposition is quite separate from the above, and such expenditures are permitted without limit. The only question is: are they independent? This is a very tricky area and any proposed expenditure should be reviewed in advance. It is too complicated to give any general rules other than to observe that nothing can be done in concert with a candidate or at the suggestion of the candidate, nor can any of his speeches or other campaign material be disseminated.

Any person can donate his own time to a candidate, as a volunteer worker. Any proposal to act as host to a fundraiser, banquet, etc., involving provision of food, space, or other items of value, should be reviewed, as these will likely constitute "contributions".

2. State Elections

None of the foregoing applies to elections to state office. There was a recently enacted Michigan law on

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elections but it was declared unconstitutional. Portions of it, setting limits on contributions, are being reintroduced and it is a reasonable expectation that ultimately there will be some limitations on contributions to Michigan offices or Michigan propositions.

PVH
7/29/76

cc: J. Cumming

78040753001

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

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7
3

January 27, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elisha T. Carr
SUBJECT: MUR 333 Team #4 Hughes

Please have the attached Interim Invest. Report on MUR 333 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of February 1, 1978.

thank you.

78040055003

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Edgar Bronfman)

MUR 333 (76)

EMERGENCY SESSION
1 FEB 1978

INTERIM STATUS REPORT

On December 21, 1977, the Commission found reasonable cause to believe that Edgar Bronfman had violated the provisions of 2 U.S.C. § 441a. The details of this matter are set forth in the General Counsel's Report of December 21, 1977.

On January 26, 1978, we met with Mr. Theodore Sorenson, Mr. Bronfman's legal counsel, to discuss the matters of conciliation. Mr. Sorenson contended that the Commission did not adequately assess the facts of this matter nor did it serve to distinguish Mr. Bronfman and his intentions of co-hosting a luncheon of this nature from the other respondents.

Mr. Sorenson explained Mr. Bronfman's "blue-print" plan of initiating an organization in which the business sector could create a nonpartisan forum for improved business-government relations. In light of this, Mr. Sorenson maintained that expenditures for a luncheon intended for informational purposes are neither independent nor contributions within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended. He explicitly compared the circumstances of this matter with that of the Presidential Debates sponsored by the League of Women Voters.

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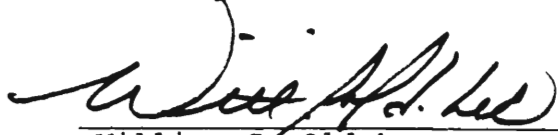
Granting that there had been no history or establishment of such a nonpartisan activity which involved the business community, Mr. Sorenson maintained that, although Mr. Bronfman might seem "naive", he was by no means intending to commit violations of the Act.

One of Mr. Sorenson's primary interests is to alleviate any history of bad records in Mr. Bronfman's name. Subsequently, he submitted further a conciliation proposal to us. (See attached copy).

RECOMMENDATION:

We recommend that the Commission accept the attached Conciliation Agreement (note that with respect to paragraph V, page 4, the respondent has agreed to pay a penalty of \$250, rather than the stated \$100 figure).

1/27/78
DATE



William C. Oldaker
General Counsel

78040055005

BEFORE THE FEDERAL ELECTION COMMISSION
January , 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman was interested in a program to improve relations between the Federal Government and American business. As the first step in this program, he decided, in conjunction with two other U. S. business executives, to invite each of the major party Presidential nominees to meet with a bipartisan group of prominent business executives for an exchange of views. It was the intention of Respondent Bronfman that this meeting be replicated in a series of forums held in major cities throughout the country with selected groups of business executives and that from these forums a new organization to represent business in working with government be evolved.

B. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

C. Respondent Edgar Bronfman paid \$350.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of meals served to the press contingent accompanying nominee Carter.

D. Respondent Edgar Bronfman and his co-sponsors planned a similar luncheon to which the same business executives referred to above were to be invited and which the Presidential nominee of the Republican Party was to address. On August 17, 1976, at the Republican National Convention in Kansas City, Missouri, Republican Presidential Nominee President Gerald R. Ford was formally extended an invitation by a representative of Messrs.

Bronfman, Austin and Ford to attend and address such a luncheon at a date to be chosen by him. As a result of scheduling difficulties, a representative of nominee Ford informed a representative of Bronfman, Ford and Austin in September or October of 1976 that nominee Ford would be unable to attend such a luncheon.

WHEREFORE, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971, as amended (the Act).

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press contingent accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of

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the luncheon and his share of the costs of the meals served to the press contingent exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

→ V. That respondent Edgar Bronfman will pay a civil assessment in the amount of one hundred (\$100) dollars pursuant to 2 U.S.C. § 437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective

73040055017

to comply with and to implement the requirements contained
in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040055011

200 2565
NRN

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
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CABLE LONGSIGHT, N.Y.
TELEX 12-7631

RANDOLPH E. PAUL (1946-1956)
LOUIS S. WEISS (1927-1950)

JOHN F. WHARTON
LLOYD K. GARRISON
COUNSEL

FILED

78 JAN 31 10 17

SIMON H. RIFKIND
HOWARD A. SEITZ
ADRIAN W. DAWID
MORRIS E. KRAM
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH B. ISERMAN
JAMES B. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBAUM
RICHARD H. PAUL
NORMAN ZELENKO
JOHN E. ROSENTHAL
JANUARY 31 1978
EDWARD M. GUSTAFSON
BAYLESS MANNING
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, IV
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
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DAVID C. BRODHEAD
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SIDNEY S. ROSDEITCHER
ROBERT L. LAUFER
ALLEN L. THOMAS
PETER L. FELCHER
MARK H. ALCOTT
JOHN R. MCENRGE
PETER J. ROTHENBERG
JUDITH R. THOYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITLER

MUR 393

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

January 27, 1978

Biz Van Gelder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Ms. Van Gelder:

Enclosed as you requested is the "internal draft" of a prospectus for Edgar Bronfman's proposed business organization. Inasmuch as this reinforces the innocence of Mr. Bronfman's intent, I would very much hope that he would be treated, with respect to the assessment, at least as favorably as his co-hosts at that luncheon. This is, as previously mentioned, of more symbolic than substantive importance to us; but if any of the other parties is being assessed no payment whatsoever, then surely Mr. Bronfman deserves the same. If he is being treated less favorably in this regard, I would want to reconsider the situation with you and hope you will let me know.

Again, many thanks for your thoughtful consideration to this matter in our meeting yesterday and your telephone call today.

Sincerely,

Theodore C. Sorensen

Enc.

79040755011

August 20, 1976

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WORKING PROSPECTUS

1. The Problem--In pure economic theory, the free market is morally neutral. In modern fact business executives know that their lives, their businesses and their activities are inextricably, and sometimes maddeningly, intertwined with government, as well as the media and other free-spirited but organized publics. It is a relationship that is not working well. Fortune has described it: "Business needs a different political stance. The relationship between business and politics in the United States has never been worse." Adds the Wall Street Journal: "Businessmen are forever asking why their reputations keep dropping in the eyes of the public." This double affliction--political ineffectiveness and questioned behavior--is commonly acknowledged. Can anything be done and why try now?

2. The Opportunity--This presidential election year is a time when two kinds of change are possible, either one large for the country.

If President Ford is returned to office, his inherited stewardship and policies will have been ratified by the electorate for the first time. Not only will he have stopped a new Democratic juggernaut (similar to the Harry Truman election in 1948, with reversed labels) but he will also have survived the biggest challenge within his own party an incumbent American president has experienced in this century. "An elected President Ford," observed one White House Counsellor, "who has overcome all that, will run a different, much more assured and assertive administration."

Of course, if Carter is elected it could result in the biggest governmental change in the United States since 1932: a generationally new, populist Democratic President supported by a Democratic Congress in both Houses, under new majority leadership with an entirely new cabinet and senior government administration. "Carter's problem," says one of his senior advisors, "is to find a whole new generation of leadership."

In either case, the orchestration of federal power will be different from the present. So must the business role. Business leaders, whether they be Democrats or Republicans or Independents cannot afford to sit in

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the audience humming the same old tunes, or worse, wailing tired dirges at Washington. The magnitude of the coming change, whoever wins, offers us an opportunity--if we earn it--to be part of that change. We propose to face that opportunity for changing the business and government relationship by recruiting a group from the nationwide business community to work afresh and constructively with the government after the election. In all its activities, the group described here and its members will scrupulously distinguish between the legal lobbying that business does in the interests of a corporation or an industry--a function already handled by other organizations--and the contribution it can make in the whole nation's interest. We believe business does make such a contribution and can and should increase it.

3. Working Name of the Organization--Business for a Better America (BBA).

4. Organizational Structure--

A. Founders ~~and Chief Executive Officers~~: J. Paul Austin, Edgar M. Bronfman plus one or two others.

B. Membership: Between 1,000 and 3,000 representative U.S. business leaders, small and large, all over the country (individuals not corporations).

C. Executive Committee: 35 to 50 regional business leaders, one each from the top population and business centers of the U.S.

D. Managing Committee: The founders plus six members of the regional executive committee.

E. Professional Staff: At the start a senior Coordinator, one or two researchers and appropriate office help headquartered in rented New York City office space.

5. Political Complexion--Although it is being formed at the start of an election campaign, the BBA as an organization will be wholly non-partisan in its activity. Its purpose will be the improvement of business-government relations and business conduct and stature. Its membership will not be exclusively Democratic or Republican. Individuals within the BBA may endorse or support any presidential candidate. But the BBA as

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an organization will not endorse, or render campaign support to, or coordinate with, any presidential candidate or his agents. Under the new Federal Election Campaign Act, neither the BBA as a whole, nor its individual members, may make any direct contribution of material value (money or services) toward the presidential campaign itself. (Restricted and limited contributions are allowed to the parties' National Committees and other candidates--but not by the BBA as here constituted.)

6. Legal Status--BBA will seek a formal "information letter" from the Federal Election Commission that its objective, structure and source of private funding in no way is in violation of the Federal Election Campaign statute.

7. Program and Activities--

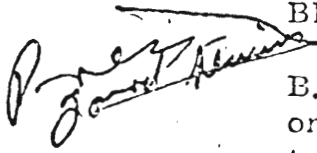
A. Working Seminars: The regional executives will arrange working dinner-seminar meetings among the regional members themselves to discuss substantively and structurally how business can make a larger contribution to sensible government (both executive and Congressional) and how business can better conduct itself in the public's interest. Reports of the conclusions of these meetings will be sent to the headquarters of BBA for evaluation, synthesis and action.

B. Transmitting Views to Candidates: If the views of the organization or groups within it are thought to be of importance to the presidential candidates, these will be transmitted directly to the candidates in writing.

C. Formation of Task Forces: Small working task forces on specialized problems (e. g. business ethics, hard-core unemployment, pensions, environment, energy, multi-nationals, transportation, taxation, etc.) will be formed enlisting groups of specialized business executives together with professional staff to work on particular problems. These task forces will report to the government after the election.

D. Meetings with Candidates: During the campaign, the BBA and its regional executives will arrange to have groups of local business representatives meet at lunch, dinner or for other kinds of get-acquainted sessions with both presidential candidates (as in the first such meeting held at '21" in New York City on July 22 with Governor Carter and as planned for September with President Ford.)

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E. Publishing: The BBA or its regional groups may publish papers, credos or reports on business and government in America.

F. Other Organizations: To render itself more effective, the BBA will solicit the views of such existing organizations as the Business Council, Conference Board, Business Roundtable, Committee on Economic Development and others as to how the business-government relationship can be rendered more effective during and after the election.

8. Press and Public Relations--The activities of the BBA will be openly conducted with full and public accountability. The media will be invited to all meetings with the candidates and will be kept fully informed of all the BBA's activities.

9. Financing--Modest fees will be assessed to meet the costs of the BBA, a non-profit membership organization.

10. The BBA will announce its existence, composition, program and intentions as soon as possible. It will then start functioning at an escalating pace.

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PAUL WEISS, RIEKIND, WHARTON & GARRISON


345 PARK AVENUE

NEW YORK, NEW YORK 10022

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Biz Van Gelder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



2000578

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

DAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

LOUIS F DAHLING
FREDERICK C NASH
PIERRE V HEFTLER
RICHARD D ROHR
THEODORE SOURIS
CARSON C GRUNEWALD
WALTER O KOCH
ALFRED C WORTLEY JR
MICHAEL B LEWISTON
GEORGE D MILLER JR
LLOYD C FELL
JAMES T HEIMBUCH
HEROLD MCC DEASON
JAMES A SMITH
GERALD VAN WYKE
JOSEPH N BROWN
KENNETH R LANGO
JAMES R BUSCHMANN
ANDREW J BRODER
GEORGE G KEMSLEY
MICHAEL A STACK
DAVID M HEMPSTEAD
JOSEPH J KOCHANEK
RANDOLPH S PERRY
KATHLEEN A LIEDER
JAMES J WALSH

JOSEPH A SULLIVAN
COUNSEL

HENRY E BOOMAN
1874-1963
CLIFFORD B LONGLEY
1888-1954
HENRY C BOGLE
1892-1977
HENRY I ARMSTRONG JR
1887-1975

January 28, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MJR 333 (76)

Dear Mr. Oldaker:

I write for Mr. Henry Ford II in response to your letter of January 19, 1978 which, among other things, asks for a reply within ten days. Extraordinary winter storms in this area have disrupted normal work routines and made it impossible to reply within the specified period. You may expect a reply in a week.

Yours truly,


Pierre V. Heftler

PVH:jmp

7374003012



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is in reference to the notification you received on December 27, 1977. As we have noted previously, the Commission is required to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. Attached you will find the Commission's proposed conciliation agreement. We request that you respond to the proposed conciliation agreement within 15 days of the receipt of this letter.

If you have any questions regarding conciliation, please contact Biz Van Gelder (telephone no. 202-523-4175), the attorney assigned to this matter. This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,


William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022



PS Form 3811, Apr. 1977

MUR 333 Hughes

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery: \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Theodore Sorenson

3. ARTICLE DESCRIPTION:
 REGISTERED NO. **943185** CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO 1977-O-234-337

PS Form 3811, Apr. 1977

MUR 333 Hughes

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery: \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Theodore C Sorenson

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. **438134** INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO 1977-O-234-337

PS Form 3811, Apr. 1977

MUR-333(76) Van Gelder

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery: \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
**Edgar Bronfman
 375 Park Avenue
 New York, New York 10022**

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. **SP** INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO 1977-O-234-337

01055006061

BEFORE THE FEDERAL ELECTION COMMISSION
January 13, 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

7 9 0 1 0 3 0 1

A. Respondent Edgar Bronfman co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Edgar Bronfman paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Edgar Bronfman construed the costs of the luncheon as an independent expenditure which was not made in cooperation, consultation, or concert, with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

WHEREFORE, Respondent Edgar Bronfman agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i).

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- 1 -

As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Federal Election Campaign Act of 1971 as amended, 2 U.S.C. Since the contribution exceeded \$1,000, respondent Edgar Bronfman is in violation of 2 U.S.C. 437g(a)(1).

II. That the respondent Edgar Bronfman's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. 437g(a)(1).

III. Respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred \$500 dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

IV. Respondent Edgar Bronfman agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, or on its own motion, may require 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

7904005011



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

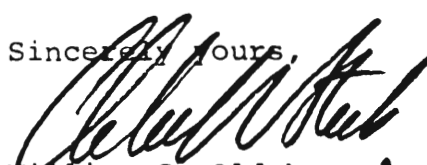
In accordance with the conversation between our offices, we are attaching the conciliation agreement this office would propose for your client, Edgar Bronfman. It is my understanding that you will tentatively meet with Biz Van Gelder, the attorney assigned to this matter, on January 26, 1978 at 9:00a.m. at our office to discuss the proposed agreement. This time will be confirmed by phone.

We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions, you may contact Ms. Van Gelder at 202-523-4175.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,


William C. Oldaker *WCO*
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION
January 13, 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

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This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Edgar Bronfman co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Edgar Bronfman paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Edgar Bronfman construed the costs of the luncheon as an independent expenditure which was not made in cooperation, consultation, or concert, with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

WHEREFORE, Respondent Edgar Bronfman agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i).

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As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Federal Election Campaign Act of 1971, as amended (the Act). Since the contribution exceeded \$1,000, respondent Edgar Bronfman is in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Edgar Bronfman's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. §431(e).

III. Respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

IV. Respondent Edgar Bronfman agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

730400530

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

7804005501



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333(76)

Dear Mr. Ford:

This letter is in reference to the notification you received on December 28, 1977. As we have noted previously, the Commission is required to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. Attached is a proposed conciliation agreement which we will be shortly presenting to the Commission for its consideration. So that we may also advise the Commission of your views on this proposal, we would appreciate your response within 10 days of your receipt of this letter.

If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175), the attorney assigned to this matter. This letter and the attached conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours


William C. Oldaker
General Counsel

WCO

cc: Pierre V. Heftler
Bodman, Longley, Bogle &
Dahling
34th Floor, 100 Renaissance
Center
Detroit, Michigan 48243



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333(76)
Campaign Committee, Inc.,)
Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Henry Ford, II, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford, II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee). Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Henry Ford, II, received a memo from his legal counsel, Pierre V. Heftler, on July 29, 1976, advising him that under the Federal Election Campaign Act of 1971, as amended (the Act), acting as a host for the luncheon would constitute a campaign contribution. On September 10, 1976, Mr. Heftler again expressed to respondent Henry Ford, II the concern that a payment for part of the luncheon could be construed as a campaign contribution.

E. Mr. Heftler relayed this concern to the Democratic National Committee and on October 22, 1976, they sent respondent Henry Ford, II a check for \$1,510.03, reimbursing him in full for the expense of the luncheon.

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Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II is in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. §431(e).

III. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

IV. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

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II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Henry Ford, II shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE _____

FOR THE RESPONDENT
HENRY FORD, II

DATE _____

WILLIAM C. OLDAKER
GENERAL COUNSEL

73040051051



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 22, 1977

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

Your co-sponsorship of such a luncheon funded the appearance of a single candidate and therefore, is distinguishable from the sponsorship of the presidential debates by the League of Women Voters at which both presidential candidates attended. Granting that the two activities were performed with an informational interest, the luncheon that you co-sponsored was not executed in a nonpartisan manner.

In the Commission's view, the physical attendance of Jimmy Carter at the luncheon constitutes an event held in "cooperation, consultation, or concert" with a presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures can no longer be considered independent but rather are defined as contributions-in-kind. Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Pierre V. Heftler
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 333 BIZ

1. The following service is requested (check one):
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 Show to whom, date, and address of delivery.
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 RESTRICTED DELIVERY.
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2. ARTICLE ADDRESSED TO:
 Edgar Bronfman

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943883

(Always obtain signature of addressee or agent)
 I have received the article described above:
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★ GPO : 1977 O-234-337



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 22, 1977

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, your expenditures for the luncheon cannot be considered independent because such an event was held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures are defined as contributions-in-kind and subject to the regulations set forth in the Federal Election Campaign Act (as amended). Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).

Although your attorney, Pierre V. Heftler, indicated that you were reimbursed in full for the amount allegedly expended for the luncheon, this action occurred approximately three months after the event and therefore, does not obviate the violation.



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

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PS Form 3811, Apr. 1977

AVR 333 BIZ

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
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 RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ (CONST. POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Henry Ford, II

3. ARTICLE DESCRIPTION:
REGISTERED NO. **943882** CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee of item.)
 I have received the article described above.
 SIGNATURE AUTHORIZED AGENT
FORD MOTOR CO

4. DATE OF DELIVERY
DEC 28 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMASTER'S OFFICE
 DEC 28 1977
 CLERK'S ASSISTANT

★ GPO : 1977 - O-234-337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Nonpartisan Committee)
for Good Government,)
The 1976 Presidential)
Campaign Committee,)
Henry Ford, II, and)
Edgar Bronfman)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1977, the Commission determined by a vote of 4-0 to find Reasonable Cause to Believe that Mr. Ford and Mr. Bronfman have violated 2 U.S.C. Section 441a in the above-captioned matter and to proceed with a conciliation effort.

Voting for this determination were Commissioners Aikens, Harris, Thomson, and Tiernan. Commissioners Springer and Staebler were not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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December 16, 1977

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 333 Team #2 Hughes

Please have the attached General Counsel's Report on MUR 333 distributed to the Commission and placed on the Compliance agenda for the Commission meeting of Dec. 21, 1977.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION
December 16, 1977

In the Matter)
)
The Nonpartisan Committee)
for Good Government,)
The 1976 Presidential) MUR 333 (76)
Campaign Committee,)
Henry Ford, II, and)
Edgar Bronfman)

GENERAL COUNSEL'S REPORT

BACKGROUND

On November 24, 1976, the Commission found reason to believe that an expenditure reported as independent by the Nonpartisan Committee for Good Government (The Nonpartisan Committee), a separate segregated fund of the Coca-Cola Company, may not have been independent, and therefore, in violation of 2 U.S.C. §441a(a)(7)(B)(i) and 26 U.S.C. §9003(b)(2). This expenditure was for a luncheon held on July 22, 1976, at the "21" Club, New York City, at which Jimmy Carter attended.

Similarly, the Commission found reason to believe that the 1976 Presidential Campaign Committee had violated 2 U.S.C. §441a(a)(7)(B)(i) and 26 U.S.C. §9003(b)(2) by accepting a contribution to defray a qualified campaign expense after becoming eligible and receiving general election funding.

On March 31, 1977, the Commission found reasonable cause to believe that the Nonpartisan Committee had violated 2 U.S.C. §434(e)(2) and that the 1976 Presidential Campaign Committee had violated 26 U.S.C. §9007(b)(3).

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On June 9, 1977, during the investigation of the Nonpartisan Committee, the Commission was made aware that the expenditures for the luncheon had been divided equally between the Nonpartisan Committee, Mr. Edgar Bronfman and Mr. Henry Ford, II.

Since Mr. Ford and Mr. Bronfman co-sponsored an event at which a candidate appeared, their expenditures are considered contributions-in-kind as set forth in 2 U.S.C. §441a(a)(7)(B)(i). On July 21, 1977, the Commission found reason to believe that both Mr. Ford and Mr. Bronfman had violated the provisions of 2 U.S.C. §441a.

RESPONSE

(1) Bronfman

The Commission received a response from Mr. Bronfman's counsel on August 18, 1977 (see attachment A). The response maintained that since Mr. Bronfman and others made an effort to arrange an identical luncheon for President Ford, there existed no "general expression of support" for either Carter or Ford nor did the luncheon serve to "affiliate" Mr. Bronfman with either candidate.1/

Consequently, it is Bronfman's position that his expenditures for the luncheon were not made "for the purpose of influencing ... the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A), and, therefore, are not considered contributions-in-kind.

1/ However, Bronfman's response also states:

"In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Carter... (Attachment A, p. 4)

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Furthermore, despite Bronfman's profession of the nonpartisan nature of the luncheon, it is the Commission's considered position that the gathering of businessmen with the physical attendance of Jimmy Carter constitutes an event held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B) (i). 2/ In light of this fact, Bronfman's expenditures cannot be considered independent but rather are defined as contributions-in-kind.

Bronfman cites the policy statement issued by the Commission in 1976 which involved the presidential debates to be sponsored by the League of Women Voters' Educational Fund and which stated the following:

"It is the Commission's view that, in the limited circumstances of presidential debates, the costs incident thereto...are neither contributions nor expenditures under 2 U.S.C. §441a and §431 of the Federal Election Campaign Act of 1971, as amended."

This policy statement applied to the "limited circumstances of presidential debates" and specifically forbade the sponsorship of an appearance by a single candidate (see attachment B). Granting that both the debates and the luncheon were performed with an informational interest, the luncheon was not, however, executed in a nonpartisan manner since only one candidate attended.

In short, Bronfman's co-sponsorship of a luncheon at which Jimmy Carter attended constitutes a partisan activity and not exempted by the Commission's policy statement issued to clarify the circumstances of a particular nonpartisan activity-presidential debates.

2/ See page three, paragraph one, of the proposed conciliation agreement with the Nonpartisan Committee and the 1976 Presidential Campaign Committee, Inc. (July 20, 1977).

Bronfman's reference to Buckley v. Valeo, 424 U.S. 1,21, 22 (1976) hinges upon the condition of nonpartisanship. It is Bronfman's contention that if an identical luncheon had been proposed or held for President Ford, then the expenditures for luncheons would not constitute a "general expression of support" for either Carter or Ford or serve to "affiliate" Mr. Bronfman with either candidate. Even were the Commission to accept that argument, since the co-sponsorship involved only one luncheon at which only one candidate attended, the Buckley citation is inapplicable.

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Finally, Bronfman states that if, arguendo, his expenditures are deemed contributions-in-kind, then that part of his total expenditures used to pay for the expenses of the press contingent at the luncheon in the amount of \$659.93 was clearly not for the purpose of influencing the election. While the reporting of the luncheon by the press would presumably not be a direct contribution, we maintain that an individual's expenditure of funds to facilitate the press coverage of a particular candidate falls within the meaning of contributions-in-kind. This is so because an attempt to influence the newspapers to report favorably is, in fact, an attempt to influence the election.

In light of the above, Bronfman's expenditures for the press contingent are considered a significant part of the total luncheon costs and therefore breach the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A).

(2) Ford

- 5 -

On August 15, 1977, the Commission received a response to the previously cited allegation from Pierre V. Heftler, Henry Ford's legal counsel (see attachment D). Mr. Heftler stated that he had sent a memo to Mr. Ford on July 29, 1976, warning him that under the Federal law, acting as host would now likely constitute a contribution. On September 10, 1976, Mr. Heftler again expressed the concern that a payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts to held a similar luncheon for Presidential nominee Ford. After this concern was brought before the Democratic National Committee, they sent Henry Ford a check for \$1,510.03 on October 22, 1976, reimbursing him in full for the expense of the luncheon.^{3/}

ADDITIONAL DEVELOPMENTS

On September 9, 1977, a revised conciliation agreement was sent to the Nonpartisan Committee and the 1976 Presidential Campaign Committee. By agreement, their response will be held in abeyance pending a resolution of Mr. Ford's and Mr. Bronfman's involvement in this matter. At that time, a "group" conciliation agreement may be proposed and discussed.

^{3/} Mr. Ford was apparently concerned about political contributions because Heftler's opinion was prompted by a phone call on July 29, 1977 by Ford's private secretary who asked about dollar limits on such contributions under recently enacted Federal and Michigan laws. Heftler's September 10, 1977 expression of concern was prompted by Ford's request that he look into the "21" Club luncheon. Although an attempt was made by Mr. Ford to rectify the aforementioned campaign contribution in a reimbursement totalling \$1,510.03, the action was taken after the violation had occurred and therefore does not obviate it.

RECOMMENDATION

Reasonable cause to believe that Mr. Ford and Mr. Bronfman have violated 2 U.S.C. §441a. Proceed with a joint conciliation agreement and send attached notification letters.

DATE

16 December 1977

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL



CHARLES N. STEELE
ASSOCIATE GENERAL COUNSEL

7 3 0 4 0 0 5 ; 0 1 5

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

345 PARK AVENUE

NEW YORK, N. Y. 10022

TELEPHONE (212) 644-8000

CABLE LONGSIGHT, N Y

TELECOPIER (212) 644-8202

TELEX 12-7831

RANDOLPH E. PAUL (1946-1956)
LOUIS S. WEISS (1927-1950)

JOHN F. WHARTON
LLOYD K. GARRISON
COUNSEL

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

August 15, 1977

772446

- SIMON H. RIFKIND
- HOWARD A. SEITZ
- ADRIAN W. DEWIND
- MORRIS B. ABRAM
- MORDECAI ROCHLIN
- PAUL J. NEWLON
- JOSEPH S. ISEMAN
- JAMES B. LEWIS
- THEODORE C. SORENSEN
- MARTIN KLEINBERG
- RICHARD H. PAUL
- NORMAN ZELENKO
- JOHN E. MASSENGALE
- JAY TORRIS
- EDWARD N. COSTIKYAN
- ROBERT H. MONTGOMERY, JR.
- JOHN C. TAYLOR, III
- BERNARD H. GREENE
- ERNEST RUBENSTEIN
- STUART ROBINOWITZ
- JAMES L. PURCELL
- ARTHUR KALISH
- DAVID T. WASHBURN
- BERNARD FINKELSTEIN
- ARTHUR L. LIMAN
- SEYMOUR HERTZ
- WALTER F. LEINHARDT
- GERALD O. STERN
- ANTHONY B. KUKLIN
- MARTIN LONDON
- DAVID C. BRODHEAD
- PETER R. HAJE
- LEONARD V. QUIGLEY
- ALLAN BLUMSTEIN
- NEALE M. ALBERT
- JAY GREENFIELD
- KEVIN J. O'BRIEN
- ALFRED D. YOUNGWOOD
- DONALD F. MOORE
- JOSEPH E. BROWDY
- SIDNEY S. ROSEITCHER
- ROBERT L. LAUFER
- ALLEN L. THOMAS
- PETER L. FELCHER
- MARK H. ALGOTT
- JOHN P. MCENROE
- PETER J. ROTHENBERG
- JUDITH R. THAYER
- RICHARD A. ENGELMAN
- GEORGE P. FELLEMAN
- STEVEN B. ROSENFELD
- ALBERT P. HAND
- ROBERT S. SMITH
- MAX GITTER

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of our client, Mr. Edgar Bronfman, we take this opportunity to respond to your letter of July 29, 1977, received by Mr. Bronfman on August 4, 1977, in which you state that the Commission "has reason to believe that [Mr. Bronfman] may have violated the provisions of 2 U.S.C. §441a(a)(1)(A)" as a result of his "alleged payment of \$250,000 to the Federal Election Commission in 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues."

A review of the pertinent facts in the context of the Federal Election Campaign Act will demonstrate, we believe, that no violation of the Act occurred in the situation to which you refer.

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Mr. Oldaker

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Statement of Facts

The facts, which are perhaps better known by Mr. Bronfman than by any of the other parties concerned because of his involvement from the very beginning, as conveyed to us by Mr. Bronfman and his associates, may be summarized as follows:

It was Mr. Bronfman's belief in the summer of 1976 that 1976-77 could be a watershed in relations between the Federal Government and American business, regardless of who was elected; that either a new Ford mandate or a new Carter administration was likely to produce a series of economic and other policy initiatives in which the business community had a vital stake; and that the major business organizations as they then existed were not sufficiently attuned to the Federal Government's point of view to serve adequately as a bridge between government and business in this new era.

After Mr. Bronfman discussed this concern with others, it was decided, as the first step in an evolving plan, to invite each of the major party nominees to meet, in each case shortly after receiving his respective party's nomination, with a "blue-ribbon," bipartisan group of some 50-60 business executives for an exchange of views. The business invitees, the location and the format -- lunch at "21," followed by an informal address and discussion -- were to be

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identical in each case.* As noted in Mr. Bronfman's letter of invitation to President Ford, it was hoped that this pattern could then be replicated in major cities throughout the country, with a selected group of business executives hearing each of the major party Presidential nominees on "separate but equal" occasions. From these forums, it was hoped, would grow a new organization to represent business in working with Government. An internal draft prospectus for this plan could be supplied if necessary.

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Preliminary meetings were held with top-level representatives of each of the candidates, with indications in each case that their respective candidates would accept the invitation to "21." Ultimately Democratic nominee Carter accepted, and Republican nominee Ford found that his schedule made his acceptance impossible.

President Ford's inability to accept the invitation dampened the plan for a series of business forums around the country; and Irving Shapiro's subsequent pronouncements about reinvigorating the Business Roundtable and its relations with Government ultimately helped persuade Mr. Bronfman to suspend his idea of founding a new non-partisan business organization.

*An invitation to the Carter luncheon as well as a draft invitation to the Ford luncheon are attached to this letter as Exhibit A. Also attached are Exhibit B, the Guest List for the Carter luncheon which was the same guest list to have been used at the Ford luncheon; and Exhibit C, Mr. Bronfman's letter to President Ford extending to him an invitation to meet and discuss the same business concerns with the same group of businessmen, preferably at another luncheon at the same club.

Mr. Oldaker

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In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Mr. Carter, and Ford supporters did not conceal their preferences either. The Democratic nominee discussed a number of subjects of interest to the business community, in an opening statement and then in answer to questions, some of them hostile, from an audience believed to consist of more Republicans than Democrats. (No one was invited because of his party affiliation and in most cases the hosts had no knowledge of the invitees' political preferences.)

The reaction of the audience was mixed.* No funds were raised for the candidate. No contributions were requested. On the contrary, Mr. Bronfman stated to at least some of those present that the new Federal election law and its public financing provisions had eliminated any possibility of the businessmen present providing (and

* The New York Times of July 23, 1976 reported:

"Some Republicans at the meeting, including John Weinberg, a partner of Goldman Sachs & Co., said that they would vote for Mr. Carter this year. Others, including William T. Seawell, chairman of Pan American Airways, indicated that they were uncertain at this time as to which candidate would get their vote.

"Still others, however, said that although they had come to the luncheon to meet Mr. Carter, they would nevertheless vote for the Republican candidate. For instance, Ellmore C. Patterson, chairman of the Morgan Guaranty Trust Company of New York, said, 'I've been a Republican for a long time and I'll probably continue to be a Republican.'"

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Mr. Oldaker

nominee Carter accepting) any contributions or expenditures for the Carter Presidential Campaign.*

No one attended from any national political committee or urged support for any political party. It was understood by all present -- Carter, Bronfman and all invitees -- and stated openly, that many of those present would not vote for Mr. Carter but would nevertheless benefit from this exchange of views.

The total cost of the luncheon served to the businessmen and press "pool" addressed by Mr. Carter in the Hunt Room of "21" was \$2,550.27. The three businessmen acting as co-hosts for the luncheon, of which Mr. Bronfman was one, as a matter of public relations to pay for the separate lunches served elsewhere (on a different floor) in "21" to the large press contingent accompanying the Democratic nominee in his travels around the country, a bill which totalled \$1979.79, requiring an additional \$659.93 from each of the three.**

*Mr. Bronfman repeated his praise for this provision of the Act in an Op. Ed. article for the New York Times on September 21, 1976, where he again expressed his desires for a new relationship between business and government "whether we have the change of a new Administration or the continuation of Republican government."

**Mr. Bronfman's personal check to the 21 Club on February 24, 1977 totaled \$2,040.87 -- \$850.09 as his share of the Carter luncheon, \$659.93 as his share of the cost of the meals served that day to the press, and the balance for wholly unrelated personal expenses.

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Mr. Oldaker

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Analysis

The threshold question is whether this payment of luncheon expenditures was, in this context, made "for the purpose of influencing...the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A). We think clearly it was not. The Carter luncheon, along with the Ford luncheon which was to follow, were intended not to promote the candidacies of either nominee but to enable those present to initiate a dialogue on business concerns and hear the views thereon of the next President, whichever one it turned out to be, as the first step of a grand design to improve business-government relations without regard to partisan affiliation. A good faith effort was made to arrange an identical luncheon for President Ford. [redacted] accepted -- and the hosts had every reason to believe that he would accept -- and had they made a similar payment of expenses for a similar luncheon (composed principally of Republicans in both cases) addressed by President Ford, no reasonable person could then argue that such payments constituted a "general expression of support" for either Carter or Ford or served to "affiliate" Mr. Bronfman with either candidate (See Buckley v. Valeo, 424 U.S. 1, 21, 22, 1976).

On the contrary, the physical presence of each candidate in successive months would have made more obvious the fact that these luncheon forums fell within the same rule as that applied by the Commission to Presidential debates. The Commission in a 1976 Policy Statement declared the costs

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Mr. Oldaker

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incident to debates such as those sponsored by the League of Women Voters to be neither contributions nor expenditures within the meaning of the Act.

"Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed... Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit..."

Similarly, in Informational Letter ¶6071 (CCH ¶6071, January 3, 1977), the Commission permitted a Chamber of Commerce to distribute publicly an Election Guide which portrayed two competing candidates "in an equitable and non-partisan fashion; its purpose seems to be informative rather than support of or opposition to any candidate or political party."

Clearly that was also the purpose of the luncheon series launched by Mr. Bronfman and his co-hosts. Surely President Ford's inability to adjust his schedule to accept their invitation cannot convert an expenditure wholly lawful under the above rulings to one that is somehow unlawful. Surely Mr. Bronfman was under no obligation, having made every effort to provide "equal time" to both candidates, to see to it that both made use of that opportunity. Any

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Mr. Oldaker

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finding by the Commission to the contrary would make it virtually impossible for civic, business, religious and other organizations all over the country to invite competing candidates for Federal office to address meetings sponsored by those organizations -- a result never intended by Congress. Congress believed that it was helping by enactment of this statute to equalize the opportunities of competing candidates to be heard. That is precisely what Mr. Bronfman and his co-hosts set out to do.

Moreover, this luncheon should be examined in light of the spirit and intent of the Act. No corporate, union or other prohibited donors were involved. No attempt was made to conceal from the public or government this widely publicized affair or Mr. Bronfman's role as co-host. No breach by Mr. Bronfman of the \$25,000 ceiling on his aggregate contributions for 1976 would have occurred even if arguendo these luncheon expenses were somehow deemed to be contributions under the Act.

Most importantly, even if arguendo a contribution under the Act were involved, the fact remains that -- setting aside the co-hosts' willingness to treat the press to lunch (which clearly could not have been for the purpose of influencing the election) -- Mr. Bronfman's share of the

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Mr. Oldaker

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expenses of the luncheon actually attended by Mr. Carter (\$850.09) (and Mr. Bronfman made no other contribution or expenditure to or on behalf of Mr. Carter following the latter's nomination) did not exceed the \$1,000 ceiling set forth in the section of the Act cited in your letter, 2 U.S.C. §441a(a)(1)(A). Nothing in the Act penalizes an individual for making a campaign contribution or expenditure to or on behalf of a Presidential nominee, with the knowledge and cooperation of the latter's campaign committee, of less than \$1,000. If (which in light of the facts we cannot accept) the cost of the bi-partisan luncheon actually addressed by Mr. Carter is deemed in hindsight to have been a political contribution or expenditure, the amount paid by each co-host is still below the legal maximum. Surely it cannot be maintained that Mr. Bronfman and his co-hosts were in violation of the Act because they also decided to treat the traveling press to lunch.

In short, payment for a luncheon designed to be the first of two luncheons addressed by the major party nominees as part of an effort to improve government-business relations was not made for the purpose of influencing the election of one of those nominees; but even if by some stretch of the law such payment is nevertheless deemed to have been made for such purpose, it was within the ceiling permitted by the Act.

Mr. Oldaker

10.

Conclusion

In light of the above, we trust you will agree with our conclusion that no violation of the Act occurred in this situation and that no action should be taken against Mr. Bronfman. We would be pleased to answer any questions you may have on this matter and to submit any additional information requested. Should you disagree with the above conclusions, we trust that we will have an opportunity to discuss the matter in person with you before any further action is taken. Your consideration and cooperation are greatly appreciated.

Respectfully Submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Paul, Weiss, Rifkind, Wharton & Garrison

Theodore C. Sorensen
Frederick R. Cummings
Bruce L. Owens

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APPENDIX A

S A M P L E

Messrs. Paul Austin, Edgar Bronfman and Henry Ford II

request the pleasure of the company of

Mr. Lionel I. Pincus

at a luncheon for the purpose of introducing

former Governor of Georgia Jimmy Carter

to a small group of mutual friends

Thursday, July 22, 12:30 p.m.

Hunt Room, The "21" Club

New York City

RSVP.
Card Enclosed

JUL 12 1976

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Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

at a luncheon for the purpose of introducing The Candidate
of the Republican Party President Gerald R. Ford

to a small group of mutual friends

Date TK, 12.30 p.m.

Hunt Room, The "21" Club
New York City

R.S.V.P.
Card enclosed

I accept your invitation to the
luncheon for President
Gerald R. Ford

I must regret

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APPENDIX B

GUEST LIST FOR LUNCHEON HONORING
FORMER GOVERNOR OF GEORGIA JIMMY CARTER
JULY 22, 1976

HOSTS: Mr. J. Paul Austin
Mr. Edgar Bronfman
Mr. Henry Ford

SPECIAL HONORED GUEST

Mr. Jimmy Carter

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Mr. W. Michael Blumenthal
Chairman of the Board
The Bendix Corporation

Mr. Carter L. Burgess
Chairman of the Board
Foreign Policy Association

Mr. Howard L. Clark
Chairman of the Board
American Express Company

Mr. W. Graham Claytor, Jr.
President
Southern Railway

Mr. John T. Connor
Chairman of the Board
Allied Chemical Corporation

Mr. Joseph Cullman
Chairman of the Board
Philip Morris

Mr. Coy Eklund
President & Chief Executive Officer
Equitable Life Assurance Company

Mr. Abraham Feinberg
Chairman of the Board
American Security Bank

Mr. Paul Foley
Chairman of the Board
The Interpublic Group of Companies, Inc.

Mr. Lewis W. Foy
Chairman
Bethlehem Steel Corporation

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Mr. Walter A. Haas, Jr.
Chairman of the Board
Levi Strauss and Company

Mr. John Hanley
Chairman of the Board
Monsanto

Mr. Robert Hatfield
Chairman of the Board
Continental Can Company, Inc.

Mr. Donald Johnston
President
J. Walter Thompson Company

Mr. Leo-Arthur Kelmenson
President
Kenyon & Eckhardt, Incorporated

Mr. William Kerby
Chairman of the Board
Dow Jones

Mr. Philip M. Klutznick
Limited Partner
Salomon Bros.

Mr. H. Peter Kriendler
The "21" Club

Mr. James A. Linen, III
Chairman of the Board
Executive Committee
TIME Incorporated

Mr. Edmund W. Littlefield
Chairman of the Board
Utah International Inc.

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Mr. Ian K. MacGregor
Chairman of the Board
Amax Incorporated

Mr. David J. Mahoney
Chairman, President, & Chief Executive Officer
Norton Simon, Inc.

Mr. William F. May
Chairman of the Board
American Can Company

Mrs. Bess Myerson
Consultant

Mr. Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty

Mr. John J. Riccardo
Chairman of the Board
Chrysler Corporation

Mrs. Mary G. Roebling
Chairman of the Board
National State Bank

Mr. Felix G. Rohatyn
General Partner
Lazard Freres & Co.

Mr. George A. Stinson
Chairman of the Board
National Steel Corporation

Mr. Jack Tarver
Publisher
Atlanta Newspapers, Inc.

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Mr. A. Robert Abboud
Chairman of the Board
First National Bank of Chicago

Mr. Harry J. Gray
Chairman and President
United Technologies Corporation

Mr. Lionel I. Pincus
President & Chief Executive Officer
E. M. Warburg, Pincus and Co., Inc.

Mr. Robert T. Quittmeyer
President
Amstar Corporation

Mr. Laurence A. Tisch
Chairman and Chief Executive Officer
Loews Corporation

Mr. Richard L. Gelb
Chairman of the Board
Bristol-Myers

Mr. Vermont Royster
Journalist

Mr. William Hewitt
Chairman of the Board
John Deere & Co.

Mr. John Weinberg
Partner
Goldman Sachs & Co.

Mr. Ovid R. Davis
Vice President
The Coca-Cola Company

Mr. Garth Hamby
Assistant Secretary &
Assistant to the Chairman of the Board
The Coca-Cola Company

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Mr. William T. Seawell
Chairman of the Board
Pan American Airways

Mr. J. Anthony Forstmann
Partner
Forstmann, Leff & Associates

Mr. Jonathan Rinehart
The Jonathan Rinehart Group, Inc.
(Public relations agency for Mr. Bronfman)

Mr. Richard Clurman
Richard M. Clurman & Associates
(Consulting agency for Mr. Bronfman)

*Mr. MARVIN WARNER
President
WARNER National Corp.*

*Mr. Thomas Carroll
Chairman
Dever Brothers*

73040755054

Edgar M. Bronfman

375 Park Avenue
New York, New York 10022
August 17, 1976

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

On behalf of Paul Austin, Henry Ford II and myself, it is my pleasure to invite you to luncheon to meet and discuss the issues with a group of some sixty friends from the world of American business.

As you may recall the same group met at The "21" Club in New York City shortly after the Democratic convention last month with the just-nominated Candidate of the Democratic Party, Governor Jimmy Carter. At the luncheon Governor Carter expressed his views and responded to questions from our guests. Now we have the honor to extend to the Candidate of the Republican Party, an invitation to meet with the same group.

Of course, Mr. President, we would be happy to arrange a place and date of your convenience. But if your schedule does permit a date early in the campaign at the same location, we feel it would best serve you as well as a larger public purpose we have in mind.

It is our intention, hopefully, after this luncheon, to form a new, non-partisan group of national business leaders whose objectives will be to make more constructive the relationship between American business and the federal government. As planned, this group will have many useful activities, but a principal one will be to arrange similar meetings between the business community and the presidential candidates as they travel during their campaign. This initial meeting with you, we hope, will be the first of many that we can arrange with your staff to take place in all parts of the country, as we intend to do with Governor Carter.

If you are able to accept, sir, we know that our initial group of concerned business leaders would be both honored and rewarded.

Respectfully,

Edgar M. Bronfman

EMB/cm

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POLICY STATEMENT
PRESIDENTIAL DEBATES

The League of Women Voters' Educational Fund proposes to sponsor several debates between the 1976 Republican and Democratic presidential nominees. It is the Commission's view that, in the limited circumstances of presidential debates, the costs incident thereto which will be incurred by the Fund are neither contributions nor expenditures under 2 U.S.C. §§441a and 431 of the Federal Election Campaign Act of 1971, as amended.

There are a number of factors which have brought the Commission to this conclusion. The League has a history of approximately 50 years of non-partisan educational activity in the electoral process, and is, indeed, forbidden by its by-laws to endorse candidates or to otherwise appear in a partisan light. The activity proposed to be undertaken here is in keeping with that tradition. Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed. In short, it is the Commission's view that the disbursements by the

League, or by any other comparable or similarly qualified organization, through a charitable trust fund are not made for the purpose of influencing a Federal election and are therefore not contributions as defined in 2 U.S.C. §431(e) or 26 U.S.C. §§9003(b)(2) and 9012(b). The League may raise funds specifically earmarked for sponsorship of the debates from private individuals. Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit and would not need to be disclosed. However, the Commission believes that the League could further the spirit of campaign finance reform by disclosing the amounts and sources of those donations.

The disbursements by the League's Education Fund are nonetheless disbursements "in connection with" a Federal election and accordingly may not be made with funds from corporate or labor organization treasuries, see 2 U.S.C. §44b, or made by other persons forbidden to participate in the Federal election process by the Act, see incur alia, 2 U.S.C. §44c.

