



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3923

DATE FILMED 4/4/95 CAMERA NO. 1

CAMERAMAN E.E.S.

25043632721



FEDERAL ELECTION COMMISSION

MW005527

January 31, 1994

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: HOUSTON HOST COMMITTEE, INC. - MATTER REFERABLE

On January 5, 1994, the Commission approved the final audit report on the Houston Host Committee, Inc. The report was released to the public on January 14, 1994. In accordance with the Commission's approved materiality thresholds, Exhibit A. is being referred.

This matter concerns the receipt of apparent prohibited contributions. The contributing business entities/organizations are located outside the Consolidated Metropolitan Statistical Area (CMSA).

Should you have any questions, please contact Wanda Thomas or Nancy Pepe at 219-3720.

Attachment:
Exhibit A. - Apparent Prohibited Contributions

Apparent Prohibited Contributions

Section 9008.7(d)(2)(i) of Title 11 of the Code of Federal Regulations states, in part, that local businesses, excluding banks, local municipal corporations and government agencies, local labor organizations and individuals may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 CFR 9008.7(d)(2)(iii).

Section 9008.7(d)(2)(iv) of Title 11 of the Code of Federal Regulations states that any business, municipal corporation, agency or labor organization within the Metropolitan Statistical Area (MSA)^{1/} of the convention city shall be considered local. There shall be a rebuttable presumption that any such entity located outside the MSA is not local. This presumption may be rebutted by a showing that the volume of business in an area lying outside the MSA would be directly affected by the presence of the convention.

The Audit staff identified 10 in-kind contributions, totaling \$116,470, that appear to have been made by business entities located outside the CMSA.

At the exit conference the Committee was provided with a schedule of the in-kind contributions. Committee representatives stated that several of the in-kind contributions were received from corporate headquarters. The Committee reported the addresses contained on the documentation for the in-kind contributions. The documentation contained no reference to local distributors or affiliates.

The interim audit report recommended that the Committee demonstrate that the in-kind contributions are permissible or refund an amount equal to the value of the in-kind contributions and provide evidence of such refunds (photocopy of the front and back of the refund check).

In response to the interim audit report the Committee provided local addresses for 3 of the 10 businesses. The reported value of the in-kind contributions from the 3 businesses is \$73,790. Based on the response, these contributions appear to be permissible.

1/

In metropolitan complexes with a population greater than one million people, the MSA is comprised of a Primary Metropolitan Statistical Area (PMSA) and a Consolidated Metropolitan Statistical Area (CMSA). For the purposes of this review, the Audit staff used the CMSA to determine whether a business was local or not. The CMSA of Houston includes the City of Houston and surrounding counties: Harris, Brazoria, Galveston, Chambers, Fort Bend, Liberty, Montgomery, and Waller.

With respect to 2 other businesses, COMPCO Metal Products Co. which held a breakfast and Phillip Morris USA which held a reception, the Committee stated:

"Through our research of these items we believe these contributions were incorrectly accounted for and misreported as contributions to the HHC [the Committee]. In fact, we believe that both the breakfast and reception were independent events held by the sponsoring organizations outside the operations or purview of the Convention [Republican National Convention] and the HHC as sanctioned by Advisory Opinion 1983-23, and should be treated as such."

Corroborative evidence from COMPCO Metal Products Co. or Phillip Morris USA was not provided to demonstrate that the events were held outside the purview of the Committee.

Regarding the remaining 5 businesses, the Committee stated:

"When we accepted these contributions we assumed, at the time, that these organizations had a history of providing nominal value products and merchandise to conventions as official providers even though they are not local businesses. We believe that the HHC was one of many beneficiaries in this their normal and usual business practice. The HHC is attempting to verify this information with each of the applicable companies. We will send copies of these verifications when received. If we subsequently determine that our assumption was incorrect, we will make the necessary refunds."

As of 11/23/93, no documentation relative to verifications or refunds have been received.2/

In summary, questions as to the permissibility of 7 contributions totaling \$42,680 remain.

Recommendation #1

The Audit staff recommends that this matter be referred to the Office of General Counsel.

2/ The Committee's report for the period October 1, 1993 through December 31, 1993 discloses no refunds of contributions.

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

JUL 8 12 29 PM '94

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR 3923

STAFF MEMBER: James S. Portnoy

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

RESPONDENTS: Houston Host Committee, Inc., and
Frank Maresh, as Treasurer
Binney & Smith
Bonneau Company
COMPCO Metal Products
Cross Communications
Fresh Technologies Group
Homewood Flossmoor Community High School Job
Training Partnership Class for Americans
with Disabilities
Philip Morris USA

RELEVANT STATUTES: 2 U.S.C. § 441b(a)
11 C.F.R. § 114.1(a)(2)(viii)
11 C.F.R. § 114.2(b)
11 C.F.R. § 114.2(c)
11 C.F.R. § 9008.7(d)(1)
11 C.F.R. § 9008.7(d)(2)
11 C.F.R. § 9008.9

INTERNAL REPORTS CHECKED: Audit Documents

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by an audit of the Houston Host Committee, Inc. and Frank Maresh, as treasurer, (the "Host Committee") undertaken in accordance with 11 C.F.R. § 9008.9. The Audit Division's referral materials are attached. See Attachment 1. The Host Committee's primary objective was to encourage commerce in Houston during the 1992 Republican

National Convention and to project a favorable image of the city to convention attendees. See 11 C.F.R. § 9008.7(d)(1).

II. FACTUAL AND LEGAL ANALYSIS

A. Introduction

It is unlawful for a corporation to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for federal office. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b). It also is unlawful to receive such a contribution or expenditure. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(c). However, local businesses, whether incorporated or not, may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii), which generally relate to promotion of the convention city and its commerce. 11 C.F.R. § 9008.7(d)(2)(i); 11 C.F.R. 114.1(a)(2)(viii). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that a business entity located outside the MSA is not local. Id.

The Host Committee reported receiving seven in-kind contributions, totaling \$42,680, from entities located outside the Houston MSA. See 11 C.F.R. § 9008.7(d)(2). These entities, and their contributions, are as follows: (1) Binney & Smith -- \$12,500, (2) Bonneau Company -- \$9,000, (3) COMPCO Metal Products -- \$4,000, (4) Cross Communications -- \$10,000, (5) Fresh Technology Company -- \$430, (6) Homewood Flossmoor

Community High School Job Training Partnership Class for Americans with Disabilities -- \$4,250, and (7) Philip Morris USA -- \$2,500. With the exception of Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities, all the contributing entities are corporations.

At the exit conference, the Audit staff provided the Committee with a list of the contributions that the Committee had reported as coming from entities outside the Houston MSA.^{1/} The Committee acknowledged that the addresses it reported reflected the addresses contained in the documentation underlying the contributions, and that the documentation did not refer to local distributors or affiliates. See Attachment 1, Exhibit A at 1.

Based on the foregoing, the Interim Audit Report requested the Committee to demonstrate that the contributions from entities with addresses outside the Houston MSA were permissible. However, in its response to the Interim Audit Report, the Committee did not provide any evidence that the contributors were located or maintained offices within the Houston MSA, or that the contributions were otherwise permissible.

^{1/} In addition to the entities listed herein, the Audit staff identified contributions from three other entities with addresses outside the Houston MSA. However, the Committee provided local addresses for these three contributors, thus demonstrating that their contributions were permissible. See Attachment 1, Exhibit A at 1.

B. Contributors That The Committee Concedes
Are Not Local

The Committee conceded that five of the contributors, Binney & Smith, Bonneau Company, Cross Communications, Fresh Technology Company, and Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities, were not local businesses. Attachment 1, Exhibit A at 2. Accordingly, the contributions from these entities do not satisfy 11 C.F.R. § 9008.7(d)(2).