The Commission is further of the opinion that a separate segregated fund established by a corporation or labor organization may donate funds, without regard to amount, to the League of Women Voter's Education Fund.

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

(313) 259-7777

772118

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BOOMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1887-1975

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCG. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH P. LANGO
JAMES H. BUSCHMANN
ANDREW J. BRODER
GEORGE G. REMBLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANIA
RANDOLPH D. PERRY
KATHLEEN A. LEWIS

August 11, 1977

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MUR 333(76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to acknowledge your letter to him of July 29, 1977 and to give you the facts concerning his involvement in a luncheon, in New York City on July 22, 1976, attended by presidential nominee Jimmy Carter.

The circumstances are as follows:

On May 20, 1976 Mr. J. Paul Austin, of Atlanta, Ga., invited Mr. Ford to join him and Mr. Edgar Bronfman, of New York City, in acting as hosts for a luncheon at which presidential candidate Jimmy Carter would meet a number of leaders of U. S. Industry. Mr. Ford agreed. The event was held at The "21" Club, New York City, on July 22, 1976 with candidate Carter and approximately 60 businessmen present.

In due course The "21" Club sent Mr. Ford a bill for charges of \$1,510.03 incurred on July 22, 1976 (presumably one-third of the luncheon referred to above). Mr. Ford approved the bill on August 10, 1976 and his business manager paid it the same day out of Mr. Ford's personal funds.

At the time it did not occur to Mr. Ford that he was becoming involved in a campaign contribution; he thought it was a simple business luncheon of which he had given many, including a number over the years for the purpose of introducing political candidates, Federal and state, to the business community.

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William C. Oldaker, Esq.
August 11, 1977
Page Two

On July 29, 1976 Mr. James Cumming, Mr. Ford's private secretary, telephoned me for the dollar limits on political contributions under recently enacted Federal and Michigan law. I responded verbally and then prepared a Memo for File briefly setting out the limits. Also, as Mr. Ford in prior years had acted as a host, or co-host, at luncheons or dinners in which political candidates were introduced and since under the 1976 Act expenditures in cooperation or consultation with a candidate were now defined to be contributions, I included in my Memo for File a one sentence warning that under the Federal law acting as a host would now likely constitute a contribution. A copy of this Memo for File dated July 29, 1976 was sent to Mr. Cumming. As Mr. Ford was out of his office during most of August, 1976, my July 29, 1976 warning about acting as a host did not come to his attention until several weeks after his August 10 approval of The "21" Club bill.

On September 10, 1976 Mr. Ford asked that I look into The "21" Club luncheon. After reviewing the matter I expressed concern that the payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts (which were unsuccessful) to hold a similar luncheon for presidential candidate Ford. This concern was relayed to the Democratic National Committee and on October 23, 1976 they sent Mr. Ford a check for \$1,510.03, reimbursing him in full. This brought the matter to a close.

Photocopies of Mr. Ford's check to The "21" Club and of the Democratic National Committee check reimbursing him are attached.

Very truly yours,

Pierre V. Heftler

PVH/sr
Encl.

79040530

HENRY FORD II

MANUFACTURERS NATIONAL BANK
OF DETROIT

17588

99 DETROIT, MICHIGAN 9709866

August 10, 1976 ⁹⁻³³/₇₂₀

PAY TO THE ORDER OF

The "21" Club

\$ 1,510.03

PAYED 1510 AND 03 CTS

DOLLARS

HENRY FORD II

H. A. Peter

⑆017588⑆ ⑆10720⑆0033⑆ 100 069686⑆

⑆0000151003⑆

DNC SERVICES CORPORATION

9931

1625 MASS. AVE., N. W.
WASHINGTON, D. C. 20036

OCT 22 76 ¹⁵⁻³/₅₄₀

PAY

PAYED 1510 AND 03 CTS

DOLLARS \$ 1510.03

TO THE ORDER OF

Henry Ford, II
American Road
Dearborn, Michigan

Handwritten initials

Deposited 11/11/76

The RIGGS NATIONAL BANK

WASHINGTON, D.C.
DEPOT CIRCLE OFFICE
1917 MASSACHUSETTS AVE., N. W.

⑆0510⑆0003⑆ 04⑆07179007⑆

622 - 1,378.10
630 - 111.80

DNC SERVICES CORPORATION
WASHINGTON, D. C. 20036

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEM DATED 8/10/76
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT REQUIRED

DELUXE - FORM WVB-3 V-2

DATE	DESCRIPTION	AMOUNT



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, your expenditures for the luncheon cannot be considered independent because such an event was held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures are defined as contributions-in-kind and subject to the regulations set forth in the Federal Election Campaign Act (as amended). Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).

Although your attorney, Pierre V. Heftler, indicated that you were reimbursed in full for the amount allegedly expended for the luncheon, this action occurred approximately three months after the event and therefore, does not obviate the violation.



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Pierre V. Heftler
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

Your co-sponsorship of such a luncheon funded the appearance of a single candidate and therefore, is distinguishable from the sponsorship of the presidential debates by the League of Women Voters at which both presidential candidates attended. Granting that the two activities were performed with an informational interest, the luncheon that you co-sponsored was not executed in a nonpartisan manner.

In the Commission's view, the physical attendance of Jimmy Carter at the luncheon constitutes an event held in "cooperation, consultation, or concert" with a presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures can no longer be considered independent but rather are defined as contributions-in-kind. Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

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FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

December 5, 1977

Mr. Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

Re: MUR 333(76)

Dear Mr. Dye:

This letter is to notify you that the attorney assigned to the above matter has been changed. If you have any questions, please contact Ms. Biz Van Gelder (Telephone no. 202-523-4175); the attorney now assigned to this matter.

Sincerely,

William C. Oldaker
General Counsel



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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 5, 1977

Mr. Ronald D. Eastman
Verner, Liipfert, Bernhard and McPherson
Suite 1000
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333(76)

Dear Mr. Eastman:

This letter is to notify you that the attorney assigned to the above matter has been changed. If you have any questions, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175), the attorney now assigned to this matter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. C. Oldaker".

William C. Oldaker
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 23, 1977

Theodore C. Sorenson, Esquire
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Sorenson:

Please be informed that Ms. Carolyn Reed is no longer the attorney handling MUR 333. This matter has been assigned to Ms. Biz Van Gelder. If you have any questions, please contact her at (202-523-4175).

Sincerely yours,

William C. Oldaker
General Counsel

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
Associate General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 23, 1977

Pierre V. Heftler, Esquire
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333 (76)

Dear Mr. Heftler:

Please be informed that Ms. Carolyn Reed is no longer the attorney handling MUR 333 (76). This matter has been assigned to Ms. Biz Van Gelder. If you have any questions, please contact her at (202-523-4175).

Sincerely yours,

William C. Oldaker
General Counsel

A handwritten signature in black ink, appearing to read "Charles N. Steele".

Charles N. Steele
Associate General Counsel



8 11 77

Revised Draft
September 9, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
NONPARTISAN COMMITTEE FOR	)	MUR 333 (76)
GOOD GOVERNMENT and)	
1976 PRESIDENTIAL CAMPAIGN)	
COMMITTEE, INC.)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

This agreement is entered into after conference and conciliation with representatives of the Nonpartisan Committee for Good Government who cooperated fully with the FEC staff. The agreement shall in no manner be construed as an admission by the Nonpartisan Committee for Good Government that it has violated any provisions of the Federal election laws and should not be construed in any way to reflect on the actions or intentions of others involved in the activity described herein.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly

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entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford 2d, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission

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could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and should be so reported to avoid conflict with the FEC. Thus, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, Respondent Nonpartisan Committee solely for the purpose of this proceeding agrees:

I. That the Commission has construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. § 441a(a)(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function intended to influence a federal election, and the candidate accepts and appears at the function.

II. According to this construction, the invitation to Presidential nominee Jimmy Carter, his acceptance, and his appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i), and Respondent's action in reporting the expenditure as an independent expenditure

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was in violation of 2 U.S.C. § 434(3)(2).

III. The Commission concludes that Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431e.

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$200 pursuant to 2 U.S.C. § 437(a)(6)(B).

V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the Respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

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LAW OFFICES

WEBSTER & CHAMBERLAIN
1747 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20006



FEDERAL ELECTION COMMISSION

79 JAN 3 AM 11:19

Ms. Biz Van Gelder
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

200,182

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
NEW YORK, N. Y. 10022
TELEPHONE (212) 644 8000
TELECOPIER (212) 644 8202
CABLE LONGSIGHT, N. Y.
TELEX 12-7831

RANDOLPH E. PAUL (1946-1956)
LOUIS S. WEISS (1927-1950)

JOHN F. WHARTON
LLOYD K. GARRISON
COUNSEL

SIMON H. RIFKIND
HOWARD A. SEITZ
ADRIAN W. DEWIND
MORRIS S. ABRAM
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH S. ISEMAN
JAMES B. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBERG
RICHARD H. PAUL
NORMAN ZELENKO
JOHN E. MASSENGALE
JAY TOPKIS
EDWARD H. COSTIKYAN
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, 3RD
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
JAMES L. PURCELL
ARTHUR KALISH
DAVID T. WASHBURN
BERNARD FINKELSTEIN
ARTHUR L. LIMAN
SEYMOUR HERTZ
WALTER F. LEINHARDT
GERALD D. STERN
ANTHONY S. KUKLIN
MARTIN LONDON
DAVID C. BRODHEAD
PETER R. HAJE
LEONARD V. QUIGLEY
ALLAN BLUMSTEIN
NEALE M. ALBERT
JAY GREENFIELD
KEVIN J. O'BRIEN
ALFRED D. YOUNGWOOD
DONALD F. MOORE
JOSEPH E. BROWDY
SIDNEY S. ROSDEITCHER
ROBERT S. LUFER
ALLEN L. THOMAS
PETER L. FELCHER
MARK H. ALCOTT
JOHN P. MCGENROE
PETER J. ROTHENBERG
JUDITH R. THAYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITTER

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

August 15, 1977

729 146

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of our client, Mr. Edgar Bronfman, we take this opportunity to respond to your letter of July 29, 1977, received by Mr. Bronfman on August 4, 1977, in which you state that the Commission "has reason to believe that [Mr. Bronfman] may have violated the provisions of 2 U.S.C. §441a(a)(1)(A)" as a result of his "alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues."

A review of the pertinent facts in the context of the Federal Election Campaign Act will demonstrate, we believe, that no violation of the Act occurred in the situation to which you refer.

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Mr. Oldaker

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Statement of Facts

The facts, which are perhaps better known by Mr. Bronfman than by any of the other parties concerned because of his involvement from the very beginning, as conveyed to us by Mr. Bronfman and his associates, may be summarized as follows:

It was Mr. Bronfman's belief in the summer of 1976 that 1976-77 could be a watershed in relations between the Federal Government and American business, regardless of who was elected; that either a new Ford mandate or a new Carter administration was likely to produce a series of economic and other policy initiatives in which the business community had a vital stake; and that the major business organizations as they then existed were not sufficiently attuned to the Federal Government's point of view to serve adequately as a bridge between government and business in this new era.

After Mr. Bronfman discussed this concern with others, it was decided, as the first step in an evolving plan, to invite each of the major party nominees to meet, in each case shortly after receiving his respective party's nomination, with a "blue-ribbon," bipartisan group of some 50-60 business executives for an exchange of views. The business invitees, the location and the format -- lunch at "21," followed by an informal address and discussion -- were to be

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Mr. Oldaker

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identical in each case.* As noted in Mr. Bronfman's letter of invitation to President Ford, it was hoped that this pattern could then be replicated in major cities throughout the country, with a selected group of business executives hearing each of the major party Presidential nominees on "separate but equal" occasions. From these forums, it was hoped, would grow a new organization to represent business in working with Government. An internal draft prospectus for this plan could be supplied if necessary.

Preliminary meetings were held with top-level representatives of each of the candidates, with indications in each case that their respective candidates would accept the invitation to "21." Ultimately Democratic nominee Carter accepted, and Republican nominee Ford found that his schedule made his acceptance impossible.

President Ford's inability to accept the invitation dampened the plan for a series of business forums around the country; and Irving Shapiro's subsequent pronouncements about reinvigorating the Business Roundtable and its relations with Government ultimately helped persuade Mr. Bronfman to suspend his idea of founding a new non-partisan business organization.

*An invitation to the Carter luncheon as well as a draft invitation to the Ford luncheon are attached to this letter as Exhibit A. Also attached are Exhibit B, the Guest List for the Carter luncheon which was the same guest list to have been used at the Ford luncheon; and Exhibit C, Mr. Bronfman's letter to President Ford extending to him an invitation to meet and discuss the same business concerns with the same group of businessmen, preferably at another luncheon at the same club.

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Mr. Oldaker

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In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Mr. Carter, and Ford supporters did not conceal their preferences either. The Democratic nominee discussed a number of subjects of interest to the business community, in an opening statement and then in answer to questions, some of them hostile, from an audience believed to consist of more Republicans than Democrats. (No one was invited because of his party affiliation and in most cases the hosts had no knowledge of the invitees' political preferences.)

The reaction of the audience was mixed.* No funds were raised for the candidate. No contributions were requested. On the contrary, Mr. Bronfman stated to at least some of those present that the new Federal election law and its public financing provisions had eliminated any possibility of the businessmen present providing (and

* The New York Times of July 23, 1976 reported:

"Some Republicans at the meeting, including John Weinberg, a partner of Goldman Sachs & Co., said that they would vote for Mr. Carter this year. Others, including William T. Seawell, chairman of Pan American Airways, indicated that they were uncertain at this time as to which candidate would get their vote.

"Still others, however, said that although they had come to the luncheon to meet Mr. Carter, they would nevertheless vote for the Republican candidate. For instance, Ellmore C. Patterson, chairman of the Morgan Guaranty Trust Company of New York, said, 'I've been a Republican for a long time and I'll probably continue to be a Republican.'"

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Mr. Oldaker

5.

nominee Carter accepting) any contributions or expenditures for the Carter Presidential Campaign.*

No one attended from any national political committee or urged support for any political party. It was understood by all present -- Carter, Bronfman and all invitees -- and stated openly, that many of those present would not vote for Mr. Carter but would nevertheless benefit from this exchange of views.

The total cost of the luncheon served to the businessmen and press "pool" addressed by Mr. Carter in the Hunt Room of "21" was \$2,550.27. The three businessmen acting as co-hosts for the luncheon, of which Mr. Bronfman was one, agreed to split the cost -- \$850.09 each. (They also agreed as a matter of public relations to pay for the separate lunches served elsewhere (on a different floor) in "21" to the large press contingent accompanying the Democratic nominee in his travels around the country, a bill which totalled \$1979.79, requiring an additional \$659.93 from each of the three.**

*Mr. Bronfman repeated his praise for this provision of the Act in an Op. Ed. article for the New York Times on September 21, 1976, where he again expressed his desires for a new relationship between business and government "whether we have the change of a new Administration or the continuation of Republican government."

**Mr. Bronfman's personal check to the 21 Club on February 24, 1977 totaled \$2,040.87 -- \$850.09 as his share of the Carter luncheon, \$659.93 as his share of the cost of the meals served that day to the press, and the balance for wholly unrelated personal expenses.

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Mr. Oldaker

6.

Analysis

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The threshold question is whether this payment of luncheon expenditures was, in this context, made "for the purpose of influencing...the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A). We think clearly it was not. The Carter luncheon, along with the Ford luncheon which was to follow, were intended not to promote the candidacies of either nominee but to enable those present to initiate a dialogue on business concerns and hear the views thereon of the next President, whichever one it turned out to be, as the first step of a grand design to improve business-government relations without regard to partisan affiliation. A good faith effort was made to arrange an identical luncheon for President Ford. Had he accepted -- and the hosts had every reason to believe that he would accept -- and had they made a similar payment of expenses for a similar luncheon (composed principally of Republicans in both cases) addressed by President Ford, no reasonable person could then argue that such payments constituted a "general expression of support" for either Carter or Ford or served to "affiliate" Mr. Bronfman with either candidate (See Buckley v. Valeo, 424 U.S. 1, 21, 22, 1976).

On the contrary, the physical presence of each candidate in successive months would have made more obvious the fact that these luncheon forums fell within the same rule as that applied by the Commission to Presidential debates. The Commission in a 1976 Policy Statement declared the costs

Mr. Oldaker

7.

incident to debates such as those sponsored by the League of Women Voters to be neither contributions nor expenditures within the meaning of the Act.

"Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed... Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit..."

Similarly, in Informational Letter ¶6071 (CCH ¶6071, January 3, 1977), the Commission permitted a Chamber of Commerce to distribute publicly an Election Guide which portrayed two competing candidates "in an equitable and non-partisan fashion; its purpose seems to be informative rather than support of or opposition to any candidate or political party."

Clearly that was also the purpose of the luncheon series launched by Mr. Bronfman and his co-hosts. Surely President Ford's inability to adjust his schedule to accept their invitation cannot convert an expenditure wholly lawful under the above rulings to one that is somehow unlawful. Surely Mr. Bronfman was under no obligation, having made every effort to provide "equal time" to both candidates, to see to it that both made use of that opportunity. Any

78040055011

Mr. Oldaker

8.

finding by the Commission to the contrary would make it virtually impossible for civic, business, religious and other organizations all over the country to invite competing candidates for Federal office to address meetings sponsored by those organizations -- a result never intended by Congress. Congress believed that it was helping by enactment of this statute to equalize the opportunities of competing candidates to be heard. That is precisely what Mr. Bronfman and his co-hosts set out to do.

Moreover, this luncheon should be examined in light of the spirit and intent of the Act. No corporate, union or other prohibited donors were involved. No attempt was made to conceal from the public or government this widely publicized affair or Mr. Bronfman's role as co-host. No breach by Mr. Bronfman of the \$25,000 ceiling on his aggregate contributions for 1976 would have occurred even if arguendo these luncheon expenses were somehow deemed to be contributions under the Act.

Most importantly, even if arguendo a contribution under the Act were involved, the fact remains that -- setting aside the co-hosts' willingness to treat the press to lunch (which clearly could not have been for the purpose of influencing the election) -- Mr. Bronfman's share of the

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Mr. Oldaker

9.

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expenses of the luncheon actually attended by Mr. Carter (\$850.09) (and Mr. Bronfman made no other contribution or expenditure to or on behalf of Mr. Carter following the latter's nomination) did not exceed the \$1,000 ceiling set forth in the section of the Act cited in your letter, 2 U.S.C. §441a(a)(1)(A). Nothing in the Act penalizes an individual for making a campaign contribution or expenditure to or on behalf of a Presidential nominee, with the knowledge and cooperation of the latter's campaign committee, of less than \$1,000. If (which in light of the facts we cannot accept) the cost of the bi-partisan luncheon actually addressed by Mr. Carter is deemed in hindsight to have been a political contribution or expenditure, the amount paid by each co-host is still below the legal maximum. Surely it cannot be maintained that Mr. Bronfman and his co-hosts were in violation of the Act because they also decided to treat the traveling press to lunch.

In short, payment for a luncheon designed to be the first of two luncheons addressed by the major party nominees as part of an effort to improve government-business relations was not made for the purpose of influencing the election of one of those nominees; but even if by some stretch of the law such payment is nevertheless deemed to have been made for such purpose, it was within the ceiling permitted by the Act.

Mr. Oldaker

10.

Conclusion

In light of the above, we trust you will agree with our conclusion that no violation of the Act occurred in this situation and that no action should be taken against Mr. Bronfman. We would be pleased to answer any questions you may have on this matter and to submit any additional information requested. Should you disagree with the above conclusions, we trust that we will have an opportunity to discuss the matter in person with you before any further action is taken. Your consideration and cooperation are greatly appreciated.

Respectfully Submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Paul, Weiss, Rifkind, Wharton & Garrison

Theodore C. Sorensen
Frederick R. Cummings
Bruce L. Owens

7304005301

29740755075

APPENDIX A

S A M P L E

Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

Mr. Lionel I. Pincus

at a luncheon for the purpose of introducing
former Governor of Georgia Jimmy Carter
to a small group of mutual friends

Thursday, July 22, 12:30 p.m.

Hunt Room, The "21" Club

New York City

R.S.V.P.
Card Enclosed

JUL 12 1976

001900F067

DRAFT

A2

Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

at a luncheon for the purpose of introducing The Candidate
of the Republican Party President Gerald R. Ford

to a small group of mutual friends

Date TK, 12.30 p. m.

Hunt Room, The "21" Club
New York City

R. S. V. P.
Card enclosed

I accept your invitation to the
luncheon for President
Gerald R. Ford

I must regret

7 3 0 4 0 7 5 3 0 0 7

18040055031

APPENDIX B

GUEST LIST FOR LUNCHEON HONORING
FORMER GOVERNOR OF GEORGIA JIMMY CARTER
JULY 22, 1976

HOSTS: Mr. J. Paul Austin
Mr. Edgar Bronfman
Mr. Henry Ford

SPECIAL HONORED GUEST

Mr. Jimmy Carter

73040756000

Mr. W. Michael Blumenthal
Chairman of the Board
The Bendix Corporation

Mr. Carter L. Burgess
Chairman of the Board
Foreign Policy Association

Mr. Howard L. Clark
Chairman of the Board
American Express Company

Mr. W. Graham Claytor, Jr.
President
Southern Railway

Mr. John T. Connor
Chairman of the Board
Allied Chemical Corporation

Mr. Joseph Cullman
Chairman of the Board
Philip Morris

Mr. Coy Eklund
President & Chief Executive Officer
Equitable Life Assurance Company

Mr. Abraham Feinberg
Chairman of the Board
American Security Bank

Mr. Paul Foley
Chairman of the Board
The Interpublic Group of Companies, Inc.

Mr. Lewis W. Foy
Chairman
Bethlehem Steel Corporation

7304075101

Mr. Walter A. Haas, Jr.
Chairman of the Board
Levi Strauss and Company

Mr. John Hanley
Chairman of the Board
Monsanto

Mr. Robert Hatfield
Chairman of the Board
Continental Can Company, Inc.

Mr. Donald Johnston
President
J. Walter Thompson Company

Mr. Leo-Arthur Kelmenson
President
Kenyon & Eckhardt, Incorporated

Mr. William Kerby
Chairman of the Board
Dow Jones

Mr. Philip M. Klutznick
Limited Partner
Salomon Bros.

Mr. H. Peter Kriendler
The "21" Club

Mr. James A. Linen, III
Chairman of the Board
Executive Committee
TIME Incorporated

Mr. Edmund W. Littlefield
Chairman of the Board
Utah International Inc.

79040753101

Mr. Ian K. MacGregor
Chairman of the Board
Amax Incorporated

Mr. David J. Mahoney
Chairman, President, & Chief Executive Officer
Norton Simon, Inc.

Mr. William F. May
Chairman of the Board
American Can Company

Mrs. Bess Myerson
Consultant

Mr. Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty

Mr. John J. Riccardo
Chairman of the Board
Chrysler Corporation

Mrs. Mary G. Roebling
Chairman of the Board
National State Bank

Mr. Felix G. Rohatyn
General Partner
Lazard Freres & Co.

Mr. George A. Stinson
Chairman of the Board
National Steel Corporation

Mr. Jack Tarver
Publisher
Atlanta Newspapers, Inc.

7304075111

Mr. A. Robert Abboud
Chairman of the Board
First National Bank of Chicago

Mr. Harry J. Gray
Chairman and President
United Technologies Corporation

Mr. Lionel I. Pincus
President & Chief Executive Officer
E. M. Warburg, Pincus and Co., Inc.

Mr. Robert T. Quittmeyer
President
Amstar Corporation

Mr. Laurence A. Tisch
Chairman and Chief Executive Officer
Loews Corporation

Mr. Richard L. Gelb
Chairman of the Board
Bristol-Myers

Mr. Vermont Royster
Journalist

Mr. William Hewitt
Chairman of the Board
John Deere & Co.

Mr. John Weinberg
Partner
Goldman Sachs & Co.

Mr. Ovid R. Davis
Vice President
The Coca-Cola Company

Mr. Garth Hamby
Assistant Secretary &
Assistant to the Chairman of the Board
The Coca-Cola Company

73040755173

Mr. William T. Seawell
Chairman of the Board
Pan American Airways

Mr. J. Anthony Forstmann
Partner
Forstmann, Leff & Associates

Mr. Jonathan Rinehart
The Jonathan Rinehart Group, Inc.
(Public relations agency for Mr. Bronfman)

Mr. Richard Clurman
Richard M. Clurman & Associates
(Consulting agency for Mr. Bronfman)

*Mr. Marvin Warner
President
Warner National Corp.*

*Mr. Thomas Carroll
Chairman
Lever Brothers*

7804075101

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Edgar M. Bronfman

375 Park Avenue
New York, New York 10022
August 17, 1976

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

On behalf of Paul Austin, Henry Ford II and myself, it is my pleasure to invite you to luncheon to meet and discuss the issues with a group of some sixty friends from the world of American business.

As you may recall the same group met at The "21" Club in New York City shortly after the Democratic convention last month with the just-nominated Candidate of the Democratic Party, Governor Jimmy Carter. At the luncheon Governor Carter expressed his views and responded to questions from our guests. Now we have the honor to extend to the Candidate of the Republican Party, an invitation to meet with the same group.

Of course, Mr. President, we would be happy to arrange a place and date of your convenience. But if your schedule does permit a date early in the campaign at the same location, we feel it would best serve you as well as a larger public purpose we have in mind.

It is our intention, hopefully, after this luncheon, to form a new, non-partisan group of national business leaders whose objectives will be to make more constructive the relationship between American business and the federal government. As planned, this group will have many useful activities, but a principal one will be to arrange similar meetings between the business community and the presidential candidates as they travel during their campaign. This initial meeting with you, we hope, will be the first of many that we can arrange with your staff to take place in all parts of the country, as we intend to do with Governor Carter.

If you are able to accept, sir, we know that our initial group of concerned business leaders would be both honored and rewarded.

Respectfully,

Edgar M. Bronfman

7 8 0 4 0 0 5 5 1 0 7

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

345 PARK AVENUE • NEW YORK, N. Y. 10022

FEDERAL ELECTION COMMISSION
177 AUG 15 1969

FROM
PAUL WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE • NEW YORK, N.Y. 10022

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

CERTIFIED

No. 374803

MAIL

BODMAN, LONGLEY BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER

DETROIT MICHIGAN 48243

(313) 259 7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY MICHIGAN 48064
(313) 362-2110

LOUIS F. DAHLING
FREDERICK C. RASH
PIERRE V. HEFFLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER C. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD M. DEASON
JAMES A. SMITH
GERALD VAN WYF
JOSEPH N. BROWN
KENNETH R. LARNO
JAMES R. BULLMANN
ANDREW J. BRIDGER
GEORGE G. KIMBLEY
EDWARD A. DIAL
DANIEL H. HEMMINGS
LINDA S. ADCHAMER
BARBARA S. PERRY
PATRICIA E. CHERRY

August 11, 1977

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG JR.
1887-1975

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MUR 333(76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to acknowledge your letter to him of July 29, 1977 and to give you the facts concerning his involvement in a luncheon, in New York City on July 22, 1976, attended by presidential nominee Jimmy Carter.

The circumstances are as follows:

On May 20, 1976 Mr. J. Paul Austin, of Atlanta, Ga., invited Mr. Ford to join him and Mr. Edgar Bronfman, of New York City, in acting as hosts for a luncheon at which presidential candidate Jimmy Carter would meet a number of leaders of U. S. Industry. Mr. Ford agreed. The event was held at The "21" Club, New York City, on July 22, 1976 with candidate Carter and approximately 60 businessmen present.

In due course The "21" Club sent Mr. Ford a bill for charges of \$1,510.03 incurred on July 22, 1976 (presumably one-third of the luncheon referred to above). Mr. Ford approved the bill on August 10, 1976 and his business manager paid it the same day out of Mr. Ford's personal funds.

At the time it did not occur to Mr. Ford that he was becoming involved in a campaign contribution; he thought it was a simple business luncheon of which he had given many, including a number over the years for the purpose of introducing political candidates, Federal and state, to the business community.

William C. Oldaker, Esq.
August 11, 1977
Page Two

On July 29, 1976 Mr. James Cumming, Mr. Ford's private secretary, telephoned me for the dollar limits on political contributions under recently enacted Federal and Michigan law. I responded verbally and then prepared a Memo for File briefly setting out the limits. Also, as Mr. Ford in prior years had acted as a host, or co-host, at luncheons or dinners in which political candidates were introduced and since under the 1976 Act expenditures in cooperation or consultation with a candidate were now defined to be contributions, I included in my Memo for File a one sentence warning that under the Federal law acting as a host would now likely constitute a contribution. A copy of this Memo for File dated July 29, 1976 was sent to Mr. Cumming. As Mr. Ford was out of his office during most of August, 1976, my July 29, 1976 warning about acting as a host did not come to his attention until several weeks after his August 10 approval of The "21" Club bill.

On September 10, 1976 Mr. Ford asked that I look into The "21" Club luncheon. After reviewing the matter I expressed concern that the payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts (which were unsuccessful) to hold a similar luncheon for presidential candidate Ford. This concern was relayed to the Democratic National Committee and on October 22, 1976 they sent Mr. Ford a check for \$1,510.03, reimbursing him in full. This brought the matter to a close.

Photocopies of Mr. Ford's check to The "21" Club and of the Democratic National Committee check reimbursing him are attached.

Very truly yours,



Pierre V. Heftler

PVH/sr
Encl.

HENRY FORD II

17588

MANUFACTURERS NATIONAL BANK
OF DETROIT

DETOIT, MICHIGAN 48209

August 10, 1976 ⁹⁻³³/₇₂₀

PAY TO THE ORDER OF

The "21" Club

\$ 1,510.03

PAY TO THE ORDER OF \$1,510 AND 03 CTS

DOLLARS

HENRY FORD II

[Signature]

⑆017588⑆ ⑆0720⑆0033⑆ 100 069686⑆ ⑆0000151003⑆

DNC SERVICES CORPORATION
1625 MASS. AVE., N. W.
WASHINGTON, D. C. 20036

9931

OCT 22 76 ^{15.3}/₅₄₀

PAY TO THE ORDER OF \$1,510.03

DOLLARS \$ 1510.03

PAY

TO THE ORDER OF

Henry Ford, II
American Road
Dearborn, Michigan

[Stamp]

Deposited 11/11/76

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
DUPONT CIRCLE OFFICE
1913 MASSACHUSETTS AVE., N. W.

⑆0540⑆0003⑆ 04⑆07179007⑆

622 - 1,378.18
630 - 111.82

DNC SERVICES CORPORATION
WASHINGTON, D. C. 20036

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY - NO RECEIPT DESIRED

DELUXE - FORM WVD-3 V-2

DATE	DESCRIPTION	AMOUNT

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

7/29/77

Mr. Alan Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: Nonpartisan Committee for
Good Government and 1976
Presidential Campaign
Committee, Inc.

Dear Mr. Dye:

This letter is in response to your letter of July 6, 1977, in which you enclosed a revised conciliation agreement on behalf of the Nonpartisan Committee for Good Government. The Commission reviewed the revised draft at its meeting of July 20, 1977.

The Commission has no objection to the revisions set forth in paragraphs number 1-6 in your letter of July 6th. With regard to the proposed revision set forth in paragraph 7, the Commission reaffirmed its policy of requiring an admission of a violation in a conciliation agreement. The Commission did not raise an objection to the suggested amount of the fine in paragraph 8. Finally, with regard to paragraph 9, the Commission agreed that the language in Paragraph IV of the Commission's proposed conciliation agreement could be revised to an agreement not to undertake the activity which is at issue in the conciliation agreement.

We will be glad to arrange a meeting with you to discuss further the conciliation agreement. After you have had an opportunity to review the matter, please call Carolyn A. Reed, 523-4175, to arrange a meeting.

Sincerely yours,

15/

William C. Oldaker
General Counsel

CRreed:cfb:7/25/77

78040055112



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 29, 1977

Mr. Henry Ford II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission, acting upon information obtained during the course of an investigation, had determined that it has reason to believe that you may have violated the provisions of 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, the payment for the costs of a luncheon at which a candidate addresses the audience on campaign issues is an expenditure within the meaning of 2 U.S.C. §431(f). The acceptance of the invitation and the appearance of the candidate raise the presumption that the expenditure was made in "cooperation, consultation or concert with the candidate, his committee or agents" within the meaning of the Act. 2 U.S.C. §441(a)(7)(B)(i). If the expenditure was, in fact, made independently of the candidate, a reporting obligation under 2 U.S.C. §434(e) may have arisen.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within 15 days of the receipt of this letter. A copy of the Act has been enclosed.



This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Carolyn A. Reed (telephone No. 202/523-4175), the attorney assigned to this matter.

Sincerely yours

William C. Oldaker
General Counsel

Enclosure

78 Form 3811, Mar. 1976

15301137

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 333 Reed

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered..... 15¢

Show to whom, date, & address of delivery.. 35¢

RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO: FORD MOTOR CO.
Mr. Henry Ford II
Ford Motor Co.
American Rd.
Dearborn, MI

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943720	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: AUG 1977

POSTMARK: [Stamp]

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1976-O-203-456



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 29, 1977

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission, acting upon information obtained during the course of an investigation, had determined that it has reason to believe that you may have violated the provisions of 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

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Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within 15 days of the receipt of this letter. A copy of the Act has been enclosed.



This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Carolyn A. Reed (telephone No. 202/523-4175), the attorney assigned to this matter.

Sincerely yours,



William C. Oldaker
General Counsel

Enclosure

78040055115

July 22, 1977

MEMORANDUM TO: Marjotte Emmons
FROM: Elissa T. Garr
SUBJECT: Certification for MUR 333 in the matter of
Henry Ford, 2d and Edgar Bronfman

After checking my notes from the Commission meeting of July 20, 1977 I discovered that the certification for MUR 333 in the matter of Ford and Bronfman may have been wrong. My doubts were confirmed by Bill Oldaker. I believe that the Commission found RTB on section 441a(a)(1)(A) not 441a or 434(e). I would appreciate it if you would check the tape of the meeting to discover the answer.

Thank you.

78040055117

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Henry Ford, 2d and)
Edgar Bronfman)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 21, 1977, the Commission determined by a vote of 4-0 to find Reason to Believe a violation of 2 U.S.C. Section 441a or 2 U.S.C. Section 434(e) may have been committed by the respondents in the above-captioned matter.

Voting for this finding were Commissioners Aikens, Harris, Thomson, and Tiernan; Commissioner Staebler abstained from voting; Commissioner Springer was not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

0114005113

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Henry Ford, 2d and)
Edgar Bronfman)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 21, 1977, the Commission determined by a vote of 4-0 to find Reason to Believe a violation of 2 U.S.C. Section 441a or 2 U.S.C. Section 434(e) may have been committed by the respondents in the above-captioned matter. Voting for this finding were Commissioners Aikens, Harris, Thomson, and Tiernan; Commissioner Staebler abstained from voting; Commissioner Springer was not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

804075513

July 15, 1977

MEMORANDUM TO: Marjorie Emons
FROM: Elissa T. Garr
SUBJECT: MUR 333

Please have the attached Memo and Conciliation Agreement for MUR 333 distributed to the Commission and placed on the Agenda for the Commission Meeting of July 20, 1977.

78040055120



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

TO: The Commissioners

FROM: William C. Oldaker *Bill*

RE: Proposed Conciliation Agreement with Nonpartisan
Committee for Good Government - MUR 333

Attached is a revised draft of a conciliation agreement submitted by the Nonpartisan Committee for Good Government. (the Committee) Also attached is a letter from Alan Dye, attorney for the Committee, setting forth an explanation of the revisions.

We will address each of the proposed changes in sequence.

1. No objection.
- 2.-4. No objection. This is in accord with the information provided by the Committee during the course of the conciliation that the luncheon was planned and paid for by Henry Ford and Edgar Bronfman, as well as by the Committee. (See accompanying 48-hour reports)
5. We have no objection to the agreement indicating that the Committee acted on the advice of counsel.
6. No objection.
7. Rather than admitting a violation, the Committee suggests language to the effect that the Committee agrees "not to dispute the allegations of the FEC that" the Committee improperly reported the luncheon expenditure.

The Committee supports this change by citing a number of Federal agencies which enter into consent decrees which do not require an admission of a violation of the law. Further, the Committee contends that Congress did not intend the Section 437g procedure to be aimed at coercing an admission of a violation, but rather as an attempt to correct the alleged violation.



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In this particular case, the Committee argues that the question of how to report the luncheon raises "difficult legal issues on which reasonable persons may differ." The Committee alleges it acted in good faith and attempted to comply with the Act on the basis of legal advice.

The Committee's proposal would appear to be contrary to Commission policy.

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LAW OFFICES
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WASHINGTON, D. C. 20008
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ARTHUR L. HEROLD
ALAN P. DYE
MICHAEL LENEHAN
JAMES L. WILSON
CHRISTOPHER L. HARTWELL

FEDERAL ELECTION COMMISSION

JUL 7 AM

OF COUNSEL
W. G. KILPATRICK
MILTON A. SMITH

July 6, 1977

Ms. Carolyn Reed
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Nonpartisan Committee for Good
Government and 1976 Presidential
Campaign Committee, Inc.

Dear Ms. Reed:

On behalf of the Nonpartisan Committee for Good Government, we enclose herewith our revised draft of the conciliation agreement proposed by you in connection with this matter.

We offer the following comments with respect to our changes, many of which were discussed with you and William Oldaker at our meeting of June 8.

1. Page 2, paragraph III(A). Coca-Cola's full name is "The Coca-Cola Company," and we have changed paragraph III(A) accordingly.

2. Page 2, paragraph III(B). The proposed conciliation agreement states that "Respondent Nonpartisan Committee planned a luncheon" Since the co-hosts identified in the agreement were also involved in planning the luncheon, we have changed the sentence to read that "Respondent Nonpartisan Committee was involved in the planning of a luncheon"

3. Page 2, paragraph III(C). The second sentence of the paragraph states that "Presidential nominee Jimmy Carter accepted the invitation of Respondent Nonpartisan Committee" Since the co-hosts also participated in inviting Mr. Carter to address the luncheon, we have changed the sentence to read: "Presidential nominee Jimmy Carter accepted the invitation to address the luncheon"

4. Page 2, paragraph III(D). As we discussed at our meeting with you on June 9, 1977, the Nonpartisan Committee paid for only a portion of the costs of the luncheon. To avoid any possible misunderstanding in this regard, we have changed paragraph III(D) to read as follows: "Respondent Nonpartisan Committee paid

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 2

\$1,775.11 as its share of the costs of the luncheon." For the same reason, we have inserted the phrase "its share of" in the first sentence of paragraph III(E).

5. Page 2, paragraph III(E). The Nonpartisan Committee followed the advice of this law firm as independent, outside counsel in reporting its expenditure for the luncheon as an independent expenditure. Specifically, prior to the luncheon, we advised the Nonpartisan Committee that in our opinion the expenditure for the luncheon would be an independent expenditure and not a contribution to presidential nominee Jimmy Carter. We reiterated that advice when the Committee sought our opinion in connection with reporting the luncheon expenditure to the Commission. That advice constituted our best judgment at the time as to the meaning of the Federal Election Campaign Act. We continue to believe that our advice was correct. The Nonpartisan Committee is willing to consider entering into a conciliation agreement in which it agrees not to dispute the Commission's position on this legal issue. However, we believe the Commission and the public should be aware that the Nonpartisan Committee followed the advice of counsel in reporting the luncheon expenditure as an independent expenditure. We therefore have inserted the phrase "On advice of counsel" at the beginning of paragraph III(E).

6. Page 2, paragraph III(E). The first sentence of paragraph III(E) provides in part that "the treasurer of the Respondent Nonpartisan Committee certified" Since an officer of the Committee -- but not the treasurer -- actually made the certification, we have substituted the words "an officer" for the words "the treasurer."

7. Page 3, paragraph I. While the Nonpartisan Committee is willing to pay a fine and to agree not to dispute the Commission's allegations, the Committee does not believe that it should be required to admit a violation of the Federal Election Campaign Act in the absence of any judicial decision supporting the Commission's view of the law. For that reason, we have inserted language at the beginning of paragraph I to the effect that the Committee agrees "not to dispute the allegations of the Federal Election Commission that" the Committee improperly reported the luncheon expenditure.

Numerous federal agencies with enforcement responsibilities similar to those of the Commission enforce federal laws by entering into settlement agreements in which the defendant admits no violation of the law. For example, the Securities and Exchange Commission settles the vast majority of its complaints by entering into consent decrees in which the defendant neither admits nor denies violations

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 3

of the securities laws.* The Justice Department often enforces the antitrust laws by entering into consent decrees in which the defendant admits no antitrust law violations.**

While the consent decrees entered into by the Securities and Exchange Commission and the Justice Department are typically filed in federal district court, other federal agencies enforce laws at the administrative level by entering into consent decrees without extracting an admission of a violation of the law. For example, the Federal Trade Commission often enters into consent orders in which the other party admits no violation of the Federal Trade Commission Act.*** The Consumer Product Safety Commission also permits respondents to enter into consent orders without requiring the admission of a violation of statutes administered by it.**** In sum, it would be contrary to the established practice of many federal enforcement agencies for the Commission to require an admission of a violation of the law as the price for entering into a conciliation agreement.

It is clear that the Congress in enacting Section 437g did not intend that the procedure be devoted to coercing those whom the Commission believes to have violated the statute into admitting such violation, but rather to correct the alleged violation informally without the trouble or expense of judicial intervention. In discussing the provision Representative Hayes, Chairman of the House committee which devised the legislation, states as follows:

"What are we saying here? We are saying that if one of your reports comes in with line 14-C blank, then there should be something in there, that instead of

* See, e.g., SEC v. National Student Marketing Corp., CCH Sec. L. Repr. ¶ 96,027 (D.D.C. 1977); SEC v. Kneapler, CCH Sec. L. Repr. ¶ 96,018 (S.D. Fla. 1977).

** See, e.g., U.S. v. Northwest Collision Consultants, CCH Trade Reg. Repr. ¶ 50,281 (W.D. Wa. 1970); U.S. v. E.I. du Pont de Nemours and Co., CCH Trade Reg. Repr. ¶ 50,291 (D.N.J. 1976).

*** See, e.g., Diners Club, Inc., et al., FTC File No. 742 3152 (March 12, 1976); Diesel Truck Drivers Training School, Inc., et al., FTC File No. 732 3406 (September 4, 1974).

**** See, e.g., Kinder Manufacturing Co., CPSC Docket No. 77-C0018 (March 15, 1977); Lane E. Bailey, et al., CPSC Docket No. 77-C0020 (May 27, 1977).

WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 4

referring it over to the Justice Department for a civil violation, the Commission shall call your treasurer, or whoever files the report, and say, 'Look, you forgot to fill in line 14-C on page 7. Give us the information or file an amended report.' If you do that, that wipes out the violation." Congressional Record, Daily Ed., March 30, 1976, p. H2532.

This discussion, held during the debate surrounding passage of the Federal Election Campaign Act Amendments of 1976, indicates that the purpose of the conciliation procedure was corrective rather than punitive. We believe the interest of the public and the intent of the Congress are best served by a policy which does not require a party to a conciliation agreement to admit that it has violated the statute when it does not believe that it has done so.

There are particularly compelling reasons for not requiring an admission of a legal violation in this case. The question of how to report the luncheon expenditure raises, we submit, difficult legal issues on which reasonable persons may differ. Faced with these difficult issues, the Committee sought outside legal advice and reported the expenditure in accordance with that advice. The Committee thus attempted in good faith to comply with the Federal Election Campaign Act. While the Commission may disagree with the legal advice received by the Committee, the Committee reasonably relied on that advice. If the Commission were to adopt a policy of requiring an admission of illegality under such circumstances, persons charged with violations would be forced to choose between litigating minor issues at great expense or admitting guilt of an offense which they reasonably believe they have not committed. To require such an admission of guilt would be especially inappropriate where, as here, other persons were involved in the same transaction and an admission by one party would have unwarranted implications for the other persons involved.

8. Page 3, paragraph III (now paragraph II). The proposed conciliation agreement does not indicate the amount of the fine to be paid by the Committee. Since the Committee acted in good-faith reliance on the advice of counsel, we believe that the fine should be nominal in amount and suggest that \$500 is an appropriate amount.

9. Page 3, paragraph IV. In paragraph IV of the Commission's proposed conciliation agreement, the Committee would agree "not (to) undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431, et seq." We have deleted

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 5

this paragraph from the enclosed draft. The effect of including this paragraph would be to deny the Committee access to the conciliation process if the Committee were ever again accused of a violation of the Act, however unrelated to the alleged violation involved in this agreement. Such a drastic result is especially inappropriate where, as here, the respondent acted in good-faith reliance on the advice of counsel. There is absolutely no basis for concluding that the Nonpartisan Committee is likely to violate the Act in the future. Moreover, we note that the Commission has entered into other conciliation agreements which contain no provision comparable to paragraph IV of the proposed agreement.* In view of the nature of the alleged violation at issue here, there is surely no justification for inserting such a provision in this conciliation agreement.

We would appreciate your meeting with us as soon as possible to discuss the enclosed draft. Moreover, in view of our ongoing discussions with respect to this matter, we request an extension of the conciliatory process at least until we have had an opportunity to discuss the enclosed draft.

Very truly yours,

WEBSTER & CHAMBERLAIN

By Alan P. Dye
Alan P. Dye

APD:wb

Enclosure

cc: Robert Keller

* See, e.g., The Briggs for Congress Committee, et al., MUR 244 (76); Friends of Hayakawa, et al., MUR 202 (76).

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Revised Draft
June 20, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 333 (76)
)
NONPARTISAN COMMITTEE)
FOR GOOD GOVERNMENT and)
1976 PRESIDENTIAL CAMPAIGN)
COMMITTEE, INC.)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly entered into conciliation pursuant to § 437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. That the pertinent facts in this matter are as follows:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Company, Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford 2d, chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On the advice of counsel, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

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Wherefore, Respondent Nonpartisan Committee agrees:

I. That it will not dispute the allegations of the Federal Election Commission that:

A. The invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i).

B. Respondent Nonpartisan Committee's action in reporting the expenditure as an independent expenditure is in violation of 2 U.S.C. § 434(e)(2).

C. Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431(e).

II. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$500 pursuant to 2 U.S.C. § 437g(a)(6)(B).

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

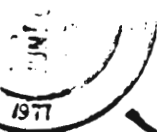
DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

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LAW OFFICES
WEBSTER & CHAMBERLAIN
1747 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20006

TO: Ms. Carolyn Reed
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

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POSTAGE WILL BE PAID BY ADDRESSEE

11 APR 1977

Mr. Douglas Huron
Deputy Counsel
The White House
Washington, D. C.