In its response to the Interim Audit Report, the Committee suggested that the contributions were permissible irrespective of whether the contributors were local businesses. In particular, the Committee stated that, at the time it received these contributions, it assumed that it was "one of many beneficiaries" of "nominal value products and merchandise" that the contributors made available in their "normal and usual business practice." Attachment 1, Exhibit A at 2. However, the Committee did not offer any evidence to support its characterization of the contributions. Indeed, in its response to the Interim Audit Report, the Committee stated that it was seeking to verify its assumption, but no such verification has been provided. See Attachment 1, Exhibit A at 2.2/

2/ The Commission has stated that non-local businesses may make in-kind contributions to host committees under certain circumstances. In Advisory Opinion 1988-25, the Commission concluded that General Motors' plan to loan 250 vehicles to each national nominating convention would not constitute an illegal corporate contribution, even though it did not "fall within the specific exemptions delineated in the national nominating convention regulations." In reaching this conclusion, the Commission relied on factors that the Committee has not

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C. Expenditures That The Committee Claims
Were Not Contributions

With respect to the remaining non-local entities, COMPCO Metal Products Company and Philip Morris USA, the Committee offered a different explanation. Although the Committee originally reported that COMPCO contributed \$4,000 by hosting a breakfast and that Philip Morris contributed \$2,500 by hosting a reception, in response to the Interim Audit Report, the Committee stated that the breakfast and reception were independent events that mistakenly had been reported as contributions. Attachment 1, Exhibit A at 2. Other than this assertion, however, the Committee has not provided any evidence that the breakfast and reception were independent events.^{3/}

(Footnote 2 continued from previous page)
established in the instant case. The record in Advisory Opinion 1988-25 showed, inter alia, that the vehicle loan program was nonpartisan; that the company had an established practice of loaning vehicles to nonpolitical conventions and that the value of the proposed loans to the political conventions was proportionate to the value of the nonpolitical loans; that the loan program provided General Motors with a commercial benefit greater than the value of the loans; and "most important, the unique promotional versus political opportunities that a national nominating convention presents." Here, by contrast, we have only the Committee's statement that it "assumed" that the contributors were "official providers" that "had a history of providing nominal value products to conventions" Attachment 1, Exhibit A at 2.

^{3/} The Commission has determined that corporate expenditures relating to conventions do not necessarily constitute contributions to the host committee. See Advisory Opinion 1983-23 (hospitality suite and cocktail reception for convention attendees would not be prohibited contributions provided, inter alia, that the corporate sponsor exercises complete control over all activities). Here, however, the Committee has not provided any evidence to support its recharacterization of the breakfast and the reception.

D. Conclusion

In light of the foregoing, the Office of General Counsel recommends that the Commission find reason to believe that the Houston Host Committee and Frank Maresh, as treasurer, violated 2 U.S.C § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).4/ We further recommend that the Commission find reason to believe that Binney & Smith, Bonneau Company, COMPCO Metal Products, Cross Communications, Fresh Technologies Group,5/ and Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), and that Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i).6/

We believe that further enforcement action is warranted against the Committee because the violation involved seven contributions which have neither been refunded nor demonstrated

4/ In MUR 3840 (New York '92 Host Committee, Inc.), the Commission found reason to believe that the New York Host Committee and two entities that contributed \$35,000 and \$500 to that committee violated 11 C.F.R. § 9008.7(d)(2), but took no further action against the contributors or the committee. We note that in the instant case, the contributions ranged from \$430 to \$12,500, and that in MUR 3840, the New York Host Committee refunded the prohibited contributions prior to the Commission's initiation of enforcement action.

5/ Although the prohibited contribution reportedly was made by Fresh Technology Company, a subsidiary of Fresh Technologies Group, we propose that the parent company be named as the respondent in this matter because the subsidiary is no longer in business. The parent company continues to operate, albeit at a new location.

6/ Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities appears not to be a corporation; consequently, 2 U.S.C. § 441b(a) would not apply to it. 11 C.F.R. § 9008.7(d)(2)(i), by contrast, applies to any business, irrespective of whether it is incorporated.

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to have been permissible. However, we believe that the nature of the violations and considerations regarding the Commission's resources and priorities warrant taking no further action against the contributors from outside the Houston MSA: Binney & Smith, Bonneau Company, COMPCO Metal Products, Cross Communications, Fresh Technologies Group, Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities, and Philip Morris USA. If the Commission adopts this recommendation, this Office will send admonishment letters to the contributing entities emphasizing the importance of adhering to the Federal Election Campaign Act, the Presidential Campaign Fund Act and the Commission's regulations at 11 C.F.R. § 9008.7(d)(2).

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IV. RECOMMENDATIONS

1. Find reason to believe that Houston Host Committee, Inc. and Frank Maresh, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).
2. Find reason to believe that Binney & Smith, Bonneau Company, COMPCO Metal Products, Cross Communications, Fresh Technologies Group, and Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), but take no further action.
3. Find reason to believe that Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i), but take no further action.
4. Enter into conciliation with Houston Host Committee, Inc. and Frank Maresh, as treasurer, prior to a finding of probable cause to believe.
5. Approve the attached Factual and Legal Analyses.
6. Approve the attached Conciliation Agreement.

7. Approve the appropriate letters.

Date

7/8/94



Lawrence M. Noble
General Counsel

Attachments

1. Referral Materials
2. Factual and Legal Analyses
3. Conciliation Agreement

25043632133



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS 
COMMISSION SECRETARY

DATE: JULY 11, 1994

SUBJECT: MUR 3923 - FIRST GENERAL COUNSEL'S REPORT
DATED JULY 8, 1994.

The above-captioned document was circulated to the
Commission on Friday, July 8, 1994 at 2:00 p.m.

Objection(s) have been received from the
Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	XXX _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Potter	_____
Commissioner Thomas	_____

This matter will be placed on the meeting agenda
for Tuesday, July 19, 1994.

Please notify us who will represent your Division before
the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3923
Houston Host Committee, Inc. and)
Frank Maresh, as treasurer;)
Binney & Smith;)
Bonneau Company;)
COMPCO Metal Products;)
Cross Communications;)
Fresh Technologies Group;)
Homewood Flossmoor Community)
High School Job Training)
Partnership Class for)
Americans with Disabilities;)
Philip Morris USA)

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 19, 1994, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 3923:

1. Find reason to believe that Houston Host Committee, Inc. and Frank Maresh, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).
2. Find reason to believe that Binney & Smith, Bonneau Company, COMPCO Metal Products, Cross Communications, Fresh Technologies Group, and Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), but take no further action.

(continued)

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3. Find reason to believe that Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i), but take no further action.
4. Enter into conciliation with Houston Host Committee, Inc. and Frank Maresh, as treasurer, prior to a finding of probable cause to believe.
5. Approve the Factual and Legal Analyses as recommended in the General Counsel's report dated July 8, 1994.
6. Approve the Conciliation Agreement recommended in the General Counsel's July 8, 1994 report.
7. Approve the appropriate letters as recommended in the General Counsel's July 8, 1994 report.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Potter was not present during the consideration of this matter.

Attest:

7-21-94
Date

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richard S. Gurin, President
Binney & Smith
P.O. Box 431
1100 Church Lane
Easton, Pennsylvania 18044

RE: MUR 3923

Dear Mr. Gurin:

On July 19, 1994, the Federal Election Commission found reason to believe that Binney & Smith violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to Richard S. Gurin
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

25043632738

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Binney & Smith

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$12,500 from Binney & Smith (the "Company"). The Committee reported the Company's address as P.O. Box 431, 1100 Church Lane, Easton, Pennsylvania. There is no evidence that the Company was located or maintained offices within the

Houston MSA. Thus, it appears that the Company was located outside the Houston MSA.