Re: MUR 333 (76)

Dear Mr. Huron:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007(b)(3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002(11). The Commission thus rejects the view, put further by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone number)

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202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

78040055134
cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CR
CReed:cfb:3/29/77

cc: Compliance Section MUR 333 (76)
CR

11 APR 1977

Mr. Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: MUR 333 (76)

Dear Mr. Dye:

This is to notify you that, after considering the information you submitted on behalf of the Nonpartisan Committee for Good Government in your letter of December 22, 1976, the Commission has determined that it has reasonable cause to believe that the Nonpartisan Committee has committed a violation of 2 U.S.C. §434(e)(2).

The Commission is of the opinion that, when the event is viewed in its factual content, the activity was an expenditure by the Nonpartisan Committee within the meaning of 2 U.S.C. §431(f). In the absence of a submission of the text of Mr. Carter's speech, the Commission has reviewed news coverage which reports that Mr. Carter spoke of the positions he would take on various issues of interest to the business community if he were elected President. The luncheon, which was hosted by at least one individual who had been publicly identified as a supporter of Mr. Carter, was scheduled soon after the nomination of Mr. Carter and, thereby, provided Mr. Carter with a forum to address leaders of the business community.

In the Commission's view, when a presidential candidate accepts an invitation to appear and address such a luncheon on issues of political interest, the events cannot be considered a mere social gathering. His very acceptance of the invitation and appearance at the luncheon renders the expenditures necessary to plan and stage such a luncheon ones made in "cooperation, consultation or concert with the candidate, his committee or agents" within the meaning of the Act. 2 U.S.C. §441(a)(7)(B)(i).

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Upon making a determination that there is reasonable cause to believe that the Act has been violated, the Commission is required to endeavor to correct any such violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation please contact Carolyn Reed (telephone No. 202-532-4039). This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that your client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

CR
CReed:cfb:3/29/77
cc: Compliance Section MUR 333 (76)
CR

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Mr. Robert J. Lipshutz
Counsel
White House
Washington, D.C.

Re: MUR 333 (76)

Dear Mr. Lipshutz:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007(b)(3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002(11). The Commission thus rejects the view, put forward by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone No.

202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CRreed:cfb:3/29/77

cc: Compliance Section MUR 333 (76)
CR

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 333 (76)

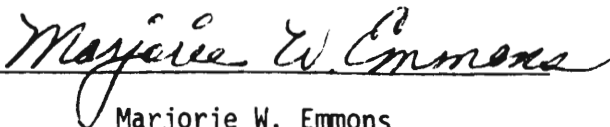
Nonpartisan Committee for
Good Government and the
1976 Presidential Campaign
Committee, Inc.

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 31, 1977, the Commission determined by a vote of 6-0 that:

1) There was Reasonable Cause to Believe that the Nonpartisan Committee for Good Government had committed a violation of 2 U.S.C. §434(e)(2).

2) There was Reasonable Cause to Believe that the 1976 Presidential Campaign Committee, Inc. had committed a violation of 26 U.S.C. §9007(b)(3).



Marjorie W. Emmons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

MARCH 29, 1977

In the Matter of)
) MUR 333
NONPARTISAN COMMITTEE FOR)
GOOD GOVERNMENT AND THE)
1976 PRESIDENTIAL CAMPAIGN)
COMMITTEE, INC.)

General Counsel's Report

I. Summary of Allegation

On November 24, 1976, the Commission made a reason to believe finding that an expenditure reported as independent by the Nonpartisan Committee for Good Government, the separate segregated fund of Coca-Cola Company, may not have in fact been independent. The Committee's report listed expenditures totalling \$1,775.11 for a "social gathering" for Mr. Carter. (Attachment #1) The Commission also determined that it had reason to believe that the 1976 Presidential Campaign Committee may have committed a violation in that it accepted a contribution to defray a qualified campaign expense after becoming eligible and receiving general election funding.

II. Summary of Responses

The Nonpartisan Committee's response stated that:
(1) the luncheon was not intended to influence the Presidential election; (2) the luncheon was conceived and planned independently of the Carter campaign and would constitute an independent expenditure; and (3) in order

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for an expenditure to be a contribution in kind, the Carter campaign must have exercised control over the funds, which it did not in this case. (Attachment #2) The Campaign Committee stated that the facts set out in the response of the Nonpartisan Committee were correct and provided substantially all of the relevant information. It was the opinion of the Campaign Committee that the costs of the luncheon should not be considered a campaign expenditure of the "1976 Democratic Presidential Campaign Committee." (Attachment #3)

III. Evidence

The private luncheon was held in New York City on July 22, 1976, one week after Mr. Carter became the Democratic nominee. According to an article in the July 23rd New York Times, the luncheon was co-hosted by J. Paul Austin, chairman of Coca-Cola, Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford 2d, chairman of Ford Motor Company. The guests included 52 top business leaders. Mr. Carter gave an 18-minute talk during which he told the group what his position would be on various issues of interest to the business leaders -- tax reform, multinational corporations, and credit for foreign taxes paid -- if he were elected President. The author of the article provided his

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assessment of the purpose of the meeting by stating that the meeting was "apparently designed to drum up business support for the Carter campaign and possibly lead to the formation of a businessmen-for-Carter committee."

(Attachment #4)

IV. Analysis

Although the Nonpartisan Committee contends that the luncheon was not intended to influence the Presidential election, it is our opinion that, when the event is viewed in an objective factual context, one must conclude that the activity was an expenditure by the political committee within the meaning of 2 U.S.C. §431(f). The Chairman of Coca-Cola is purportedly a long time political supporter of Mr. Carter and according to the Times article, an "old friend." The event, scheduled so soon after his nomination, provided Mr. Carter with a forum to appeal for support from the business community. That Mr. Carter used this forum for that purpose is evidenced by the quoted portions of his speech. In our view, these factors lead to the inevitable conclusion that the purpose of the luncheon was to influence the Presidential election within the meaning of the Act.

The primary issue in this MUR is whether the expenditures for the event were properly reported as independent

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expenditures or whether they were in fact contributions in-kind. Under the Act, expenditures made in cooperation, consultation, or concert with the candidate, his committee or agents are considered contributions to the candidate.

2 U.S.C. §441a(7)(B)(i). Respondents argue that the expenditures do not come within this definition because the luncheon was conceived by officers of Coca-Cola and was planned by them without any consultation with Mr. Carter or his campaign staff. While we accept the assertion that the event was planned without any consultation, we submit that the planning of the event was only the first stage in the expenditure process.

Respondents acknowledge that Mr. Carter's staff was contacted to invite Mr. Carter and confirm his acceptance, but they argue that it takes more than the mere invitation to constitute the cooperation and consultation required under the Act. We would agree. However, in this case we have more than the "mere invitation" -- we have an acceptance by the candidate's staff and his appearance.

When discussing the constitutionality of the independent expenditure limitation, the Supreme Court in Buckley v. Valeo reviewed the distinction between an independent expenditure and a contribution in kind. The Court stated in summary:

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[I]n view of this legislative history and the purpose of the Act, we find that the "authorized or requested" standard of the Act operates to treat the expenditures placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate as contributions subject to the limitations set forth in Section 608(b). fn 53 (Emphasis added.)

It is our opinion that the acceptance and appearance of Mr. Carter amount to consent within the standard applicable to contributions in-kind enunciated by the Court and that the expenditures were, accordingly, incorrectly reported as independent.

The Nonpartisan Committee makes a further argument that in order for an expenditure to be a contribution in-kind, the funds must be put under the control of the candidate. The Nonpartisan Committee states that "[i]f this were not the case, no candidate would be able to control those expenditures which were attributed to him." Since it alleges that the funds were not under the control of the Carter campaign, the Nonpartisan Committee concludes that the expenditure can not be a contribution in-kind.

This argument of the Nonpartisan Committee, however, totally misconstrues the nature of a contribution in-kind, as is evidenced by the statutory definition of contribution which includes the phrase "anything of value." 2 U.S.C. §431(e). The nature of contributions in-kind was explored by Congressman Frenzel in the 1974 Conference

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Debates in which he spoke of the intended meaning of the phrase "anything of value." Congressman Frenzel stated:

The purpose of this phrase is to include donations that cannot be classified as deposits of money, loans, cash, and so forth, but which help influence elections. Such donations include cars, storefronts, airplanes, trucks, food and other items that are given to a candidate or committee in an effort to aid or abet his or its campaign. Clearly, all such donations and contributions must be reported and credited to a candidate's contribution and expenditure limitations. * * * 120 Cong. Record H10330 (daily ed. October 10, 1974).

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Contrary to the Nonpartisan Committee's contention, the candidate does have the opportunity to control the cost of such contributions in-kind. A candidate may, of course, refuse to accept any contribution in-kind. Or when agreeing to make an appearance at an event such as the one at issue, the candidate has the opportunity to inquire into the cost of the event or to place limitations on the amount which should be expended. Once the contribution in-kind has been accepted, failure by the candidate to exercise any control over the amount of funds spent does not remove the transaction from the definition of a contribution in-kind.

The final question is whether the Campaign Committee accepted a contribution from the Nonpartisan Committee to

defray qualified campaign expenses. In order to be eligible to receive general election funds, the candidates must certify to the Commission, under penalty of perjury, that no contributions to defray qualified campaign expenses have been or will be accepted except to make up any deficiencies in the fund. 26 U.S.C. §9003(b). Mr. Carter and Mr. Mondale submitted the certification in a letter to the Commission dated July 16, 1976. The Commission certified the full amount of the entitlement to the candidates on July 20, 1976. The luncheon was held on July 22, 1976.

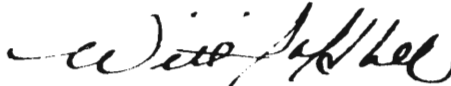
The cost of the luncheon would appear to be a qualified campaign expense within the meaning of 26 U.S.C. §9002(11). The term includes expenses incurred by the candidate or his authorized committee to further his election to the Office of President. As indicated above, it is our opinion that the luncheon was held to further Mr. Carter's campaign. An expense is considered incurred by a candidate or his authorized committee if it is incurred by a person authorized by such candidate or committee to incur such expense. In our opinion, the acceptance of a contribution in-kind amounts to an authorization within the meaning of this section.

V. Recommendation

Find reasonable cause to believe that the expenditure for the social gathering for Mr. Carter reported by the

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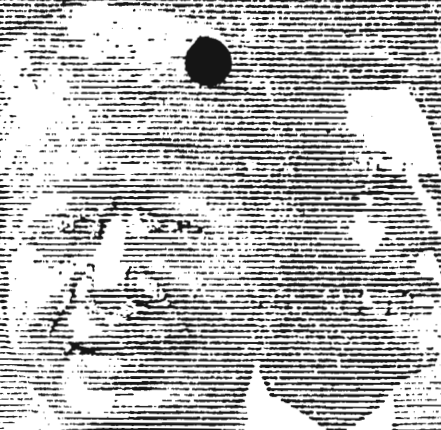
Nonpartisan Committee as independent was not in fact an independent expenditure but rather a contribution in-kind to the candidate. Find reasonable cause to believe finding that the 1976 Presidential Campaign Committee, Inc. accepted a contribution in-kind, valued at \$1,775.11, to defray a qualified campaign expense, and request reimbursement to the Secretary of the Treasury. Send attached letters.


William C. Oldaker
General Counsel

Date: 3/29/77

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JIMMY
CARTER
WALTER
MONDALE



Leaders, for a change.

764319

December 24, 1976

Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Attn: John G. Murphy, Jr.
General Counsel

Re: MUR 333 (76)

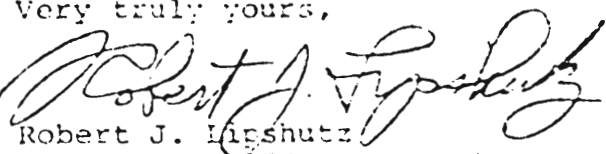
Dear Mr. Murphy:

With reference to the above matter, I am attaching hereto a copy of the letter which has just been sent to you by the attorney for the Coca Cola Company.

We have checked into this situation and believe that the facts set out in this letter are correct and substantially all of the relevant information in connection with this situation.

Based upon all of the information available to us, this should not be interpreted as a campaign expenditure of the "1976 Democratic Presidential Campaign Committee."

Should you wish to have a discussion or further correspondence concerning the matter, please advise us.

Very truly yours,

Robert J. Lipshutz
Treasurer, 1976 Democratic
Presidential Campaign Committee

RJL:gcd
cc: Webster & Chamberlain
Enc.

7934005511B

LAW OFFICES
WEBSTER & CHAMBERLAIN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20000

(202) 785-9500

December 22, 1976

OF COUNSEL
H. CECIL KILPATRICK
MILTON A. SMITH

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
WILLIAM J. LENRFELD
ARTHUR L. HEROLD
ALAN P. DYE
MICHAEL L. LENEHAN
JAMES I. WILSON
CHRISTOPHER L. HARTWELL

Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 222(76)

Dear Chairman Thomson:

In July of 1976 a luncheon was held at which presidential candidate Jimmy Carter was present. The idea for the luncheon was conceived by officers of the Coca Cola Company (the Company) and was planned by such officers without any consultation with Jimmy Carter or members of his campaign committee. Mr. Carter's staff was contacted solely to invite Mr. Carter and confirm his acceptance. The expenses of the luncheon were paid by the Nonpartisan Committee for Good Government (the Committee), a separate segregated fund maintained by the Company.

Though the intent of the luncheon was not to influence the presidential election, it was decided out of an abundance of caution that the expenses would be paid by the Committee and reported as an independent expenditure. We advised the Company that this procedure was satisfactory, since the luncheon was planned independently of the candidate.

It is our opinion that the function was not intended to influence the presidential election. Entirely apart from this, however, we believe that the function was conceived and planned independently of the Carter campaign and would therefore constitute an independent expenditure, if covered by the Act at all. It is our opinion that it takes more than the mere invitation of a political figure to constitute the cooperation and

ACCEPT

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WEBSTER & CHAMBERLAIN

Honorable Vernon Thomson
December 22, 1976
Page two

consultation necessary to convert an expenditure into an in-kind contribution. In order to constitute an in-kind contribution the expenditure must fit the basic definition of a contribution; that is, the funds must be put under the control of the candidate. If this were not the case, no candidate would be able to control those expenditures which were attributed to him. In this case, the Federal Election Commission would attribute to Jimmy Carter the expenditure of funds over which the Carter campaign had no control whatever. The nominal amount of contact between the Company and the Carter campaign does not bring the funds expended sufficiently within the control of Jimmy Carter or the Carter campaign to render the expenditure a contribution to his campaign.

It should also be noted that the December 6 letter of John Murphy to John J. McGoutry, Treasurer of the Committee, does not state a violation. The letter states that the expenditures will not be considered independent under 2 U.S.C. Sections 431(p) and 431a(a)(7)(B)(i). Both of those sections are definitional and no violation occurs merely because an expenditure does not meet their requirements. If the Commission decides to proceed with this matter, the Committee should be advised of the exact nature of the violation alleged.

Sincerely,

WEBSTER & CHAMBERLAIN

By _____
Alan P. Dye

cc: Robert Lipshutz, Esq.

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CERTIFICATE OF INDEPENDENT EXPENDITURE

Under penalty of perjury, I state the expenditure of \$1,775.11 was not made with the cooperation or with the prior consent of, or in consultation with or at the request or suggestion of a candidate or any agent or authorized committee of the candidate.

Diana Lewis

Sworn to and subscribed before me
this 9th day of September
1976.

Shirley B. Pittman
Notary Public

Notary Public, Georgia State at Large
My Commission Expires Jan. 15, 1977

760304071293851

Itemized Expenditures

Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

Page 3 of 4 for

LINE NUMBER

(Use separate schedule(s) for each numbered line).

Federal Election Commission
325 K Street, N.W.
Washington, D.C. 20543

Name of Candidate or Committee in full

Nonpartisan Committee for Good Government

Full name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
The "21" Club 21 West Fifty-Second Street New York, New York 10019	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$1,510.00
Case-Hoyt/Atlanta 53 Mangum Street, S. W. Atlanta, Georgia 30313	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 239.00
Robert F. Lyle c/o The Coca-Cola Company P. O. Drawer 1734 Atlanta, Georgia 30301	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 26.00

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Total of expenditures this page (footnote) \$ 1,775.

CC # 1170

MUR 222

LAW OFFICES
WEBSTER & CHAMBERLAIN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20008

(202) 785-0500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
WILLIAM J. LEHRFELD
ARTHUR L. HEROLD
ALAN P. DYE
MICHAEL LENEHAN
JAMES L. WILSON
CHRISTOPHER L. HARTWELL

OF COUNSEL
H. CECIL KILPATRICK
MILTON A. SMITH

December 22, 1976

701279

Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

332
Re: MUR 222(76)

Dear Chairman Thomson:

In July of 1976 a luncheon was held at which presidential candidate Jimmy Carter was present. The idea for the luncheon was conceived by officers of the Coca Cola Company (the Company) and was planned by such officers without any consultation with Jimmy Carter or members of his campaign committee. Mr. Carter's staff was contacted solely to invite Mr. Carter and confirm his acceptance. The expenses of the luncheon were paid by the Nonpartisan Committee for Good Government (the Committee), a separate segregated fund maintained by the Company.

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It is our opinion that the function was not intended to influence the presidential election. Entirely apart from this, however, we believe that the function was conceived and planned independently of the Carter campaign and would therefore constitute an independent expenditure, if covered by the Act at all. It is our opinion that it takes more than the mere invitation of a political figure to constitute the cooperation and

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WEBSTER & CHAMBERLAIN

Honorable Vernon Thomson
December 22, 1976
Page two

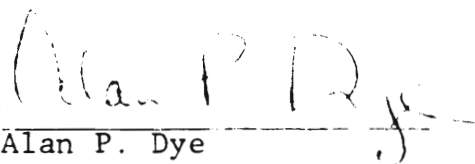
consultation necessary to convert an expenditure into an in-kind contribution. In order to constitute an in-kind contribution the expenditure must fit the basic definition of a contribution; that is, the funds must be put under the control of the candidate. If this were not the case, no candidate would be able to control those expenditures which were attributed to him. In this case, the Federal Election Commission would attribute to Jimmy Carter the expenditure of funds over which the Carter campaign had no control whatever. The nominal amount of contact between the Company and the Carter campaign does not bring the funds expended sufficiently within the control of Jimmy Carter or the Carter campaign to render the expenditure a contribution to his campaign.

It should also be noted that the December 6 letter of John Murphy to John J. McGoutry, Treasurer of the Committee, does not state a violation. The letter states that the expenditures will not be considered independent under 2 U.S.C. Sections 431(p) and 431a(a)(7)(B)(i). Both of those sections are definitional and no violation occurs merely because an expenditure does not meet their requirements. If the Commission decides to proceed with this matter, the Committee should be advised of the exact nature of the violation alleged.

Sincerely,

WEBSTER & CHAMBERLAIN

By


Alan P. Dye

cc: Robert Lipshutz, Esq.

7304005131

LAW OFFICES
WEBSTER & CHAMBERLAIN
1717 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20006



Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee for Good) MUR 333 (76)
Government (Coca-Cola))
1976 Democratic Presidential)
Campaign, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 24, 1976, the Commission determined by a vote of 6-0 that there was reason to believe that a violation of 2 U.S.C. §441a(7)(B)(i) and 26 U.S.C. §9003 (b) (2) had been committed in the above-captioned matter.

Marjorie W. Emmons
Secretary to the Commission

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The New York Times

LATE C

NEW YORK FRIDAY, JULY 23, 1977

New York
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ing Day
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**BRITISH ANNOUNCE
PLANS TO REDUCE
SPENDING IN 1977**

By Robert Whiborn
London, July 22 — British Prime Minister Margaret Thatcher announced today that her government would reduce its 1977 budget deficit by 5 percent.

Ms. Thatcher said the government would cut its 1977 budget deficit by 5 percent, from 1.8 percent of gross domestic product to 0.9 percent. She said the government would also reduce its 1978 budget deficit by 5 percent, from 2.5 percent to 1.2 percent.



Jimmy Carter having luncheon at "21." Two of his hosts were Henry Ford 2d, president of the Ford Motor Company, next to him, and Edgar Bronfman, chairman of the Seagram Company, at right. Seated at left is Mary G. Roebing, chairman of the National State Bank of New Jersey. Painting on the wall is "The Spirit of 21."

**White House Denies
Reagan Accusation
On Bid to Delegates**

By James M. Naughton
Washington, July 22 — The White House today denied an accusation that President Jimmy Carter had asked a group of business leaders to support his bid for re-election in 1980.

**CARTER PROMISES
CAUTION ON TAXES**

Tells Business Leaders
He Plans Year's Study
Before Major Change
By Leonard Sloane
Washington, July 22 — President Jimmy Carter today promised to exercise caution in making major changes in the tax system before the end of his second term.

**A National Bulletin Issued
For 3 in Coast Kidnapping**

By Les Ledbetter
Washington, July 22 — A national bulletin was issued today by the Federal Bureau of Investigation regarding the kidnapping of three young boys from the California coast.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. McGoutry
Mr. John J. McGoutry
Treasurer
Non-partisan Committee
for Good Government
c/o Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

DEC 06 1976

Re: MUR 333 (76)

Dear Mr. McGoutry:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 2 U.S.C. §441a(7)(B)(i) has occurred. This determination is based on the finding that expenditures reported as "independent" on reports signed by you may not have been independent, but rather may have been contributions in-kind to the candidate.

Expenditures made by the Non-partisan Committee for Good Government in cooperation, consultation, or in concert with the 1976 Democratic Presidential Campaign, Inc., are not considered independent under 2 U.S.C. §§431(p) and 441a(a)(7)(B)(i). A copy of the report in question is attached. The Commission is of the opinion that an event at which a candidate appears generally may not be considered an independent expenditure.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

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11/7/76

Clon

Certified



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Robert J. Lipshutz
1976 Democratic Presidential Campaign
Committee, Inc.
P.O. Box 1976
Atlanta, Georgia 30301

DEC 08 1976

Re: MUR 333 (76)

Dear Mr. Lipshutz:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 26 U.S.C. §9003(b)(2) may have occurred. This determination is based on the reports of the Nonpartisan Committee for Good Government which indicate expenditures that were for a meeting attended by Mr. Carter were labeled "independent expenditures."

Expenditures made by the Nonpartisan Committee for Good Government in cooperation, consultation, or in concert with the 1976 Democratic Presidential Campaign, Inc. are not considered independent under 2 U.S.C. §431(p) and §441a(a)(7)(B)(i), but rather are considered contributions.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn A. Reed (telephone no. 202/382-4055).

Sincerely yours,
John G. Murphy, Jr.
John G. Murphy, Jr.
General Counsel

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November 24, 1976

MEMORANDUM FOR: BILL OLDAKER
FROM: MARJORIE EMMONS *MRE by mee*
RE: MUR 244 (76) and MUR 333 (76)

The above mentioned MURs were transmitted to the Commissioners on November 19, 1976 at 10:00 a.m.

As of 9:00 a.m., November 24, 1976, the Office of Commission Secretary has received six approvals on each of the above mentioned MURs.

Please note the comments that were attached to Commissioner Springer's vote sheet.

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might there not also be a
violation on the part of
contributor and recipient of
making a contribution in the
name of another and knowingly
accepting such a contribution.

Regulations §110.4 (b) (1)(i)(iii)
(b) (2) (i) (ii)

Statute §441f.

ION COMMISSION

D463

Date and Time Transmitted: NOV 19 1976 10:00

ION SECRETARY BY: Nov 23 - 10:00

ndation

mendation

COMMENTS: _____

Date: Nov 19 1976 Signature: [Signature]

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER
UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE
RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO
THE OFFICE OF COMMISSION SECRETARY.





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

1976 Democratic Presidential Campaign
Committee, Inc.
P.O. Box 1976
Atlanta, Georgia 30301

Re: MUR 333 (76)

Dear Sir:

7 8 0 4 0 0 5 1 6 2
This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 26 U.S.C. §9003(b)(2) may have occurred. This determination is based on the reports of the Nonpartisan Committee for Good Government which indicate expenditures that were for a meeting attended by Mr. Carter were labeled "independent expenditures."

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Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn A. Reed (telephone no. 202/38204055).

Sincerely yours,

John G. Murphy, Jr.
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. John J. McGoutry
Treasurer
Non-partisan Committee
for Good Government
c/o Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Re: MUR 333 (76)

Dear Mr. McGoutry:

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- 2 -

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn A. Reed (telephone no. 202/382-4055).

Sincerely yours,

John G. Murphy, Jr.
General Counsel

78040055164

Itemized Expenditures

Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

(Use separate schedule(s) for each numbered line).

Schedule B
July 1976
Federal Election Commission
25 K Street, N.W.
Washington, D.C. 20463

Name of Candidate or Committee in full

Nonpartisan Committee for Good Government

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
The "21" Club 21 West Fifty-Second Street New York, New York 10019	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$1,510.02
Case-Hoyt/Atlanta 53 Mangum Street, S. W. Atlanta, Georgia 30313	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 239.09
Robert F. Lyle c/o The Coca-Cola Company P. O. Drawer 1734 Atlanta, Georgia 30301	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 26.00
Subtotal of expenditures this page (optional)			\$ 1,775.11
Total this period (last page this line number only)			\$

788488

ATTACHMENT 2

CERTIFICATE OF INDEPENDENT EXPENDITURE

Under penalty of perjury, I state the expenditure of \$1,775.11 was not made with the cooperation or with the prior consent of, or in consultation with or at the request or suggestion of a candidate or any agent or authorized committee of the candidate.

David A. Lewis

Sworn to and subscribed before me
this 9th day of September
1976.

Edward B. Pittman
Notary Public

Notary Public, Georgia State at Large
My Commission Expires Jan. 15, 1977

78040055166
76030301738

Democratic candidates for Vice President, in Mr. Washington's office.

Sale-Seeing Carter About Campaign

minutes he was called to the House of Representatives at the invitation of the House leadership, and he planned to drop in at the surprise 48th birthday party for a fellow Minnesotan, Representative Bob S. Bergland, this afternoon, but could not make it.

The Mondale staff, meanwhile, overwhelmed by the sudden demands of national celebrity, has been trying to cope with a volume of telephone calls so great as to cause pink telephone message slips to clutter the desk in the conference room.

They have also been faced with the logistics of transporting and informing the very dozen or so reporters who want to travel with Mr. Mondale, and with trying to satisfy demands for statements of "on-the-spot" positions on various issues. The demands have come from such quarters as the general public and the Soviet Embassy.

Mr. Mondale's schedule calls for him to fly to Savannah, Ga., early tomorrow in a jet chartered from Eastern Airlines, which also supplies Mr. Carter's chartered aircraft, and to go from there to Hilton Head Island, a resort off the coast of South Carolina.

While he was accompanying Jimmy Carter, the Democratic candidate for President, to a series of meetings in New York City with delegates and potential supporters.

As he and others sketched the still tentative plan, the following were some of the highlights:

At the head of the campaign will be Mr. vanden Heuvel, a New York City lawyer, and Margaret Costanza, Vice-Mayor of Rochester. Both attended the same Rochester high school, they both graduated last year and supported Mr. Carter when most New York politicians

guessed wrong and did not, and both are said to be occasional competitors for recognition as the No. 1 New Yorker on the Carter team.

Mr. vanden Heuvel will head a Citywide Citizens for Carter committee, and there will be positions of importance for his close associates Sidney Frig and his plug secretary, Deputy Mayor Stanley McFriedman, and Howard Rubenstein, a public relations executive. The Mayor's endorsement of Mr. Carter did not come early, but came before the bandwagon rolled into high gear.

Gov. Carey will make some speeches for the Democratic ticket for the state and

COL

CARTER PROMISES CAUTION ON TAXES

Continued From Page A1, Col. 5

group after cocktails and luncheon, Mr. Carter emphasized that he planned no rush to change the tax structure. "I would not make any substantive change in our tax laws," he proposed, as President until at least a full year after the inauguration.

While he has said the revenue credit on United States taxes owed to American corporations, and that pay foreign taxes, Mr. Carter said after the meeting that he opposed tax deferrals on profits of American companies earned overseas until the money is brought into the United States. At this point, any inclination would be to eliminate these tax deferrals.

Helping to shape the campaign budget, the board, was made up of New York politicians, including Gov. Carey, who was defeated by Governor Carey two years ago for the Democratic nomination for Governor.

Joseph Mayoc-Costanza will spend a couple of days a week in the New York City headquarters, Mr. vanden Heuvel said. Some high-level role inside the headquarters will be given to Mark Bull, another leader of Mr. Carter's New York primary campaign.

The first step toward organization of a regional campaign apparatus was taken Wednesday night when Alfred B. DeBello, the Westchester County Executive and an early Carter supporter, began making plans for a Westchester-area drive.

The state will be divided into eight regions, each with a coordinator and with "control people" from Atlanta headquarters of the national Carter campaign, which is expected to handle all payrolls and to maintain stringent budgetary control. By accepting \$15 million in Federal matching funds nationwide, Mr. Carter is barred from raising or spending any other money.

Georgia Diner Owner Finds '21' a Fuss

When Jimmy Carter raised the price of the smallest steak to \$6.19, does not, however, serve chicken beef. Newsweek covering Mr. Carter have suffered from a surfeit of steak, and occasionally at their request the serves chicken. The husband drives most of the grilling in an open-air barbecue on the rear.

When Jimmy West barked he had, not Jimmy Carter's wife, Nancy, who is the two night.

When Senator James Mondale of Minnesota, whom Mr. Carter chose as his Vice Presidential running mate, went to Plains to meet with the former Georgia Governor, Mr. West was the first to arrive. Offered a luncheon of chicken, which was the result of a conversation with Mrs. Carter, Mrs. West said yesterday that she had to submit the service at "21" some time ago, but she had to do so.

Box of chicken, which was a New York-style, was served to Mr. Carter and Mrs. Carter, and Mrs. West said, "That's a good one."



In response to a question about his attitude toward multinational corporations from that although they had come to W. Michael Blumenthal, chairman of the Bendix Corporation, they would nevertheless be a special representative for the Republican candidate for trade negotiations on the issue. For instance, Clarence C. Kennedy, Administrator of the Motor Vehicle Administration, Mr. Carter responded.

"I would continue to support the American people for their time and effort in foreign trade," he said. "I would not do anything to hurt the American people."

At his meetings with several labor leaders, Mr. Carter was questioned about the possibility of a new labor law, and he said he would not do anything to hurt the American people.

He said he would not do anything to hurt the American people.

23

Americans on Watch in Sinai Passes Find Life Boring

Americans on watch in Sinai Passes find life boring. The article discusses the experiences of American soldiers stationed in the Sinai Peninsula during the Yom Kippur War. It mentions that the soldiers found their lives to be very boring and that they were often bored to death. The article also mentions that the soldiers were often bored to death and that they were often bored to death.

Seeing Carter About Campaign

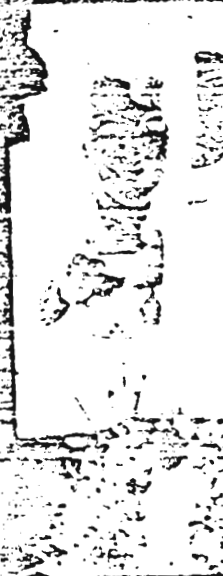
WASHINGTON, D.C., Oct. 15 (AP) — Jimmy Carter, presidential candidate, was seen today by a group of reporters at the White House. Carter, who is expected to announce his campaign soon, was seen in a private meeting with several members of the press. The meeting took place in the Oval Office, and Carter was seen in a relaxed and friendly mood. He was seen talking to a group of reporters, and he was seen smiling and laughing. Carter was seen in a private meeting with several members of the press. The meeting took place in the Oval Office, and Carter was seen in a relaxed and friendly mood. He was seen talking to a group of reporters, and he was seen smiling and laughing.

CARTER PROMISES CUTBACK ON TAXES

WASHINGTON, D.C., Oct. 15 (AP) — Jimmy Carter, presidential candidate, promised today to cut taxes if elected. Carter said he would cut taxes on middle-income families and on small businesses. He said he would also cut taxes on the elderly and on the disabled. Carter said he would cut taxes on the elderly and on the disabled. Carter said he would cut taxes on the elderly and on the disabled.

Graduate Owes \$100,000

WASHINGTON, D.C., Oct. 15 (AP) — A graduate of the University of California, Berkeley, who owes \$100,000 in student loans, was seen today by a group of reporters at the White House. The graduate, who is expected to announce his campaign soon, was seen in a private meeting with several members of the press. The meeting took place in the Oval Office, and the graduate was seen in a relaxed and friendly mood. He was seen talking to a group of reporters, and he was seen smiling and laughing.



Americans on Watch in Sino-Russia Deal for Bombs

WASHINGTON, D.C., Oct. 15 (AP) — Americans are on watch for a deal between the Soviet Union and China for the sale of nuclear bombs. The deal is expected to be announced soon, and it is expected to be a major development in the arms race between the superpowers. The deal is expected to be announced soon, and it is expected to be a major development in the arms race between the superpowers.

NDON, July 22. — Britain... today that it was... Government spend... next year by £1 billion... to protect the pound... the nation's budget def... sustain its fragile eco... recovery.

cuts represent a step-up... Government's shift... in the past year... the welfare state... regeneration of private en... They come four months... a similar move by the... Government provoked its... best survival test.

Healey, the Chancellor... Eschequer, who planned... year-long redirection of... the economy, told the House... commons that he had little... to impose new spend... restraints.

Need Is Explained... cuts in next year's spend... £1 billion, or \$1.78 billion... the present exchange rate... needed. Mr. Healey said... the pound from... to reduce the... \$23 billion budget... deficit.

Mr. Healey indicated that... would have to rise again... the reduction in services... have made Britain an... ally generous and humane... state. Britons pay close... highest taxes in the West... many workers, who earn an... average weekly wage of \$120... close to 40 percent of their... come to the Government, far... than taxpayers of most... countries.

Shift in Direction... amount of the cuts... by Mr. Healey... the total public... next year—\$86 billion... What is important is that... a reversal in the... of public spending... over 13 years climbed... 42 percent of the gross... product to 60 percent... that will strike the Brit...

family include reductions... unemployment benefits for... with relatively high pen... cuts in the building and... maintenance of hospitals and... and fewer... extended through local... government to home busines... The Government will raise by... cents the cost of a meal campaign.

Continued on Page A4, Col. 1



Jimmy Carter having luncheon at... Henry Ford II, president of the Ford Motor Company, next to him, and Edgar Bronfman, chairman of the...

Seagram Company, at right; Seated at left is... chairman of the National State Bank of New Jersey. Painting on the wall is "The Spirit of '76."

White House Denies Reagan Accusation On Bid to Delegates

WASHINGTON, July 22 — The White House rejected today Ronald Reagan's complaints of "heavy-handed" campaign tactics by asserting that President Carter had ordered Cabinet members to sponsor attempts by delegates to the Republican National Convention to trade their votes for Government jobs or favors. The directive to senior Administration officials earlier this week was announced by Ron Neesen, the White House press secretary, after Mr. Reagan complained in a television interview that the President's campaign aides were using questionable methods to control the disclosure of the Cabinet directive suggested some sensitivity in the White House to charges that Reagan was in an improper position for commenting on the President's campaign. The interview was videotaped yesterday at Mr. Reagan's ranch home in California.

The Presidency has a lot more to offer to unemployed delegates, the former California Governor said, and I'm afraid that's one of the tactics. Mr. Reagan did not cite any instances of what he described as "a little heavy-handed" approach to delegates by the rival...

Continued on Page A4, Col. 1

CARTER PROMISES CAUTION ON TAXES

Talks Business Leaders He Plans Year's Study Before Major Change

By LEONARD BROWNE

Jimmy Carter's growing leading economic executives yesterday that if he was elected President, he would move cautiously on tax reform and would retain the credit on foreign taxes paid by American companies.

Returning to New York for the first time since he won the Democratic presidential nomination, Mr. Carter also expressed his opposition of multinationals and of fine enterprises.

The 18-nation bloc of a party, which at the 21st Club to 50 top business leaders Democrats, Republicans and independents—the former Georgia Governor spokesman is a former businessman, rather than in the popular tones that rang through his acceptance speech at the Democratic convention.

"I've never had a meeting with government to discuss business," he asserted.

No Risk Tax Action

The Democratic nominee asserted his business leadership between meetings with 100 leaders, news publications and a brief conference with the House and former...

Continued on Page B10, Col. 1

A National Bulletin Issued For 3 in Coast Kidnapping

By LES LEDBETTER

REDWOOD CITY, Calif., July 22 (AP)—A national all-points bulletin for the arrest of a 22-year-old man for the kidnapping last month of a 10-year-old boy in Alameda County, Calif., was issued today. The boy, Fred M. Woods Jr., 10, was held in a quarry in Alameda County, Calif., where the men were to be considered "armed and dangerous." Sheriff Tom Hoehling said that warrants had been issued for the men and that they were waiting for evidence in the case. The sheriff mentioned an unidentified San Francisco man who was in charge of the San Francisco office of the Federal Bureau of Investigation.

Flu Vaccine Drive Meets Snags That Could Limit It

By BOBIE KENNERBERG

The program of mass vaccination against the Fort Dix virus nearly four months ago has unfolded, and should have been more vigorous. Also causing doubt on the program are several indications that it may not be carried out.

There is a growing consensus of opinion that the program is not being carried out as vigorously as it should be. These include: the fact that the virus is still present in the Fort Dix, N.J., last February, holding vaccine makers responsible for adverse reactions; refusing to indemnify manufacturers; Congress refused to pass a law making the Government liable; if the virus is not resolved, mass vaccination will be unlikely to be carried out.

Continued on Page B10, Col. 1

Success in Olympic Swimming



President's Veto of Plan to Delay the Closing of Military Bases Upheld

By DAVID ROSENBAUM

WASHINGTON, July 22 — The House of Representatives overrode President Ford's veto and enacted into law today a \$4-billion public works bill that has the primary aim of creating jobs. The House overrode the veto yesterday by a 310 to 98 vote. Congress sustained the President's veto of legislation that would have delayed the closing of military bases. The House vote was 310 to 98, the Senate vote 73 to 24. The House voted 310 to 98 to override the public works bill, the Senate vote 73 to 24. The House vote was 310 to 98, the Senate vote 73 to 24. The House vote was 310 to 98, the Senate vote 73 to 24.

On the legislation involving military bases, the House voted 310 to 98 to override the veto. The Senate failed to do so, with a vote of 73 to 24. The House vote was 310 to 98, the Senate vote 73 to 24.

Since he became President in August 1974, Mr. Ford has issued 53 vetoes, only nine of which have been overridden. Enactment of the public works bill was especially fast, by the Democratic leadership in Congress, which made the measure the centerpiece of its economic program for the year. Its sponsors estimate that 330,000 jobs would be created or preserved by the legislation.

Mr. Ford vetoed the bill earlier in the year, but it passed in the House and Senate after the Democrats then received the means to pass it. Continued on Page D10, Col. 1

Renoir Stolen in 7 Months Returned to Museum in Brooklyn by M

By ROBERT HANLEY

A stolen Renoir painting returned to the Metropolitan Museum of Art in Brooklyn after being held for 7 months. The painting was stolen in 1971 and returned to the museum in 1972. The painting is a reproduction of a work by the artist Renoir.

Board Approves S.J. Amusement Park



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR 333

78040055170



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 333

DATE: 10/2/78

FILMED BY: YRS

78040054823
78040064925



Certified Mail, Return Receipt Requested

RECEIVED
FEDERAL ELECTION
COMMISSION

NONPARTISAN COMMITTEE FOR GOOD GOVERNMENT
POST OFFICE DRAWER 1734
ATLANTA, GEORGIA 30301

'78 JUL 21 AM 11:41

July 21, 1978

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

804748

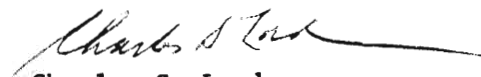
ATTN: Mr. William C. Oldsker,
General Counsel

Dear Mr. Oldaker:

Re: MUR 333 (76)

Enclosed is the Nonpartisan Committee for Good Government check dated July 20, 1978 in the amount of \$500.00 payable to the Federal Election Commission in accordance with Conciliation Agreement dated June 28, 1978.

Cordially yours,



Charles S. Lord,
Treasurer

CSL:b
encl.

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NONPARTISAN COMMITTEE FOR
GOOD GOVERNMENT
P O DRAWER 1734
ATLANTA, GA. 30301

530

July 20

1978

$\frac{64.10}{610}$

PAY TO THE
ORDER OF

Federal Election Commission

\$ 500.00

- - - Five Hundred and 00/100 - - -

DOLLARS
2

T Trust Company Bank
Trust Company of Georgia
Atlanta, Georgia

Conciliation Agreement

FOR June 28, 1978

⑆0610⑉0010⑆ 04 89 87 ⑈ 0530

Chris [unclear] [unclear]

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JUL 22 11:41

Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

ATTN: MR. WILLIAM C. OLDSKER, GENERAL COUNSEL

**CERTIFIED
MAIL**

No. 035184

(Certified, Return Receipt Requested)

RETURN RECEIPT REQUESTED

USA 1348 (48075-8)

FEDERAL ELECTION COMMISSION

LETTER TO HETTLER (DRAFT)

DRAFT GENERAL COUNSEL'S REPORT

FIRST GC'S REPORTS

LETTER TO FORD (DRAFT)

DRAFT CONCILIATION AGREEMENT

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):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input checked="" type="checkbox"/> (2) Internal rules and practices | <input checked="" type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed

Edward L. Hughes

date

11 July 1978

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78040064929.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Pierre V. Heftler
Bodman, Longley & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333(76)

Dear Mr. Heftler:

This letter is to inform you that the Commission determined on June 21, 1978 to reverse its decision on December 21, 1977 which found reasonable cause to believe that your client, Mr. Henry Ford II, violated 2 U.S.C. § 441a.

Accordingly, this matter has been closed with regard to respondent Henry Ford II.

Sincerely,

William C. Oldaker
General Counsel

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
Associate General Counsel

78040054825
78040064930

EH 333 ✓

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery
 RESTRICTED DELIVERY
 Show to whom and date delivered
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. **ARTICLE ADDRESSED TO:**
 Mr Pierre V Heftler

3. **ARTICLE DESCRIPTION:**
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 943525 |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 P V Heftler

4. **DATE OF DELIVERY** | **POSTMARK**
 7/8/78

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** | **CLERK'S INITIALS**

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald Eastman
Cadwalader, Wickersham & Taft
11 Dupont Circle
Washington, D.C. 20036

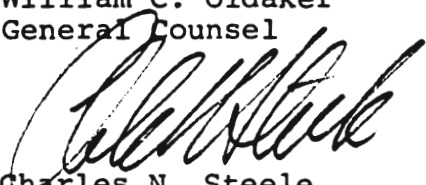
Re: MUR 333(76)

Dear Mr. Eastman:

On June 21, 1978, the Commission approved the enclosed conciliation agreement. Accordingly, we are sending you a copy of this agreement with regard to your client, 1976 Democratic Presidential Campaign Committee.

Sincerely,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel



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333 HUARDS ✓

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

The following service is requested (check one).

Show to whom and date delivered. _____

Show to whom, date, and address of delivery. _____

RESTRICTED DELIVERY
Show to whom and date delivered. _____

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ronald Eastman

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	942494	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

P. B. Leah

4. DATE OF DELIVERY _____

5. ADDRESS (Complete only if requested)
11 Dupont Circle
WASH. DC 20036

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS _____

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

WASHINGTON, DC
MAY 15 1975
POSTMARK

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

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follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

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III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

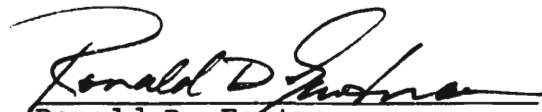
I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute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

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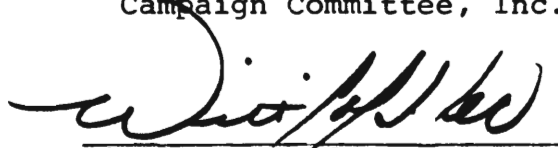
II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

June 7, 1978
Date


Ronald D. Eastman
Ronald D. Eastman
Counsel for
1976 Democratic Presidential
Campaign Committee, Inc.

June 7, 1978
Date


William C. Oldaker
William C. Oldaker
General Counsel

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78040064937

7804012182
78010114933

LAW OFFICES

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

SUITE 1000

1660 L STREET N W

WASHINGTON, D C 20036

By Hand

Mr. Hal Ponder
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alan P. Dye, Esq.
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C.

Re: MUR 333(76)

Dear Mr. Dye:

On June 28, 1978, the Commission approved the signed conciliation agreement for your client, Non-partisan Committee For Good Government. Accordingly, we are sending you a copy of this agreement.

Sincerely,

William C. Oldaker
General Counsel

Charles N. Steele
Associate General Counsel



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533 Hughes

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space reverse.

1. The following service is requested (check one).
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY Show to whom and date delivered.
 RESTRICTED DELIVERY. Show to whom, date, and address of delivery. \$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Alan P Dye

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. | INSURED NO.
| *943493* |

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent
Alan Dye

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

☆ GPO : 1977-O-234-337

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government)
1976 Democratic Presidential)
Campaign Committee, Inc.)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

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of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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Charles W. Adams RAK
For the Respondent
Nonpartisan Committee for Good
Government

William C. Oldaker

William C. Oldaker
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for Good) MUR 333 (76)
Government)
1976 Democratic Presidential)
Campaign Committee, Inc.)
Edgar Bronfman, and)
Henry Ford II)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 28, 1978, the Commission approved by a vote of 6-0 the conciliation agreement in the above-captioned attached to the General Counsel's memorandum dated June 23, 1978.

Date: 6/28/78

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 6-23-78, 4:30
Circulated on 48 hour vote basis: 6-26-78, 12:00

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78040064945

June 13, 1978

MEMORANDUM TO: Hagge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 333

Please have the attached Memorandum and
Conciliation report on MUR 333 distributed to the
Commission on a 48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 23, 1978

MEMORANDUM

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER *W. C. Oldaker*
GENERAL COUNSEL

RE: MUR 333 (76) - Conciliation Agreement

On June 22, 1978, we received the attached letter and signed conciliation agreement for respondent Nonpartisan Committee For Good Government (Coca-Cola). This is similar to the conciliation agreement attached to the Conciliation Report dated March 30, 1978.

Accordingly, it is recommended that the Commission approve the signed conciliation agreement.