In light of the foregoing, there is reason to believe that Binney & Smith violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Martin Franklin, President
Bonneau Company
1601 Valley View Lane
Dallas, Texas 75234

RE: MUR 3923

Dear Mr. Franklin:

On July 19, 1994, the Federal Election Commission found reason to believe that Bonneau Company violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to Martin Franklin
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Bonneau Company

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$9,000 from Bonneau Company ("Bonneau"). The Committee reported Bonneau's address as P.O. Box 819084, Dallas, Texas. There is no evidence that Bonneau was located or maintained offices within the Houston MSA. Thus, it appears that Bonneau was located outside the Houston MSA.

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In light of the foregoing, there is reason to believe that Bonneau Company violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clarence R. Smith, Jr., President
COMPCO Metal Products
85 East Hilda Street
Youngstown, Ohio

RE: MUR 3923

Dear Mr. Smith:

On July 19, 1994, the Federal Election Commission found reason to believe that COMPCO Metal Products violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to Clarence R. Smith, Jr.
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,


Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: COMPCO Metal Products

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$4,000 from COMPCO Metal Products ("COMPCO"). The Committee reported COMPCO's address as 85 East Hylda Street, Youngstown, Ohio. There is no evidence that COMPCO was located or maintained offices within the Houston MSA. Thus, it appears that COMPCO was located outside the Houston MSA.

In light of the foregoing, there is reason to believe that COMPCO Metal Products violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David Speyrer
Cross Communications
c/o Sun Micro Software
of Colorado
2955 Valmont Road
Suite 100
Boulder, Colorado 80301

RE: MUR 3923

Dear Mr. Spreyer:

On July 19, 1994, the Federal Election Commission found reason to believe that Cross Communications violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to David Spreyer
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,


Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

2504363210

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Cross Communications

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$10,000 from Cross Communications ("Cross"). The Committee reported Cross' address as 1881 9th Street, Suite 302, Boulder, Colorado. There is no evidence that Cross was located or maintained offices within the Houston MSA. Thus, it appears that Cross was located outside the Houston MSA.

In light of the foregoing, there is reason to believe that Cross Communications violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

25043632762



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20541

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Bench, President
Fresh Technologies Group
531 East Elliot Road
Chandler, Arizona 85225

RE: MUR 3923

Dear Mr. Bench:

On July 19, 1994, the Federal Election Commission found reason to believe that Fresh Technology Company violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

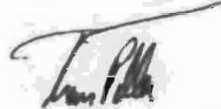
The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to Robert Bench
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

15043632754

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Fresh Technologies Group

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$430 from Fresh Technologies Group (the "Company"). The Committee reported the Company's address as 1478 North Tech Boulevard, Suite 101, Gilbert, Arizona. There is no evidence that the Company was located or maintained offices within the

Houston MSA. Thus, it appears that the Company was located outside the Houston MSA.

In light of the foregoing, there is reason to believe that Fresh Technologies Group violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

05043632756



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lawrence Baran, Program Director
Homewood Flossmoor Community High School
Job Training Partnership Class for Americans
with Disabilities
999 South Kedzie Avenue
Flossmoor, Illinois 60422

RE: MUR 3923

Dear Mr. Baran:

On July 19, 1994, the Federal Election Commission found reason to believe that Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 11 C.F.R. § 9008.7(d)(2)(i) prohibits entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to Lawrence Baran
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,


Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

15043632758

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Homewood Flossmoor Community High School
Job Training Partnership Class for Americans
with Disabilities

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

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Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$4,250 from Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities ("Homewood Flossmoor"). The Committee reported Homewood Flossmoor's address as 999 South Kedzie Avenue, Flossmoor, Illinois. There is no evidence that Homewood Flossmoor was located or maintained offices within the Houston MSA. Thus,

it appears that Homewood Flossmoor was located outside the Houston MSA.