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The Coca-Cola Company

FEDERAL ELECTION COMMISSION

F. Hughes

ATLANTA, GEORGIA '78 JUN 22 AM 11:46

ROBERT A. KELLER
VICE PRESIDENT
AND
DEPUTY GENERAL COUNSEL

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404-897-2121

June 16, 1978

CERTIFIED -- RETURN RECEIPT REQUESTED

803856

William C. Oldaker
General Counsel
Federal Election Commission
1125 K Street, N.W.
Washington, DC 20463

RE: MUR 333 (76)

Dear Mr. Oldaker:

Enclosed are two duplicate original Conciliation Agreements which conform to the provisions outlined in your letter to Alan Dye of May 18, 1978. Both have been signed by C. W. Adams, the current Chairman of the Nonpartisan Committee for Good Government.

Upon receipt of one original Agreement executed by the Commission, we will then forward to the Commission a check in the amount of \$500.

Sincerely,

Robert A. Keller
Robert A. Keller

RAE/lc
Enclosures

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78040064948

In the Matter of)	
)	
Nonpartisan Committee for Good)	MUR 333 (76)
Government)	
1976 Democratic Presidential)	
Campaign Committee, Inc.)	
Edgar Bronfman, and)	
Henry Ford II)	

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

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of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Charles W. Adams RHK
For the Respondent
Nonpartisan Committee for Good
Government

William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee for)
Good Government;)
1976 Democratic Presidential)
Campaign Committee, Inc.;)
Edgar Bronfman; and)
Henry Ford, II.)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 21, 1978, the Commission took the following actions in the above-captioned matter:

1. Determined by a vote of 6-0 to adopt the recommendation of the General Counsel to approve the signed conciliation agreement for the 1976 Democratic Presidential Campaign Committee, Inc., attached to the General Counsel's Report signed June 12, 1978.

2. Failed to pass the following motion:

MOVED that the Commission approve recommendations 2, 3, and 4 in the General Counsel's Report signed June 12, 1978.

The vote was: YEA (3) Commissioners Aikens, Harris, Springer

NAY (3) Commissioner Staebler, Thomson, and Tiernan.

3. Failed to pass the following motion with regard to the conciliation agreement with Henry Ford, II:

MOVED that the staff be instructed to include language in the conciliation agreement that respondent Henry Ford II "agree that he will not undertake any activity which is in violation of the Act. 2 U.S.C. Section 431, et seq."

The vote was: YEA (1) Commissioner Tiernan

NAY (5) Commissioners Aikens, Harris, Springer, Staebler, and Thomson.

CONTINUED

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MWE

- Determined by a vote of 4-1 to reverse the December 21, 1977 finding of Reasonable Cause to Believe that Henry Ford, II had violated 2 U.S.C. Section 441a.

The vote was: YEA (4) Commissioners Aikens, Harris, Staebler, and Thomson

NAY (1) Commissioner Tiernan

ABSTAIN (1) Commissioner Springer

This concluded the actions taken on MUR 333 (76) at the Commission meeting of June 21, 1978.

Attest:

6/26/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976) MUR 333 (76)
Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

GENERAL COUNSEL'S REPORT

The status of the matters regarding each of the four respondents are presented individually below.

1. Nonpartisan Committee For Good Government (Nonpartisan Committee):

Staff was notified on June 7, 1978 that respondent had signed our proposed conciliation agreement which was attached to the Conciliation Report dated March 30, 1978.

2. 1976 Democratic Presidential Campaign Committee, Inc.:

On June 7, 1978, the respondent signed and delivered to the Commission the conciliation agreement which was approved by the Commission on May 10, 1978 (see Attachment A).

3. Edgar Bronfman:

A conciliation agreement has already been entered.

4. Henry Ford II:

On June 5, 1978, the staff received a letter and proposed conciliation agreement from Mr. Heftler, legal counsel for Henry Ford II (see Attachment B). Included with this letter was a copy of a letter dated May 31, 1978 addressed to the Commissioners from Mr. Heftler.

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We would propose that the Commission must first determine whether the letter from counsel for Henry Ford II to the Commissioners provides a basis on which to close the matter against respondent Ford and take no further action. We would point out that the facts of Mr. Ford's voluntary action in attempting to rectify the violation (which is the basis of the argument to close this matter) was set out in the proposed conciliation agreement attached to the Conciliation Report of February 22, 1978. It was this consideration that apparently prompted the Commission to not seek a civil penalty against Henry Ford II, while pursuing a civil penalty against the Nonpartisan Committee and Bronfman. However, the Commission apparently deemed at that time that an admission of having committed a violation was required of Mr. Ford.

If the Commission determines that a conciliation agreement is still appropriate in this matter, then it should consider the comments below concerning the countersettlement proposed by counsel for Henry Ford II.

This Office disagrees with some of the proposals made by Mr. Heftler in the attached conciliation agreement. Specifically, page 2, paragraph C states that: "... Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office." This language is self-serving and inappropriate for a conciliation agreement.

Paragraph I, page 3 should be changed to read:

"I. That the Commission construes 'cooperation, consultation,

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or concert, with...a candidate, his authorized political committees, or their agents,' in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate." This language was adopted by the Commission in the conciliation agreement for the Presidential Committee on May 10, 1978.

Lastly, page 3, paragraph IV contains language that this Office has not agreed to. Therefore, we are substituting the following language which is similar to that contained in the conciliation agreement sent to Mr. Hefler on May 1, 1978:

" That the respondent Henry Ford II will pay no civil penalty because, on his own accord, he made a good faith effort to rectify the violation prior to the Commission's knowledge and investigation of the matter, by seeking and obtaining a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon."

This Office recommends that the above described changes be made in the conciliation agreement if the Commission insists upon a conciliation agreement for respondent Henry Ford II.


Recommendation

1. Approve the signed conciliation agreement for the Presidential Committee.

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2. Require conciliation with respondent Henry Ford II on the basis of the conciliation agreement attached to the notification letter.
3. Approve the conciliation agreement attached to the notification letter.
4. Send attached notification letter and conciliation agreement to counsel for Henry Ford II.

6/12/78
Date



William C. Oldaker
General Counsel

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ATTACHMENT A

ONE WALL STREET
NEW YORK, N. Y. 10008
TELEPHONE: (212) 788-1000
CABLE ADDRESS: LABELLUM
TELEX: 12-0146
667468

Cadwalader, Wickersham & Taft

Eleven Dupont Circle

Washington, D.C. 20036

Telephone: (202) 387-8100

Telex: 710-822-1934

Hughes

WASHINGTON PARTNERS
H. CLAYTON COOK, JR.
H. LAWRENCE FOX
ROBERT T. LASKY
THOMAS A. RUSSO
STEPHEN N. SHULMAN
FRANK WILLE

NEW YORK PARTNERS
RICHARD A. ABORN
JACK ADELMAN
STEPHEN G. AUSTIN
JOHN BOYER
PETER MEGARGEE BROWN
WILLIAM N. CLARKE
RODNEY S. DAYAN
DANIEL C. DRAPER
STEVE C. DUNE
DAVID W. FEENEY
P. JAY FLOCKEN
JOHN F. FRITTS
TERENCE F. GILHEANY
STEPHEN P. GOTTLIEB
GRANT S. HERING
LEONARD E. KUST
ROBERT C. LAWRENCE III
JAY H. MCGOWELL
WILLIAM J. MOSS
HORACE P. MOULTON
JOHN J. O'GRADY III
ROY ALBERT POVELL
GEORGE O. REYCRAFT
HADLEY S. ROE
HAVEN C. ROOSEVELT
STUART O. ROOT
STEVEN A. RUSKIN
JEROME SHELBY
GERALD T. SLEVIN
JOHN A. SULLIVAN
RICHARD T. TAYLOR
COURTLAND W. TROUTMAN
JONATHAN M. WAINWRIGHT
JOHN J. WALSH
MALCOLM P. WATTMAN
ARNOLD J. ZURCHER, JR.

June 7, 1978

Mr. William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 333(76)

Dear Mr. Oldaker:

Enclosed is the conciliation agreement, approved by the Commission in the above matter, signed on behalf of the 1976 Democratic Presidential Campaign Committee.

Sincerely,

Lynda S. Mounts

Lynda S. Mounts

LSM/dsf
cc: ✓Hal Ponder
Enclosure

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Before the Federal Election Commission

In the Matter of)
Nonpartisan Committee for Good) MUR 333 (76)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

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follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

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III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS


I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

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II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

June 7, 1978
Date


Ronald D. Eastman
Counsel for
1976 Democratic Presidential
Campaign Committee, Inc.

June 7, 1978
Date

William C. Oldaker
General Counsel

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ATTACHMENT B
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RECEIVED
FEDERAL ELECTION
BODMAN, LONGLEY & DAHLING

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34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243 5 AM 10:29

(313) 289-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

May 31, 1978

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977

Hughes

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

MUR 353(76)

Attn: Mr. Hal Ponder

Dear Mr. Ponder:

In accordance with our recent conversation, I am enclosing a form of conciliation agreement (draft of May 31, 1978) which I would sign if the Commission decides that there must be a conciliation agreement in this case. I believe you will find that it follows our conversation and includes only those changes from your draft that you said you would accept.

At the same time, and believing the censure and humiliation of a conciliation agreement is inappropriate to this case, and feeling entitled to have these issues made known to the Commission in my own way, I have written a letter to each of the Commissioners setting forth why we feel no action should be taken. A copy of that letter is enclosed.

I await word of the Commission's decision.

Very truly yours,

PVH
Pierre V. Heftler

PVH/ch
Encl.

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HEFTLER DRAFT

Draft of May 31, 1978

In the Matter of: :
: :
Nonpartisan Committee For : :
Good Government, 1976 : : MUR 333 (76)
Presidential Campaign : :
Committee, Inc. : :
Edgar Bronfman and : :
Henry Ford II : :

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford II and the subject matter of this proceeding.

II. That respondent Henry Ford II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford II paid \$1,510.03 for his share of the costs of the luncheon. Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office.

D. Subsequently, and on being advised by his counsel that paying for the Carter luncheon might, under the 1976 amendments to the law, be construed as a contribution, respondent Henry Ford II voluntarily sought to redress the situation and make the question moot by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

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Wherefore, respondent Henry Ford II and the Commission agree:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That the payment by respondent Henry Ford II of his portion of the luncheon at which Presidential nominee Carter appeared constituted, according to the Commission's construction, a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford II's payment was made in violation of such section.

IV. That the Commission has determined that the respondent Henry Ford II pay no civil penalty because, on his own accord, he made a good faith effort to rectify a matter, construed by the Commission as a violation, prior to the Commis-

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sion's knowledge and investigation of the matter, by seeking and obtaining, before the campaign was over, a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

PIERRE V. HEFTLER
FOR THE RESPONDENT
HENRY FORD II

WILLIAM C. OLDAKER
GENERAL COUNSEL

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7 8 0 4 0 0 6 4 9 6 8

BODMAN, LONGLEY & DARLING

1415 FORD TOWER RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

313/259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
313/362-2110

May 31, 1977

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1953
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977

The Honorable Joan D. Aikens
The Honorable Robert O. Tiernan
The Honorable Thomas E. Harris
The Honorable Neil O. Staebler
The Honorable William G. Springer
The Honorable Vernon W. Thomson
Federal Election Commissioners
Federal Election Commission
Washington, D. C.

Dear Commissioners:

Since August, 1977, I have been involved in discussions with your staff on whether our client, Henry Ford II, should be required to enter into a conciliation agreement because of his participation in a businessman's luncheon attended by presidential candidate Jimmy Carter. For reasons which I will explain, Mr. Ford feels the facts in this case do not warrant a conciliation agreement whereas your staff insists that there be one. In my letter of March 6, 1978 to your staff, I asked that, if the staff intended to propose to the Commission any action other than closing the file, I be given the opportunity to appear before the Commission and present argument. The staff's response was: "If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court."

I feel strongly, particularly under the unusual facts of this case, that there ought to be some way for a person under investigation by the Commission to put his side of the matter to the members of the Commission directly. To communicate with the

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May 31, 1978

Page 2.

Commission only through the staff with whom he is already in disagreement, amounts to a denial of effective communication between the one being investigated and the body whose judgment he is entitled to have in the disposition of his case. I have, therefore, presumed to send to each member of the Commission and, of course, to the Commission's General Counsel, this letter setting out as briefly as possible the issue in this case:

1. The Facts.

For a number of years Henry Ford II sponsored luncheons or dinners held to introduce political candidates to the business community. Prior to the election law amendments of 1976, payment for such a luncheon was not considered a political contribution.

On May 20, 1976 Henry Ford II was invited by J. Paul Austin to join him and Edgar Bronfman in hosting a businessman's luncheon at which candidate Jimmy Carter would appear and speak. Mr. Ford agreed. The luncheon took place on July 22, 1976, attended by 52 business persons. Candidate Jimmy Carter was present and spoke. Henry Ford II's one-third share of the bill was \$1,510.03. He received this bill approximately August 9, 1976, approved it for payment, and it was paid August 10th, out of his personal funds.

Several weeks later, Henry Ford II's secretary brought to his attention a memo written by me in response to the secretary's request for general information on political contributions under Federal and Michigan law. This memo set out various limitations and included a warning on independent expenditures and on acting as a host. As a result of the warning in this memorandum, Henry Ford II instructed me to look into the Jimmy Carter luncheon. I investigated the facts and consulted with representatives of Mr. Austin and Mr. Bronfman, and on September 21 I advised that the payment of the luncheon bill might be construed to be a contribution under the 1976 amendments. Mr. Ford immediately applied for reimbursement from the Democratic National Committee and he was reimbursed in full on October 22, 1976.

Two other facts, although not crucial, are of some pertinence: The plans included having candidate Gerald Ford address the same group of business executives, but it was never possible to arrange a suitable date. The luncheon bill included

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May 31, 1978

Page 3.

not only the cost for those for whom the luncheon was intended; it also included the cost of meals for the press corps that travelled with the candidate. If this latter cost were excluded, Mr. Ford's share of the bill would have been less than \$1,000.

2. Negotiations with Staff.

Your staff's first inquiry into this was by letter of July 29, 1977, some 9 months later. I responded on August 11, 1977, by letter reciting the facts, giving copies of the check by which the bill was paid by Mr. Ford, and the one by which he was reimbursed by the Democratic National Committee, and I stated that we had considered the matter closed.

Following this we have had a number of letters back and forth. The staff insists upon a conciliation agreement. We have insisted there is nothing to conciliate, that there is nothing for the Commission to correct; and that if any error was made, it was corrected by Mr. Ford himself when he proceeded, entirely on his own initiative, and without any thought of there being an investigation, to correct any violation that might have existed by obtaining reimbursement from a proper party.

The staff has insisted that obtaining reimbursement "does not obviate the violation", pointing out that the reimbursement was not obtained until three months after the event. But reimbursement was obtained within two months after payment; it was requested within about two weeks after Mr. Ford became aware that there might be a problem; and, most important of all, the correction by Mr. Ford was instituted sua sponte, and accomplished while the political campaign was still going on.

The staff insists that whenever there is a violation there must be a conciliation agreement, a position which I submit is contrary to the statute, for the statute provides in 437(q)(4) that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken". I think it is significant that the statute does not require a person to demonstrate that there was no violation but only that no action should be taken. If, under the circumstances here, action must be taken, the words, carefully selected by Congress, have no rational meaning and serve no useful purpose.

We are now at the point where the staff, in effect, has said either we have a conciliation agreement or I must present my arguments to the court.

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May 31, 1978

Page 4.

3. Objections to Conciliation Agreement.

The staff has made a number of suggestions as to the form of the conciliation agreement and I am prepared to say that if there must be a conciliation agreement the form now proposed is as innocuous as one could imagine. However, it is not so much the form of the conciliation agreement which is objectionable as it is the fact that a conciliation agreement in any form is demanded.

We take the position that, given the circumstances in this case, being required to sign an agreement can have no other purpose than to humiliate Mr. Ford. A conciliation agreement is a method by which violators of the Federal election laws are brought into line; by which violators are required to make some amends for their transgressions; and by which others are warned not to be violators. Now it does not matter that the form of agreement now proposed for Mr. Ford is relatively innocuous. The conciliation agreement becomes a matter of public record. Even if it is reported verbatim in the press, the readers would not be sufficiently versed on the subject to distinguish between an innocuous conciliation agreement and a most severe one. The persons named in conciliation agreements would all be lumped together as reprehensible persons whom a Federal agency decided should be censured for their actions.

Instead of being censured and humiliated, we think Mr. Ford should be commended for his efforts to abide by the law and, without any outside stimulus, to correct any instance where there might have been a question. We would suggest that if all persons could be counted on to have the same attitude toward the election laws and to see to it that contributions come from proper sources, there would be no need for the Commission to have any enforcement apparatus whatever.

We submit, as we have to the staff, that this is an instance in which, in the words of the statute, "no action should be taken".

4. Policy Toward Spontaneous Correction.

Three persons were involved in hosting this luncheon: Mr. Ford, and Messrs. Bronfman and Austin. The last two have signed (or are about to sign) conciliation agreements which

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Page 5.

include express or implied admissions that there was a violation and provide for a \$500 fine. Notwithstanding the fact that Mr. Ford acted promptly to correct any possible violation, without any knowledge of or stimulus provided by the FEC, whereas the others did not, the staff proposes that conciliation agreements be required from all three with the difference that no fine will be exacted from Mr. Ford.

Now if the staff has its way what has Mr. Ford gained by having himself undertaken to correct the matter? He has saved \$500!

I put it to you that to a person with the means to make a \$1,500 contribution, a \$500 saving is nothing. And if it is to be the position of the Commission that one who, upon his own discovery that he has a political contribution problem, undertakes to correct the same will save himself \$500 but otherwise be put through the same humiliation and censure as another who is aware of the problem but elects to do nothing, then the former would be well advised to do nothing, keep everything as quiet as possible, and hope the matter escapes official attention.

This can hardly be sound public policy or a sound way to encourage respect for the election laws.

5. Reason for Not Litigating.

When it first began to appear that the staff might insist on a conciliation agreement Mr. Ford had resolved, as a matter of principle, to force the issue into the courts, if necessary. In addition to there being some legal issues as to the existence of a violation (the plan to hold a similar luncheon with candidate Gerald Ford could not be worked out; disregarding the cost of luncheons for the candidate's supernumery press contingent, the amount involved is less than \$1000; and the purpose of the luncheon was not to influence the election but to influence the candidate), there is also the question of whether, as a matter of law, any violation was obviated by securing reimbursement from a proper source before the election was over, and the question of whether under all the circumstances it would be an abuse of the court's process to be bringing to it a matter already corrected.

Unfortunately, entirely unrelated events have since caused Mr. Ford to submit to a conciliation agreement, if demanded by the Commission. I refer to a stockholders' suit recently instituted by Roy Cohn, a well-known controversial lawyer, against Mr. Ford and charging him, as the chief executive of Ford

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 6.

Motor Company, with various financial wrongdoings including accepting a \$750,000 bribe, purchasing and furnishing dwellings in England with Company funds, etc. Although these charges are utterly without foundation and have been vigorously denied in detail, they are reported in the press and doubtless each step in the progress of that litigation will be reported, but in the nature of things it could be a year or two or more before the public learns from the court that the charges are without any foundation.

While there is no connection between that stockholders' suit and this campaign contribution matter, suit by the Commission against Mr. Ford at this time could be misconstrued by some as calling into question Mr. Ford's integrity or his reputation as a law-abiding citizen or in some crazy way supportive of Mr. Cohn's unfounded charges.

Therefore, Mr. Ford has foregone his original resolve not to accept censure and has instructed me to sign a conciliation agreement to dispose of the matter if the Commission does not agree that "no action should be taken".

* * *

In brief, but for this other pending litigation, it would be our advice and Mr. Ford's inclination to challenge the staff's position in court. Since the time is unfortunately not propitious for this, I request the Commission afford the relief I believe, in normal times, we would obtain from a court. I believe the statute above cited provides the authority for "no action", and the facts of this case warrant such relief.

I understand that there is no other instance in which the staff has pursued an excess contributor who obtained reimbursement entirely on his own initiative and before the campaign was over. Mr. Ford is not asking for special treatment. Rather he is seeking to avoid "special treatment" by the FEC staff, for it is inconceivable that any citizen not a public figure would be required to sign a conciliation agreement under the circumstances.

Your attention to this matter is greatly appreciated.

Very sincerely yours,


Pierre V. Heftler

PVH/ch

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78040064974

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BODMAN, LONGLEY & DAHLING
34TH FLOOR, 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

JUN 5 AM 10:29

Mr. William C. Oldaker
Federal Counsel
1325 K Street, N. W.
Washington, D. C. 20463
Attn: Mr. Hal Ponder



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BODMAN, LONGLEY & DAHLING
34TH FLOOR, 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

FEDERAL ELECTION
COMMISSION



JUN 5 AM 10:29

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Attn: Mr. Hal Ponder

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7801005100

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ACC 3886

RECEIVED
FEDERAL ELECTION
COMMISSION

The Coca-Cola Company

ATLANTA, GEORGIA

JUN 22 AM 11:46 '78

ROBERT A. KELLER
VICE PRESIDENT
AND
DEPUTY GENERAL COUNSEL

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404-897-2121

June 16, 1978

CERTIFIED -- RETURN RECEIPT REQUESTED

803856

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

RE: MUR 333 (76)

Dear Mr. Oldaker:

Enclosed are two duplicate original Conciliation Agreements which conform to the provisions outlined in your letter to Alan Dye of May 18, 1978. Both have been signed by C. W. Adams, the current Chairman of the Nonpartisan Committee for Good Government.

Upon receipt of one original Agreement executed by the Commission, we will then forward to the Commission a check in the amount of \$500.

Sincerely,

Robert A. Keller
Robert A. Keller

RAK/lc
Enclosures

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78040064977

40054870 RECEIVED
FEDERAL ELECTION
COMMISSION
7804006497

70 JUN 22 AM 11:46

ATLANTA
JUN 22 1970
3311

The Coca-Cola Company

P. O. Drawer 1734
ATLANTA, GEORGIA 30301

FOR CERTIFIED - RETURN RECEIPT REQUESTED

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

MIS-2400
Stock #40151-4

**CERTIFIED
MAIL**

No. 035644

RETURN RECEIPT REQUESTED

USA 1348 (48075 B)

DOC 3732
NRN

WASHINGTON PARTNERS
H. CLAYTON COOK, JR.
H. LAWRENCE FOX
ROBERT T. LASKY
THOMAS A. RUSSO
STEPHEN N. SHULMAN
FRANK WILLE

Cadwalader, Wickersham & Taft

ONE WALL STREET
NEW YORK, N. Y. 10005
TELEPHONE: (212) 788-1000
CABLE ADDRESS: LABELLUM
TELEX: 12-8146
667488

Eleven Dupont Circle

Washington, D.C. 20036

Telephone: (202) 387-8100

Telex: 710-822-1934

NEW YORK PARTNERS
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JACK ADELMAN
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WILLIAM J. MOSS
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ROY ALBERT POVELL
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HAVEN C. ROOSEVELT
STUART D. ROOT
STEVEN A. RUSKIN
JEROME SHELBY
GERALD T. SLEVIN
JOHN A. SULLIVAN
RICHARD T. TAYLOR
COURTLAND W. TROUTMAN
JONATHAN M. WAINWRIGHT
JOHN J. WALSH
MALCOLM P. WATTMAN
ARNOLD J. ZURCHER, JR.

June 7, 1978

7 8 0 4 0 0 5 4 8 7 1
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Mr. William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 333(76)

Dear Mr. Oldaker:

Enclosed is the conciliation agreement,
approved by the Commission in the above matter,
signed on behalf of the 1976 Democratic Presiden-
tial Campaign Committee.

Sincerely,

Lynda S. Mounts

LSM/dsf
cc: Hal Ponder
Enclosure

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78040064980

By hand

Cadwalader, Wickersham & Taft

Eleven Dupont Circle, Washington, D. C. 20036

Mr. Hal Ponder, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

POC 3706

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RECEIVED
FEDERAL ELECTION
COMMISSION

BODMAN, LONGLEY & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48201
78 JUN 5 AM 10:29

(313) 259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

May 31, 1978

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1898-1954
HENRY C. BOGLE
1892-1977

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
KENNETH R. LANGO
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCC. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JAMES R. BUSCHMANN
JOSEPH N. BROWN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

MUR 333(76)

Attn: Mr. Hal Ponder

Dear Mr. Ponder:

In accordance with our recent conversation, I am enclosing a form of conciliation agreement (draft of May 31, 1978) which I would sign if the Commission decides that there must be a conciliation agreement in this case. I believe you will find that it follows our conversation and includes only those changes from your draft that you said you would accept.

At the same time, and believing the censure and humiliation of a conciliation agreement is inappropriate to this case, and feeling entitled to have these issues made known to the Commission in my own way, I have written a letter to each of the Commissioners setting forth why we feel no action should be taken. A copy of that letter is enclosed.

I await word of the Commission's decision.

Very truly yours,


Pierre V. Heftler

PVH/ch
Encl.

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BEFORE THE FEDERAL ELECTION COMMISSION
JUNE , 1978

Draft of May 31, 1978

In the Matter of: :
: :
Nonpartisan Committee For :
Good Government, 1976 : MUR 333 (76)
Presidential Campaign :
Committee, Inc. :
Edgar Bronfman and :
Henry Ford II :

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford II and the subject matter of this proceeding.

II. That respondent Henry Ford II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford II paid \$1,510.03 for his share of the costs of the luncheon. Prior to 1976 respondent Henry Ford II had, on a number of occasions, hosted a luncheon or dinner or similar function for the purpose of introducing to the business community a candidate for federal or state office.

D. Subsequently, and on being advised by his counsel that paying for the Carter luncheon might, under the 1976 amendments to the law, be construed as a contribution, respondent Henry Ford II voluntarily sought to redress the situation and make the question moot by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

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Wherefore, respondent Henry Ford II and the Commission agree:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That the payment by respondent Henry Ford II of his portion of the luncheon at which Presidential nominee Carter appeared constituted, according to the Commission's construction, a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford II's payment was made in violation of such section.

IV. That the Commission has determined that the respondent Henry Ford II pay no civil penalty because, on his own accord, he made a good faith effort to rectify a matter, construed by the Commission as a violation, prior to the Commis-

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sion's knowledge and investigation of the matter, by seeking and obtaining, before the campaign was over, a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE _____

PIERRE V. HEFTLER
FOR THE RESPONDENT
HENRY FORD II

WILLIAM C. OLDAKER
GENERAL COUNSEL

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BODMAN, LONGLEY & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

May 31, 1977

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BOGGMAN
874 1963
CLIFFORD B. LONGLEY
1888 1954
HENRY C. BOGLE
1892 1977

LOUIS E. DAHLING
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PIERRE V. HEFTLER
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THEODORE BOURIS
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WALTER G. KOCH
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MICHAEL B. LEWISTON
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KENNETH R. LANTO
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JAMES T. HEIMBUCH
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GERALD VAN WYKE
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ANDREW J. BRODER
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MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

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The Honorable Joan D. Aikens
The Honorable Robert O. Tiernan
The Honorable Thomas E. Harris
The Honorable Neil O. Staebler
The Honorable William G. Springer
The Honorable Vernon W. Thomson
Federal Election Commissioners
Federal Election Commission
Washington, D. C.

Dear Commissioners:

Since August, 1977, I have been involved in discussions with your staff on whether our client, Henry Ford II, should be required to enter into a conciliation agreement because of his participation in a businessman's luncheon attended by presidential candidate Jimmy Carter. For reasons which I will explain, Mr. Ford feels the facts in this case do not warrant a conciliation agreement whereas your staff insists that there be one. In my letter of March 6, 1978 to your staff, I asked that, if the staff intended to propose to the Commission any action other than closing the file, I be given the opportunity to appear before the Commission and present argument. The staff's response was: "If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court."

I feel strongly, particularly under the unusual facts of this case, that there ought to be some way for a person under investigation by the Commission to put his side of the matter to the members of the Commission directly. To communicate with the

Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 2.

Commission only through the staff with whom he is already in disagreement, amounts to a denial of effective communication between the one being investigated and the body whose judgment he is entitled to have in the disposition of his case. I have, therefore, presumed to send to each member of the Commission and, of course, to the Commission's General Counsel, this letter setting out as briefly as possible the issue in this case:

1. The Facts.

For a number of years Henry Ford II sponsored luncheons or dinners held to introduce political candidates to the business community. Prior to the election law amendments of 1976, payment for such a luncheon was not considered a political contribution.

On May 20, 1976 Henry Ford II was invited by J. Paul Austin to join him and Edgar Bronfman in hosting a businessman's luncheon at which candidate Jimmy Carter would appear and speak. Mr. Ford agreed. The luncheon took place on July 22, 1976, attended by 52 business persons. Candidate Jimmy Carter was present and spoke. Henry Ford II's one-third share of the bill was \$1,510.03. He received this bill approximately August 9, 1976, approved it for payment, and it was paid August 10th, out of his personal funds.

Several weeks later, Henry Ford II's secretary brought to his attention a memo written by me in response to the secretary's request for general information on political contributions under Federal and Michigan law. This memo set out various limitations and included a warning on independent expenditures and on acting as a host. As a result of the warning in this memorandum, Henry Ford II instructed me to look into the Jimmy Carter luncheon. I investigated the facts and consulted with representatives of Mr. Austin and Mr. Bronfman, and on September 21 I advised that the payment of the luncheon bill might be construed to be a contribution under the 1976 amendments. Mr. Ford immediately applied for reimbursement from the Democratic National Committee and he was reimbursed in full on October 22, 1976.

Two other facts, although not crucial, are of some pertinence: The plans included having candidate Gerald Ford address the same group of business executives, but it was never possible to arrange a suitable date. The luncheon bill included

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 3.

not only the cost for those for whom the luncheon was intended; it also included the cost of meals for the press corps that travelled with the candidate. If this latter cost were excluded, Mr. Ford's share of the bill would have been less than \$1,000.

2. Negotiations with Staff.

Your staff's first inquiry into this was by letter of July 29, 1977, some 9 months later. I responded on August 11, 1977, by letter reciting the facts, giving copies of the check by which the bill was paid by Mr. Ford, and the one by which he was reimbursed by the Democratic National Committee, and I stated that we had considered the matter closed.

Following this we have had a number of letters back and forth. The staff insists upon a conciliation agreement. We have insisted there is nothing to conciliate, that there is nothing for the Commission to correct; and that if any error was made, it was corrected by Mr. Ford himself when he proceeded, entirely on his own initiative, and without any thought of there being an investigation, to correct any violation that might have existed by obtaining reimbursement from a proper party.

The staff has insisted that obtaining reimbursement "does not obviate the violation", pointing out that the reimbursement was not obtained until three months after the event. But reimbursement was obtained within two months after payment; it was requested within about two weeks after Mr. Ford became aware that there might be a problem; and, most important of all, the correction by Mr. Ford was instituted sua sponte, and accomplished while the political campaign was still going on.

The staff insists that whenever there is a violation there must be a conciliation agreement, a position which I submit is contrary to the statute, for the statute provides in 437(g)(4) that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken". I think it is significant that the statute does not require a person to demonstrate that there was no violation but only that no action should be taken. If, under the circumstances here, action must be taken, the words, carefully selected by Congress, have no rational meaning and serve no useful purpose.

We are now at the point where the staff, in effect, has said either we have a conciliation agreement or I must present my arguments to the court.

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 4.

3. Objections to Conciliation Agreement.

The staff has made a number of suggestions as to the form of the conciliation agreement and I am prepared to say that if there must be a conciliation agreement the form now proposed is as innocuous as one could imagine. However, it is not so much the form of the conciliation agreement which is objectionable as it is the fact that a conciliation agreement in any form is demanded.

We take the position that, given the circumstances in this case, being required to sign an agreement can have no other purpose than to humiliate Mr. Ford. A conciliation agreement is a method by which violators of the Federal election laws are brought into line; by which violators are required to make some amends for their transgressions; and by which others are warned not to be violators. Now it does not matter that the form of agreement now proposed for Mr. Ford is relatively innocuous. The conciliation agreement becomes a matter of public record. Even if it is reported verbatim in the press, the readers would not be sufficiently versed on the subject to distinguish between an innocuous conciliation agreement and a most severe one. The persons named in conciliation agreements would all be lumped together as reprehensible persons whom a Federal agency decided should be censured for their actions.

Instead of being censured and humiliated, we think Mr. Ford should be commended for his efforts to abide by the law and, without any outside stimulus, to correct any instance where there might have been a question. We would suggest that if all persons could be counted on to have the same attitude toward the election laws and to see to it that contributions come from proper sources, there would be no need for the Commission to have any enforcement apparatus whatever.

We submit, as we have to the staff, that this is an instance in which, in the words of the statute, "no action should be taken".

4. Policy Toward Spontaneous Correction.

Three persons were involved in hosting this luncheon: Mr. Ford, and Messrs. Bronfman and Austin. The last two have signed (or are about to sign) conciliation agreements which

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 5.

include express or implied admissions that there was a violation and provide for a \$500 fine. Notwithstanding the fact that Mr. Ford acted promptly to correct any possible violation, without any knowledge of or stimulus provided by the FEC, whereas the others did not, the staff proposes that conciliation agreements be required from all three with the difference that no fine will be exacted from Mr. Ford.

Now if the staff has its way what has Mr. Ford gained by having himself undertaken to correct the matter? He has saved \$500!

I put it to you that to a person with the means to make a \$1,500 contribution, a \$500 saving is nothing. And if it is to be the position of the Commission that one who, upon his own discovery that he has a political contribution problem, undertakes to correct the same will save himself \$500 but otherwise be put through the same humiliation and censure as another who is aware of the problem but elects to do nothing, then the former would be well advised to do nothing, keep everything as quiet as possible, and hope the matter escapes official attention.

This can hardly be sound public policy or a sound way to encourage respect for the election laws.

5. Reason for Not Litigating.

When it first began to appear that the staff might insist on a conciliation agreement Mr. Ford had resolved, as a matter of principle, to force the issue into the courts, if necessary. In addition to there being some legal issues as to the existence of a violation (the plan to hold a similar luncheon with candidate Gerald Ford could not be worked out; disregarding the cost of luncheons for the candidate's supernumerary press contingent, the amount involved is less than \$1000; and the purpose of the luncheon was not to influence the election but to influence the candidate), there is also the question of whether, as a matter of law, any violation was obviated by securing reimbursement from a proper source before the election was over, and the question of whether under all the circumstances it would be an abuse of the court's process to be bringing to it a matter already corrected.

Unfortunately, entirely unrelated events have since caused Mr. Ford to submit to a conciliation agreement, if demanded by the Commission. I refer to a stockholders' suit recently instituted by Roy Cohn, a well-known controversial lawyer, against Mr. Ford and charging him, as the chief executive of Ford

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Federal Election Commissioners
Washington, D. C.

May 31, 1978

Page 6.

Motor Company, with various financial wrongdoings including accepting a \$750,000 bribe, purchasing and furnishing dwellings in England with Company funds, etc. Although these charges are utterly without foundation and have been vigorously denied in detail, they are reported in the press and doubtless each step in the progress of that litigation will be reported, but in the nature of things it could be a year or two or more before the public learns from the court that the charges are without any foundation.

While there is no connection between that stockholders' suit and this campaign contribution matter, suit by the Commission against Mr. Ford at this time could be misconstrued by some as calling into question Mr. Ford's integrity or his reputation as a law-abiding citizen or in some crazy way supportive of Mr. Cohn's unfounded charges.

Therefore, Mr. Ford has foregone his original resolve not to accept censure and has instructed me to sign a conciliation agreement to dispose of the matter if the Commission does not agree that "no action should be taken".

* * *

In brief, but for this other pending litigation, it would be our advice and Mr. Ford's inclination to challenge the staff's position in court. Since the time is unfortunately not propitious for this, I request the Commission afford the relief I believe, in normal times, we would obtain from a court. I believe the statute above cited provides the authority for "no action", and the facts of this case warrant such relief.

I understand that there is no other instance in which the staff has pursued an excess contributor who obtained reimbursement entirely on his own initiative and before the campaign was over. Mr. Ford is not asking for special treatment. Rather he is seeking to avoid "special treatment" by the FEC staff, for it is inconceivable that any citizen not a public figure would be required to sign a conciliation agreement under the circumstances.

Your attention to this matter is greatly appreciated.

Very sincerely yours,

Pierre V. Heftler

PVH/ch

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78040064991



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 18, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ronald D. Eastman, Esq.
Verner, Liipfert, Bernhard
and McPherson
Suite 1000
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333 (76)

Dear Mr. Eastman:

On May 10, 1978, the Commission approved the proposed conciliation agreement for respondent 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) with the exclusion of paragraph III, page 2 and paragraph IV, page 3.

Accordingly, we are submitting the approved conciliation agreement to you for respondent Presidential Committee. If your client agrees with the provisions of the agreement, please have it signed and returned to the Commission within ten (10) days of receipt of this letter.

If you have any questions, please contact Hal Ponder or Ellen Hughes (telephone no. (202)523-4006). This letter and the attached conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

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PS Form 3811, Apr. 1977
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered. \$
 Show to whom, date, and address of delivery. \$
 RESTRICTED DELIVERY
 Show to whom and date delivered. \$
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Ronald D. Eastman
 Esq. Urry Lippert Bernhard
 and McPherson, Suite 1000, 1660 L
 St. NW, Washington, D.C. 20036*

3. ARTICLE DESCRIPTION
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | *438190* | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
D. Hunt

4. DATE OF DELIVERY | POSTMARK
 | *WASH DC*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

Before the Federal Election Commission

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government,)
1976 Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

Conciliation Agreement

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as

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follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee for Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i) to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II, in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions-in-kind.

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III. In accordance with the construction of 2 U.S.C. §441a(a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

V. That inasmuch as the expenditure by Henry Ford II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

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II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Date

For the Respondent
1976 Democratic Presidential
Campaign Committee, Inc.

Date

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 18, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alan P. Dye, Esq.
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C.

Re: MUR 333 (76)

Dear Mr. Dye:

Enclosed is the proposed conciliation agreement which we believe may satisfy the Commission's aims, as well as your client's desires.

We have omitted paragraph E, page 2, of your proposed conciliation agreement dated March 29, 1978, due to the Commission's objection to this language in a similar conciliation agreement with another respondent in this matter. Paragraph E, page 2, of the attached conciliation agreement includes language that was submitted by you in a draft conciliation agreement dated July 6, 1977, and which the Commission approved on July 20, 1977.

We have also amended paragraph I, page 3, of your proposed conciliation agreement dated March 29, 1978, to include language which has been approved for another respondent in this matter.

Accordingly, if your client agrees with the provisions of the agreement, please have it signed and returned to the Commission within five (5) days of receipt of this letter.

If you have any questions, please contact Hal Ponder or Ellen Hughes (telephone no. (202)523-4006). This letter and the attached conciliation agreement will remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Robert A. Keller

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PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):

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Show to whom, date, and address of delivery. \$

RESTRICTED DELIVERY
Show to whom and date delivered. \$

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Alan R. Day, Esq.
Webster Chamberlain
1747 Pennsylvania Ave, N.W.
Washington, D.C.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438191	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

Carole Hartman

4. DATE OF DELIVERY: **MAY 22 1978** POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

Before the Federal Election Commission

May 12, 1978

In the Matter of)	
	)	MUR 333 (76)
Nonpartisan Committee for Good)	
Government)	
1976 Democratic Presidential)	
Campaign Committee, Inc.)	
Edgar Bronfman, and)	
Henry Ford II)	

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Nonpartisan Committee for Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. Acting through counsel, respondent has cooperated with the Federal Election Commission in its investigation of this matter, responding promptly and candidly to all inquiries by the Commission.

IV. That the respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by the Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford II, Chairman of the Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On advice of counsel, respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure

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of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation, or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, respondent Nonpartisan Committee agrees:

I. That the Commission construes "cooperation, consultation, or concert, with ... a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(a)(7)(B)(i), to include an instance in which a person or group of persons pay the cost of a function at which a candidate for election to a federal office appears and makes an address, regardless of the efforts made to obtain a similar subsequent appearance and address by the opponent of such candidate.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a contribution-in-kind within the meaning of the Act.

III. Under the construction of the statute adopted by the Federal Election Commission the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was improperly reported as an independent expenditure. 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437(a)(6)(B).

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V. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437(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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Date

For the Respondent
Nonpartisan Committee for Good
Government

William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for Good)
Government)
1976 Presidential Campaign) MUR 333 (76)
Committee, Inc.)
Edgar Bronfman)
Henry Ford II)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 10, 1978, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to accept the conciliation agreement attached to the General Counsel's Report in the above-captioned matter, with the exception of Paragraph III, page 2 and Paragraph IV, page 3.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Date: 5/12/78

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Before the Federal Election Commission
May 5, 1978

In the Matter of)
) MUR 333 (76)
Nonpartisan Committee for Good)
Government)
1976 Presidential Campaign)
Committee, Inc.)
Edgar Bronfman)
Henry Ford II)

General Counsel's Report

The attached draft conciliation agreement has been submitted by respondent 1976 Democratic Presidential Campaign Committee for Commission approval. Counsel for respondent has requested that his letter of April 25, 1978 be submitted in conjunction with the proposed conciliation agreement.

Paragraph I, page 2 of the conciliation agreement is based on language drafted by the General Counsel's office. This language contains the ideas discussed at the Commission meeting of April 13, 1978, but has been amplified both in order to be more specific and to be in accord with the language used in the agreement with respondent Bronfman in this same MUR.

The staff recommends against Commission approval of paragraphs III, page 2 and IV, page 3.

With respect to paragraph III, even though the identical language was approved by the Commission in the agreement with the President Ford Committee (MUR 190, 198), it is irrelevant to the facts in this case. The events in question in the Ford agreement

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occurred in 1975, while the events on which this matter is based occurred in 1976, after the law with its present amendments became effective. Although the regulations did not become effective until April 12, 1977, they do not address the issue at hand (i.e., the issue described in paragraph I, page 2 of the agreement). Further, the Supreme Court decision in Buckley v. Valeo does not deal with this particular issue. Therefore, paragraph III appears to be particularly inappropriate in this matter.

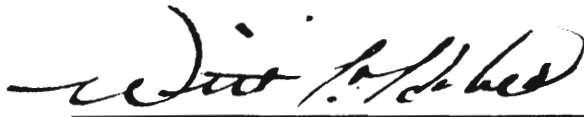
With respect to paragraph IV, this language is self-serving and therefore inappropriate to a conciliation agreement. Further, since the purpose of the wording would appear to be to show that the respondents took their actions in good faith, this idea is clearly implied in the wording of paragraph VIII, page 3, thereby making paragraph IV unnecessary.

With the exception of paragraphs III and IV (on pages 2 and 3), this office recommends Commission approval of the conciliation agreement.

Recommendation

Approve the conciliation agreement with the exception of paragraph 3, page 2 and paragraph IV, page 3.

5/5/78
Date


William C. Oldaker
General Counsel

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In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976)
Democratic Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford, II)

MUR 333-(76)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007 (b) (3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g (a) (5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Govern-
ment (Nonpartisan Committee) paid \$1,775.11 as its share
of the costs of the luncheon.

C. Respondent Edgar Bronfman and Henry Ford, II paid
\$1,510.03, respectively, as their shares of the costs of
the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construes "cooperation,
consultation, or concert, with...a candidate, his authorized
political committees, or their agents," in 2 U.S.C. 441a (a) (7) (B) (i),
to include an instance in which a person or group of persons
pay the cost of a function at which a candidate for election
to a federal office appears and makes an address, regardless of the
efforts made to obtain a similar subsequent appearance
and address by the opponent of such candidate.

II. That, according to this construction, the payments
of the Nonpartisan Committee, Edgar Bronfman and Henry Ford,
II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03,
respectively, as their shares of the costs of the luncheon
were contributions-in-kind.

III. It is acknowledged that the 1976 primary and
general elections were the first such elections to be
governed by the Federal Election Campaign Act, as amended;
that portions of the previous campaign act had been found
unconstitutional by the Supreme Court in Buckley v. Valeo,
424 U.S. 1 (1976), and that the applicability of the law and
regulations to particular circumstances was unclear during
the 1976 campaign period.

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IV. That respondent Presidential Committee has taken the position that appearance of a candidate before a group which is nonpartisan, not established in connection with a particular election, and which represents that it is issuing a similar invitation to other major candidates for a subsequent similar appearance would not constitute a contribution-in-kind.

V. In accordance with the construction of 2 U.S.C. §441a (a)(7)(B)(i) described in paragraph I, page 2 of this agreement, the candidate's appearance at the luncheon constituted authorization for the expenses so that the expenditures constituted a contribution. 26 U.S.C. §9002 (11).

VI. That respondent Presidential Committee is therefore deemed to have accepted such contribution to defray expenses as set forth in 26 U.S.C. §9007(b)(3).

VII. That inasmuch as the expenditure by Henry Ford, II has already been reimbursed, respondent Presidential Committee will reimburse the Secretary of the Treasury in the amount of \$3,285.14 (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VIII. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g (a)(1) concernign the matters at issue therein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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NR

LAW OFFICES

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

SUITE 1000
1660 L STREET, N. W.
WASHINGTON, D. C. 20036

CABLE ADDRESS
VERLIP

(202) 452-7400

April 25, 1978

JAMES M. VERNER
EUGENE T. LIIPFERT
BERL BERNHARD
HARRY MCPHERSON
RONALD B. NATALIE
WILLIAM C. EVANS
MICHAEL J. ROBERTS
JOHN L. RICHARDSON
RONALD D. EASTMAN
MARK J. ANDREWS
HENRY GOLDBERG
FRITZ R. KAHN
STUART F. PIERSON
MICHAEL F. GOLDMAN
HOWELL E. BEGLE, JR.

JOHN A. MERRIGAN
THOMAS E. ACEY, JR.
JOSEPH L. MANSON, III
ROBERT R. BRINKER
LYNDA S. MOUNTS
RUSSELL E. POMMER
JEFFREY D. KOMAROW
THOMAS J. KELLER
BARBARA DAVIS
ANN K. H. SIMON
VICTOR S. ELGORT
RICHARD L. CYS
W. CLARK MCFADDEN
EDWARD A. CHERRY
MERRITT RUHLEN
WHITNEY GILLILLAND
OF COUNSEL

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Hughes

Re: MUR 333 (76)

Dear Mr. Oldaker:

In response to your letter of April 21, 1978, the 1976 Democratic Presidential Campaign Committee (Committee) submits the following comments regarding paragraphs III and IV, pages 2-3 of the proposed conciliation agreement in the above-referenced proceeding. We respectfully request that you present these views to the Federal Election Commission (Commission).

The language in paragraph III, page 2 is modeled after a provision approved by the Commission in a conciliation agreement with The President Ford Committee, MUR 190 (76) and MUR 198 (76). Inclusion of the provision is equally appropriate in this agreement. As we propose in paragraph III "... applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period." The Committee sees no reason to exclude this language from the formal document.