In light of the foregoing, there is reason to believe that Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William I. Campbell, President
Philip Morris USA
120 Park Avenue
New York, New York 10017

RE: MUR 3923

Dear Mr. Campbell:

On July 19, 1994, the Federal Election Commission found reason to believe that Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Federal Election Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) prohibit entities located outside the Metropolitan Statistical Area of a convention city from making contributions to a host committee. See 11 C.F.R. § 9008.7(d)(1). Therefore, you should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(a) still apply with respect to all respondents still involved in this matter.

Letter to William I. Campbell
Page 2

If you have any questions, please contact James S. Portnoy,
the attorney assigned to this matter, at (800)424-9530 or (202)
219-3690.

For the Commission,



Trevor Potter
Chairman

Enclosure
Factual and Legal Analysis

05043632762

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Philip Morris USA

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution in connection with a political convention held to select candidates for federal office. 2 U.S.C. § 441b(a). However, Federal Election Commission regulations state that local businesses may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii). 11 C.F.R. § 9008.7(d)(2)(i). The regulations further provide that a business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local. 11 C.F.R. § 9008.7(d)(2)(iv). In addition, the regulations create a rebuttable presumption that an entity located outside the MSA is not local. Id.

The Host Committee received an in-kind contribution of \$2,500 from Philip Morris USA (the "Company"). The Committee reported the Company's address as 120 Park Avenue, New York, New York. There is no evidence that the Company was located or maintained offices within the Houston MSA. Thus, it appears that the Company was located outside the Houston MSA.

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In light of the foregoing, there is reason to believe that Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JULY 26, 1994

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Frank Maresh, Treasurer
Houston Host Committee, Inc.
Three Allen Center
333 Clay, Suite 1000
Houston, Texas 77002

RE: MUR 3923
Houston Host Committee, Inc.

Dear Mr. Maresh:

On July 19, 1994, the Federal Election Commission found that there is reason to believe the Houston Host Committee, Inc. and you, as treasurer, ("Committee") violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 9008.7(d)(2)(i), a provision of the Commission's regulations. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

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Letter to Frank Maresh
Page 2

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

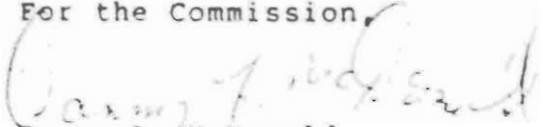
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact James S. Portnoy, the attorney assigned to this matter, at (202) 219-3690.

For the Commission


Danny L. McDonald
Vice Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

05043632766

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

MUR 3923

RESPONDENT: Houston Host Committee, Inc.
and Frank Maresh, as Treasurer

This matter was generated by an audit of the Houston Host Committee, Inc., and Frank Maresh, as treasurer (the "Host Committee"), undertaken pursuant to the Presidential Election Campaign Fund Act, 26 U.S.C. § 9008(g).

It is unlawful for a corporation to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for federal office. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b). It also is unlawful to receive such a contribution or expenditure. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(c). However, local businesses, whether incorporated or not, may donate funds or make in-kind contributions to a host committee for the purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii), which generally relate to promotion of the convention city and its commerce. 11 C.F.R. § 9008.7(d)(2)(i); 11 C.F.R. 114.1(a)(2)(viii). A business located within the Metropolitan Statistical Area ("MSA") of the convention city shall be considered local, whereas there is a rebuttable presumption that a business entity located outside the MSA is not local. 11 C.F.R. § 9008.7(d)(2)(iv).

The Host Committee reported receiving seven in-kind contributions, totaling \$42,680, from entities located

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outside the Houston MSA. These entities, and their contributions, are as follows: (1) Binney & Smith -- \$12,500, (2) Bonneau Company -- \$9,000, (3) COMPCO Metal Products -- \$4,000, (4) Cross Communications -- \$10,000, (5) Fresh Technology Company -- \$430, (6) Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities -- \$4,250, and (7) Philip Morris USA -- \$2,500. With the exception of Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities, all the contributing entities are corporations.