Your staff has suggested that the language is inappropriate because The President Ford Committee conciliation agreement involved events in the primary campaign period, shortly after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), while the instant agreement involves an event during the general election period. The Committee does not believe that difference is relevant. The Federal Election Campaign Act governed both the primary and general election campaigns for the first time in 1976, and the Buckley decision deals with

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William C. Oldaker
April 25, 1978
Page 2

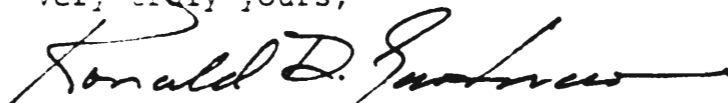
issues covering both periods. Moreover, the Commission did not finally promulgate its regulations until April 12, 1977 (42 F.R. 19324), well after both the primary and general election campaign period. The uncertainty created significant burdens and difficulties for campaigns and contributors during both the general election and primary campaign periods.

Paragraph IV, page 3 is a statement of the position taken by the Committee concerning in-kind contributions. This paragraph is necessary because, in the Committee's view, the language in paragraph I, page 2 recites an overly broad principle as to what constitutes a contribution under 2 U.S.C. 441a (a) (7) (B) (i). It would cover many instances in the future which the Committee believes properly lie outside of the statutory definition, including appearances by all major candidates before well established, non-partisan groups.

The Committee has agreed, however, to the inclusion of paragraph I in the spirit of the conciliation process. That process contemplates voluntary rectification of alleged violations without adjudicating controverted legal issues. The parties need not agree on broad legal principles to agree that certain expenditures should be reimbursed. However, in order to insure that there is no misunderstanding to the effect that the Committee agrees with the legal principle stated in paragraph I, the Committee believes that the formal document ought to reflect its disagreement about the principle involved. It hopes the Commission will permit the Committee to express its position on the record in a case where the Committee would agree to include language enunciating a principle with which it disagrees.

The Committee would appreciate your including these views when you submit the proposed conciliation agreement for the Commission's consideration.

Very truly yours,



Ronald D. Eastman
Lynda S. Mounts

Counsel for the 1976 Democratic
Presidential Campaign, Inc.

By Hand

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 1, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Pierre V. Heftler
Bodman, Longley, Bogle
& Dahling
34th Floor
100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333 (76)

Dear Mr. Heftler:

This letter is in response to your letter that we received on March 10, 1978, in reference to the proposed conciliation agreement that we sent to you on February 17, 1978.

In view of the concern which you expressed that language be included in the agreement to reflect Mr. Ford's good faith efforts to rectify the violation once it came to his attention, we have added language to that effect (see page 2, paragraph D and page 3, paragraph IV).

However, Mr. Ford's actions do not moot the fact that a violation occurred, but only go to mitigate the penalty. Therefore, we must insist upon this matter being resolved by a conciliation agreement. As you are aware, if your client declines conciliation, the Commission may determine that there is probable cause to believe that a violation has occurred and institute a civil action for relief. 2 U.S.C. §437g(a)(5)(B).

In your letter, you request the opportunity to appear before the Commission to present argument if our recommendation to the Commission is any other than closing the



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333 - E. Hughes

PS Form 3811, Nov. 1977

SENDER: Complete items 1, 2, and 3. Add your address in the reverse. RETURN TO space on

- 1. The following service is requested (check one).
 - Show to whom and date delivered. _____ \$
 - RESTRICTED DELIVERY
 - Show to whom and date delivered. _____ \$
 - RESTRICTED DELIVERY.
 - Show to whom, date, and address of delivery. \$ _____
- (CONSULT POSTMASTER FOR FEES)

ARTICLE ADDRESSED TO: *William V. Heptle,*
Godman Langley, Boyle & DeLid
54th Floor, 100 Renaissance Ctr
Detroit, Mi. 48243

ARTICLE DESCRIPTION: _____ INSURED NO. _____
 REGISTERED NO. _____ CERTIFIED NO. *943925*

(Always obtain signature of addressee or agent)

I have received the article described above.
 Addressee Authorized agent

SIGNATURE: *[Handwritten Signature]*
 DATE OF DELIVERY: *MAY 4 1978*

ADDRESS (Complete only if requested)



UNABLE TO DELIVER BECAUSE:

RETURN RECEIPT REGISTERED INSURED AND CERTIFIED MAIL

333 - E. Naghas

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered.....\$

Show to whom, date, and address of delivery.....\$

RESTRICTED DELIVERY

Show to whom and date delivered.....\$

RESTRICTED DELIVERY.

Show to whom, date, and address of delivery. \$_____

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Pisang U. Heitler,
Bodman, Langley, Boyer Building
34th Floor, 100 Renaissance Center
Detroit, Mi. 48243*

3. ARTICLE DESCRIPTION:

REGISTERED NO.

CERTIFIED NO.

INSURED NO.

943925

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE

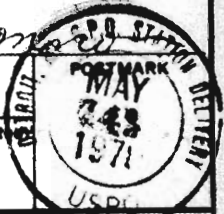
Addressee

Authorized agent

DATE OF DELIVERY
MAY 4 1978

4. ADDRESS (Complete only if requested)

108



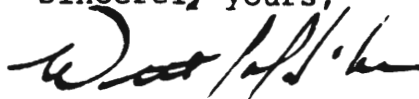
5. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

file. If you choose not to consent to the conciliation agreement, you will have the opportunity to present argument in court.

Sincerely yours,



William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION
March , 1978

In the Matter of)
)
Nonpartisan Committee For)
Good Government, 1976)
Presidential Campaign) MUR 333 (76)
Committee, Inc.,)
Edgar Bronfman and)
Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Henry Ford, II violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon to which business executives were invited. Presidential nominee

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Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee For Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

D. On being advised by his counsel that paying for the Carter luncheon might be construed as a contribution, respondent Henry Ford, II voluntarily sought to redress the situation by seeking reimbursement from the Democratic National Committee.

E. Respondent Henry Ford, II was reimbursed in full for his expenditure for the luncheon on October 22, 1976.

Wherefore, respondent Henry Ford, II agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

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II. That according to this construction, the payment by respondent Henry Ford, II of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That because the payment of \$1,510.03 made by respondent Henry Ford, II for his share of the costs of the luncheon exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), the Commission construes that respondent Henry Ford, II's payment was made in violation of such section.

IV. That the respondent Henry Ford, II will pay no civil penalty because, on his own accord, he made a good faith effort to rectify the violation prior to the Commission's knowledge and investigation of the matter, by seeking and obtaining a reimbursement in full from the Democratic National Committee for the amount expended for the luncheon.

V. That this agreement shall in no manner be construed as an admission by respondent Henry Ford, II that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. That Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or

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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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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78040065020

OC 3345
New

LAW OFFICES

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

JAMES M. VERNER
EUGENE T. LIIPFERT
BERL BERNHARD
HARRY MCPHERSON
RONALD B. NATALIE
WILLIAM C. EVANS
MICHAEL J. ROBERTS
JOHN L. RICHARDSON
RONALD D. EASTMAN
MARK J. ANDREWS
HENRY GOLDBERG
FRITZ R. KAHN
STUART F. PIERSON
MICHAEL F. GOLDMAN
HOWELL E. BEGLE, JR.

SUITE 1000
1660 L STREET, N. W.
WASHINGTON, D. C. 20036

CABLE ADDRESS
VERLIP

(202) 452-7400

JOHN A. MERRIGAN
THOMAS E. ACEY, JR.
JOSEPH L. MANSON, III
ROBERT R. BRINKER
LYNDA S. MOUNTS
RUSSELL E. POMMER
JEFFREY D. KOMAROW
THOMAS J. KELLER
BARBARA DAVIS
ANN K. H. SIMON
VICTOR S. ELGORT
RICHARD L. CYS
W. CLARK MCFADDEN
EDWARD A. CHERRY

MERRITT RUHLEN
WHITNEY GILLILLAND
OF COUNSEL

April 25, 1978

William C. Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

In response to your letter of April 21, 1978, the 1976 Democratic Presidential Campaign Committee (Committee) submits the following comments regarding paragraphs III and IV, pages 2-3 of the proposed conciliation agreement in the above-referenced proceeding. We respectfully request that you present these views to the Federal Election Commission (Commission).

The language in paragraph III, page 2 is modeled after a provision approved by the Commission in a conciliation agreement with The President Ford Committee, MUR 190 (76) and MUR 198 (76). Inclusion of the provision is equally appropriate in this agreement. As we propose in paragraph III "... applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period." The Committee sees no reason to exclude this language from the formal document.

Your staff has suggested that the language is inappropriate because The President Ford Committee conciliation agreement involved events in the primary campaign period, shortly after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), while the instant agreement involves an event during the general election period. The Committee does not believe that difference is relevant. The Federal Election Campaign Act governed both the primary and general election campaigns for the first time in 1976, and the Buckley decision deals with

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William C. Oldaker
April 25, 1978
Page 2


issues covering both periods. Moreover, the Commission did not finally promulgate its regulations until April 12, 1977 (42 F.R. 19324), well after both the primary and general election campaign period. The uncertainty created significant burdens and difficulties for campaigns and contributors during both the general election and primary campaign periods.

Paragraph IV, page 3 is a statement of the position taken by the Committee concerning in-kind contributions. This paragraph is necessary because, in the Committee's view, the language in paragraph I, page 2 recites an overly broad principle as to what constitutes a contribution under 2 U.S.C. 441a (a) (7) (B) (i). It would cover many instances in the future which the Committee believes properly lie outside of the statutory definition, including appearances by all major candidates before well established, non-partisan groups.

The Committee has agreed, however, to the inclusion of paragraph I in the spirit of the conciliation process. That process contemplates voluntary rectification of alleged violations without adjudicating controverted legal issues. The parties need not agree on broad legal principles to agree that certain expenditures should be reimbursed. However, in order to insure that there is no misunderstanding to the effect that the Committee agrees with the legal principle stated in paragraph I, the Committee believes that the formal document ought to reflect its disagreement about the principle involved. It hopes the Commission will permit the Committee to express its position on the record in a case where the Committee would agree to include language enunciating a principle with which it disagrees.

The Committee would appreciate your including these views when you submit the proposed conciliation agreement for the Commission's consideration.

Very truly yours,



Ronald D. Eastman
Lynda S. Mounts

Counsel for the 1976 Democratic
Presidential Campaign, Inc.

By Hand

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

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ACC 3263
NRW

LAW OFFICES

VERNER, LIIPFERT, BERNHARD AND MCPHERSON

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EUGENE T. LIIPFERT
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HARRY MCPHERSON
RONALD B. NATALIE
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WASHINGTON, D. C. 20036

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VICTOR S. ELGORT
RICHARD L. CYS
W. CLARK MCFADDEN
EDWARD A. CHERRY

MERRITT RUHLEN
WHITNEY GILLILLAND
OF COUNSEL

April 17, 1978

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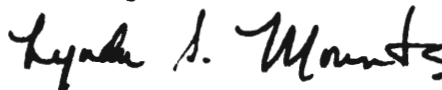
Mr. Hal Ponder
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Ponder:

Enclosed is the conciliation agreement we are proposing in the above referenced case on behalf of the 1976 Democratic Presidential Campaign Committee.

Sincerely,



Lynda S. Mounts

Enclosure

LAW OFFICES
VERNER, LIIPFERT, BERNHARD AND MCPHERSON
SUITE 1000
1660 L STREET, N. W.
WASHINGTON, D. C. 20036

By Hand

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, Northwest
Washington, D. C. 20463

8040751916
3710063024
Attention: Hal Ponder/Ellen Hughes

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee for)
Good Government, 1976)
Democratic Presidential) MUR 333 (76)
Campaign Committee, Inc.,)
Edgar Bronfman, and)
Henry Ford II)

CONCILIATION AGREEMENT

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This matter was initiated by the Federal Election Commission (Commission) on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g (a)(5), do hereby agree as follows:

I. That the Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The respondent Nonpartisan Committee For Good Government (Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford II paid \$1,510.03, respectively, as their shares of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with ...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a (7) (B)(i), to include any instance in which an invitation is extended to a candidate to appear at a function before a group constituted in connection with a particular election, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their shares of the costs of the luncheon were contributions in-kind.

III. It is acknowledged that the 1976 primary and general elections were the first such elections to be governed by the Federal Election Campaign Act, as amended; that portions of the

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previous campaign act had been found unconstitutional by the Supreme Court in Buckley v. Valeo, 424 U.S. 1 (1976), and that the applicability of the law and regulations to particular circumstances was unclear during the 1976 campaign period.

IV. That respondent committee was unaware that appearance of the candidate for a group represented as nonpartisan would constitute a contribution in-kind.

V. The candidate's appearance at the luncheon, in the Commission's view, constituted authorization for the expenses so that the expenditures constituted a contribution within the Commission's interpretation referred to above.

VI. That respondent Presidential Committee under this construction is deemed to have accepted such contribution to defray expenses as set forth in U.S.C. §9007(b)(3).

VII. That inasmuch as the alleged contribution by Henry Ford II has already been reimbursed, respondent Presidential Committee will correct the alleged violation by reimbursement of \$3,285.14 to the Secretary of the Treasury (this reimbursement figure is equal to the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon).

VIII. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

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GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g (a) (1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for Good)
Government; 1976 Presidential)
Campaign Committee, Inc.;)
Edgar Bronfman; and Henry Ford II)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 13, 1978, the Commission determined by a vote of 4-0 to approve the conciliation agreement submitted by the General Counsel in the above-captioned matter and amended by the General Counsel in the meeting of April 13, 1978, subject to circulation of the amended conciliation agreement to the Commission on a no-objection basis.

Commissioners Thomson and Tiernan were not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Date: April 17, 1978

Conciliation Report signed by the General Counsel on April 3, 1978
Received in the Office of the Commission Secretary April 4, 1978 at 2:20 p.m.
Circulated by the Commission Secretary on April 5, 1978 at 9:00 a.m. on a
no-objection basis.
Objection filed at 4:09 p.m. on April 5, 1978.
Placed on Agenda of April 13, 1978 on April 6, 1978

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 6, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 333 (76) - Conciliation Report dated 3-30-78
Signed by General Counsel 4-3-78
Received in Office of Commission
Secretary 4-4-78, 2:20

The above-mentioned document was circulated to the
Commissioners on a 24 hour no-objection basis at 9:00 a.m.,
April 5, 1978.

Commissioner Aikens submitted an objection a 4:09 p.m.,
April 5, 1978, thereby placing MUR 333 (76) on the Executive
Session Agenda for April 13, 1978.

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April 4, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa F. Galt
SUBJECT: MFR 333

Please have the attached Conciliation Report on
MFR 333 distributed to the Commission on a 24 hour no-
objection basis.

Thank you.

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Before the Federal Election Commission

March 30, 1978

In the Matter of)
)
Nonpartisan Committee for Good) MUR 333 (76)
Government, 1976 Presidential)
Campaign Committee, Inc.,)
Edgar Bronfman, and Henry Ford II)

Conciliation Report

On March 3, 1978, the Commission approved the Conciliation Agreement signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Bronfman, on a no-objection basis. On March 28, 1978, the civil penalty assessed against respondent Edgar Bronfman was paid.

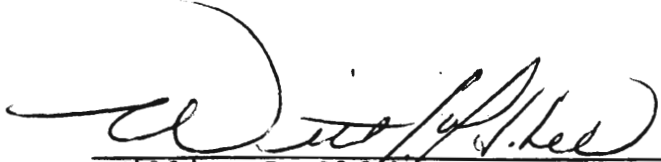
On March 7, 1978, a letter and proposed conciliation agreement were sent to Mr. Ronald Eastman, legal counsel for the 1976 Presidential Campaign Committee, Inc. (see Attachment A). On March 24, 1978, Hal Ponder and Ellen Hughes met with Mr. Ronald Eastman and discussed the proposed conciliation agreement. He will be sending us some suggested revisions to the proposed conciliation agreement within two weeks.

On March 9, 1978, a letter and proposed conciliation agreement were sent to Mr. Alan P. Dye, legal counsel for the Nonpartisan Committee for Good Government (see Attachment B). We will be meeting with Mr. Dye on April 11 to discuss the proposed conciliation agreement.

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On March 10, 1978, we received a response letter from Mr. Pierre V. Heftler, legal counsel for Henry Ford II. We are presently drafting a revised proposed conciliation agreement for respondent Henry Ford II and will shortly be sending it to Mr. Heftler.

4/3/78
Date


William C. Oldaker
General Counsel

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ATTACHMENT A

In the Matter of)
)
 Nonpartisan Committee For)
 Good Government, 1976)
 Democratic Presidential) MUR 333(76)
 Campaign Committee, Inc.,)
 Edgar Bronfman, and)
 Henry Ford, II)

CONCILIATION AGREEMENT

This matter was initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Federal Election Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Government(Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford, II paid \$1,510.03, respectively, as their share of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford, II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their share of the costs of the luncheon was a contribution-in-kind.

III. That Presidential nominee Jimmy Carter's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which were such as to further his election within the meaning of 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee accepted such contribution to defray a qualified campaign expense as set forth in 2 U.S.C. §9007(b)(3).

V. That inasmuch as the contribution by respondent Henry Ford, II has already been reimbursed, respondent Presidential Committee will correct the violation through

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a reimbursement of \$3,285.14 to the Secretary of the Treasury. [This reimbursement figure is derived from the sum of the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon.]

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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In the Matter of)
)
 Nonpartisan Committee For)
 Good Government, 1976) MUR 333(76)
 Democratic Presidential)
 Campaign Committee, Inc.,)
 Edgar Bronfman, and)
 Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee For Good Government (the Nonpartisan Committee) violated 2 U.S.C. §434.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by the Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in

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the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford, II, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

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Wherefore, Respondent Nonpartisan Committee agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Nonpartisan Committee of its portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That because the aggregate payment of \$1,775.11 made by respondent Nonpartisan Committee for its share of the costs of the luncheon and its share of the costs of the meals served to the press corps was reported as an independent expenditure, respondent Nonpartisan Committee was in violation of 2 U.S.C. §434(e)(2).

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of five hundred dollars (\$500) pursuant to 2 U.S.C. §437(a)(6)(B).

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V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. That 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes

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effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
NONPARTISAN COMMITTEE FOR
GOOD GOVERNMENT

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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78040065042

CC 3085

FEDERAL ELECTION COMMISSION

801306

Edgar M. Bronfman

375 Park Avenue
New York, New York 10022 35
March 23, 1978

Hal Ponder, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Ponder:

In satisfaction of paragraph III in
the conciliation agreement in the matter of
MUR 333 (76), I enclose a check from Mr. Bronfman's
personal account in the amount of \$500.00

Sincerely yours,

Maxine Hornung
Maxine Hornung
Attorney-in-Fact

mh

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EDGAR M. BRONFMAN

No. 8983

MARCH 23 19 78 $\frac{1.1}{210}$

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION \$500.00

FIVE HUNDRED & 00/100- - - - - DOLLARS

THE BANK OF NEW YORK
360 PARK AVENUE, NEW YORK, N.Y. 10022

Maria Hanna

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Sorenson:

On March 3, 1978, the Commission approved the signed conciliation agreement for respondent Edgar Bronfman. Attached is a copy of the final conciliation agreement.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

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● SENDER: Complete items 1., 2., and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered. <input checked="" type="checkbox"/> Show to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery. \$ _____ (CONSULT POSTMASTER FOR FEES)	
2. ARTICLE ADDRESSED TO: Theodore Sorenson, Paul, Weiss, Rifkind, Wharton, & Garrison 345 Park Ave. NY NY 10022	
3. ARTICLE DESCRIPTION: REGISTERED NO. 438425 CERTIFIED NO. 438425 INSURED NO.	(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input type="checkbox"/> Address <input type="checkbox"/> Authorized agent
4. DATE OF DELIVERY: 3/7/78 POSTMARK	5. ADDRESS (Complete only if requested)
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

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78 NOV 27 AM 10:55

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 7 , 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald D. Eastman

Verner, Liipfert, Bernhard and
McPherson
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333 (76)

Dear Mr. Eastman:

In accordance with the conversation with Mr. Hal Ponder of this office on February 16, 1978, we are attaching the conciliation agreement we would propose for your client, the 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee).

To briefly review the facts of this matter, on April 11, 1977, a letter was sent to Mr. Douglas Huron, White House Deputy Counsel, notifying him that the Commission found reasonable cause to believe that the Presidential Committee accepted a contribution to defray a qualified campaign expense in violation of 26 U.S.C. §9007(b)(3), and inviting the Presidential Committee to conciliate the matter. Attached you will find a copy of this letter.

In the April 11, 1977 letter the Commission requested the the Presidential Committee reimburse the Secretary of the Treasury in the amount of \$1,775.11. However, further investigation into this matter revealed that Mr. Edgar Bronfman and Mr. Henry Ford, II also shared in the costs of the luncheon, expending approximately \$1,510.03 each. Therefore, both Mr. Bronfman's and Mr. Ford's expenditures for the luncheon are also considered contributions-in-kind accepted by Presidential nominee Carter to defray a qualified campaign expense.

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On October 22, 1976, Mr. Ford, II was reimbursed by the Democratic National Committee for his share of the luncheon cost. Mr. Bronfman has not, as of this date, been reimbursed by any affiliated committee of President Carter.

Accordingly, we have requested, in the attached proposed conciliation agreement, that the Presidential Committee reimburse the Secretary of the Treasury in the amount of \$3,285.14.

We would appreciate a response from you regarding the enclosed proposed conciliation agreement within five days of receipt of this letter. If you have any questions, please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement will remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincer

William General

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78040065048

Mur 33 Hughes

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Ronald Eastman
 1660 13th Street, NW
 Wash DC 20036

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 438416 INSURED NO.
 (Always obtain signature of addressee or agent)

4. I have received the article described above.
 SIGNATURE *D. Hunt* Addressee Authorized agent

5. DATE OF DELIVERY: *Mar 10 1978*
 ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

333

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
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 Show to whom and date delivered.
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2. ARTICLE ADDRESSED TO:
*Alan P. De, Esq., Director &
 Chamberlain, 1747 Pennsylvania Ave
 Wash, D.C. 20004*

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 438416 INSURED NO.
 (Always obtain signature of addressee or agent)

4. I have received the article described above.
 SIGNATURE *Jay Necker* Addressee Authorized agent

5. DATE OF DELIVERY: *MAR 10 1978*
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RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆ GPO : 1977-O-234-137



11 APR 1977

Mr. Douglas Huron
Deputy Counsel
The White House
Washington, D. C.

Re: MUR 333 (76)

Dear Mr. Huron:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007(b)(3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002(11). The Commission thus rejects the view, put further by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone number)

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202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CREed:cfb:3/29/77

cc: Compliance Section MUR 333 (76)
CR

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Nonpartisan Committee For)	
Good Government, 1976)	
Democratic Presidential	)	MUR 333(76)
Campaign Committee, Inc.,)	
Edgar Bronfman, and)	
Henry Ford, II)	

CONCILIATION AGREEMENT

This matter was initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation was conducted, and the Commission found reasonable cause to believe that Respondent, 1976 Democratic Presidential Campaign Committee, Inc. (the Presidential Committee) violated 26 U.S.C. §9007(b)(3).

Now therefore, the respective parties herein, the Federal Election Commission and respondent Presidential Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Presidential Committee and the subject matter of this proceeding.

II. That respondent Presidential Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts of this matter are as follows:

A. A private luncheon was held on July 22, 1976, to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

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B. The respondent Nonpartisan Committee For Good Government(Nonpartisan Committee) paid \$1,775.11 as its share of the costs of the luncheon.

C. Respondents Edgar Bronfman and Henry Ford, II paid \$1,510.03, respectively, as their share of the costs of the luncheon.

Wherefore, respondent Presidential Committee agrees:

I. That the Commission construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. §441a(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function, and the candidate accepts and appears at the function.

II. That, according to this construction, the payments of the Nonpartisan Committee, Edgar Bronfman and Henry Ford, II in the amounts of \$1,775.11, \$1,510.03 and \$1,510.03, respectively, as their share of the costs of the luncheon was a contribution-in-kind.

III. That Presidential nominee Jimmy Carter's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which were such as to further his election within the meaning of 26 U.S.C. §9002(11).

IV. That respondent Presidential Committee accepted such contribution to defray a qualified campaign expense as set forth in 2 U.S.C. §9007(b)(3).

V. That inasmuch as the contribution by respondent Henry Ford, II has already been reimbursed, respondent Presidential Committee will correct the violation through

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a reimbursement of \$3,285.14 to the Secretary of the Treasury. [This reimbursement figure is derived from the sum of the Nonpartisan Committee's and Edgar Bronfman's expenditures for the luncheon.]

VI. This agreement shall in no manner be construed as an admission by respondent Presidential Committee that it has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, upon request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Presidential Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

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DATE

FOR THE RESPONDENT
1976 DEMOCRATIC PRESIDENTIAL
CAMPAIGN COMMITTEE, INC.

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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Acc 2922

RECEIVED
FEDERAL ELECTION
COMMISSION

208838

BODMAN, LONGLEY, BOGLE & DAHLING

LOUIS F. DAHLING
FREDERICK C. NORTON
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCG. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES R. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

MAR 10 AM 8:52

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 382-2110

March 6, 1978

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1867-1975

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Dear Mr. Oldaker:

I write to reply to your letter of February 17, 1978 and to comment on the proposed agreement you enclosed.

You have, indeed, removed the various erroneous statements in the earlier draft which gave an improper and prejudicial aspect to this matter. This has been done by reducing the facts to a six line statement that Mr. Ford co-sponsored a luncheon and paid \$1510.03 as his share of the cost. The facts and circumstances which we consider mitigating and even exonerating have been left out with the result that the factual statement gives a picture much less favorable to Mr. Ford than is his due.

Among the matters favorable to Mr. Ford which are not mentioned are the following:

- (i) that Mr. Ford was in the habit of giving luncheons and dinners and similar affairs at which candidates for public office were introduced to the business community, a practice he had formed long before the law was changed;
- (ii) that the luncheon was conceived as a non-partisan program to present both major candidates to the business community;

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 2.

(iii) that Mr. Ford was unaware of the change in the law at the time of the Carter luncheon and at the time he paid the bill;

(iv) that the possibility of a problem under the new law was spotted by Mr. Ford himself when he saw a comment in a memo his counsel had given to Mr. Ford's private secretary on the general subject of contribution limits and which, in passing, warned about acting as a host;

(v) that when Mr. Ford saw this comment he immediately instructed his counsel to investigate the Carter luncheon;

(vi) that on being advised by his counsel that paying for the Carter luncheon might be construed as a contribution, Mr. Ford immediately sought reimbursement from the Democratic National Committee and shortly thereafter he was reimbursed [it is true that reimbursement is mentioned in the proposed agreement, but not as a part of the facts, but only as a reason for not assessing a civil penalty and the reader is allowed to speculate on whether the Commission's effort brought about the reimbursement];

(vii) and finally, that Mr. Ford's own investigation of the matter, his request for reimbursement and his reimbursement all took place before the election, was done without any stimulus from the Federal Election Commission, and without any knowledge that the Commission or anyone else was interested in the subject or even aware of the facts.

I submit that by failing to include these extenuating and redeeming facts, the proposed agreement is misleading and unfair to Mr. Ford. You make it appear that through the efforts of the Commission a violator has been brought to heel, taught a lesson and forced to correct his violation.

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 3.

Each of your letters has closed with a statement that the subject matter is to remain confidential, but 437(6)(C) of the statute provides that any conciliation agreement is to be made available to the public. This places an exceptional burden on the Commission to be fair in its statement of what happened and to avoid misleading the public, and particularly the media, into unwarranted interpretations and inferences.

If the agreement were to state all the facts in Mr. Ford's case it would be clear to anyone reading it that Mr. Ford's involvement was entirely innocent, that he spontaneously corrected it and, all in all, that he acted in an exemplary fashion. I have no doubt that the reader would wonder why an agreement in such a case was necessary, how the Federal Election Commission justifies the time that must have been spent on it, and whether the case is typical of those dealt with by the Commission.

As for the need for any agreement, I continue to feel that a fair interpretation of the law does not require the Commission to "correct" a violation already corrected by the citizen on his own initiative, or to "conciliate" with a citizen who by his own actions has demonstrated that he has great respect for the election laws. Surely you are not taking the position that in every case in which you believe a violation occurred you are bound by statute to insist on a conciliation agreement. We all know that law enforcement agencies do not prosecute in every instance where they think there was a violation. They use a little common sense. Otherwise the patrolmen who gives a motorist a warning instead of a ticket would be derelict in his duty. Indeed, the very statute under which the Commission operates contemplates that the Commission has the discretion to decide whether or not to take action. I refer to 437(g)(4) which provides that a person believed by the Commission to have "committed a violation" is to be given an opportunity to demonstrate that "no action should be taken against such person." If the statute required the Commission, willy nilly, to pursue every violation, and to enter into conciliation agreements in every case, this section would have required the accused to demonstrate that he was innocent. The fact that the statute gives to the accused the opportunity to

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Mr. William Oldaker
General Counsel
Federal Election Commission

March 6, 1978

Page 4.

demonstrate not that he was innocent, but only that "no action should be taken," makes it clear that it is within the Commission's discretion to drop the matter even if it believes a violation took place.

To insist on a written agreement, which the act makes public, which involves an admission by Mr. Ford that he violated the law and a promise not to violate the law, would have no purpose other than to degrade and humiliate him in a manner totally uncalled for by the letter or spirit of the law or the facts of this case.

If the recommendation you make to the Commission proposes any action other than closing the file, I request the opportunity to appear before the Commission to present argument.

Sincerely,

Pierre V. Heftler

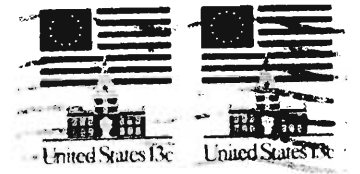
P.S. While I have written this letter as though there were in fact a violation, this should not be understood as a concession on that issue. I think there is a meritorious legal question and this has been pointed out by others. However, as an alternative to replying to your first letter with an involved legal and factual presentation, I felt that Mr. Ford's situation could be expeditiously disposed of by pointing out that if any violation existed it was corrected by Mr. Ford on his own initiative by arranging for the ultimate cost of the luncheon, so far as he was concerned, to be borne by an unimpeachable source for campaign expenditures in a presidential election: the Democratic National Committee.

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BODMAN, LONGLEY & DAHLING
34th FLOOR, 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

77 11 10 AM



Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N. W.
Washington, D. C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rabinoff,
Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: NIR 333 (75)

Dear Mr. Sorenson:

On March , 1978, the Commission approved the signed conciliation agreement for respondent Edgar Bronfman. Attached is a copy of the final conciliation agreement.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

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GA

RECEIVED
FEDERAL ELECTION
COMMISSION

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In the Matter of)
Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

'78 FEB 27 PM 1:09

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

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III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded ^{the} \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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

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in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Feb. 23, 1978
DATE

Theodore C. Spence
FOR THE RESPONDENT
EDGAR BRONFMAN

March 3, 1978
DATE

William C. Oldaker
WILLIAM C. OLDAKER
GENERAL COUNSEL

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter)
Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 3, 1978, the Commission accepted the recommendation of the General Counsel to approve the conciliation agreement signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Brofman, on February 23, 1978.

Marjorie W. Emmons

Date: 3-1-78

Marjorie W. Emmons
Secretary to the Commission

Memorandum dated: March 1, 1978
Received in Commission Secretary's Office: March 1, 1978, 2:38
Circulated to the Commissioners: March 2, 1978, 11:30
Method of Circulation: 24 Hour No-objection basis

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March 1, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 333

Please have the attached Conciliation Agreement distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 1, 1978

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

SUBJECT: MUR 333(76)

Attached is the conciliation agreement approved by the Commission on February 1, 1978 and signed by Mr. Theodore Sorenson, legal counsel for respondent Edgar Bronfman, on February 23, 1978.

Approval for this conciliation agreement is recommended.

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OFFICE OF THE
COMMISSION SECRETARY



BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION

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In the Matter of

Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

70 FEB 21 PM 1:09

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

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III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded ^{the} \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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

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in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

Feb. 23, 1978
DATE

Theodore C. Spencer
FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 333 (76) - Conciliation Report dated Feb. 23, 1978
Signed by General Counsel Feb. 24, 1978

The above-mentioned document was circulated on a 24 hour no-objection basis on February 27, 1978 at 12:30.

As of 12:30, this date, no objections have been received in the Office of Commission to the Conciliation Report.

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February 24, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 333

Please have the attached Conciliation Report on MUR 333 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

February 23, 1978

In the Matter of)	
)	
Nonpartisan Committee)	
For Good Government,	)	MUR 333(76)
1976 Presidential)	
Campaign Committee,)	
Inc., Edgar Bronfman,)	
and Henry Ford, II)	

CONCILIATION REPORT

On February 1, 1978, the Commission approved a proposed conciliation agreement for Mr. Edgar Bronfman, with the following amendments:

1. Deletion of paragraph A on pages two and three of the proposed agreement.
2. Deletion of paragraph D on pages two and three of the proposed agreement.
3. Substitution of the word "penalty" for the word "assessment" at the end of line five on page four of the proposed agreement.

On February 7, 1978, a letter was sent to Theodore Sorenson, legal counsel for Mr. Bronfman, setting out the above described amendments to the previously discussed proposed conciliation agreement. Subsequently, on February 16, 1978, a letter and amended proposed conciliation agreement incorporating the changes suggested by the Commission were sent to Mr. Sorenson (see Attachment A).

On February 17, 1978, a proposed conciliation agreement was sent to Mr. Pierre V. Heftler, legal counsel for Henry Ford, II (see Attachment B).

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We are concluding negotiations with Alan P. Dye, legal counsel for the Nonpartisan Committee for Good Government (Nonpartisan Committee). The proposed conciliation agreement for the Nonpartisan Committee was reviewed by the Commission on July 20, 1977. A revised draft was sent to Mr. Dye in September, 1977 (exact date unknown) (see Attachment C).

On February 23, 1978, legal counsel for Mr. Bronfman telephoned to inform us that he will sign the conciliation agreement approved by the Commission and will forward it to us as soon as possible.

2/24/78

Date

William C. Oldaker

William C. Oldaker
General Counsel

78040054969
78040065075

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee)
 For Good Government,)
 1976 Presidential)
 Campaign Committee,)
 Inc., Edgar Bronfman)
 and Henry Ford, II)

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

78040065079
DATE _____

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE _____

WILLIAM C. OLDAKER
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
 Nonpartisan Committee For)
 Good Government, 1976) MUR 333(76)
 Presidential Campaign)
 Committee, Inc., Edgar)
 Bronfman and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford, II violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action

should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon at which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II was in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

III. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the

Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

Acc 2398

ATTACHMENT C

200013

Revised Draft
September 9, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

Hughes

In the Matter of)	
)	
NONPARTISAN COMMITTEE FOR	)	MUR 333 (76)
GOOD GOVERNMENT and)	
1976 PRESIDENTIAL CAMPAIGN)	
COMMITTEE, INC.)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

This agreement is entered into after conference and conciliation with representatives of the Nonpartisan Committee for Good Government who cooperated fully with the FEC staff. The agreement shall in no manner be construed as an admission by the Nonpartisan Committee for Good Government that it has violated any provisions of the Federal election laws and should not be construed in any way to reflect on the actions or intentions of others involved in the activity described herein.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly

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entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford 2d, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission

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could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and should be so reported to avoid conflict with the FEC. Thus, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, Respondent Nonpartisan Committee solely for the purpose of this proceeding agrees:

I. That the Commission has construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. § 441a(a)(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function intended to influence a federal election, and the candidate accepts and appears at the function.

II. According to this construction, the invitation to Presidential nominee Jimmy Carter, his acceptance, and his appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i), and Respondent's action in reporting the expenditure as an independent expenditure

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was in violation of 2 U.S.C. § 434(3)(2).

III. The Commission concludes that Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431e.

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$200 pursuant to 2 U.S.C. § 437(a)(6)(B).

V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the Respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

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PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
NEW YORK, N.Y. 10022
TELEPHONE (212) 644-8000
TELECOPIER (212) 644-8202

RANDOLPH E. PAUL (1946-1988)
LOUIS S. WEISS (1927-1980)
JOHN F. WHARTON (1927-1977)

CABLE: LONGSIGHT, N. Y.
TELEX 12-7831

LLOYD K. GARRISON
COUNSEL

MC 2813

SIMON M. RIFKIND
HOWARD A. SEITZ
ADRIAN W. DEWIND
MORRIS B. ABRAM
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH S. ISEMAN
JAMES S. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBERG
RICHARD H. PAUL
NORMAN ZELENKO
JOHN E. MASSENOALE
JAY TOPKIS
EDWARD N. COSTIKYAN
BAYLESS MANNING
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, 3RD
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
JAMES L. PURCELL
ARTHUR KALISH
DAVID T. WASHBURN
BERNARD FINKELSTEIN
ARTHUR L. LIMAN
SEYMOUR HERTZ
WALTER P. LEINHARDT
GERALD D. STERN
ANTHONY B. KUKLIN
MARTIN LONDON
DAVID C. BRODHEAD
PETER R. HAJE
LEONARD V. QUIGLEY
ALLAN BLUMSTEIN
NEALE M. ALBERT
JAY GREENFIELD
KEVIN J. O'BRIEN
ALFRED D. YOUNGWOOD
DONALD F. MOORE
JOSEPH E. BROWDY
SIDNEY S. ROSDEITCHER
ROBERT L. LAUFER
ALLEN L. THOMAS
PETER L. FELCHER
MARK H. ALCOTT
JOHN P. MCENROE
PETER J. ROTHENBERG
JUDITH R. THOYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITTER
JOHN J. O'NEIL
CAMERON CLARK
LEWIS A. KAPLAN

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

February 23, 1978

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78040065088
FEDERAL ELECTION COMMISSION

FEB 27 PM 1:10

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: Your file MUR 333(76)
Edgar Bronfman

Dear Hal,

In accordance with our telephone conversation, I have signed the enclosed conciliation agreement which the Commission sent to me with its letter of February 16, 1978. Please notify me when it has been approved and signed on behalf of the Commission and my client will promptly thereafter send his check.

Many thanks for your cooperation in this matter.

Sincerely,

Theodore C. Sorensen

TCS/mh
Enc.

cc: Mr. Bronfman

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

345 PARK AVENUE

NEW YORK, NEW YORK 10022

NOV 12 11 12:30

Hal Ponder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

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70240151008



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

February 17, 1978

Pierre V. Heftler, Esq.
Bodman, Longley, Bogle &
Dahling
34th Floor, 100 Renaissance
Detroit, Michigan 48243

Re: MUR 333(76)

Dear Mr. Heftler:

On February 7, 1978, we received a response from you on behalf of Henry Ford, II, which was in reference to the proposed conciliation agreement that the Commission sent to you on January 20, 1978.

We agree with the changes you have recommended in your letter and have revised the proposed conciliation agreement accordingly.

However, we cannot agree with your suggestion on page 4, paragraph 3 that the Commission drop the matter as having been satisfactorily resolved by the action of the respondent. Section 437g of Title 2 of the United States Code establishes the enforcement powers of the Federal Election Commission and the procedures by which this enforcement is to be accomplished. Section 437g(5)(a), which states, in part, that the Commission "... shall make every endeavor...to correct or prevent such violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement..." clearly contemplates that a conciliation agreement is to be the natural conclusion to a successful conciliation of a Commission matter. We therefore must insist that the violation, which the Commission has found reasonable cause to believe occurred, must be resolved through a conciliation agreement.



We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions, please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely,



William C. Oldaker
General Counsel

MUR 303 Hughes

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered. _____ \$

Show to whom, date, and address of delivery. _____ \$

RESTRICTED DELIVERY
Show to whom and date delivered. _____ \$

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Pierre V. Hettler
Badman, Longley, Bogle &
Dubling

3. ARTICLE DESCRIPTION

REGISTERED NO. CERTIFIED NO. INSURED NO.

438171

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY 2/24 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee For)
Good Government, 1976) MUR 333(76)
Presidential Campaign)
Committee, Inc., Edgar)
Bronfman and Henry Ford,II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent Henry Ford, II violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action

should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. Respondent Henry Ford, II co-sponsored a luncheon at which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II was in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

III. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the

Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

DATE

FOR THE RESPONDENT
HENRY FORD, II

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

In accordance with a letter sent to you on February 7, 1978, we are attaching a revised conciliation agreement this office would propose for your client, Edgar Bronfman.

We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions please contact Hal Ponder or Ellen Hughes at 202-523-4006.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Nonpartisan Committee)
For Good Government,)
1976 Presidential)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

MUR 333(76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

B. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of the meals served to the press corps accompanying nominee Carter.

Wherefore, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971 (the Act), as amended.

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

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III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press corps accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of the luncheon and his share of the costs of the meals served to the press corps exceeded \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

V. That respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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

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in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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78040065097



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson, Esq.
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

We regret to inform you that, on February 1, 1978, the Commission rejected the proposed conciliation agreement that you submitted to us on January 26, 1978.

Specifically, subsections III. A and D of the proposed conciliation agreement were not, in the Commission's view, appropriate to include at this stage of the matter.

In reference to page three, paragraph III of the proposed conciliation agreement, the Commission prefers the term "penalty" rather than "assessment". In addition, a \$500 fine has been approved by the Commission as the appropriate penalty.

We remain open to any further negotiations and will arrange to meet with you if it is pertinent to the conclusion of conciliation. If you have any questions, please do not hesitate to call Hal Ponder or Ellen Hughes at 202-523-4006.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Oldaker".

William C. Oldaker
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for)
Good Government,)
1976 Presidential Campaign)
Committee, Inc.,)
Edgar Bronfman and)
Henry Ford, II)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 1, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel in a report dated January 27, 1978, to approve the Conciliation Agreement in the above-captioned matter, said Conciliation Agreement having been amended by the General Counsel in the following respects:

1. Deletion of paragraph A on page two of the draft Agreement.
2. Deletion of paragraph D on pages two and three of the draft Agreement.
3. Substitution of the word "penalty" for the word "assessment" at the end of line five on page four of the draft Agreement.

Voting for this determination were Commissioners Aikens, Harris, Staebler, Thomson, and Tiernan. Commissioner Springer was not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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NRN
0

RECEIVED
FEDERAL ELECTION
COMMISSION

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243
(313) 259-7777

'78 FEB 7 AM 10:23

OKLAHOMA COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCC. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES R. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

January 30, 1978

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1887-1975

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to respond to your letter of December 22, 1977 to the effect that you believe Mr. Ford violated 2 USC §441a (1)(A) and your letter of January 19, 1978 suggesting a conciliation agreement. (To simplify this response [and only for that purpose] I will assume that payment for the luncheon was a contribution within the meaning of the statute).

1. First with regard to the need or appropriateness of correction by the Commission through a conciliation agreement or otherwise:

I believe it is evident from the facts that: (i) there was no element of knowingly or wilfully violating the law; (ii) all that could be involved was a contribution \$510.03 in excess of the statutory \$1,000 limit; and (iii) in the end the entire amount, not merely the excess, was paid by the Democratic National Committee, itself a duly authorized source of payment of political expenses. Under these circumstances, even if it were assumed for the purpose of discussion that there was a violation, it is not clear what scope is left for you to "endeavor to correct any violation by informal methods . . ."

If correction was needed, it was fulfilled by Mr. Ford on his own initiative promptly after he became aware of a possible violation.

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William C. Oldaker, Esq.
Federal Election Commission

January 30, 1978

Page 2.

Your letter of December 22 emphasizes that reimbursement did not take place until three months after the luncheon. However, if this three months is broken up into segments we find that: (i) it was a half a month until a bill was received, and even a person fully versed in the new law would have had no cause for concern until he received a bill for more than \$1,000; (ii) a month elapsed between the payment of the bill and Mr. Ford's becoming alerted, by counsel's memorandum on the new law in general, to the possibility of a problem and asked that it be investigated; (iii) counsel took ten days to investigate and express concern that an excess contribution was involved; (iv) within a few days the Democratic National Committee was asked to reimburse Mr. Ford; and (v) within a month reimbursement was received. I do not see how Mr. Ford could be expected to have acted more promptly than he did; I do not find any delay attributable to him.

I suggest that the time lapse (whether three months from luncheon to reimbursement, or a few days between Mr. Ford's awareness of the problem and application for reimbursement) is of less importance than the reimbursement. What is more significant, I would think, is that Mr. Ford acted promptly, while the presidential election was still in its early stages; that he was reimbursed before the election took place; and, I would emphasize, all without any stimulus from the Federal Election Commission or any knowledge of the investigation referred to in your letter. I suspect, although I do not know, that all this took place even before the Commission had any knowledge of the payment.

If indeed the act was violated, it was completely unintentional, and, given the newness of the act and the prompt voluntary, corrective action, the violation should be excused.

2. Secondly, I cannot agree that a conciliation agreement is appropriate.

To begin with, the agreement proposed does not contain a fair statement of the circumstances. The implications of paragraph IIID of the proposed conciliation agreement are inaccurate and misleading. Mr. Ford did not receive a memo from me on July 29. The July 29th memo was addressed to his secretary. It probably did not reach his secretary until a day or so later; and it did not come to Mr. Ford's attention until quite some time later, and after he had paid the bill. You have Mr. Ford getting the memo on July 29.

Further, paragraph IIID implies that the memo was written in connection with the Jimmy Carter luncheon. It was not. It was in response to a general inquiry from Mr. Ford's secretary on contribution limits. My reference in the memo to acting as a host was purely gratuitous and included in the memo solely because Mr. Ford had frequently acted as

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William Oldaker, Esq.
Federal Election Commission

January 30, 1978

Page 3.

a host in prior years and before the recently enacted change in the law. Contrary to what is stated in paragraph IIID, my memo did not refer to acting as a host for "the (Carter) luncheon", but referred to acting as a host in general with no thought in mind of the Jimmy Carter luncheon. A copy of the July 29 memo is attached.

The last sentence of paragraph IIID says that on September 10, I "again" expressed concern about the Jimmy Carter luncheon. This is wrong: September 10 is the first time any concern directed specifically to the Jimmy Carter luncheon was ever expressed by anyone.

Paragraph IIID makes it appear that before Mr. Ford paid the bill he was warned by counsel and that after he paid the bill he was warned again by counsel, and only after the two warnings did he take corrective action.

This is a grave misunderstanding of what actually took place, and implies an element of wilfullness which did not exist. The fact is that after paying the bill Mr. Ford ran across a gratuitous caution about acting as host: as soon as he did he had the Jimmy Carter matter investigated, and as soon as he learned that I, as his counsel, was concerned over the Jimmy Carter matter he sought to correct it.