At the exit conference following the Commission's audit field work, the Audit staff provided the Committee with a list of the contributions that the Committee had reported as coming from entities outside the Houston MSA.^{1/} The Committee acknowledged that the addresses it reported were the addresses contained in the documentation underlying the contributions, and that the documentation did not refer to local distributors or affiliates. Accordingly, the Interim Audit Report requested the Committee to demonstrate that the contributions in question were permissible.

The Committee's response to the Interim Audit Report did not demonstrate that the seven contributors were located or maintained offices within the Houston MSA, or that the

^{1/} In addition to the entities listed herein, the Audit staff identified contributions from three other entities with addresses outside the Houston MSA. However, the Committee provided local addresses for these three contributors, thus demonstrating that their contributions were permissible.

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contributions were otherwise permissible. With respect to five of the contributors, Binney & Smith, Bonneau Company, Cross Communications, Fresh Technology Company, and Homewood Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities, the Committee conceded that they were not local businesses. Accordingly, the contributions from these entities do not satisfy 11 C.F.R. § 9008.7(d)(2). The Committee suggested that the contributions were permissible anyway, because at the time it received them, it assumed that it was "one of many beneficiaries" of "nominal value products and merchandise" that the contributors made available in their "normal and usual business practice." However, the Committee provided no evidence to support its characterization of the contributions; nor did the Committee indicate why such evidence would excuse its acceptance of contributions from non-local businesses.^{2/}

^{2/} The Commission has stated that non-local businesses may make in-kind contributions to host committees under certain circumstances. In Advisory Opinion 1988-25, the Commission concluded that General Motors' plan to loan 250 vehicles to each national nominating convention would not constitute an illegal corporate contribution, even though it did not "fall within the specific exemptions delineated in the national nominating convention regulations." In reaching this conclusion, the Commission relied on factors that the Committee has not established in the instant case. The record in Advisory Opinion 1988-25 showed, *inter alia*, that the vehicle loan program was nonpartisan; that the company had an established practice of loaning vehicles to nonpolitical conventions and that the value of the proposed loans to the political conventions was proportionate to the value of the nonpolitical loans; that the loan program provided General Motors with a commercial benefit greater than the value of the loans; and "most important, the unique promotional versus political opportunities that a

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The Committee offered a different explanation regarding the contributions from COMPCO Metal Products Company and Philip Morris USA. Although the Committee originally reported that COMPCO contributed \$4,000 by hosting a breakfast and that Philip Morris contributed \$2,500 by hosting a reception, in response to the Interim Audit Report, the Committee stated that the breakfast and reception were independent events that mistakenly had been reported as contributions. Other than this bald assertion, however, the Committee has not provided any evidence that the breakfast and reception were independent events.^{3/}

In light of the foregoing, there is reason to believe that the Houston Host Committee and Frank Marash, as treasurer, received contributions from non-local businesses in violation of 2 U.S.C § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

(Footnote 2 continued from previous page)
national nominating convention presents." Here, by contrast, we have only the Committee's statement that it "assumed" -- without investigation -- that the contributors were "official providers" that "had a history of providing nominal value products to conventions" It also should be noted that, in its response to the Interim Audit Report, the Committee stated that it was seeking to verify its assumption, but that no such verification has been provided. Id.

^{3/} The Commission has determined that corporate expenditures relating to conventions do not necessarily constitute contributions to the host committee. See Advisory Opinion 1983-23 (hospitality suite and cocktail reception for convention attendees would not be prohibited contributions provided, inter alia, that the corporate sponsor exercises complete control over all activities). Here, however, the Committee has not provided any evidence to support its recharacterization of the breakfast and the reception.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FAXED
9-20-94

September 20, 1994

BY FACSIMILE AND FEDERAL EXPRESS

Patrick C. Oxford
Bracewell & Patterson, L.L.P.
South Tower Pennzoil Place
711 Louisiana Street, Suite 2900
Houston, TX 77002-2781

RE: MUR 3923
Houston Host Committee, Inc.

Dear Mr. Oxford:

On July 19, 1994, the Federal Election Commission found reason to believe that your client, Houston Host Committee, Inc. ("the Committee"), accepted unlawful contributions in violation of the Federal Election Campaign Act and the Commission's regulations.