Paragraph I of page 3 is wrong in stating that Mr. Ford "is" in violation of 2USC 441. If he ever was in violation, he corrected it and cannot properly be said to be in violation at the present time.

Paragraph II of page 3 of the proposed agreement, to the effect that the purpose of the luncheon was to influence the presidential election, is not correct. Mr. Ford's purpose was to enable business leaders in the nation to meet with both major candidates for the presidency, although it unfortunately developed that the Gerald Ford luncheon plan could not be worked out. The impressions these business leaders formed were their own affair.

Paragraph IV of page 3 would have Mr. Ford agree not to violate 2 USC 431. I can understand that such an undertaking might be appropriate in the case of one who has carelessly or wilfully violated the law and made no attempt at correction. But here the correction was spontaneous, prompt, effective and without stimulus from any law enforcement agency or outside source. In essence Mr. Ford achieved an end result fully in accord with the law, namely, payment of the luncheon from committee funds. It does not make sense in these circumstances to ask such a person to sign an agreement not to violate the election laws when the history of the incident and his own deportment emphatically demonstrate that he needs no such reminder. Mr. Ford's actions in themselves show a great concern and respect for the laws. A conciliation agreement of the type proposed might be appropriate for those whose actions demonstrate

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William Oldaker, Esq.
Federal Election Commission

January 30, 1978

Page 4.

they lack these characteristics of concern and respect. But such an agreement, under the circumstances in this case, can have no purpose other than to demean and humiliate. It does nothing to preserve the purity of the election laws.

Finally, I do not understand what paragraph III of general conditions could mean.

* * * * *

Having acted conscientiously and promptly to correct any possible election law violation, without knowledge of any investigation by the FEC (and possibly before it even began an investigation), it is impossible to discern what else Mr. Ford, or the FEC together with Mr. Ford, can do that has not already been done to carry out the intent of Congress in enacting this law.

In view of the particular facts of this case, I respectfully suggest that the Commission ought to drop the matter as having been satisfactorily resolved by the action of the respondent himself.

Very truly yours,

P. V. Heftler
P. V. Heftler

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MEMO FOR FILE
HENRY FORD II
POLITICAL CONTRIBUTIONS

1. Federal Elections

In the case of Federal elections the contribution limitations are as follows:

(i) not more than \$1,000 to any political candidate or his authorized committee, with respect to any one election.

(ii) not more than \$20,000 in any calendar year to any political committee established and maintained by a national political party which is not the authorized committee of any candidate.

(iii) not more than \$5,000 in any calendar year to any other political committee (namely, a political committee which is not authorized by any candidate and which is not maintained by a national party - examples would be committees established by trade associations, corporations, anti-abortion groups, etc.).

(iv) finally, not more than \$25,000 in any calendar year. (A contribution made to a candidate in a calendar year in which he is not running is treated as made during the calendar year in which the election is held.)

The subject of independent expenditures to promote a candidacy or a proposition is quite separate from the above, and such expenditures are permitted without limit. The only question is: are they independent? This is a very tricky area and any proposed expenditure should be reviewed in advance. It is too complicated to give any general rules other than to observe that nothing can be done in concert with a candidate or at the suggestion of the candidate, nor can any of his speeches or other campaign material be disseminated.

Any person can donate his own time to a candidate, as a volunteer worker. Any proposal to act as host to a fundraiser, banquet, etc., involving provision of food, space, or other items of value, should be reviewed, as these will likely constitute "contributions".

2. State Elections

None of the foregoing applies to elections to state office. There was a recently enacted Michigan law on

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elections but it was declared unconstitutional. Portions of it, setting limits on contributions, are being reintroduced and it is a reasonable expectation that ultimately there will be some limitations on contributions to Michigan offices or Michigan propositions.

PVH
7/29/76

cc: J. Cumming

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78040065107

January 27, 1978

MEMORANDUM TO: Marge Ewing
FROM: Elissa T. Galt
SUBJECT: MUR 333 Team #4 Hughes

Please have the attached interim Invest. Report on MUR 333 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of February 1, 1978.

thank you.

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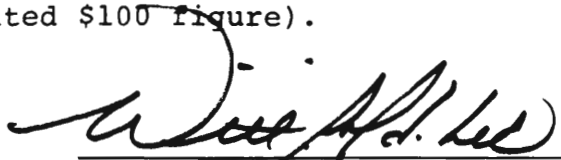
Granting that there had been no history or establishment of such a nonpartisan activity which involved the business community, Mr. Sorenson maintained that, although Mr. Bronfman might seem "naive", he was by no means intending to commit violations of the Act.

One of Mr. Sorenson's primary interests is to alleviate any history of bad records in Mr. Bronfman's name. Subsequently, he submitted further a conciliation proposal to us. (See attached copy).

RECOMMENDATION:

We recommend that the Commission accept the attached Conciliation Agreement (note that with respect to paragraph V, page 4, the respondent has agreed to pay a penalty of \$250, rather than the stated \$100 figure).

1/27/78
DATE


William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION
January , 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Edgar Bronfman was interested in a program to improve relations between the Federal Government and American business. As the first step in this program, he decided, in conjunction with two other U. S. business executives, to invite each of the major party Presidential nominees to meet with a bipartisan group of prominent business executives for an exchange of views. It was the intention of Respondent Bronfman that this meeting be replicated in a series of forums held in major cities throughout the country with selected groups of business executives and that from these forums a new organization to represent business in working with government be evolved.

B. Respondent Edgar Bronfman co-sponsored a luncheon on July 22, 1976 to which some 52 business executives were invited and attended and which Presidential nominee Jimmy Carter addressed.

C. Respondent Edgar Bronfman paid \$850.09 for his share of the costs of the luncheon, and also paid \$659.93 as his share of the cost of meals served to the press contingent accompanying nominee Carter.

D. Respondent Edgar Bronfman and his co-sponsors planned a similar luncheon to which the same business executives referred to above were to be invited and which the Presidential nominee of the Republican Party was to address. On August 17, 1976, at the Republican National Convention in Kansas City, Missouri, Republican Presidential Nominee President Gerald R. Ford was formally extended an invitation by a representative of Messrs.

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Bronfman, Austin and Ford to attend and address such a luncheon at a date to be chosen by him. As a result of scheduling difficulties, a representative of nominee Ford informed a representative of Bronfman, Ford and Austin in September or October of 1976 that nominee Ford would be unable to attend such a luncheon.

WHEREFORE, Respondent Bronfman agrees:

I. That the Commission construes any instance in which a person pays the cost of a social function at which a single candidate for election to a federal office appears, regardless of efforts made to obtain a similar subsequent appearance by the opponent of such candidate, to be made for the purpose of influencing a federal election and therefore to fall within the definition of a "contribution" or "expenditure" within the meaning of the Federal Election Campaign Act of 1971, as amended (the Act).

II. That according to this construction, the payment by respondent Edgar Bronfman of his portion of the luncheon at which Presidential nominee Carter appeared constitutes a "contribution" or "expenditure" within the meaning of the Act.

III. That the Commission construes the payment by respondent Edgar Bronfman of his share of the cost of meals served to the press contingent accompanying nominee Carter to be included within the definition of a "contribution" or "expenditure", as defined in the Act.

IV. That because the aggregate payment of \$1,510.02 made by respondent Edgar Bronfman for his share of the costs of

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the luncheon and his share of the costs of the meals served to the press contingent exceeded the \$1,000 limitation provided in 2 U.S.C. §441a(a)(1)(A), respondent Edgar Bronfman's aggregate payment was made in violation of such section.

→ V. That respondent Edgar Bronfman will pay a civil assessment in the amount of one hundred (\$100) dollars pursuant to 2 U.S.C. § 437g(a)(6)(B).

VI. That this agreement shall in no manner be construed as an admission by respondent Edgar Bronfman that he has knowingly or willfully violated any provision of the federal election laws.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective

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to comply with and to implement the requirements contained
in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040055010
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PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
TELEPHONE (212) 644-8000
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RANDOLPH E. PAUL (1946-1955)
LOUIS B. WEISS (1927-1950)

NEW YORK, N. Y. 10022
CABLE: LONGSIGHT, N. Y.
TELEX 12-7631

JOHN F. WHARTON
LLOYD K. GARRISON
COUNSEL

200 2565
NEW
MUR 333

REC
FEDERAL
COMM
SIMON H. RIFKIND
HOWARD A. BEITZ
ABRAHAM D. WIND
MORRIS S. ROSEN
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH B. ISSEMAN
JAMES S. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBARD
RICHARD H. PAUL
NORMAN ZELINSKY
JOHN E. HARRIS
JAY D. PHILIP
EDWARD H. COSTRAN
BAYLESS MANNING
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, 3RD
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
JAMES L. PURCELL
ARTHUR KALISH
DAVID T. WASHBURN
BERNARD FINKELSTEIN
ARTHUR L. LIMAN
SEYMOUR HERTZ
WALTER F. LEINHARDT
GERALD D. STERN
ANTHONY S. KURLIN
MARTIN LONDON
DAVID C. BRODHEAD
PETER R. HAJE
LEONARD V. QUIGLEY
ALLAN BLUMSTEIN
NEALE M. ALBERT
JAY GREENFIELD
KEVIN J. O'BRIEN
ALFRED D. YOUNGWOOD
DONALD F. MOORE
JOSEPH E. BROWDY
SIDNEY S. ROSEITCHER
ROBERT L. LAUFER
ALLEN L. THOMAS
PETER L. FELCHER
MARK H. ALCOTT
JOHN P. MCENRGE
PETER J. ROTHENBERG
JUDITH R. THOYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITTER

78 JAN 31

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

January 27, 1978

Biz Van Gelder, Esq.
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dear Ms. Van Gelder:

Enclosed as you requested is the "internal draft" of a prospectus for Edgar Bronfman's proposed business organization. Inasmuch as this reinforces the innocence of Mr. Bronfman's intent, I would very much hope that he would be treated, with respect to the assessment, at least as favorably as his co-hosts at that luncheon. This is, as previously mentioned, of more symbolic than substantive importance to us; but if any of the other parties is being assessed no payment whatsoever, then surely Mr. Bronfman deserves the same. If he is being treated less favorably in this regard, I would want to reconsider the situation with you and hope you will let me know.

Again, many thanks for your thoughtful consideration to this matter in our meeting yesterday and your telephone call today.

Sincerely,

Theodore C. Sorensen

Enc.

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August 20, 1976

WORKING PROSPECTUS

1. The Problem--In pure economic theory, the free market is morally neutral. In modern fact business executives know that their lives, their businesses and their activities are inextricably, and sometimes maddenlingly, intertwined with government, as well as the media and other free-spirited but organized publics. It is a relationship that is not working well. Fortune has described it: "Business needs a different political stance. The relationship between business and politics in the United States has never been worse." Adds the Wall Street Journal: "Businessmen are forever asking why their reputations keep dropping in the eyes of the public." This double affliction--political ineffectiveness and questioned behavior--is commonly acknowledged. Can anything be done and why try now?

2. The Opportunity--This presidential election year is a time when two kinds of change are possible, either one large for the country.

If President Ford is returned to office, his inherited stewardship and policies will have been ratified by the electorate for the first time. Not only will he have stopped a new Democratic juggernaut (similar to the Harry Truman election in 1948, with reversed labels) but he will also have survived the biggest challenge within his own party an incumbent American president has experienced in this century. "An elected President Ford," observed one White House Counsellor, "who has overcome all that, will run a different, much more assured and assertive administration."

Of course, if Carter is elected it could result in the biggest governmental change in the United States since 1932: a generationally new, populist Democratic President supported by a Democratic Congress in both Houses, under new majority leadership with an entirely new cabinet and senior government administration. "Carter's problem," says one of his senior advisors, "is to find a whole new generation of leadership."

In either case, the orchestration of federal power will be different from the present. So must the business role. Business leaders, whether they be Democrats or Republicans or Independents cannot afford to sit in

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the audience humming the same old tunes, or worse, wailing tired dirges at Washington. The magnitude of the coming change, whoever wins, offers us an opportunity--if we earn it--to be part of that change. We propose to face that opportunity for changing the business and government relationship by recruiting a group from the nationwide business community to work afresh and constructively with the government after the election. In all its activities, the group described here and its members will scrupulously distinguish between the legal lobbying that business does in the interests of a corporation or an industry--a function already handled by other organizations--and the contribution it can make in the whole nation's interest. We believe business does make such a contribution and can and should increase it.

3. Working Name of the Organization--Business for a Better America (BBA).

4. Organizational Structure--

A. Founders and Chief Executive Officers: J. Paul Austin, Edgar M. Bronfman plus one or two others.

B. Membership: Between 1,000 and 3,000 representative U.S. business leaders, small and large, all over the country (individuals not corporations).

C. Executive Committee: 35 to 50 regional business leaders, one each from the top population and business centers of the U. S.

D. Managing Committee: The founders plus six members of the regional executive committee.

E. Professional Staff: At the start a senior Coordinator, one or two researchers and appropriate office help headquartered in rented New York City office space.

5. Political Complexion--Although it is being formed at the start of an election campaign, the BBA as an organization will be wholly non-partisan in its activity. Its purpose will be the improvement of business-government relations and business conduct and stature. Its membership will not be exclusively Democratic or Republican. Individuals within the BBA may endorse or support any presidential candidate. But the BBA as

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an organization will not endorse, or render campaign support to, or coordinate with, any presidential candidate or his agents. Under the new Federal Election Campaign Act, neither the BBA as a whole, nor its individual members, may make any direct contribution of material value (money or services) toward the presidential campaign itself. (Restricted and limited contributions are allowed to the parties' National Committees and other candidates--but not by the BBA as here constituted.)

6. Legal Status--BBA will seek a formal "information letter" from the Federal Election Commission that its objective, structure and source of private funding in no way is in violation of the Federal Election Campaign statute.

7. Program and Activities--

A. Working Seminars: The regional executives will arrange working dinner-seminar meetings among the regional members themselves to discuss substantively and structurally how business can make a larger contribution to sensible government (both executive and Congressional) and how business can better conduct itself in the public's interest. Reports of the conclusions of these meetings will be sent to the headquarters of BBA for evaluation, synthesis and action.

B. Transmitting Views to Candidates: If the views of the organization or groups within it are thought to be of importance to the presidential candidates, these will be transmitted directly to the candidates in writing.

C. Formation of Task Forces: Small working task forces on specialized problems (e. g. business ethics, hard-core unemployment, pensions, environment, energy, multi-nationals, transportation, taxation, etc.) will be formed enlisting groups of specialized business executives together with professional staff to work on particular problems. These task forces will report to the government after the election.

D. Meetings with Candidates: During the campaign, the BBA and its regional executives will arrange to have groups of local business representatives meet at lunch, dinner or for other kinds of get-acquainted sessions with both presidential candidates (as in the first such meeting held at '21" in New York City on July 22 with Governor Carter and as planned for September with President Ford.)

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James J. Adams

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James A. ...

E. Publishing: The BBA or its regional groups may publish papers, credos or reports on business and government in America.

F. Other Organizations: To render itself more effective, the BBA will solicit the views of such existing organizations as the Business Council, Conference Board, Business Roundtable, Committee on Economic Development and others as to how the business-government relationship can be rendered more effective during and after the election.

8. Press and Public Relations--The activities of the BBA will be openly conducted with full and public accountability. The media will be invited to all meetings with the candidates and will be kept fully informed of all the BBA's activities.

9. Financing--Modest fees will be assessed to meet the costs of the BBA, a non-profit membership organization.

10. The BBA will announce its existence, composition, program and intentions as soon as possible. It will then start functioning at an escalating pace.

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BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
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JOSEPH A. SULLIVAN
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CLIFFORD B. LONGLEY
1988-1994
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1887-1975

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
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JOSEPH N. BROWN
KENNETH R. LANGO
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ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER
JAMES J. WALSH

January 28, 1978

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William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

I write for Mr. Henry Ford II in response to your letter of January 19, 1978 which, among other things, asks for a reply within ten days. Extraordinary winter storms in this area have disrupted normal work routines and made it impossible to reply within the specified period. You may expect a reply in a week.

Yours truly,

Pierre V. Heftler

FVH: jmp

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7 8 0 4 0 0 5 5 1 2 5

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR, 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is in reference to the notification you received on December 27, 1977. As we have noted previously, the Commission is required to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. Attached you will find the Commission's proposed conciliation agreement. We request that you respond to the proposed conciliation agreement within 15 days of the receipt of this letter.

If you have any questions regarding conciliation, please contact Biz Van Gelder (telephone no. 202-523-4175), the attorney assigned to this matter. This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,


William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022



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PS Form 3811, Apr. 1977

MUR 333 Hughes

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Theodore Sorenson

3. ARTICLE DESCRIPTION:
 REGISTERED NO. **943185** CERTIFIED NO. _____ INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO : 1977-O-234-337

PS Form 3811, Apr. 1977

MUR 333 Hughes

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Theodore C. Sorenson

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. **438134** INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO : 1977-O-234-337

PS Form 3811, Apr. 1977

MUR-333(76) Van Gelder

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
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 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
**Edgar Bronfman
 375 Park Avenue
 New York, New York 10022**

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. **5R** INSURED NO. _____

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY **1/23/78** POSTMARK _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____ CLERK'S INITIALS _____

☆ GPO : 1977-O-234-337

BEFORE THE FEDERAL ELECTION COMMISSION
January 13, 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

78040055021
78040065128

A. Respondent Edgar Bronfman co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Edgar Bronfman paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Edgar Bronfman construed the costs of the luncheon as an independent expenditure which was not made in cooperation, consultation, or concert, with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

WHEREFORE, Respondent Edgar Bronfman agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i).

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As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Federal Election Campaign Act of 1971, as amended (the Act). Since the contribution exceeded \$1,000, respondent Edgar Bronfman is in violation of 2 U.S.C. 437g(a)(1).

II. That the respondent Edgar Bronfman's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. 437g(a)(1).

III. Respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred \$500 dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

IV. Respondent Edgar Bronfman agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, or on its own motion, may certify 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

78040055130

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040055024
78040065131



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton &
Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Sorenson:

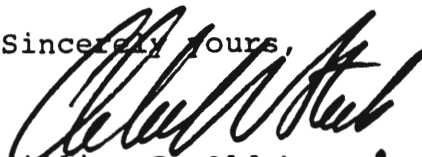
In accordance with the conversation between our offices, we are attaching the conciliation agreement this office would propose for your client, Edgar Bronfman. It is my understanding that you will tentatively meet with Biz Van Gelder, the attorney assigned to this matter, on January 26, 1978 at 9:00a.m. at our office to discuss the proposed agreement. This time will be confirmed by phone.

We will shortly be presenting this proposal to the Commission for its consideration and would like at that time to advise the Commission of your views on it.

If you have any questions, you may contact Ms. Van Gelder at 202-523-4175.

This letter and the attached proposed conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,


William C. Oldaker *W.C.O.*
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION
January 13, 1978

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333 (76)
Campaign Committee,)
Inc., Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Edgar Bronfman, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Edgar Bronfman, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Edgar Bronfman and the subject matter of this proceeding.

II. That respondent Edgar Bronfman has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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78040065133

A. Respondent Edgar Bronfman co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee), Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Edgar Bronfman paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Edgar Bronfman construed the costs of the luncheon as an independent expenditure which was not made in cooperation, consultation, or concert, with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

WHEREFORE, Respondent Edgar Bronfman agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i).

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78040065134

As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Federal Election Campaign Act of 1971, as amended (the Act). Since the contribution exceeded \$1,000, respondent Edgar Bronfman is in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Edgar Bronfman's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. §431(e).

III. Respondent Edgar Bronfman will pay a civil penalty in the amount of five hundred (\$500) dollars pursuant to 2 U.S.C. §437g(a)(6)(B).

IV. Respondent Edgar Bronfman agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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78040065135

III. It is agreed that respondent Edgar Bronfman shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE

FOR THE RESPONDENT
EDGAR BRONFMAN

DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040055029
78040065136



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333(76)

Dear Mr. Ford:

This letter is in reference to the notification you received on December 28, 1977. As we have noted previously, the Commission is required to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. Attached is a proposed conciliation agreement which we will be shortly presenting to the Commission for its consideration. So that we may also advise the Commission of your views on this proposal, we would appreciate your response within 10 days of your receipt of this letter.

If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175), the attorney assigned to this matter. This letter and the attached conciliation agreement shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours


William C. Oldaker
General Counsel

trwcd

cc: Pierre V. Heftler
Bodman, Longley, Bogle &
Dahling
34th Floor, 100 Renaissance
Center
Detroit, Michigan 48243



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nonpartisan Committee)
For Good Government,)
1976 Presidential) MUR 333(76)
Campaign Committee, Inc.,)
Edgar Bronfman)
and Henry Ford, II)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Henry Ford, II, violated 2 U.S.C. §441a.

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Henry Ford, II, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Henry Ford, II, and the subject matter of this proceeding.

II. That respondent Henry Ford, II, has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

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A. Respondent Henry Ford, II co-sponsored a luncheon to which business executives were invited. Presidential nominee Jimmy Carter was invited to address the luncheon.

B. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Nonpartisan Committee for Good Government (the Nonpartisan Committee). Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford, II, chairman of Ford Motor Company; and was attended by approximately 52 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

C. Respondent Henry Ford, II paid \$1,510.03 for his share of the costs of the luncheon.

D. Respondent Henry Ford, II, received a memo from his legal counsel, Pierre V. Heftler, on July 29, 1976, advising him that under the Federal Election Campaign Act of 1971, as amended (the Act), acting as a host for the luncheon would constitute a campaign contribution. On September 10, 1976, Mr. Heftler again expressed to respondent Henry Ford, II the concern that a payment for part of the luncheon could be construed as a campaign contribution.

E. Mr. Heftler relayed this concern to the Democratic National Committee and on October 22, 1976, they sent respondent Henry Ford, II a check for \$1,510.03, reimbursing him in full for the expense of the luncheon.

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Wherefore, respondent Henry Ford, II agrees:

I. That the invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert, with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. §441a(a)(7)(B)(i). As such, the expenditures are defined as contributions-in-kind and subject to the requirements set forth in the Act. Since the contribution exceeded \$1,000, respondent Henry Ford, II is in violation of 2 U.S.C. §441a(a)(1)(A).

II. That the respondent Henry Ford, II's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. §431(e).

III. That the respondent Henry Ford, II will pay no civil penalty due to the reimbursement in full from the Democratic National Committee to respondent Henry Ford, II for the amount expended for the luncheon.

IV. Respondent Henry Ford, II agrees that he will not undertake any activity which is in violation of the Act. 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue therein, 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.

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II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Henry Ford, II shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE _____

FOR THE RESPONDENT
HENRY FORD, II

DATE _____

WILLIAM C. OLDAKER
GENERAL COUNSEL

78040055034
78040065141



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 22, 1977

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

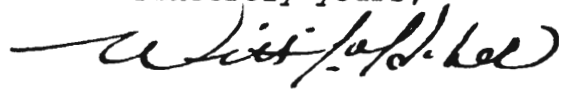
Your co-sponsorship of such a luncheon funded the appearance of a single candidate and therefore, is distinguishable from the sponsorship of the presidential debates by the League of Women Voters at which both presidential candidates attended. Granting that the two activities were performed with an informational interest, the luncheon that you co-sponsored was not executed in a nonpartisan manner.

In the Commission's view, the physical attendance of Jimmy Carter at the luncheon constitutes an event held in "cooperation, consultation, or concert" with a presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures can no longer be considered independent but rather are defined as contributions-in-kind. Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,



William C. Oldaker
General Counsel

cc: Pierre V. Heftler
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

PS Form 3811, Apr. 1977

MIA 223 BIZ

● SENDER: Complete items 1, 2, and 3. "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 RESTRICTED DELIVERY.
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Edgar Bronfman

3. ARTICLE DESCRIPTION:
 REGISTERED NO. 943883 CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY DEC 27 1977 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: 12/27 CLERK'S INITIALS

★ GPO : 1977-O-234-337



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 22, 1977

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

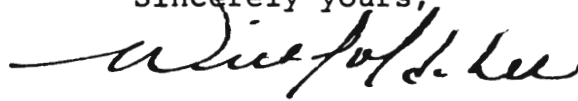
In the Commission's view, your expenditures for the luncheon cannot be considered independent because such an event was held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures are defined as contributions-in-kind and subject to the regulations set forth in the Federal Election Campaign Act (as amended). Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).

Although your attorney, Pierre V. Heftler, indicated that you were reimbursed in full for the amount allegedly expended for the luncheon, this action occurred approximately three months after the event and therefore, does not obviate the violation.



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,



William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

PS Form 3811, Apr. 1977

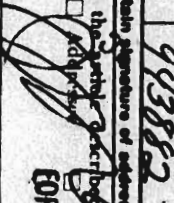
MR 353 B12

● SENDER: Complete items 1., 2., and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one):
 Show to whom and date delivered.
 Show to whom, date, and address of delivery.
 RESTRICTED DELIVERY
 Show to whom and date delivered.
 RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Henry Ford, II


3. ARTICLE DESCRIPTION:
REGISTERED NO. **943882** CERTIFIED NO. _____ INSURED NO. _____
 (Always obtain signature of addressee per 39 U.S.C. 1026)

I have received the article described above.
 SIGNATURE  Addressed to: Addressee Authorized agent
FORD MOTOR CO

4. DATE OF DELIVERY
DEC 28 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTAL CLERK'S INCHMARKS

 BORN

* GPO : 1977-O-284-337

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

BEFORE THE FEDERAL ELECTION COMMISSION

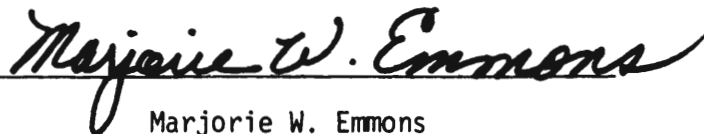
In the Matter of)
The Nonpartisan Committee)
for Good Government,)
The 1976 Presidential)
Campaign Committee,)
Henry Ford, II, and)
Edgar Bronfman)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1977, the Commission determined by a vote of 4-0 to find Reasonable Cause to Believe that Mr. Ford and Mr. Bronfman have violated 2 U.S.C. Section 441a in the above-captioned matter and to proceed with a conciliation effort.

Voting for this determination were Commissioners Aikens, Harris, Thomson, and Tiernan. Commissioners Springer and Staebler were not present at the time of the vote.



Marjorie W. Emmons
Secretary to the Commission

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78040055146

December 14, 1977

MEMORANDUM TO: Marge Evans
FROM: Elissa T. Carr
SUBJECT: MUR 313 Team 22 Hughes

Please have the attached General Council's Report on
MUR 313 distributed to the Commission and placed on the
Compliance agenda for the Commission meeting of Dec. 21, 1977.

Thank you.

79040055040
78040065147

BEFORE THE FEDERAL ELECTION COMMISSION
December 16, 1977

In the Matter)
)
The Nonpartisan Committee)
for Good Government,)
The 1976 Presidential) MUR 333 (76)
Campaign Committee,)
Henry Ford, II, and)
Edgar Bronfman)

GENERAL COUNSEL'S REPORT

BACKGROUND

On November 24, 1976, the Commission found reason to believe that an expenditure reported as independent by the Nonpartisan Committee for Good Government (The Nonpartisan Committee), a separate segregated fund of the Coca-Cola Company, may not have been independent, and therefore, in violation of 2 U.S.C. §441a(a)(7)(B)(i) and 26 U.S.C. §9003(b)(2). This expenditure was for a luncheon held on July 22, 1976, at the "21" Club, New York City, at which Jimmy Carter attended.

Similarly, the Commission found reason to believe that the 1976 Presidential Campaign Committee had violated 2 U.S.C. §441a(a)(7)(B)(i) and 26 U.S.C. §9003(b)(2) by accepting a contribution to defray a qualified campaign expense after becoming eligible and receiving general election funding.

On March 31, 1977, the Commission found reasonable cause to believe that the Nonpartisan Committee had violated 2 U.S.C. §434(e)(2) and that the 1976 Presidential Campaign Committee had violated 26 U.S.C. §9007(b)(3).

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On June 9, 1977, during the investigation of the Nonpartisan Committee, the Commission was made aware that the expenditures for the luncheon had been divided equally between the Nonpartisan Committee, Mr. Edgar Bronfman and Mr. Henry Ford, II.

Since Mr. Ford and Mr. Bronfman co-sponsored an event at which a candidate appeared, their expenditures are considered contributions-in-kind as set forth in 2 U.S.C. §441a(a)(7)(B)(i). On July 21, 1977, the Commission found reason to believe that both Mr. Ford and Mr. Bronfman had violated the provisions of 2 U.S.C. §441a.

RESPONSE

(1) Bronfman

The Commission received a response from Mr. Bronfman's counsel on August 18, 1977 (see attachment A). The response maintained that since Mr. Bronfman and others made an effort to arrange an identical luncheon for President Ford, there existed no "general expression of support" for either Carter or Ford nor did the luncheon serve to "affiliate" Mr. Bronfman with either candidate.1/

Consequently, it is Bronfman's position that his expenditures for the luncheon were not made "for the purpose of influencing ... the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A), and, therefore, are not considered contributions-in-kind.

1/ However, Bronfman's response also states:

"In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Carter... (Attachment A, p. 4)

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Furthermore, despite Bronfman's profession of the nonpartisan nature of the luncheon, it is the Commission's considered position that the gathering of businessmen with the physical attendance of Jimmy Carter constitutes an event held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). 2/ In light of this fact, Bronfman's expenditures cannot be considered independent but rather are defined as contributions-in-kind.

Bronfman cites the policy statement issued by the Commission in 1976 which involved the presidential debates to be sponsored by the League of Women Voters' Educational Fund and which stated the following:

"It is the Commission's view that, in the limited circumstances of presidential debates, the costs incident thereto...are neither contributions nor expenditures under 2 U.S.C. §441a and §431 of the Federal Election Campaign Act of 1971, as amended."

This policy statement applied to the "limited circumstances of presidential debates" and specifically forbade the sponsorship of an appearance by a single candidate (see attachment B). Granting that both the debates and the luncheon were performed with an informational interest, the luncheon was not, however, executed in a nonpartisan manner since only one candidate attended.

In short, Bronfman's co-sponsorship of a luncheon at which Jimmy Carter attended constitutes a partisan activity and not exempted by the Commission's policy statement issued to clarify the circumstances of a particular nonpartisan activity-presidential debates.

2/ See page three, paragraph one, of the proposed conciliation agreement with the Nonpartisan Committee and the 1976 Presidential Campaign Committee, Inc. (July 20, 1977).

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Bronfman's reference to Buckley v. Valeo, 424 U.S. 1,21, 22 (1976) hinges upon the condition of nonpartisanship. It is Bronfman's contention that if an identical luncheon had been proposed or held for President Ford, then the expenditures for luncheons would not constitute a "general expression of support" for either Carter or Ford or serve to "affiliate" Mr. Bronfman with either candidate. Even were the Commission to accept that argument, since the co-sponsorship involved only one luncheon at which only one candidate attended, the Buckley citation is inapplicable.

Finally, Bronfman states that if, arguendo, his expenditures are deemed contributions-in-kind, then that part of his total expenditures used to pay for the expenses of the press contingent at the luncheon in the amount of \$659.93 was clearly not for the purpose of influencing the election. While the reporting of the luncheon by the press would presumably not be a direct contribution, we maintain that an individual's expenditure of funds to facilitate the press coverage of a particular candidate falls within the meaning of contributions-in-kind. This is so because an attempt to influence the newspapers to report favorably is, in fact, an attempt to influence the election.

In light of the above, Bronfman's expenditures for the press contingent are considered a significant part of the total luncheon costs and therefore breach the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A).

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78040065151

(2) Ford

- 5 -

On August 15, 1977, the Commission received a response to the previously cited allegation from Pierre V. Heftler, Henry Ford's legal counsel (see attachment D). Mr. Heftler stated that he had sent a memo to Mr. Ford on July 29, 1976, warning him that under the Federal law, acting as host would now likely constitute a contribution. On September 10, 1976, Mr. Heftler again expressed the concern that a payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts to held a similar luncheon for Presidential nominee Ford. After this concern was brought before the Democratic National Committee, they sent Henry Ford a check for \$1,510.03 on October 22, 1976, reimbursing him in full for the expense of the luncheon.^{3/}

ADDITIONAL DEVELOPMENTS

On September 9, 1977, a revised conciliation agreement was sent to the Nonpartisan Committee and the 1976 Presidential Campaign Committee. By agreement, their response will be held in abeyance pending a resolution of Mr. Ford's and Mr. Bronfman's involvement in this matter. At that time, a "group" conciliation agreement may be proposed and discussed.

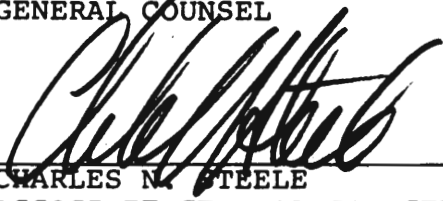
^{3/} Mr. Ford was apparently concerned about political contributions because Heftler's opinion was prompted by a phone call on July 29, 1977 by Ford's private secretary who asked about dollar limits on such contributions under recently enacted Federal and Michigan laws. Heftler's September 10, 1977 expression of concern was prompted by Ford's request that he look into the "21" Club luncheon. Although an attempt was made by Mr. Ford to rectify the aforementioned campaign contribution in a reimbursement totalling \$1,510.03, the action was taken after the violation had occurred and therefore does not obviate it.

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RECOMMENDATION

Reasonable cause to believe that Mr. Ford and Mr. Bronfman have violated 2 U.S.C. §441a. Proceed with a joint conciliation agreement and send attached notification letters.

DATE
16 December 1977
DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL


CHARLES M. STEELE
ASSOCIATE GENERAL COUNSEL

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ATTACHMENT A

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
NEW YORK, N. Y. 10022
TELEPHONE (212) 644-6000
TELECOPIER (212) 644-6202

CABLE LONGSIGHT, N. Y.
TELEX 12-7831

RANDOLPH E. PAUL (1946-1956)
LOUIS S. WEISS (1927-1950)

JOHN F. WHARTON
LLOYD R. GARRISON
COUNSEL

- SIMON H. RIFKIND
- HOWARD A. SEITZ
- ADRIAN W. DEWIND
- MORRIS S. ABRAHAM
- MORDECAI ROCHLIN
- PAUL J. NEWLON
- JOSEPH S. ISEMAN
- JAMES S. LEWIS
- THEODORE C. BORENSEN
- MARTIN KLEINBERG
- RICHARD H. PAUL
- NORMAN ZELENKO
- JOHN E. BENSING
- JAY TOPKIS
- EDWARD N. COSTIKYAN
- ROBERT H. MONTGOMERY, JR.
- JOHN C. TAYLOR, JR.
- BERNARD H. GREENE
- ERNEST RUBENSTEIN
- STUART ROBINOWITZ
- JAMES L. PURCELL
- ARTHUR RALISH
- DAVID T. WASHBURN
- BERNARD FINNKESTEIN
- ARTHUR L. LIMAN
- SEYMOUR HERTZ
- WALTER F. LEINHARDT
- GERALD D. STERN
- ANTHONY B. KURLIN
- MARTIN LONDON
- DAVID C. BRODHEAD
- PETER R. HAJE
- LEONARD V. QUIOLEY
- ALLAN BLUMSTEIN
- NEALE M. ALBERT
- JAY GREENFIELD
- KEVIN J. O'BRIEN
- ALFRED D. YOUNGWOOD
- DONALD F. MOORE
- JOSEPH E. BROWDY
- SIDNEY S. ROSDEITCHER
- ROBERT L. LAUFER
- ALLEN L. THOMAS
- PETER L. FELCHER
- MARK H. ALCOTT
- JOHN P. MCENROE
- PETER J. ROTHENBERG
- JUDITH R. THAYER
- RICHARD A. ENGELMAN
- GEORGE R. FELLEMAN
- STEVEN B. ROSENFIELD
- ALBERT P. HANCOCK
- ROBERT S. SMITH
- MAX GITTER

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

August 15, 1977

772446

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78040065154

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of our client, Mr. Edgar Bronfman, we take this opportunity to respond to your letter of July 29, 1977, received by Mr. Bronfman on August 4, 1977, in which you state that the Commission "has reason to believe that [Mr. Bronfman] may have violated the provisions of 2 U.S.C. §441a(a)(1)(A)" as a result of his "alleged payment of ... 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues."

A review of the pertinent facts in the context of the Federal Election Campaign Act will demonstrate, we believe, that no violation of the Act occurred in the situation to which you refer.

Vertical stamp or handwritten notes on the right margin.

Mr. Oldaker

Statement of Facts

The facts, which are perhaps better known by Mr. Bronfman than by any of the other parties concerned because of his involvement from the very beginning, as conveyed to us by Mr. Bronfman and his associates, may be summarized as follows:

It was Mr. Bronfman's belief in the summer of 1976 that 1976-77 could be a watershed in relations between the Federal Government and American business, regardless of who was elected; that either a new Ford mandate or a new Carter administration was likely to produce a series of economic and other policy initiatives in which the business community had a vital stake; and that the major business organizations as they then existed were not sufficiently attuned to the Federal Government's point of view to serve adequately as a bridge between government and business in this new era.

After Mr. Bronfman discussed this concern with others, it was decided, as the first step in an evolving plan, to invite each of the major party nominees to meet, in each case shortly after receiving his respective party's nomination, with a "blue-ribbon," bipartisan group of some 50-60 business executives for an exchange of views. The business invitees, the location and the format -- lunch at "21," followed by an informal address and discussion -- were to be

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identical in each case.* As noted in Mr. Bronfman's letter of invitation to President Ford, it was hoped that this pattern could then be replicated in major cities throughout the country, with a selected group of business executives hearing each of the major party Presidential nominees on "separate but equal" occasions. From these forums, it was hoped, would grow a new organization to represent business in working with Government. An internal draft prospectus for this plan could be supplied if necessary.

Preliminary meetings were held with top-level representatives of each of the candidates, with indications in each case that their respective candidates would accept the invitation to "21." Ultimately Democratic nominee Carter accepted, and Republican nominee Ford found that his schedule made his acceptance impossible.

President Ford's inability to accept the invitation dampened the plan for a series of business forums around the country; and Irving Shapiro's subsequent pronouncements about reinvigorating the Business Roundtable and its relations with Government ultimately helped persuade Mr. Bronfman to suspend his idea of founding a new non-partisan business organization.

*An invitation to the Carter luncheon as well as a draft invitation to the Ford luncheon are attached to this letter as Exhibit A. Also attached are Exhibit B, the Guest List for the Carter luncheon which was the same guest list to have been used at the Ford luncheon; and Exhibit C, Mr. Bronfman's letter to President Ford extending to him an invitation to meet and discuss the same business concerns with the same group of businessmen, preferably at another luncheon at the same club.

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Mr. Oldaker

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In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Mr. Carter, and Ford supporters did not conceal their preferences either. The Democratic nominee discussed a number of subjects of interest to the business community, in an opening statement and then in answer to questions, some of them hostile, from an audience believed to consist of more Republicans than Democrats. (No one was invited because of his party affiliation and in most cases the hosts had no knowledge of the invitees' political preferences.)

The reaction of the audience was mixed.* No funds were raised for the candidate. No contributions were requested. On the contrary, Mr. Bronfman stated to at least some of those present that the new Federal election law and its public financing provisions had eliminated any possibility of the businessmen present providing (and

* The New York Times of July 23, 1976 reported:

"Some Republicans at the meeting, including John Weinberg, a partner of Goldman Sachs & Co., said that they would vote for Mr. Carter this year. Others, including William T. Seawell, chairman of Pan American Airways, indicated that they were uncertain at this time as to which candidate would get their vote.

"Still others, however, said that although they had come to the luncheon to meet Mr. Carter, they would nevertheless vote for the Republican candidate. For instance, Ellmore C. Patterson, chairman of the Morgan Guaranty Trust Company of New York, said, 'I've been a Republican for a long time and I'll probably continue to be a Republican.'"

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Mr. Oldaker

nominee Carter accepting) any contributions or expenditures for the Carter Presidential Campaign.*

No one attended from any national political committee or urged support for any political party. It was understood by all present -- Carter, Bronfman and all invitees -- and stated openly, that many of those present would not vote for Mr. Carter but would nevertheless benefit from this exchange of views.

The total cost of the luncheon served to the businessmen and press "pool" addressed by Mr. Carter in the Hunt Room of "21" was \$2,550.27. The three businessmen acting as co-hosts for the luncheon, of which Mr. Bronfman was one, as a matter of public relations to pay for the separate lunches served elsewhere (on a different floor) in "21" to the large press contingent accompanying the Democratic nominee in his travels around the country, a bill which totalled \$1979.79, requiring an additional \$659.93 from each of the three.**

*Mr. Bronfman repeated his praise for this provision of the Act in an Op. Ed. article for the New York Times on September 21, 1976, where he again expressed his desires for a new relationship between business and government "whether we have the change of a new Administration or the continuation of Republican government."

**Mr. Bronfman's personal check to the 21 Club on February 24, 1977 totaled \$2,040.87 -- \$850.09 as his share of the Carter luncheon, \$659.93 as his share of the cost of the meals served that day to the press, and the balance for wholly unrelated personal expenses.

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Mr. Oldaker

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Analysis

The threshold question is whether this payment of luncheon expenditures was, in this context, made "for the purpose of influencing...the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A). We think clearly it was not. The Carter luncheon, along with the Ford luncheon which was to follow, were intended not to promote the candidacies of either nominee but to enable those present to initiate a dialogue on business concerns and hear the views thereon of the next President, whichever one it turned out to be, as the first step of a grand design to improve business-government relations without regard to partisan affiliation. A good faith effort was made to arrange an identical luncheon for President Ford. He accepted -- and the hosts had every reason to believe that he would accept -- and had they made a similar payment of expenses for a similar luncheon (composed principally of Republicans in both cases) addressed by President Ford, no reasonable person could then argue that such payments constituted a "general expression of support" for either Carter or Ford or served to "affiliate" Mr. Bronfman with either candidate (See Buckley v. Valeo, 424 U.S. 1, 21, 22, 1976).

On the contrary, the physical presence of each candidate in successive months would have made more obvious the fact that these luncheon forums fell within the same rule as that applied by the Commission to Presidential debates. The Commission in a 1976 Policy Statement declared the costs

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Mr. Oldaker

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incident to debates such as those sponsored by the League of Women Voters to be neither contributions nor expenditures within the meaning of the Act.

"Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed... Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit..."

Similarly, in Informational Letter ¶6071 (CCH ¶6071, January 3, 1977), the Commission permitted a Chamber of Commerce to distribute publicly an Election Guide which portrayed two competing candidates "in an equitable and non-partisan fashion; its purpose seems to be informative rather than support of or opposition to any candidate or political party."

Clearly that was also the purpose of the luncheon series launched by Mr. Bronfman and his co-hosts. Surely President Ford's inability to adjust his schedule to accept their invitation cannot convert an expenditure wholly lawful under the above rulings to one that is somehow unlawful. Surely Mr. Bronfman was under no obligation, having made every effort to provide "equal time" to both candidates, to see to it that both made use of that opportunity. Any

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Mr. Oldaker

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finding by the Commission to the contrary would make it virtually impossible for civic, business, religious and other organizations all over the country to invite competing candidates for Federal office to address meetings sponsored by those organizations -- a result never intended by Congress. Congress believed that it was helping by enactment of this statute to equalize the opportunities of competing candidates to be heard. That is precisely what Mr. Bronfman and his co-hosts set out to do.

Moreover, this luncheon should be examined in light of the spirit and intent of the Act. No corporate, union or other prohibited donors were involved. No attempt was made to conceal from the public or government this widely publicized affair or Mr. Bronfman's role as co-host. No breach by Mr. Bronfman of the \$25,000 ceiling on his aggregate contributions for 1976 would have occurred even if arguendo these luncheon expenses were somehow deemed to be contributions under the Act.

Most importantly, even if arguendo a contribution under the Act were involved, the fact remains that -- setting aside the co-hosts' willingness to treat the press to lunch (which clearly could not have been for the purpose of influencing the election) -- Mr. Bronfman's share of the

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Mr. Oldaker

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expenses of the luncheon actually attended by Mr. Carter (\$850.09) (and Mr. Bronfman made no other contribution or expenditure to or on behalf of Mr. Carter following the latter's nomination) did not exceed the \$1,000 ceiling set forth in the section of the Act cited in your letter, 2 U.S.C. §441a(a)(1)(A). Nothing in the Act penalizes an individual for making a campaign contribution or expenditure to or on behalf of a Presidential nominee, with the knowledge and cooperation of the latter's campaign committee, of less than \$1,000. If (which in light of the facts we cannot accept) the cost of the bi-partisan luncheon actually addressed by Mr. Carter is deemed in hindsight to have been a political contribution or expenditure, the amount paid by each co-host is still below the legal maximum. Surely it cannot be maintained that Mr. Bronfman and his co-hosts were in violation of the Act because they also decided to treat the traveling press to lunch.

In short, payment for a luncheon designed to be the first of two luncheons addressed by the major party nominees as part of an effort to improve government-business relations was not made for the purpose of influencing the election of one of those nominees; but even if by some stretch of the law such payment is nevertheless deemed to have been made for such purpose, it was within the ceiling permitted by the Act.

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Mr. Oldaker

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Conclusion

In light of the above, we trust you will agree with our conclusion that no violation of the Act occurred in this situation and that no action should be taken against Mr. Bronfman. We would be pleased to answer any questions you may have on this matter and to submit any additional information requested. Should you disagree with the above conclusions, we trust that we will have an opportunity to discuss the matter in person with you before any further action is taken. Your consideration and cooperation are greatly appreciated.

Respectfully Submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Paul, Weiss, Rifkind, Wharton & Garrison

Theodore C. Sorensen
Frederick R. Cummings
Bruce L. Owens

X 7186

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APPENDIX A

S A M P L E

Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

Mr. Lionel J. Pincus

at a luncheon for the purpose of introducing
former Governor of Georgia Jimmy Carter
to a small group of mutual friends

Thursday, July 22, 12:30 p.m.

Hunt Room, The "21" Club

New York City

R.S.V.P.
Card Enclosed

JUL 12 1976

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DRAFT

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Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

at a luncheon for the purpose of introducing The Candidate
of the Republican Party President Gerald R. Ford

to a small group of mutual friends

Date TK, 12.30 p.m.

Hunt Room, The "21" Club
New York City

R.S.V.P.
Card enclosed

I accept your invitation to the
luncheon for President
Gerald R. Ford

I must regret

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APPENDIX B

GUEST LIST FOR LUNCHEON HONORING
FORMER GOVERNOR OF GEORGIA JIMMY CARTER
JULY 22, 1976

HOSTS: Mr. J. Paul Austin
Mr. Edgar Bronfman
Mr. Henry Ford

SPECIAL HONORED GUEST

Mr. Jimmy Carter

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Mr. W. Michael Blumenthal
Chairman of the Board
The Bendix Corporation

Mr. Carter L. Burgess
Chairman of the Board
Foreign Policy Association

Mr. Howard L. Clark
Chairman of the Board
American Express Company

Mr. W. Graham Claytor, Jr.
President
Southern Railway

Mr. John T. Connor
Chairman of the Board
Allied Chemical Corporation

Mr. Joseph Cullman
Chairman of the Board
Philip Morris

Mr. Coy Eklund
President & Chief Executive Officer
Equitable Life Assurance Company

Mr. Abraham Feinberg
Chairman of the Board
American Security Bank

Mr. Paul Foley
Chairman of the Board
The Interpublic Group of Companies, Inc.

Mr. Lewis W. Foy
Chairman
Bethlehem Steel Corporation

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Mr. Walter A. Haas, Jr.
Chairman of the Board
Levi Strauss and Company

Mr. John Hanley
Chairman of the Board
Monsanto

Mr. Robert Hatfield
Chairman of the Board
Continental Can Company, Inc.

Mr. Donald Johnston
President
J. Walter Thompson Company

Mr. Leo-Arthur Kelmenson
President
Kenyon & Eckhardt, Incorporated

Mr. William Kerby
Chairman of the Board
Dow Jones

Mr. Philip M. Klutznick
Limited Partner
Salomon Bros.

Mr. H. Peter Kriendler
The "21" Club

Mr. James A. Linen, III
Chairman of the Board
Executive Committee
TIME Incorporated

Mr. Edmund W. Littlefield
Chairman of the Board
Utah International Inc.

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Mr. Ian K. MacGregor
Chairman of the Board
Amax Incorporated

Mr. David J. Mahoney
Chairman, President, & Chief Executive Officer
Norton Simon, Inc.

Mr. William F. May
Chairman of the Board
American Can Company

Mrs. Bess Myerson
Consultant

Mr. Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty

Mr. John J. Riccardo
Chairman of the Board
Chrysler Corporation

Mrs. Mary G. Roebling
Chairman of the Board
National State Bank

Mr. Felix G. Rohatyn
General Partner
Lazard Freres & Co.

Mr. George A. Stinson
Chairman of the Board
National Steel Corporation

Mr. Jack Tarver
Publisher
Atlanta Newspapers, Inc.

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Mr. A. Robert Abboud
Chairman of the Board
First National Bank of Chicago

Mr. Harry J. Gray
Chairman and President
United Technologies Corporation

Mr. Lionel I. Pincus
President & Chief Executive Officer
E. M. Warburg, Pincus and Co., Inc.

Mr. Robert T. Quittmeyer
President
Amstar Corporation

Mr. Laurence A. Tisch
Chairman and Chief Executive Officer
Loews Corporation

Mr. Richard L. Gelb
Chairman of the Board
Bristol-Myers

Mr. Vermont Royster
Journalist

Mr. William Hewitt
Chairman of the Board
John Deere & Co.

Mr. John Weinberg
Partner
Goldman Sachs & Co.

Mr. Ovid R. Davis
Vice President
The Coca-Cola Company

Mr. Garth Hamby
Assistant Secretary &
Assistant to the Chairman of the Board
The Coca-Cola Company

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Mr. William T. Seawell
Chairman of the Board
Pan American Airways

Mr. J. Anthony Forstmann
Partner
Forstmann, Leff & Associates

Mr. Jonathan Rinehart
The Jonathan Rinehart Group, Inc.
(Public relations agency for Mr. Bronfman)

Mr. Richard Clurman
Richard M. Clurman & Associates
(Consulting agency for Mr. Bronfman)

*Mr. MARVIN WARNER
President
WARNER National Corp.*

*Mr. THOMAS CARROLL
Chairman
Lever Brothers*

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Edgar M. Bronfman

375 Park Avenue
New York, New York 10022
August 17, 1976

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

On behalf of Paul Austin, Henry Ford II and myself, it is my pleasure to invite you to luncheon to meet and discuss the issues with a group of some sixty friends from the world of American business.

As you may recall the same group met at The "21" Club in New York City shortly after the Democratic convention last month with the just-nominated Candidate of the Democratic Party, Governor Jimmy Carter. At the luncheon Governor Carter expressed his views and responded to questions from our guests. Now we have the honor to extend to the Candidate of the Republican Party, an invitation to meet with the same group.

Of course, Mr. President, we would be happy to arrange a place and date of your convenience. But if your schedule does permit a date early in the campaign at the same location, we feel it would best serve you as well as a larger public purpose we have in mind.

It is our intention, hopefully, after this luncheon, to form a new, non-partisan group of national business leaders whose objectives will be to make more constructive the relationship between American business and the federal government. As planned, this group will have many useful activities, but a principal one will be to arrange similar meetings between the business community and the presidential candidates as they travel during their campaign. This initial meeting with you, we hope, will be the first of many that we can arrange with your staff to take place in all parts of the country, as we intend to do with Governor Carter.

If you are able to accept, sir, we know that our initial group of concerned business leaders would be both honored and rewarded.

Respectfully,

Edgar M. Bronfman

EMB/em

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POLICY STATEMENT
PRESIDENTIAL DEBATES

The League of Women Voters' Educational Fund proposes to sponsor several debates between the 1976 Republican and Democratic presidential nominees. It is the Commission's view that, in the limited circumstances of presidential debates, the costs incident thereto which will be incurred by the Fund are neither contributions nor expenditures under U.S.C. §§441a and 431 of the Federal Election Campaign Act of 1971, as amended.

There are a number of factors which have brought the Commission to this conclusion. The League has a history of approximately 50 years of non-partisan educational activity in the electoral process, and is, indeed, forbidden by its by-laws to endorse candidates or to otherwise appear in a partisan light.

The activity proposed to be undertaken here is in keeping with that tradition. Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed. In short, it is the Commission's view that the disbursements by the

League, or by any other comparable or similarly qualified organization, through a charitable trust fund are not made for the purpose of influencing a Federal election and are therefore not contributions as defined in 2 U.S.C. §431(e) or 26 U.S.C. §§9003(b)(2) and 9012(b). The League may raise funds specifically earmarked for sponsorship of the debates from private individuals. Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit and would not need to be disclosed. However, the Commission believes that the League could further the spirit of campaign finance reform by disclosing the amounts and sources of those donations.

The disbursements by the League's Education Fund are nonetheless disbursements "in connection with" a Federal election and accordingly may not be made with funds from corporate or labor organization treasuries, see 2 U.S.C. §441b, or made by other persons forbidden to participate in the Federal election process by the Act, see inter alia, 2 U.S.C. §441c.

The Commission is further of the opinion that a separate segregated fund established by a corporation or labor organization may donate funds, without regard to amount, to the League of Women Voter's Education Fund.

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ATTACHMENT C

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
TROY, MICHIGAN 48064
(313) 362-2110

772118

August 11, 1977

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCC. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES R. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANCK
RANDOLPH S. PERRY
KATHLEEN A. LIEFER

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1887-1975

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MUR 333(76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to acknowledge your letter to him of July 29, 1977 and to give you the facts concerning his involvement in a luncheon, in New York City on July 22, 1976, attended by presidential nominee Jimmy Carter.

The circumstances are as follows:

On May 20, 1976 Mr. J. Paul Austin, of Atlanta, Ga., invited Mr. Ford to join him and Mr. Edgar Bronfman, of New York City, in acting as hosts for a luncheon at which presidential candidate Jimmy Carter would meet a number of leaders of U. S. Industry. Mr. Ford agreed. The event was held at The "21" Club, New York City, on July 22, 1976 with candidate Carter and approximately 60 businessmen present.

In due course The "21" Club sent Mr. Ford a bill for charges of \$1,510.03 incurred on July 22, 1976 (presumably one-third of the luncheon referred to above). Mr. Ford approved the bill on August 10, 1976 and his business manager paid it the same day out of Mr. Ford's personal funds.

At the time it did not occur to Mr. Ford that he was becoming involved in a campaign contribution; he thought it was a simple business luncheon of which he had given many, including a number over the years for the purpose of introducing political candidates, Federal and state, to the business community.

William C. Oldaker, Esq.
August 11, 1977
Page Two

On July 29, 1976 Mr. James Cumming, Mr. Ford's private secretary, telephoned me for the dollar limits on political contributions under recently enacted Federal and Michigan law. I responded verbally and then prepared a Memo for File briefly setting out the limits. Also, as Mr. Ford in prior years had acted as a host, or co-host, at luncheons or dinners in which political candidates were introduced and since under the 1976 Act expenditures in cooperation or consultation with a candidate were now defined to be contributions, I included in my Memo for File a one sentence warning that under the Federal law acting as a host would now likely constitute a contribution. A copy of this Memo for File dated July 29, 1976 was sent to Mr. Cumming. As Mr. Ford was out of his office during most of August, 1976, my July 29, 1976 warning about acting as a host did not come to his attention until several weeks after his August 10 approval of The "21" Club bill.

On September 10, 1976 Mr. Ford asked that I look into The "21" Club luncheon. After reviewing the matter I expressed concern that the payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts (which were unsuccessful) to hold a similar luncheon for presidential candidate Ford. This concern was relayed to the Democratic National Committee and on October 22, 1976 they sent Mr. Ford a check for \$1,510.03, reimbursing him in full. This brought the matter to a close.

Photocopies of Mr. Ford's check to The "21" Club and of the Democratic National Committee check reimbursing him are attached.

Very truly yours,

Pierre V. Heftler

PVH/sr
Encl.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Henry Ford, II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, your expenditures for the luncheon cannot be considered independent because such an event was held in "cooperation, consultation, or concert" with a Presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures are defined as contributions-in-kind and subject to the regulations set forth in the Federal Election Campaign Act (as amended). Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).

Although your attorney, Pierre V. Heftler, indicated that you were reimbursed in full for the amount allegedly expended for the luncheon, this action occurred approximately three months after the event and therefore, does not obviate the violation.



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Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Pierre V. Heftler
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333(76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission had determined that it has reasonable cause to believe that you may have violated 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

Your co-sponsorship of such a luncheon funded the appearance of a single candidate and therefore, is distinguishable from the sponsorship of the presidential debates by the League of Women Voters at which both presidential candidates attended. Granting that the two activities were performed with an informational interest, the luncheon that you co-sponsored was not executed in a nonpartisan manner.

In the Commission's view, the physical attendance of Jimmy Carter at the luncheon constitutes an event held in "cooperation, consultation, or concert" with a presidential candidate. 2 U.S.C. §441a(a)(7)(B)(i). In light of this fact, your expenditures can no longer be considered independent but rather are defined as contributions-in-kind. Since your contribution exceeded \$1,000, it is in violation of 2 U.S.C. §441a(a)(1)(A).



Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175). This letter of notification shall remain confidential unless you state to the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Theodore C. Sorenson
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 5, 1977

Mr. Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

Re: MUR 333(76)

Dear Mr. Dye:

This letter is to notify you that the attorney assigned to the above matter has been changed. If you have any questions, please contact Ms. Biz Van Gelder (Telephone no. 202-523-4175); the attorney now assigned to this matter.

Sincerely,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 5, 1977

Mr. Ronald D. Eastman
Verner, Liipfert, Bernhard and McPherson
Suite 1000
1660 L Street, N.W.
Washington, D.C. 20036

Re: MUR 333(76)

Dear Mr. Eastman:

This letter is to notify you that the attorney assigned to the above matter has been changed. If you have any questions, please contact Ms. Biz Van Gelder (telephone no. 202-523-4175), the attorney now assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 23, 1977

Theodore C. Sorenson, Esquire
Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Sorenson:

Please be informed that Ms. Carolyn Reed is no longer the attorney handling MUR 333. This matter has been assigned to Ms. Biz Van Gelder. If you have any questions, please contact her at (202-523-4175).

Sincerely yours,

William C. Oldaker
General Counsel

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
Associate General Counsel



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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 23, 1977

Pierre V. Heftler, Esquire
Bodman, Longley, Bogle & Dahling
34th Floor, 100 Renaissance Center
Detroit, Michigan 48243

Re: MUR 333 (76)

Dear Mr. Heftler:

Please be informed that Ms. Carolyn Reed is no longer the attorney handling MUR 333 (76). This matter has been assigned to Ms. Biz Van Gelder. If you have any questions, please contact her at (202-523-4175).

Sincerely yours,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel



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Revised Draft
September 9, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
NONPARTISAN COMMITTEE FOR	)	MUR 333 (76)
GOOD GOVERNMENT and)	
1976 PRESIDENTIAL CAMPAIGN)	
COMMITTEE, INC.)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

This agreement is entered into after conference and conciliation with representatives of the Nonpartisan Committee for Good Government who cooperated fully with the FEC staff. The agreement shall in no manner be construed as an admission by the Nonpartisan Committee for Good Government that it has violated any provisions of the Federal election laws and should not be construed in any way to reflect on the actions or intentions of others involved in the activity described herein.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly

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entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the Respondent solely for the purposes of this proceeding admits:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited, the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, Chairman of the Company, Edgar Bronfman, Chairman of the Seagram Company Ltd., and Henry Ford 2d, Chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of of the costs of the luncheon.

E. Respondent Nonpartisan Committee was advised by counsel that, though the luncheon was regarded as a strictly social function by its sponsors, the Federal Election Commission

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could conceivably consider the expenditure to have been made with an intention to influence the Presidential election. Counsel also advised that even if this were true, the expenditure was appropriate as an independent expenditure and should be so reported to avoid conflict with the FEC. Thus, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

Wherefore, Respondent Nonpartisan Committee solely for the purpose of this proceeding agrees:

I. That the Commission has construed the terms "cooperation, consultation, or concert, with...a candidate, his authorized political committees, or their agents," in 2 U.S.C. § 441a(a)(7)(B)(i), to include any instance in which an invitation is extended to a candidate to appear at a social function intended to influence a federal election, and the candidate accepts and appears at the function.

II. According to this construction, the invitation to Presidential nominee Jimmy Carter, his acceptance, and his appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i), and Respondent's action in reporting the expenditure as an independent expenditure

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was in violation of 2 U.S.C. § 434(3)(2).

III. The Commission concludes that Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431e.

IV. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$200 pursuant to 2 U.S.C. § 437(a)(6)(B).

V. Respondent Nonpartisan Committee will report as a contribution to a candidate for federal office any expenditure it makes for a social function intended to influence an election, at which a candidate is invited to appear and does appear.

VI. This agreement shall in no manner be construed as an admission by the Respondent that it has knowingly or willfully violated any provision of the federal election laws or that any other person has in any way violated such laws.

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

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FEDERAL ELECTION COMMISSION
COMM.

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LAW OFFICES
WEBSTER & CHAMBERLAIN
1747 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20000

Ms. Biz Van Gelder
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463



400 1182

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE
NEW YORK, N. Y. 10022
TELEPHONE (212) 644-6000
TELECOPIER (212) 644-6202

RANDOLPH E. PAUL (1946-1955)
LOUIS S. WEISS (1927-1950)

CABLE: LONGSIGHT, N. Y.
TELEX 12-7831

JOHN F. WHARTON
LLOYD K. GARRISON
COUNSEL

SIMON H. RIFKIND
HOWARD A. SEITZ
ADRIAN W. DEWIND
MORRIS B. MORDECAI
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH B. ISSEMAN
JAMES S. LEWIS
THEODORE C. SORENSEN
MARTIN KLEINBERG
RICHARD H. PAUL
NORMAN ZELENGO
JOHN E. MASSENGALE
JAY TOPKIS
EDWARD N. COSTIRYAN
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, JR.
BERNARD H. GREENE
ERNEST RUBENSTEIN
STUART ROBINOWITZ
JAMES L. PURCELL
ARTHUR KALISH
DAVID T. WASHBURN
BERNARD FINKELSTEIN
ARTHUR L. LIMAN
SEYMOUR HERTZ
WALTER F. LEINHARDT
GERALD D. STERN
ANTHONY B. KURLIN
MARTIN LONDON
DAVID C. BRODHEAD
PETER R. HAJE
LEONARD V. QUIGLEY
ALLAN BLUMSTEIN
NEALE M. ALBERT
JAY GREENFIELD
KEVIN J. O'BRIEN
ALFRED D. YOUNGWOOD
DONALD F. MOORE
JOSEPH E. BROWDY
SIDNEY S. ROSEITCHER
ROBERT L. LAUFER
ALLEN L. THOMAS
PETER L. FELCHER
MARK H. ALCOY
JOHN P. MCENROE
PETER J. ROTHENBERG
JUDITH R. THOYER
RICHARD A. ENGELMAN
GEORGE P. FELLEMAN
STEVEN B. ROSENFIELD
ALBERT P. HAND
ROBERT S. SMITH
MAX GITTER

WRITER'S DIRECT DIAL NUMBER

(212) 644-8790

August 15, 1977

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Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 333 (76)

Dear Mr. Oldaker:

On behalf of our client, Mr. Edgar Bronfman, we take this opportunity to respond to your letter of July 29, 1977, received by Mr. Bronfman on August 4, 1977, in which you state that the Commission "has reason to believe that [Mr. Bronfman] may have violated the provisions of 2 U.S.C. §441a(a)(1)(A)" as a result of his "alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues."

A review of the pertinent facts in the context of the Federal Election Campaign Act will demonstrate, we believe, that no violation of the Act occurred in the situation to which you refer.

Mr. Oldaker

2.

Statement of Facts

The facts, which are perhaps better known by Mr. Bronfman than by any of the other parties concerned because of his involvement from the very beginning, as conveyed to us by Mr. Bronfman and his associates, may be summarized as follows:

It was Mr. Bronfman's belief in the summer of 1976 that 1976-77 could be a watershed in relations between the Federal Government and American business, regardless of who was elected; that either a new Ford mandate or a new Carter administration was likely to produce a series of economic and other policy initiatives in which the business community had a vital stake; and that the major business organizations as they then existed were not sufficiently attuned to the Federal Government's point of view to serve adequately as a bridge between government and business in this new era.

After Mr. Bronfman discussed this concern with others, it was decided, as the first step in an evolving plan, to invite each of the major party nominees to meet, in each case shortly after receiving his respective party's nomination, with a "blue-ribbon," bipartisan group of some 50-60 business executives for an exchange of views. The business invitees, the location and the format -- lunch at "21," followed by an informal address and discussion -- were to be

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Mr. Oldaker

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identical in each case.* As noted in Mr. Bronfman's letter of invitation to President Ford, it was hoped that this pattern could then be replicated in major cities throughout the country, with a selected group of business executives hearing each of the major party Presidential nominees on "separate but equal" occasions. From these forums, it was hoped, would grow a new organization to represent business in working with Government. An internal draft prospectus for this plan could be supplied if necessary.

Preliminary meetings were held with top-level representatives of each of the candidates, with indications in each case that their respective candidates would accept the invitation to "21." Ultimately Democratic nominee Carter accepted, and Republican nominee Ford found that his schedule made his acceptance impossible.

President Ford's inability to accept the invitation dampened the plan for a series of business forums around the country; and Irving Shapiro's subsequent pronouncements about reinvigorating the Business Roundtable and its relations with Government ultimately helped persuade Mr. Bronfman to suspend his idea of founding a new non-partisan business organization.

*An invitation to the Carter luncheon as well as a draft invitation to the Ford luncheon are attached to this letter as Exhibit A. Also attached are Exhibit B, the Guest List for the Carter luncheon which was the same guest list to have been used at the Ford luncheon; and Exhibit C, Mr. Bronfman's letter to President Ford extending to him an invitation to meet and discuss the same business concerns with the same group of businessmen, preferably at another luncheon at the same club.

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Mr. Oldaker

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In conversations at the Carter luncheon and to the press, Mr. Bronfman did not conceal his preference for Mr. Carter, and Ford supporters did not conceal their preferences either. The Democratic nominee discussed a number of subjects of interest to the business community, in an opening statement and then in answer to questions, some of them hostile, from an audience believed to consist of more Republicans than Democrats. (No one was invited because of his party affiliation and in most cases the hosts had no knowledge of the invitees' political preferences.)

The reaction of the audience was mixed.* No funds were raised for the candidate. No contributions were requested. On the contrary, Mr. Bronfman stated to at least some of those present that the new Federal election law and its public financing provisions had eliminated any possibility of the businessmen present providing (and

* The New York Times of July 23, 1976 reported:

"Some Republicans at the meeting, including John Weinberg, a partner of Goldman Sachs & Co., said that they would vote for Mr. Carter this year. Others, including William T. Seawell, chairman of Pan American Airways, indicated that they were uncertain at this time as to which candidate would get their vote.

"Still others, however, said that although they had come to the luncheon to meet Mr. Carter, they would nevertheless vote for the Republican candidate. For instance, Ellmore C. Patterson, chairman of the Morgan Guaranty Trust Company of New York, said, 'I've been a Republican for a long time and I'll probably continue to be a Republican.'"

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Mr. Oldaker

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nominee Carter accepting) any contributions or expenditures for the Carter Presidential Campaign.*

No one attended from any national political committee or urged support for any political party. It was understood by all present -- Carter, Bronfman and all invitees -- and stated openly, that many of those present would not vote for Mr. Carter but would nevertheless benefit from this exchange of views.

The total cost of the luncheon served to the businessmen and press "pool" addressed by Mr. Carter in the Hunt Room of "21" was \$2,550.27. The three businessmen acting as co-hosts for the luncheon, of which Mr. Bronfman was one, agreed to split the cost -- \$850.09 each. (They also agreed as a matter of public relations to pay for the separate lunches served elsewhere (on a different floor) in "21" to the large press contingent accompanying the Democratic nominee in his travels around the country, a bill which totalled \$1979.79, requiring an additional \$659.93 from each of the three.**

*Mr. Bronfman repeated his praise for this provision of the Act in an Op. Ed. article for the New York Times on September 21, 1976, where he again expressed his desires for a new relationship between business and government "whether we have the change of a new Administration or the continuation of Republican government."

**Mr. Bronfman's personal check to the 21 Club on February 24, 1977 totaled \$2,040.87 -- \$850.09 as his share of the Carter luncheon, \$659.93 as his share of the cost of the meals served that day to the press, and the balance for wholly unrelated personal expenses.

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Mr. Oldaker

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Analysis

The threshold question is whether this payment of luncheon expenditures was, in this context, made "for the purpose of influencing...the election" of Jimmy Carter within the meaning of 2 U.S.C. §431(f)(1)(A). We think clearly it was not. The Carter luncheon, along with the Ford luncheon which was to follow, were intended not to promote the candidacies of either nominee but to enable those present to initiate a dialogue on business concerns and hear the views thereon of the next President, whichever one it turned out to be, as the first step of a grand design to improve business-government relations without regard to partisan affiliation. A good faith effort was made to arrange an identical luncheon for President Ford. Had he accepted -- and the hosts had every reason to believe that he would accept -- and had they made a similar payment of expenses for a similar luncheon (composed principally of Republicans in both cases) addressed by President Ford, no reasonable person could then argue that such payments constituted a "general expression of support" for either Carter or Ford or served to "affiliate" Mr. Bronfman with either candidate (See Buckley v. Valeo, 424 U.S. 1, 21, 22, 1976).

On the contrary, the physical presence of each candidate in successive months would have made more obvious the fact that these luncheon forums fell within the same rule as that applied by the Commission to Presidential debates. The Commission in a 1976 Policy Statement declared the costs

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Mr. Oldaker

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incident to debates such as those sponsored by the League of Women Voters to be neither contributions nor expenditures within the meaning of the Act.

"Unlike sponsorship of an appearance by a single candidate, the unavoidable impact of which is to advance the chances of that candidate's election, the debate described in the League proposal does not involve that kind of advocacy or assistance to a campaign to which the Act's contribution limits are directed... Since these funds are outside the scope of the definition of contribution under 2 U.S.C. §431, they may be made without limit..."

Similarly, in Informational Letter ¶6071 (CCH ¶6071, January 3, 1977), the Commission permitted a Chamber of Commerce to distribute publicly an Election Guide which portrayed two competing candidates "in an equitable and non-partisan fashion; its purpose seems to be informative rather than support of or opposition to any candidate or political party."

Clearly that was also the purpose of the luncheon series launched by Mr. Bronfman and his co-hosts. Surely President Ford's inability to adjust his schedule to accept their invitation cannot convert an expenditure wholly lawful under the above rulings to one that is somehow unlawful. Surely Mr. Bronfman was under no obligation, having made every effort to provide "equal time" to both candidates, to see to it that both made use of that opportunity. Any

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Mr. Oldaker

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finding by the Commission to the contrary would make it virtually impossible for civic, business, religious and other organizations all over the country to invite competing candidates for Federal office to address meetings sponsored by those organizations -- a result never intended by Congress. Congress believed that it was helping by enactment of this statute to equalize the opportunities of competing candidates to be heard. That is precisely what Mr. Bronfman and his co-hosts set out to do.

Moreover, this luncheon should be examined in light of the spirit and intent of the Act. No corporate, union or other prohibited donors were involved. No attempt was made to conceal from the public or government this widely publicized affair or Mr. Bronfman's role as co-host. No breach by Mr. Bronfman of the \$25,000 ceiling on his aggregate contributions for 1976 would have occurred even if arguendo these luncheon expenses were somehow deemed to be contributions under the Act.

Most importantly, even if arguendo a contribution under the Act were involved, the fact remains that -- setting aside the co-hosts' willingness to treat the press to lunch (which clearly could not have been for the purpose of influencing the election) -- Mr. Bronfman's share of the

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Mr. Oldaker

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expenses of the luncheon actually attended by Mr. Carter (\$850.09) (and Mr. Bronfman made no other contribution or expenditure to or on behalf of Mr. Carter following the latter's nomination) did not exceed the \$1,000 ceiling set forth in the section of the Act cited in your letter, 2 U.S.C. §441a(a)(1)(A). Nothing in the Act penalizes an individual for making a campaign contribution or expenditure to or on behalf of a Presidential nominee, with the knowledge and cooperation of the latter's campaign committee, of less than \$1,000. If (which in light of the facts we cannot accept) the cost of the bi-partisan luncheon actually addressed by Mr. Carter is deemed in hindsight to have been a political contribution or expenditure, the amount paid by each co-host is still below the legal maximum. Surely it cannot be maintained that Mr. Bronfman and his co-hosts were in violation of the Act because they also decided to treat the traveling press to lunch.

In short, payment for a luncheon designed to be the first of two luncheons addressed by the major party nominees as part of an effort to improve government-business relations was not made for the purpose of influencing the election of one of those nominees; but even if by some stretch of the law such payment is nevertheless deemed to have been made for such purpose, it was within the ceiling permitted by the Act.

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Mr. Oldaker

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Conclusion

In light of the above, we trust you will agree with our conclusion that no violation of the Act occurred in this situation and that no action should be taken against Mr. Bronfman. We would be pleased to answer any questions you may have on this matter and to submit any additional information requested. Should you disagree with the above conclusions, we trust that we will have an opportunity to discuss the matter in person with you before any further action is taken. Your consideration and cooperation are greatly appreciated.

Respectfully Submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Paul, Weiss, Rifkind, Wharton & Garrison

Theodore C. Sorensen
Frederick R. Cummings
Bruce L. Owens

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APPENDIX A

S A M P L E

Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

Mr. Lionel I. Pincus

at a luncheon for the purpose of introducing
former Governor of Georgia Jimmy Carter
to a small group of mutual friends

Thursday, July 22, 12:30 p.m.

Hunt Room, The "21" Club

New York City

RS.V.P.
Card Enclosed

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Messrs. Paul Austin, Edgar Bronfman and Henry Ford II
request the pleasure of the company of

at a luncheon for the purpose of introducing The Candidate
of the Republican Party President Gerald R. Ford
to a small group of mutual friends

Date TK, 12.30 p.m.

Hunt Room, The "21" Club
New York City

R.S.V.P.
Card enclosed

I accept your invitation to the
luncheon for President
Gerald R. Ford

I must regret

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APPENDIX B

GUEST LIST FOR LUNCHEON HONORING
FORMER GOVERNOR OF GEORGIA JIMMY CARTER
JULY 22, 1976

HOSTS: Mr. J. Paul Austin
Mr. Edgar Bronfman
Mr. Henry Ford

SPECIAL HONORED GUEST

Mr. Jimmy Carter

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Mr. W. Michael Blumenthal
Chairman of the Board
The Bendix Corporation

Mr. Carter L. Burgess
Chairman of the Board
Foreign Policy Association

Mr. Howard L. Clark
Chairman of the Board
American Express Company

Mr. W. Graham Claytor, Jr.
President
Southern Railway

Mr. John T. Connor
Chairman of the Board
Allied Chemical Corporation

Mr. Joseph Cullman
Chairman of the Board
Philip Morris

Mr. Coy Eklund
President & Chief Executive Officer
Equitable Life Assurance Company

Mr. Abraham Feinberg
Chairman of the Board
American Security Bank

Mr. Paul Foley
Chairman of the Board
The Interpublic Group of Companies, Inc.

Mr. Lewis W. Foy
Chairman
Bethlehem Steel Corporation

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Mr. Walter A. Haas, Jr.
Chairman of the Board
Levi Strauss and Company

Mr. John Hanley
Chairman of the Board
Monsanto

Mr. Robert Hatfield
Chairman of the Board
Continental Can Company, Inc.

Mr. Donald Johnston
President
J. Walter Thompson Company

Mr. Leo-Arthur Kelmenson
President
Kenyon & Eckhardt, Incorporated

Mr. William Kerby
Chairman of the Board
Dow Jones

Mr. Philip M. Klutznick
Limited Partner
Salomon Bros.

Mr. H. Peter Kriendler
The "21" Club

Mr. James A. Linen, III
Chairman of the Board
Executive Committee
TIME Incorporated

Mr. Edmund W. Littlefield
Chairman of the Board
Utah International Inc.

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Mr. Ian K. MacGregor
Chairman of the Board
Amax Incorporated

Mr. David J. Mahoney
Chairman, President, & Chief Executive Officer
Norton Simon, Inc.

Mr. William F. May
Chairman of the Board
American Can Company

Mrs. Bess Myerson
Consultant

Mr. Ellmore C. Patterson
Chairman of the Board
Morgan Guaranty

Mr. John J. Riccardo
Chairman of the Board
Chrysler Corporation

Mrs. Mary G. Roebling
Chairman of the Board
National State Bank

Mr. Felix G. Rohatyn
General Partner
Lazard Freres & Co.

Mr. George A. Stinson
Chairman of the Board
National Steel Corporation

Mr. Jack Tarver
Publisher
Atlanta Newspapers, Inc.

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Mr. A. Robert Abboud
Chairman of the Board
First National Bank of Chicago

Mr. Harry J. Gray
Chairman and President
United Technologies Corporation

Mr. Lionel I. Pincus
President & Chief Executive Officer
E. M. Warburg, Pincus and Co., Inc.

Mr. Robert T. Quittmeyer
President
Amstar Corporation

Mr. Laurence A. Tisch
Chairman and Chief Executive Officer
Loews Corporation

Mr. Richard L. Gelb
Chairman of the Board
Bristol-Myers

Mr. Vermont Royster
Journalist

Mr. William Hewitt
Chairman of the Board
John Deere & Co.

Mr. John Weinberg
Partner
Goldman Sachs & Co.

Mr. Ovid R. Davis
Vice President
The Coca-Cola Company

Mr. Garth Hamby
Assistant Secretary &
Assistant to the Chairman of the Board
The Coca-Cola Company

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Mr. William T. Seawell
Chairman of the Board
Pan American Airways

Mr. J. Anthony Forstmann
Partner
Forstmann, Leff & Associates

Mr. Jonathan Rinehart
The Jonathan Rinehart Group, Inc.
(Public relations agency for Mr. Bronfman)

Mr. Richard Clurman
Richard M. Clurman & Associates
(Consulting agency for Mr. Bronfman)

*Mr. Marvin Warner
President
Warner National Corp.*

*Mr. Thomas Carroll
Chairman
Lever Brothers*

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APPENDIX C

Edgar M. Bronfman

375 Park Avenue
New York, New York 10022
August 17, 1976

The Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

On behalf of Paul Austin, Henry Ford II and myself, it is my pleasure to invite you to luncheon to meet and discuss the issues with a group of some sixty friends from the world of American business.

As you may recall the same group met at The "21" Club in New York City shortly after the Democratic convention last month with the just-nominated Candidate of the Democratic Party, Governor Jimmy Carter. At the luncheon Governor Carter expressed his views and responded to questions from our guests. Now we have the honor to extend to the Candidate of the Republican Party, an invitation to meet with the same group.

Of course, Mr. President, we would be happy to arrange a place and date of your convenience. But if your schedule does permit a date early in the campaign at the same location, we feel it would best serve you as well as a larger public purpose we have in mind.

It is our intention, hopefully, after this luncheon, to form a new, non-partisan group of national business leaders whose objectives will be to make more constructive the relationship between American business and the federal government. As planned, this group will have many useful activities, but a principal one will be to arrange similar meetings between the business community and the presidential candidates as they travel during their campaign. This initial meeting with you, we hope, will be the first of many that we can arrange with your staff to take place in all parts of the country, as we intend to do with Governor Carter.

If you are able to accept, sir, we know that our initial group of concerned business leaders would be both honored and rewarded.

Respectfully,

Edgar M. Bronfman

EMB/em

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7 8 0 4 0 0 6 5 2 1 4

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE • NEW YORK, N. Y. 10022



FEDERAL ELECTION
COMMISSION

'77 AUG 18 PM 5:59

FROM
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
345 PARK AVENUE • NEW YORK, N.Y. 10022

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

CERTIFIED
No. 374803
MAIL

800 1157

BODMAN, LONGLEY, BOGLE & DAHLING

34TH FLOOR 100 RENAISSANCE CENTER

DETROIT, MICHIGAN 48243

(313) 259-7777

FEDERAL ELECTION COMMISSION

AUG 15 AM 10:04

OAKLAND COUNTY OFFICE
755 WEST BIG BEAVER ROAD
SUITE 2020
OAKLAND, MICHIGAN 48064
(313) 362-2110

LOUIS F. DAHLING
FREDERICK C. NASH
PIERRE V. HEFTLER
RICHARD D. ROHR
THEODORE SOURIS
CARSON C. GRUNEWALD
WALTER O. KOCH
ALFRED C. WORTLEY, JR.
MICHAEL B. LEWISTON
GEORGE D. MILLER, JR.
LLOYD C. FELL
JAMES T. HEIMBUCH
HEROLD MCC. DEASON
JAMES A. SMITH
GERALD VAN WYKE
JOSEPH N. BROWN
KENNETH R. LANGO
JAMES R. BUSCHMANN
ANDREW J. BRODER
GEORGE G. KEMSLEY
MICHAEL A. STACK
DAVID M. HEMPSTEAD
JOSEPH J. KOCHANEK
RANDOLPH S. PERRY
KATHLEEN A. LIEDER

7732118

JOSEPH A. SULLIVAN
COUNSEL

HENRY E. BODMAN
1874-1963
CLIFFORD B. LONGLEY
1888-1954
HENRY C. BOGLE
1892-1977
HENRY I. ARMSTRONG, JR.
1867-1975

August 11, 1977

78040055108
79040065215

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

Re: MUR 333(76)

Dear Mr. Oldaker:

On behalf of Mr. Henry Ford II, I write to acknowledge your letter to him of July 29, 1977 and to give you the facts concerning his involvement in a luncheon, in New York City on July 22, 1976, attended by presidential nominee Jimmy Carter.

The circumstances are as follows:

On May 20, 1976 Mr. J. Paul Austin, of Atlanta, Ga., invited Mr. Ford to join him and Mr. Edgar Bronfman, of New York City, in acting as hosts for a luncheon at which presidential candidate Jimmy Carter would meet a number of leaders of U. S. Industry. Mr. Ford agreed. The event was held at The "21" Club, New York City, on July 22, 1976 with candidate Carter and approximately 60 businessmen present.

In due course The "21" Club sent Mr. Ford a bill for charges of \$1,510.03 incurred on July 22, 1976 (presumably one-third of the luncheon referred to above). Mr. Ford approved the bill on August 10, 1976 and his business manager paid it the same day out of Mr. Ford's personal funds.

At the time it did not occur to Mr. Ford that he was becoming involved in a campaign contribution; he thought it was a simple business luncheon of which he had given many, including a number over the years for the purpose of introducing political candidates, Federal and state, to the business community.

William C. Oldaker, Esq.
August 11, 1977
Page Two

On July 29, 1976 Mr. James Cumming, Mr. Ford's private secretary, telephoned me for the dollar limits on political contributions under recently enacted Federal and Michigan law. I responded verbally and then prepared a Memo for File briefly setting out the limits. Also, as Mr. Ford in prior years had acted as a host, or co-host, at luncheons or dinners in which political candidates were introduced and since under the 1976 Act expenditures in cooperation or consultation with a candidate were now defined to be contributions, I included in my Memo for File a one sentence warning that under the Federal law acting as a host would now likely constitute a contribution. A copy of this Memo for File dated July 29, 1976 was sent to Mr. Cumming. As Mr. Ford was out of his office during most of August, 1976, my July 29, 1976 warning about acting as a host did not come to his attention until several weeks after his August 10 approval of The "21" Club bill.

On September 10, 1976 Mr. Ford asked that I look into The "21" Club luncheon. After reviewing the matter I expressed concern that the payment for part of the luncheon could be construed as a campaign contribution, notwithstanding the non-partisan efforts (which were unsuccessful) to hold a similar luncheon for presidential candidate Ford. This concern was relayed to the Democratic National Committee and on October 22, 1976 they sent Mr. Ford a check for \$1,510.03, reimbursing him in full. This brought the matter to a close.

Photocopies of Mr. Ford's check to The "21" Club and of the Democratic National Committee check reimbursing him are attached.

Very truly yours,

Pierre V. Heftler

PVH/sr
Encl.

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HENRY FORD II

17588

MANUFACTURERS NATIONAL BANK
OF DETROIT

DETROIT, MICHIGAN 48209

August 10, 19 76 ⁹⁻³³/₇₂₀

PAY TO THE ORDER OF

The "21" Club

\$ 1,510.03

ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS

DOLLARS

HENRY FORD II

H. A. Peter

⑈017588⑈ ⑆0720⑈0033⑈ 100 069686⑈

⑈0000151003⑈

7804005517
78040065217
78040075217

DNC SERVICES CORPORATION
1625 MASS. AVE., N. W.
WASHINGTON, D. C. 20036

9931

OCT 22 76 ¹⁵⁻³/₅₄₀

PAID 1510.03

DOLLARS \$ 1510.03

Henry Ford, II
American Road
Dearborn, Michigan

BW

*Deposited
11/11/76
S*

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
DUPONT CIRCLE OFFICE
1913 MASSACHUSETTS AVE., N. W.

⑆0540⑈0003⑈ 04⑈07179007⑈

622 - 1,378.18
630 - 111.84

DNC SERVICES CORPORATION
WASHINGTON, D. C. 20036

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DELUXE - FORM WVD-3 V-2

DATE	DESCRIPTION	AMOUNT

78040055111
793105:213

BODMAN, LONGLEY, BOGLE & DAHLING
34TH FLOOR 100 RENAISSANCE CENTER
DETROIT, MICHIGAN 48243

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D. C. 20463

7/29/77

Mr. Alan Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: Nonpartisan Committee for
Good Government and 1976
Presidential Campaign
Committee, Inc.

Dear Mr. Dye:

This letter is in response to your letter of July 6, 1977, in which you enclosed a revised conciliation agreement on behalf of the Nonpartisan Committee for Good Government. The Commission reviewed the revised draft at its meeting of July 20, 1977.

The Commission has no objection to the revisions set forth in paragraphs number 1-6 in your letter of July 6th. With regard to the proposed revision set forth in paragraph 7, the Commission reaffirmed its policy of requiring an admission of a violation in a conciliation agreement. The Commission did not raise an objection to the suggested amount of the fine in paragraph 8. Finally, with regard to paragraph 9, the Commission agreed that the language in Paragraph IV of the Commission's proposed conciliation agreement could be revised to an agreement not to undertake the activity which is at issue in the conciliation agreement.

We will be glad to arrange a meeting with you to discuss further the conciliation agreement. After you have had an opportunity to review the matter, please call Carolyn A. Reed, 523-4175, to arrange a meeting.

Sincerely yours,

15/

William C. Oldaker
General Counsel

C Reed

CReed:cfb:7/25/77

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78040065219



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 29, 1977

Mr. Henry Ford II
Chairman
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Re: MUR 333 (76)

Dear Mr. Ford:

This letter is to notify you that the Commission, acting upon information obtained during the course of an investigation, had determined that it has reason to believe that you may have violated the provisions of 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, the payment for the costs of a luncheon at which a candidate addresses the audience on campaign issues is an expenditure within the meaning of 2 U.S.C. §431(f). The acceptance of the invitation and the appearance of the candidate raise the presumption that the expenditure was made in "cooperation, consultation or concert with the candidate, his committee or agents" within the meaning of the Act. 2 U.S.C. §441(a)(7)(B)(i). If the expenditure was, in fact, made independently of the candidate, a reporting obligation under 2 U.S.C. §434(e) may have arisen.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within 15 days of the receipt of this letter. A copy of the Act has been enclosed.

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This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Carolyn A. Reed (telephone No. 202/523-4175), the attorney assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

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78 Form 3811, Nov. 1976

MAIL ROOM RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

446 333 Reed

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

Show to whom and date delivered..... 15¢

Show to whom, date, & address of delivery.. 35¢

RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO: FORD MOTOR CO
Mr. Henry Ford II
Ford Motor Co.
American Rd.
Dearborn, MI

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943720	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

4. DATE OF DELIVERY: AUG 1 1977

POSTMARK: AUG 1 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1976-O-203-456



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 29, 1977

Mr. Edgar Bronfman
375 Park Avenue
New York, New York 10022

Re: MUR 333 (76)

Dear Mr. Bronfman:

This letter is to notify you that the Commission, acting upon information obtained during the course of an investigation, had determined that it has reason to believe that you may have violated the provisions of 2 U.S.C. §441a(a)(1)(A). This finding is based upon your alleged payment of expenses for a luncheon held in New York City on July 22, 1976, at which Presidential nominee Jimmy Carter addressed the audience on campaign issues.

In the Commission's view, the payment for the costs of a luncheon at which a candidate addresses the audience on campaign issues is an expenditure within the meaning of 2 U.S.C. §431(f). The acceptance of the invitation and the appearance of the candidate raise the presumption that the expenditure was made in "cooperation, consultation or concert with the candidate, his committee or agents" within the meaning of the Act. 2 U.S.C. §441(a)(7)(B)(i). If the expenditure was, in fact, made independently of the candidate, a reporting obligation under 2 U.S.C. §434(e) may have arisen.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within 15 days of the receipt of this letter. A copy of the Act has been enclosed.

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78040065222



This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Carolyn A. Reed (telephone No. 202/523-4175), the attorney assigned to this matter.

Sincerely yours,



William C. Oldaker
General Counsel

Enclosure

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78040065223

July 22, 1977

MEMORANDUM TO: Marjorie Emons
FROM: Elissa T. Garr
SUBJECT: Certification for NUR 333 in the matter of
Henry Ford, 2d and Edgar Bronfman

After checking my notes from the Commission meeting of July 20, 1977 I discovered that the certification for NUR 333 in the matter of Ford and Bronfman may have been wrong. My doubts were confirmed by Bill Olicker. I believe that the Commission found RTB on section 441a(a)(1)(A) not 441a or 434(e). I would appreciate it if you would check the tape of the meeting to discover the answer.

Thank you.

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78040065224

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Henry Ford, 2d and)
Edgar Bronfman)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 21, 1977, the Commission determined by a vote of 4-0 to find Reason to Believe a violation of 2 U.S.C. Section 441a or 2 U.S.C. Section 434(e) may have been committed by the respondents in the above-captioned matter. Voting for this finding were Commissioners Aikens, Harris, Thomson, and Tiernan; Commissioner Staebler abstained from voting; Commissioner Springer was not present at the time of the vote.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

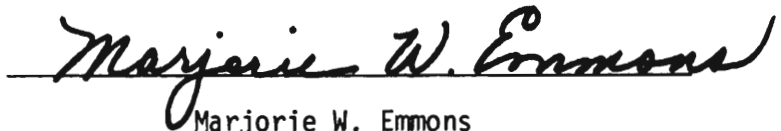
In the Matter of)
NONPARTISAN COMMITTEE FOR GOOD)
GOVERNMENT and 1976 PRESIDENTIAL)
CAMPAIGN COMMITTEE, INC.)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 20, 1977, the Commission determined by a vote of 5-0 to approve the conciliation agreement with the respondent in the above-captioned matter, subject to the payment of a civil penalty in the amount of \$500.00 by the respondent and the revision of certain language on page three, paragraph IV of the agreement, said language to be revised by the Office of the General Counsel.

Voting for this determination were Commissioners Aikens, Harris, Staebler, Thomson, and Tiernan; Commissioner Springer was not present at the time of the vote.



Marjorie W. Emmons
Secretary to the Commission

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78040065226

July 15, 1977

MEMORANDUM TO: Marjorie Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 333

Please have the attached Memo and Conciliation Agreement for MUR 333 distributed to the Commission and placed on the Agenda for the Commission Meeting of July 20, 1977.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

TO: The Commissioners
FROM: William C. Oldaker *WCO*
RE: Proposed Conciliation Agreement with Nonpartisan
Committee for Good Government - MUR 332

Attached is a revised draft of a conciliation agreement submitted by the Nonpartisan Committee for Good Government. (the Committee) Also attached is a letter from Alan Dye, attorney for the Committee, setting forth an explanation of the revisions.

We will address each of the proposed changes in sequence.

1. No objection.

2.-4. No objection. This is in accord with the information provided by the Committee during the course of the conciliation that the luncheon was planned and paid for by Henry Ford and Edgar Bronfman, as well as by the Committee. (See accompanying 48-hour reports)

5. We have no objection to the agreement indicating that the Committee acted on the advice of counsel.

6. No objection.

7. Rather than admitting a violation, the Committee suggests language to the effect that the Committee agrees "not to dispute the allegations of the FEC that" the Committee improperly reported the luncheon expenditure.

The Committee supports this change by citing a number of Federal agencies which enter into consent decrees which do not require an admission of a violation of the law. Further, the Committee contends that Congress did not intend the Section 437g procedure to be aimed at coercing an admission of a violation, but rather as an attempt to correct the alleged violation.

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In this particular case, the Committee argues that the question of how to report the luncheon raises "difficult legal issues on which reasonable persons may differ." The Committee alleges it acted in good faith and attempted to comply with the Act on the basis of legal advice.

The Committee's proposal would appear to be contrary to Commission policy.

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ACC 826

LAW OFFICES
WEBSTER & CHAMBERLAIN
1747 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20006
(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
WILLIAM J. LEHRFELD
ARTHUR L. HEROLD
ALAN P. DYE
MICHAEL LENEHAN
JAMES L. WILSON
CHRISTOPHER L. HARTWELL

RECEIVED
FEDERAL ELECTION
COMMISSION

JUL 7 AM

OF COUNSEL
M. PAUL KILPATRICK
MILTON A. SMITH

July 6, 1977

772027

Ms. Carolyn Reed
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Nonpartisan Committee for Good
Government and 1976 Presidential
Campaign Committee, Inc.

Dear Ms. Reed:

On behalf of the Nonpartisan Committee for Good Government, we enclose herewith our revised draft of the conciliation agreement proposed by you in connection with this matter.

We offer the following comments with respect to our changes, many of which were discussed with you and William Oldaker at our meeting of June 8.

1. Page 2, paragraph III(A). Coca-Cola's full name is "The Coca-Cola Company," and we have changed paragraph III(A) accordingly.

2. Page 2, paragraph III(B). The proposed conciliation agreement states that "Respondent Nonpartisan Committee planned a luncheon" Since the co-hosts identified in the agreement were also involved in planning the luncheon, we have changed the sentence to read that "Respondent Nonpartisan Committee was involved in the planning of a luncheon"

3. Page 2, paragraph III(C). The second sentence of the paragraph states that "Presidential nominee Jimmy Carter accepted the invitation of Respondent Nonpartisan Committee" Since the co-hosts also participated in inviting Mr. Carter to address the luncheon, we have changed the sentence to read: "Presidential nominee Jimmy Carter accepted the invitation to address the luncheon"

4. Page 2, paragraph III(D). As we discussed at our meeting with you on June 9, 1977, the Nonpartisan Committee paid for only a portion of the costs of the luncheon. To avoid any possible misunderstanding in this regard, we have changed paragraph III(D) to read as follows: "Respondent Nonpartisan Committee paid

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 2

\$1,775.11 as its share of the costs of the luncheon." For the same reason, we have inserted the phrase "its share of" in the first sentence of paragraph III(E).

5. Page 2, paragraph III(E). The Nonpartisan Committee followed the advice of this law firm as independent, outside counsel in reporting its expenditure for the luncheon as an independent expenditure. Specifically, prior to the luncheon, we advised the Nonpartisan Committee that in our opinion the expenditure for the luncheon would be an independent expenditure and not a contribution to presidential nominee Jimmy Carter. We reiterated that advice when the Committee sought our opinion in connection with reporting the luncheon expenditure to the Commission. That advice constituted our best judgment at the time as to the meaning of the Federal Election Campaign Act. We continue to believe that our advice was correct. The Nonpartisan Committee is willing to consider entering into a conciliation agreement in which it agrees not to dispute the Commission's position on this legal issue. However, we believe the Commission and the public should be aware that the Nonpartisan Committee followed the advice of counsel in reporting the luncheon expenditure as an independent expenditure. We therefore have inserted the phrase "On advice of counsel" at the beginning of paragraph III(E).

6. Page 2, paragraph III(E). The first sentence of paragraph III(E) provides in part that "the treasurer of the Respondent Nonpartisan Committee certified" Since an officer of the Committee -- but not the treasurer -- actually made the certification, we have substituted the words "an officer" for the words "the treasurer."

7. Page 3, paragraph I. While the Nonpartisan Committee is willing to pay a fine and to agree not to dispute the Commission's allegations, the Committee does not believe that it should be required to admit a violation of the Federal Election Campaign Act in the absence of any judicial decision supporting the Commission's view of the law. For that reason, we have inserted language at the beginning of paragraph I to the effect that the Committee agrees "not to dispute the allegations of the Federal Election Commission that" the Committee improperly reported the luncheon expenditure.

Numerous federal agencies with enforcement responsibilities similar to those of the Commission enforce federal laws by entering into settlement agreements in which the defendant admits no violation of the law. For example, the Securities and Exchange Commission settles the vast majority of its complaints by entering into consent decrees in which the defendant neither admits nor denies violations

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 3

of the securities laws.* The Justice Department often enforces the antitrust laws by entering into consent decrees in which the defendent admits no antitrust law violations.**

While the consent decrees entered into by the Securities and Exchange Commission and the Justice Department are typically filed in federal district court, other federal agencies enforce laws at the administrative level by entering into consent decrees without extracting an admission of a violation of the law. For example, the Federal Trade Commission often enters into consent orders in which the other party admits no violation of the Federal Trade Commission Act.*** The Consumer Product Safety Commission also permits respondents to enter into consent orders without requiring the admission of a violation of statutes administered by it.**** In sum, it would be contrary to the established practice of many federal enforcement agencies for the Commission to require an admission of a violation of the law as the price for entering into a conciliation agreement.

It is clear that the Congress in enacting Section 437g did not intend that the procedure be devoted to coercing those whom the Commission believes to have violated the statute into admitting such violation, but rather to correct the alleged violation informally without the trouble or expense of judicial intervention. In discussing the provision Representative Hayes, Chairman of the House committee which devised the legislation, states as follows:

"What are we saying here? We are saying that if one of your reports comes in with line 14-C blank, then there should be something in there, that instead of

* See, e.g., SEC v. National Student Marketing Corp., CCH Sec. L. Reptr. ¶ 96,027 (D.D.C. 1977); SEC v. Kneapler, CCH Sec. L. Reptr. ¶ 96,018 (S.D. Fla. 1977).

** See, e.g., U.S. v. Northwest Collision Consultants, CCH Trade Reg. Reptr. ¶ 50,281 (W.D. Wa. 1970); U.S. v. E.I. du Pont de Nemours and Co., CCH Trade Reg. Reptr. ¶ 50,291 (D.N.J. 1976).

*** See, e.g., Diners Club, Inc., et al., FTC File No. 742 3152 (March 12, 1976); Diesel Truck Drivers Training School, Inc., et al., FTC File No. 732 3406 (September 4, 1974).

**** See, e.g., Kinder Manufacturing Co., CPSC Docket No. 77-C0018 (March 15, 1977); Lane E. Bailey, et al., CPSC Docket No. 77-C0020 (May 27, 1977).

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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 4

referring it over to the Justice Department for a civil violation, the Commission shall call your treasurer, or whoever files the report, and say, 'Look, you forgot to fill in line 14-C on page 7. Give us the information or file an amended report.' If you do that, that wipes out the violation." Congressional Record, Daily Ed., March 30, 1976, p. H2532.

This discussion, held during the debate surrounding passage of the Federal Election Campaign Act Amendments of 1976, indicates that the purpose of the conciliation procedure was corrective rather than punitive. We believe the interest of the public and the intent of the Congress are best served by a policy which does not require a party to a conciliation agreement to admit that it has violated the statute when it does not believe that it has done so.

There are particularly compelling reasons for not requiring an admission of a legal violation in this case. The question of how to report the luncheon expenditure raises, we submit, difficult legal issues on which reasonable persons may differ. Faced with these difficult issues, the Committee sought outside legal advice and reported the expenditure in accordance with that advice. The Committee thus attempted in good faith to comply with the Federal Election Campaign Act. While the Commission may disagree with the legal advice received by the Committee, the Committee reasonably relied on that advice. If the Commission were to adopt a policy of requiring an admission of illegality under such circumstances, persons charged with violations would be forced to choose between litigating minor issues at great expense or admitting guilt of an offense which they reasonably believe they have not committed. To require such an admission of guilt would be especially inappropriate where, as here, other persons were involved in the same transaction and an admission by one party would have unwarranted implications for the other persons involved.

8. Page 3, paragraph III (now paragraph II). The proposed conciliation agreement does not indicate the amount of the fine to be paid by the Committee. Since the Committee acted in good-faith reliance on the advice of counsel, we believe that the fine should be nominal in amount and suggest that \$500 is an appropriate amount.

9. Page 3, paragraph IV. In paragraph IV of the Commission's proposed conciliation agreement, the Committee would agree "not (to) undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431, et seq." We have deleted

78040055126
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WEBSTER & CHAMBERLAIN

Ms. Carolyn Reed
July 6, 1977
Page 5

this paragraph from the enclosed draft. The effect of including this paragraph would be to deny the Committee access to the conciliation process if the Committee were ever again accused of a violation of the Act, however unrelated to the alleged violation involved in this agreement. Such a drastic result is especially inappropriate where, as here, the respondent acted in good-faith reliance on the advice of counsel. There is absolutely no basis for concluding that the Nonpartisan Committee is likely to violate the Act in the future. Moreover, we note that the Commission has entered into other conciliation agreements which contain no provision comparable to paragraph IV of the proposed agreement.* In view of the nature of the alleged violation at issue here, there is surely no justification for inserting such a provision in this conciliation agreement.

We would appreciate your meeting with us as soon as possible to discuss the enclosed draft. Moreover, in view of our ongoing discussions with respect to this matter, we request an extension of the conciliatory process at least until we have had an opportunity to discuss the enclosed draft.

Very truly yours,

WEBSTER & CHAMBERLAIN

By Alan P. Dye
Alan P. Dye

APD:wb

Enclosure

cc: Robert Keller

* See, e.g., The Briggs for Congress Committee, et al., MUR 244 (76); Friends of Hayakawa, et al., MUR 202 (76).

78040055127
78040065234

Revised Draft
June 20, 1977

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 333 (76)
)
NONPARTISAN COMMITTEE)
FOR GOOD GOVERNMENT and)
1976 PRESIDENTIAL CAMPAIGN)
COMMITTEE, INC.)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that Respondent, Nonpartisan Committee for Good Government, violated 2 U.S.C. 434.

Now, therefore, the respective parties herein, the Federal Election Commission and Respondent Nonpartisan Committee for Good Government (hereinafter "Nonpartisan Committee") having duly entered into conciliation pursuant to § 437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over Respondent Nonpartisan Committee and the subject matter of this proceeding.

II. That Respondent Nonpartisan Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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III. That the pertinent facts in this matter are as follows:

A. Respondent Nonpartisan Committee is the separate segregated fund established by The Coca-Cola Company ("Company").

B. Respondent Nonpartisan Committee was involved in the planning of a luncheon to which business executives were invited the majority of whom were not employees of the Company. Presidential nominee Jimmy Carter was invited to address the luncheon.

C. The luncheon, which was held on July 22, 1976, was co-hosted by J. Paul Austin, chairman of the Company, Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford 2d, chairman of Ford Motor Company, and was attended by more than 50 business persons. Presidential nominee Jimmy Carter accepted the invitation to address the luncheon and spoke at the luncheon.

D. Respondent Nonpartisan Committee paid \$1,775.11 as its share of the costs of the luncheon.

E. On the advice of counsel, Respondent Nonpartisan Committee reported its share of the costs of the luncheon as an independent expenditure and an officer of the Respondent Nonpartisan Committee certified, under penalty of perjury, that the expenditure of \$1,775.11 was an independent expenditure and was not made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any authorized committee or agent of such candidate.

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Wherefore, Respondent Nonpartisan Committee agrees:

I. That it will not dispute the allegations of the Federal Election Commission that:

A. The invitation to Presidential nominee Jimmy Carter, his acceptance and appearance at the luncheon constituted cooperation, consultation, or concert with the candidate or his authorized committee or agent within the meaning of 2 U.S.C. § 441a(a)(7)(B)(i).

B. Respondent Nonpartisan Committee's action in reporting the expenditure as an independent expenditure is in violation of 2 U.S.C. § 434(e)(2).

C. Respondent Nonpartisan Committee's purpose in holding the luncheon was to influence the Presidential election within the meaning of 2 U.S.C. § 431(e).

II. Respondent Nonpartisan Committee will pay a civil penalty in the amount of \$500 pursuant to 2 U.S.C. § 437g(a)(6)(B).

GENERAL CONDITIONS

I. 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.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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III. It is agreed that Respondent Nonpartisan Committee shall have 30 days from the date this agreement becomes effective to comply with and to implement the requirements contained in this agreement and to so notify the Commission.

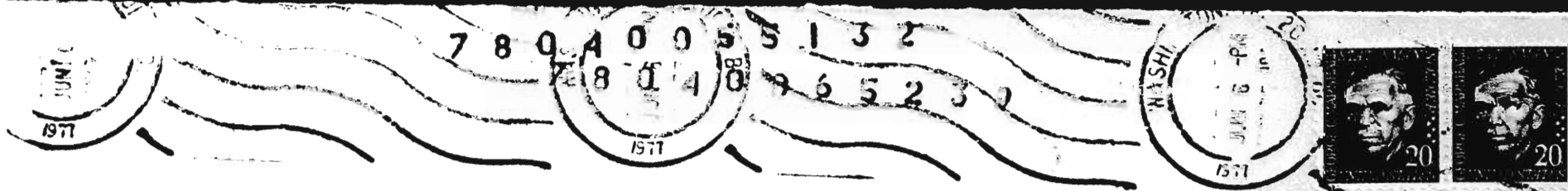
DATE: _____

For the Respondent

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

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LAW OFFICES
WEBSTER & CHAMBERLAIN
 1747 PENNSYLVANIA AVENUE, N. W.
 WASHINGTON, D. C. 20006

TO: Ms. Carolyn Reed
 Federal Election Commission
 1325 K Street, N.W.
 Washington, D. C. 20463

RECEIVED
 FEDERAL ELECTION
 COMMISSION

'77 JUL 7 AM 11:56

11 APR 1977

Mr. Douglas Huron
Deputy Counsel
The White House
Washington, D. C.

Re: MR 333 (76)

Dear Mr. Huron:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007(b) (3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002(11). The Commission thus rejects the view, put forth by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone number)

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202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CR:cfb:3/29/77
cc: Compliance Section MUR 333 (76)
CR

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780400552

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1
APR 1977

Mr. Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: MUR 333 (76)

Dear Mr. Dye:

This is to notify you that, after considering the information you submitted on behalf of the Nonpartisan Committee for Good Government in your letter of December 22, 1976, the Commission has determined that it has reasonable cause to believe that the Nonpartisan Committee has committed a violation of 2 U.S.C. §434(a)(2).

The Commission is of the opinion that, when the event is viewed in its factual content, the activity was an expenditure by the Nonpartisan Committee within the meaning of 2 U.S.C. §431(f). In the absence of a submission of the text of Mr. Carter's speech, the Commission has reviewed news coverage which reports that Mr. Carter spoke of the positions he would take on various issues of interest to the business community if he were elected President. The luncheon, which was hosted by at least one individual who had been publicly identified as a supporter of Mr. Carter, was scheduled soon after the nomination of Mr. Carter and, thereby, provided Mr. Carter with a forum to address leaders of the business community.

In the Commission's view, when a presidential candidate accepts an invitation to appear and address such a luncheon on issues of political interest, the events cannot be considered a mere social gathering. His very acceptance of the invitation and appearance at the luncheon renders the expenditures necessary to plan and stage such a luncheon ones made in "cooperation, consultation or concert with the candidate, his committee or agents" within the meaning of the Act. 2 U.S.C. §431(a)(7)(B)(1).

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Upon making a determination that there is reasonable cause to believe that the Act has been violated, the Commission is required to endeavor to correct any such violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation please contact Carolyn Reed (telephone No. 202-532-4039). This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that your client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

CRreed:cfb:3/29/77
cc: Compliance Section MUR 333 (76)
CR

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78040065244

Mr. Robert J. Lipschutz
Counsel
White House
Washington, D.C.

Re: MR 333 (76)

Dear Mr. Lipschutz:

This letter is to notify you that the Commission, after considering the information you submitted on behalf of the 1976 Presidential Campaign Committee, Inc., has determined that it has reasonable cause to believe the Committee accepted a contribution to defray a qualified campaign expense. 26 U.S.C. §9007 (b) (3).

In the Commission's view, the candidate's acceptance of the invitation and appearance at the luncheon constituted authorization for the expenses, which are such as to further his election within the meaning of 26 U.S.C. §9002 (11). The Commission thus rejects the view, put forward by the Nonpartisan Committee for Good Government that expenses for a luncheon at which a presidential candidate appears and addresses the assembled persons on political topics can be seen as an independent expenditure for a social gathering. Accordingly, the Commission believes that the \$1,775.11 should be reimbursed by the 1976 Presidential Campaign Committee to the Secretary of the Treasury.

Under the Act, the Commission is required to endeavor to correct any violation by informal methods of conference, conciliation and persuasion, and to enter into a conciliation agreement. If you have any questions regarding conciliation, please contact Carolyn Reed (telephone No.

202/523-4039). This letter of notification shall remain confidential unless you state to the Commission in writing that you client wishes the investigation to be made public.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Alan P. Dye
Webster & Chamberlain
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

CR
cc: Compliance Section MUR 333 (76)
CR

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 333 (76)

Nonpartisan Committee for
Good Government and the
1976 Presidential Campaign
Committee, Inc.

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 31, 1977, the Commission determined by a vote of 6-0 that:

1) There was Reasonable Cause to Believe that the Nonpartisan Committee for Good Government had committed a violation of 2 U.S.C. §434(e)(2).

2) There was Reasonable Cause to Believe that the 1976 Presidential Campaign Committee, Inc. had committed a violation of 26 U.S.C. §9007(b)(3).

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION
MARCH 29, 1977

In the Matter of)
) MUR 333
NONPARTISAN COMMITTEE FOR)
GOOD GOVERNMENT AND THE)
1976 PRESIDENTIAL CAMPAIGN)
COMMITTEE, INC.)

General Counsel's Report

I. Summary of Allegation

On November 24, 1976, the Commission made a reason to believe finding that an expenditure reported as independent by the Nonpartisan Committee for Good Government, the separate segregated fund of Coca-Cola Company, may not have in fact been independent. The Committee's report listed expenditures totalling \$1,775.11 for a "social gathering" for Mr. Carter. (Attachment #1) The Commission also determined that it had reason to believe that the 1976 Presidential Campaign Committee may have committed a violation in that it accepted a contribution to defray a qualified campaign expense after becoming eligible and receiving general election funding.

II. Summary of Responses

The Nonpartisan Committee's response stated that:
(1) the luncheon was not intended to influence the Presidential election; (2) the luncheon was conceived and planned independently of the Carter campaign and would constitute an independent expenditure; and (3) in order

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for an expenditure to be a contribution in kind, the Carter campaign must have exercised control over the funds, which it did not in this case. (Attachment #2) The Campaign Committee stated that the facts set out in the response of the Nonpartisan Committee were correct and provided substantially all of the relevant information. It was the opinion of the Campaign Committee that the costs of the luncheon should not be considered a campaign expenditure of the "1976 Democratic Presidential Campaign Committee." (Attachment #3)

III. Evidence

The private luncheon was held in New York City on July 22, 1976, one week after Mr. Carter became the Democratic nominee. According to an article in the July 23rd New York Times, the luncheon was co-hosted by J. Paul Austin, chairman of Coca-Cola, Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford 2d, chairman of Ford Motor Company. The guests included 52 top business leaders. Mr. Carter gave an 18-minute talk during which he told the group what his position would be on various issues of interest to the business leaders -- tax reform, multinational corporations, and credit for foreign taxes paid -- if he were elected President. The author of the article provided his

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assessment of the purpose of the meeting by stating that the meeting was "apparently designed to drum up business support for the Carter campaign and possibly lead to the formation of a businessmen-for-Carter committee."

(Attachment #4)

IV. Analysis

Although the Nonpartisan Committee contends that the luncheon was not intended to influence the Presidential election, it is our opinion that, when the event is viewed in an objective factual context, one must conclude that the activity was an expenditure by the political committee within the meaning of 2 U.S.C. §431(f). The Chairman of Coca-Cola is purportedly a long time political supporter of Mr. Carter and according to the Times article, an "old friend." The event, scheduled so soon after his nomination, provided Mr. Carter with a forum to appeal for support from the business community. That Mr. Carter used this forum for that purpose is evidenced by the quoted portions of his speech. In our view, these factors lead to the inevitable conclusion that the purpose of the luncheon was to influence the Presidential election within the meaning of the Act.

The primary issue in this MUR is whether the expenditures for the event were properly reported as independent

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expenditures or whether they were in fact contributions in-kind. Under the Act, expenditures made in cooperation, consultation, or concert with the candidate, his committee or agents are considered contributions to the candidate.

2 U.S.C. §441a(7)(B)(i). Respondents argue that the expenditures do not come within this definition because the luncheon was conceived by officers of Coca-Cola and was planned by them without any consultation with Mr. Carter or his campaign staff. While we accept the assertion that the event was planned without any consultation, we submit that the planning of the event was only the first stage in the expenditure process.

Respondents acknowledge that Mr. Carter's staff was contacted to invite Mr. Carter and confirm his acceptance, but they argue that it takes more than the mere invitation to constitute the cooperation and consultation required under the Act. We would agree. However, in this case we have more than the "mere invitation" -- we have an acceptance by the candidate's staff and his appearance.

When discussing the constitutionality of the independent expenditure limitation, the Supreme Court in Buckley v. Valeo reviewed the distinction between an independent expenditure and a contribution in kind. The Court stated in summary:

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[I]n view of this legislative history and the purpose of the Act, we find that the "authorized or requested" standard of the Act operates to treat the expenditures placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate as contributions subject to the limitations set forth in Section 608(b). fn 53 (Emphasis added.)

It is our opinion that the acceptance and appearance of Mr. Carter amount to consent within the standard applicable to contributions in-kind enunciated by the Court and that the expenditures were, accordingly, incorrectly reported as independent.

The Nonpartisan Committee makes a further argument that in order for an expenditure to be a contribution in-kind, the funds must be put under the control of the candidate. The Nonpartisan Committee states that "[i]f this were not the case, no candidate would be able to control those expenditures which were attributed to him." Since it alleges that the funds were not under the control of the Carter campaign, the Nonpartisan Committee concludes that the expenditure can not be a contribution in-kind.

This argument of the Nonpartisan Committee, however, totally misconstrues the nature of a contribution in-kind, as is evidenced by the statutory definition of contribution which includes the phrase "anything of value." 2 U.S.C. §431(e). The nature of contributions in-kind was explored by Congressman Frenzel in the 1974 Conference

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Debates in which he spoke of the intended meaning of the phrase "anything of value." Congressman Frenzel stated:

The purpose of this phrase is to include donations that cannot be classified as deposits of money, loans, cash, and so forth, but which help influence elections. Such donations include cars, storefronts, airplanes, trucks, food and other items that are given to a candidate or committee in an effort to aid or abet his or its campaign. Clearly, all such donations and contributions must be reported and credited to a candidate's contribution and expenditure limitations. * * * 120 Cong. Record H10330 (daily ed. October 10, 1974).

Contrary to the Nonpartisan Committee's contention, the candidate does have the opportunity to control the cost of such contributions in-kind. A candidate may, of course, refuse to accept any contribution in-kind. Or when agreeing to make an appearance at an event such as the one at issue, the candidate has the opportunity to inquire into the cost of the event or to place limitations on the amount which should be expended. Once the contribution in-kind has been accepted, failure by the candidate to exercise any control over the amount of funds spent does not remove the transaction from the definition of a contribution in-kind.

The final question is whether the Campaign Committee accepted a contribution from the Nonpartisan Committee to

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defray qualified campaign expenses. In order to be eligible to receive general election funds, the candidates must certify to the Commission, under penalty of perjury, that no contributions to defray qualified campaign expenses have been or will be accepted except to make up any deficiencies in the fund. 26 U.S.C. §9003(b). Mr. Carter and Mr. Mondale submitted the certification in a letter to the Commission dated July 16, 1976. The Commission certified the full amount of the entitlement to the candidates on July 20, 1976. The luncheon was held on July 22, 1976.

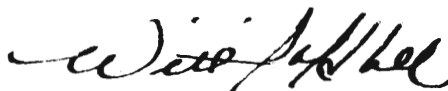
The cost of the luncheon would appear to be a qualified campaign expense within the meaning of 26 U.S.C. §9002(11). The term includes expenses incurred by the candidate or his authorized committee to further his election to the Office of President. As indicated above, it is our opinion that the luncheon was held to further Mr. Carter's campaign. An expense is considered incurred by a candidate or his authorized committee if it is incurred by a person authorized by such candidate or committee to incur such expense. In our opinion, the acceptance of a contribution in-kind amounts to an authorization within the meaning of this section.

V. Recommendation

Find reasonable cause to believe that the expenditure for the social gathering for Mr. Carter reported by the

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Nonpartisan Committee as independent was not in fact an independent expenditure but rather a contribution in-kind to the candidate. Find reasonable cause to believe finding that the 1976 Presidential Campaign Committee, Inc. accepted a contribution in-kind, valued at \$1,775.11, to defray a qualified campaign expense, and request reimbursement to the Secretary of the Treasury. Send attached letters.



William C. Oldaker
General Counsel

Date:

3/29/77

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JIMMY CARTER

WALTER MONDALE



Leaders, for a change.

764319

December 24, 1976

Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Attn: John G. Murphy, Jr.
General Counsel

Re: MUR 333 (76)

Dear Mr. Murphy:

With reference to the above matter, I am attaching hereto a copy of the letter which has just been sent to you by the attorney for the Coca Cola Company.

We have checked into this situation and believe that the facts set out in this letter are correct and substantially all of the relevant information in connection with this situation.

Based upon all of the information available to us, this should not be interpreted as a campaign expenditure of the "1976 Democratic Presidential Campaign Committee."

Should you wish to have a discussion or further correspondence concerning the matter, please advise us.

Very truly yours,

Robert J. Lipshutz
Treasurer, 1976 Democratic
Presidential Campaign Committee

RJL:gcd
cc: Webster & Chamberlain
Enc.

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LAW OFFICES
WEBSTER & CHAMBERLAIN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20000

(202) 785-0500

December 22, 1976

OF COUNSEL
H. CECIL KILPATRICK
MILTON A. SMITH

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
WILLIAM J. LEHRFELD
ARTHUR L. MEHOLD
ALAN P. OYE
MICHAEL LENEHAN
JAMES L. WILSON
CHRISTOPHER L. HARTWELL

Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 222(76)

Dear Chairman Thomson:

In July of 1976 a luncheon was held at which presidential candidate Jimmy Carter was present. The idea for the luncheon was conceived by officers of the Coca Cola Company (the Company) and was planned by such officers without any consultation with Jimmy Carter or members of his campaign committee. Mr. Carter's staff was contacted solely to invite Mr. Carter and confirm his acceptance. The expenses of the luncheon were paid by the Nonpartisan Committee for Good Government (the Committee), a separate segregated fund maintained by the Company.

Though the intent of the luncheon was not to influence the presidential election, it was decided out of an abundance of caution that the expenses would be paid by the Committee and reported as an independent expenditure. We advised the Company that this procedure was satisfactory, since the luncheon was planned independently of the candidate.

It is our opinion that the function was not intended to influence the presidential election. Entirely apart from this, however, we believe that the function was conceived and planned independently of the Carter campaign and would therefore constitute an independent expenditure, if covered by the Act at all. It is our opinion that it takes more than the mere invitation of a political figure to constitute the cooperation and

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WEBSTER & CHAMBERLAIN

Honorable Vernon Thomson
December 22, 1976
Page two

consultation necessary to convert an expenditure into an in-kind contribution. In order to constitute an in-kind contribution the expenditure must fit the basic definition of a contribution; that is, the funds must be put under the control of the candidate. If this were not the case, no candidate would be able to control those expenditures which were attributed to him. In this case, the Federal Election Commission would attribute to Jimmy Carter the expenditure of funds over which the Carter campaign had no control whatever. The nominal amount of contact between the Company and the Carter campaign does not bring the funds expended sufficiently within the control of Jimmy Carter or the Carter campaign to render the expenditure a contribution to his campaign.

It should also be noted that the December 6 letter of John Murphy to John J. McGoutry, Treasurer of the Committee, does not state a violation. The letter states that the expenditures will not be considered independent under 2 U.S.C. Sections 431(p) and 431a(a)(7)(B)(i). Both of those sections are definitional and no violation occurs merely because an expenditure does not meet their requirements. If the Commission decides to proceed with this matter, the Committee should be advised of the exact nature of the violation alleged.

Sincerely,

WEBSTER & CHAMBERLAIN

By _____
Alan P. Dye

cc: Robert Lipshutz, Esq.

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CCERTIFICATE OF INDEPENDENT EXPENDITURE

Under penalty of perjury, I state the expenditure of \$1,775.11 was not made with the cooperation or with the prior consent of, or in consultation with or at the request or suggestion of a candidate or any agent or authorized committee of the candidate.

David A. Lewis

Sworn to and subscribed before me
this 9th day of September
1976.

Edward B. Patterson
Notary Public

Notary Public, Georgia State at Large
My Commission Expires Jan. 15, 1977

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(Use separate schedule(s) for each numbered line).

Schedule B
July 1976
Federal Election Commission
325 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Name of Candidate or Committee in full

Nonpartisan Committee for Good Government

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
The "21" Club 21 West Fifty-Second Street New York, New York 10019	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$1,510.00
Case-Hoyt/Atlanta 53 Mangum Street, S. W. Atlanta, Georgia 30313	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 239.00
Robert F. Lyle c/o The Coca-Cola Company P. O. Drawer 1734 Atlanta, Georgia 30301	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 26.00

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Total of expenditures this page (optional) > \$ 1,775.

CC # 1170

MUR 222

FEDERAL ELECTION
LAW OFFICES
WEBSTER & CHAMBERLAIN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
WILLIAM J. LEHRFELD
ARTHUR L. HEROLD
ALAN P. DYE
MICHAEL LENEHAN
JAMES L. WILSON
CHRISTOPHER L. HARTWELL

OF COUNSEL
H. CECIL KILPATRICK
MILTON A. SMITH

December 22, 1976

76 DEC 27 AIO: 50

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Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

333
Re: MUR 222(76)

Dear Chairman Thomson:

In July of 1976 a luncheon was held at which presidential candidate Jimmy Carter was present. The idea for the luncheon was conceived by officers of the Coca Cola Company (the Company) and was planned by such officers without any consultation with Jimmy Carter or members of his campaign committee. Mr. Carter's staff was contacted solely to invite Mr. Carter and confirm his acceptance. The expenses of the luncheon were paid by the Nonpartisan Committee for Good Government (the Committee), a separate segregated fund maintained by the Company.

Though the intent of the luncheon was not to influence the presidential election, it was decided out of an abundance of caution that the expenses would be paid by the Committee and reported as an independent expenditure. We advised the Company that this procedure was satisfactory, since the luncheon was planned independently of the candidate.

It is our opinion that the function was not intended to influence the presidential election. Entirely apart from this, however, we believe that the function was conceived and planned independently of the Carter campaign and would therefore constitute an independent expenditure, if covered by the Act at all. It is our opinion that it takes more than the mere invitation of a political figure to constitute the cooperation and

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WEBSTER & CHAMBERLAIN

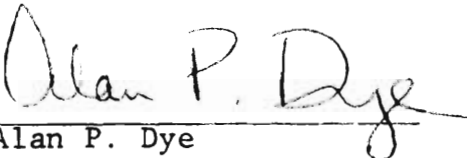
Honorable Vernon Thomson
December 22, 1976
Page two

consultation necessary to convert an expenditure into an in-kind contribution. In order to constitute an in-kind contribution the expenditure must fit the basic definition of a contribution; that is, the funds must be put under the control of the candidate. If this were not the case, no candidate would be able to control those expenditures which were attributed to him. In this case, the Federal Election Commission would attribute to Jimmy Carter the expenditure of funds over which the Carter campaign had no control whatever. The nominal amount of contact between the Company and the Carter campaign does not bring the funds expended sufficiently within the control of Jimmy Carter or the Carter campaign to render the expenditure a contribution to his campaign.

It should also be noted that the December 6 letter of John Murphy to John J. McGoutry, Treasurer of the Committee, does not state a violation. The letter states that the expenditures will not be considered independent under 2 U.S.C. Sections 431(p) and 431a(a)(7)(B)(i). Both of those sections are definitional and no violation occurs merely because an expenditure does not meet their requirements. If the Commission decides to proceed with this matter, the Committee should be advised of the exact nature of the violation alleged.

Sincerely,

WEBSTER & CHAMBERLAIN

By 
Alan P. Dye

cc: Robert Lipshutz, Esq.

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DEPT. OF JUSTICE - 22

LAW OFFICES
WEBSTER & CHAMBERLAIN
1717 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20008

Honorable Vernon Thomson
Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Nonpartisan Committee for Good)
Government (Coca-Cola))
1976 Democratic Presidential)
Campaign, Inc.)

MUR 333 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 24, 1976, the Commission determined by a vote of 6-0 that there was reason to believe that a violation of 2 U.S.C. §441a(7)(B)(i) and 26 U.S.C. §9003 (b) (2) had been committed in the above-captioned matter.

Marjorie W. Emmons
Secretary to the Commission

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The New York Times

LATE C

NEW YORK, FRIDAY, JULY 23, 1976

York BRITISH ANNOUNCE
Sundays PLANS TO REDUCE
Spenders Are SPENDING IN 1977
Spine Day

Miss Act

of R. ...
P. ...
S. ...

BY PETER T. KILBORN



Jimmy Carter having luncheon at "21." Two of his hosts were Henry Ford II, president of the Ford Motor Company, next to him, and Edgar Bronfman, chairman of the

Seagram Company, at right. Seated at left is Mary G. Rowling, chairman of the National State Bank of New Jersey. Painting on the wall is "The Spirit of 21."

White House Denies Reagan Accusation On Bid to Delegates

CARTER PROMISES CAUTION ON TAXES

A National Bulletin Issued For 3 in Coast Kidnapping

BY JAMES M. NAUGHTON

Tells Business Leaders He Plans Year's Study Before Major Changes

BY LEONARD S. ...

BY LES LEDBETTER

**Day Stall
man Life**

Chan



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Certified

DEC 06 1976

Mr. John J. McGoutry
Treasurer
Non-partisan Committee
for Good Government
c/o Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Re: MUR 333 (76)

Dear Mr. McGoutry:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 2 U.S.C. §441a(7)(B)(i) has occurred. This determination is based on the finding that expenditures reported as "independent" on reports signed by you may not have been independent, but rather may have been contributions in-kind to the candidate.

Expenditures made by the Non-partisan Committee for Good Government in cooperation, consultation, or in concert with the 1976 Democratic Presidential Campaign, Inc., are not considered independent under 2 U.S.C. §§431(p) and 441a(a)(7)(B)(i). A copy of the report in question is attached. The Commission is of the opinion that an event at which a candidate appears generally may not be considered an independent expenditure.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.



CERTIFIED

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78040055265

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn A. Reed (telephone no. 202/382-4055).

Sincerely yours,

/s/

John G. Murphy, Jr.
General Counsel

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Clon

Certified



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. Robert J. Lipshutz
1976 Democratic Presidential Campaign
Committee, Inc.
P.O. Box 1976
Atlanta, Georgia 30301

DEC 06 1976

Re: MUR 333 (76)

Dear Mr. Lipshutz:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 26 U.S.C. §9003(b)(2) may have occurred. This determination is based on the reports of the Nonpartisan Committee for Good Government which indicate expenditures that were for a meeting attended by Mr. Carter were labeled "independent expenditures."

Expenditures made by the Nonpartisan Committee for Good Government in cooperation, consultation, or in concert with the 1976 Democratic Presidential Campaign, Inc. are not considered independent under 2 U.S.C. §431(p) and §441a(a)(7)(B)(i), but rather are considered contributions.

Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

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Sincerely yours,

John G. Murphy, Jr.
John G. Murphy, Jr.
General Counsel

78040055159
78040065267



November 24, 1976

MEMORANDUM FOR: BILL OLDAKER
FROM: MARJORIE EMMONS *MJE by me*
RE: MUR 244 (76) and MUR 333 (76)

The above mentioned MURs were transmitted to the Commissioners on November 19, 1976 at 10:00 a.m.

As of 9:00 a.m., November 24, 1976, the Office of Commission Secretary has received six approvals on each of the above mentioned MURs.

Please note the comments that were attached to Commissioner Springer's vote sheet.

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might there not also be a violation on the part of contributor and recipient of making a contribution in the name of another and knowingly accepting such a contribution.

Regulations §110.4 (b) (1) (i) (iii)
(b) (2) (i) (ii)

State §41f.

ION COMMISSION

0463

Date and Time Transmitted: NOV 19 1976 10:00

ION SECRETARY BY: Nov 23 - 10:00

ndation
mendation

COMMENTS:

Date: Nov 19 1976 Signature: [Signature]

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY.

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516





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

1976 Democratic Presidential Campaign
Committee, Inc.
P.O. Box 1976
Atlanta, Georgia 30301

Re: MUR 333 (76)

Dear Sir:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 26 U.S.C. §9003(b)(2) may have occurred. This determination is based on the reports of the Nonpartisan Committee for Good Government which indicate expenditures that were for a meeting attended by Mr. Carter were labeled "independent expenditures."

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Sincerely yours,

John G. Murphy, Jr.
General Counsel

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78040065270





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. John J. McGoutry
Treasurer
Non-partisan Committee
for Good Government
c/o Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Re: MUR 333 (76)

Dear Mr. McGoutry:

This is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 2 U.S.C. §441a(7)(B)(i) has occurred. This determination is based on the finding that expenditures reported as "independent" on reports signed by you may not have been independent, but rather may have been contributions in-kind to the candidate.

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Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). Accordingly, we would appreciate your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

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78040065271



This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn A. Reed (telephone no. 202/382-4055).

Sincerely yours,

John G. Murphy, Jr.
General Counsel

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78040065272

Schedule B
July 1976
Federal Election Commission
125 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 3 of 4 for
LINE NUMBER _____
(Use separate schedules for each numbered line).

Name of Candidate or Committee in full

Nonpartisan Committee for Good Government

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
The "21" Club 21 West Fifty-Second Street New York, New York 10019	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$1,510.02
Case-Hoyt/Atlanta 53 Mangum Street, S. W. Atlanta, Georgia 30313	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 239.09
Robert F. Lyle c/o The Coca-Cola Company P. O. Drawer 1734 Atlanta, Georgia 30301	Independent expenditure for social gathering 7-22-76 for Mr. Carter	8/19/76	\$ 26.00

Subtotal of expenditures this page (optional) ▶ \$ 1,775.11

Total this period (last page this line number only) ▶ \$

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NDON, July 22.— Britain need today that it was to cut Government spend- next year by £1 billion in fort to protect the pound. e the nation's budget defi- and sustain its fragile eco- recovery

cuts represent a step-up e Government's shift in ties begun last fall from an nson of the welfare state regeneration of private en- ise. They come four months a similar move by the r Government provoked its nest survival test

is Healey, the Chancellor e Eschequer, who planned year-long redirection of the h economy, told the House ommons that he had little ce but to impose new spend- restraints.

Need Is Explained he cuts in next year's spend- £1 billion, or \$1.78 billion the present exchange rate— needed, Mr. Healey said, to ect the pound from re- ed attack and to reduce the ntry's \$23 billion budget icit.

Mr. Healey also indicated that he would have to rise again, pite the reduction in services, e have made Britain an un- ally generous and humane e for start. Britons pay close e highest taxes in the West, many workers, who earn an e wage weekly wage of \$120, e close to 40 percent of their e in the Government, far e than taxpayers of most e countries.

Shift in Direction e amount of the cuts or- ed by Mr. Healey seems e bundle the total public e next year—\$95 bil- e. What is important is that e events a reversal in the e of public spending, e over 15 years climbed e 42 percent of the gross e product to 60 percent. e that will strike the Brit-

family include reduction e unemployment benefits for e with relatively high e cuts in the building and e maintenance of hospitals and e universities, and fewer, mar- e extended through local e governments to home buyers. e The Government will raise by e the cost of a meal campaign. e

Continued on Page A4, Col. 1. Continued on Page B14, Col. 1.

Success in Olympic Swimming



Jimmy Carter having luncheon at 21. Two of his hosts were Henry Ford 2d, president of the Ford Motor Company, next to him, and Edgar Bronfman, chairman of the Seagram Company, at right. Seated at left is Mary G. Roeding, chairman of the National State Bank of New Jersey. Painting on the wall is "The Spirit of '21."

White House Denies Reagan Accusation On Bid to Delegates

BY JAMES M. NAUGHTON
Special to The New York Times

WASHINGTON, July 22.— The White House rejected today Ronald Reagan's complaint of "heavy-handed" campaign tactics by asserting that President Ford had ordered Cabinet officials to spur any attempts by delegates to the Republican National Convention to trade their votes for Government jobs or favors. The directive to senior Administration officials earlier this week was announced by Ron Nease, the White House press secretary, after Mr. Reagan complained in a television interview that the President's campaign aides were using questionable methods to court uncommitted delegates.

The disclosure of the Cabinet directive suggested some sensitivity in the White House to charges that Mr. Reagan made in an interview appearing on NBC's "Today" program. The interview was videotaped yesterday at Mr. Reagan's ranch home in California.

"The Presidency has a lot more to offer" to unemployed delegates, the former California Governor said, "and I'm afraid that's one of the tactics." Mr. Reagan did not cite any instances of what he described as "a little heavy-handed" approach to delegates by the rival camps. The memorandum

Continued on Page A4, Col. 1. Continued on Page B14, Col. 1.

CARTER PROMISES CAUTION ON TAXES

Talks Business Leaders He Plans Year's Study Before Major Change

BY LEONARD MOYNE
Special to The New York Times

Jimmy Carter's group of leading corporate executives yesterday that if he was elected President, he would move cautiously on tax reform and would retain the credit on foreign trade paid by American companies.

Returning to New York for the first time since he won the Democratic presidential nomination, Mr. Carter also came through his first and of free enterprise.

In an 18-minute talk at a private lunch at the "21" Club to 52 top business leaders, Democrats, Republicans and independents—the former Georgia Governor spoke as a former businessman, rather than in the popalistic tones that rang through his acceptance speech at the Democratic convention.

"I've never had a good government to despise," he asserted.

No "Rash" Tax Action

The Democratic nominee asserted his business honeymoon between meetings with labor leaders, news publications and a brief conference with Sen. Jesse and former Mayor Frank P. Wagner.

The former Georgia Governor introduced the luxury tax on a third-floor private dining room by J. Paul Austin, chairman of the ADAMI-Brews Coca-Cola Company, one of the co-hosts of the luncheon and an old friend of Mr. Carter's. The other co-sponsors of the meeting—agencies designed to drum up business support for the Carter campaign—may possibly lead to the formation of a Committee for Carter, a committee—now Edgar Bronfman, chairman of the Seagram Company Ltd., and Henry Ford 2d, chairman of the Ford Motor Company.

Continued on Page B14, Col. 1. Continued on Page A22, Col. 1.

A National Bulletin Issued For 3 in Coast Kidnapping

BY LES LEDBETTER
Special to The New York Times

REDWOOD CITY, Calif., July 25.—Alameda County officials issued a national all-points bulletin today for the arrest of three young men for questioning in the kidnapping last of a politician in Altherton, Thursday, of schoolchildren and their bus driver near Chowchilla, 100 miles east of here. Sheriff Tom Hochkins said the men were to be considered "armed and dangerous." He also said that while no arrest warrants had been issued, enforcement agencies had been asked to make arrests "as they were awaiting search warrants would be issued tomorrow morning."

The sheriff mentioning an unidentified San Mateo County resident, said that searches for evidence in the case were under way tonight in two and possibly three counties. The young men being sought are Frederick Newhall Woods, Continued on Page D13, Col. 2.

Flu Vaccine Drive Meets Snags That Could Limit It

BY BORIS RENSBERGER
Special to The New York Times

The program of mass immunization against swine flu announced by President Ford nearly four months ago has been meeting increasing bar- rages of scientific and medical criticism and technical obsta- cles. There is a growing consensus that the Government scientists who first reported the virus following an outbreak at Fort Dix, N.J., last February, may have overestimated its ability to cause serious illness. Also casting doubt on the program are several indications that it may not be carried out as originally envisioned. These include: insurance companies holding vaccine makers responsible for adverse reactions; refusing to indemnify manufacturers; Congress refusing to pass a law making the Government liable. If the vaccine is not resolved, mass immunization will be unlikely to sell during next winter.

Critics of the plan say that the Government scientists who first reported the virus following an outbreak at Fort Dix, N.J., last February, may have overestimated its ability to cause serious illness. Also casting doubt on the program are several indications that it may not be carried out as originally envisioned. These include: insurance companies holding vaccine makers responsible for adverse reactions; refusing to indemnify manufacturers; Congress refusing to pass a law making the Government liable. If the vaccine is not resolved, mass immunization will be unlikely to sell during next winter.

Continued on Page A22, Col. 1.

President's Veto of Plan to Delay the Closing of Military Bases Upheld

By DAVID ROSENBAUM
Special to The New York Times

WASHINGTON, July 22.—The House of Representatives overrode President Ford's veto and enacted into law today a \$4-billion public works bill that has the primary aim of creating jobs. The Senate overrode the veto yesterday.

However, Congress sustained the President's veto of legislation that would have delayed the closing of military bases. The House voted 310 to 96 to override the public works bill, 350 to 21 more than the two-thirds majority needed to override a veto. The Senate vote to override was 73 to 24.

On the legislation involving military bases, the House voted to override the veto but the Senate failed a first ballot attempt to obtain a two-thirds majority. The votes were 270 to 131 in the House, two votes more than a two-thirds margin, and 51 to 42 in the Senate, 11 votes short of two-thirds.

53 Vetses Issued

The debate on the jobs bill forestwaded what is likely to be the central issue dividing Democrats and Republicans in the election campaign—whether the Government should continue to roll back inflation.

Since he became President August 1974, Mr. Ford has issued 53 vetoes, only nine of which have been overridden. Enactment of the public works bill was especially satisfying to the Democratic leadership in Congress, which made the measure the centerpiece of its economic program for the year. Its sponsors estimated that 350,000 jobs would be created or preserved by the legislation.

Mr. Ford vetoed the bill earlier in the year and Senate failed by three votes to overturn that veto. The Democrats then received the measure.

Continued on Page D15, Col. 1.

Renoir Stolen in 7 Returned to Museum In Brooklyn by M

By ROBERT HANLEY
Special to The New York Times

A small Renoir painting was stolen from the Brooklyn Museum 19 months ago when the artist's "Madame T" was sent to the Metropolitan Museum. The 6 1/2 by 11 1/2 inch "Still Life with Blue" was valued at \$250,000. It was stolen by a man who was later identified as a supporter of the Black Panther Party. The painting was wrapped in brown paper and was dropped in Michael Bort...

Board Approves S.I. Amusement Park



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR 333

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