By letter dated July 26, 1994, the Commission notified the Committee of its findings. The Commission also informed the Committee that it was prepared to enter into conciliation negotiations directed toward settling this matter prior to a finding of probable cause to believe. The Commission advised the Committee, however, that such negotiations would be limited to thirty days.

On August 22, 1994, you telephoned me to acknowledge the Committee's receipt of the Commission's letter. In addition, you stated that the Committee wished to enter into conciliation negotiations with the Commission and, to this end, requested permission to provide the Commission with evidence bearing on the Committee's apparent violations. I advised you that this Office would consider such evidence in formulating a recommendation to the Commission regarding a possible resolution of this matter.

Patrick C. Oxford
September 20, 1994
page 2

In the following weeks, I made several attempts to contact you. However, you did not return my calls. When I finally reached you on September 13, 1994, you stated that you had not yet succeeded in procuring the evidence you sought concerning the Committee's apparent violations. Instead, you requested that conciliation negotiations be extended to give you time to complete your efforts. I advised you that conciliation negotiations can be extended for a reasonable time, but that extension requests must be made in writing. I also advised you that your request should state the date by which you intend to complete negotiations. You agreed to send me your request promptly. To date, however, I have not received your written request for an extension of time and no extension has been granted.

Please advise me immediately if you remain interested in settling this matter. If so, and if you require additional time to respond to the Commission's proposal, you should submit your request in writing to the Commission immediately. Otherwise, please be advised that the completion date for conciliation in this matter is September 23, 1994.

Should you have any questions or wish to discuss this matter, I can be contacted at (202) 219-3690.

Sincerely,



James S. Portnoy
Attorney

cc: Frank Maresh, Treasurer
Houston Host Committee, Inc.

5043632712

BRACEWELL & PATTERSON, L.L.P.A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE

711 LOUISIANA ST STE 2000

HOUSTON TX 77002-2781

713 223 2800

FAX 713 221 1212

PATRICK C. OXFORD
PARTNER

September 21, 1994

100 CONGRESS AVE STE 1900
AUSTIN TX 78701-4052
512 478 7800LINCOLN PLAZA
500 N ALAMO ST STE 4000
DALLAS TX 75201-3367
214 740 40002000 K STREET NW STE 800
WASHINGTON DC 20006-1872
202 462 580043 BROOK ST
LONDON W1V 2SL (ENGLAND)
44 21 366 3390Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

Re: Federal Election Commission ("FEC") proposal of July 26, 1994

Dear Jim:

We have and thank you for your letter of September 20 and very much appreciate the patience you have shown on behalf of the Commission. I apologize for being out of the office during the month of August when I was away on a long-awaited, if not deserved, vacation.

Please consider this letter a request for an extension until October 31 for us to respond to the Commission's proposal of July 26. Our reasons for requesting the extension follow:

1. The Houston Host Committee ("HHC") was an organization completely composed of volunteers who did their best to document all financial transactions of the HHC, although the quality of the documentation was limited by their relative inexperience and the one-time nature of a national convention;
2. In spite of their limitations, the volunteers presented documentation that resolved most Convention questions within a time frame which, we have been led to believe, was quite short compared to the FEC's experience with other conventions;
3. With respect to the questions which remain, however, we were unable to reorganize the volunteers over the summer to reconfirm the detail we need to respond to the Commission proposal; and

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

5043632713

BRACEWELL & PATTERSON, P.C.
ATTORNEYS AT LAW

Mr. James S. Portnoy
September 21, 1994
Page 2

4. We now have the team back together, and we should have complete and accurate responses prepared so that the Commission proposal can be disposed of promptly after the end of October.

Thank you for your consideration of our request for an extension

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

PCO/hec

5043632774



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

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SENSITIVE

September 28, 1994

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Kim Bright-Coleman *KBC*
Associate General Counsel

SUBJECT: MUR 3923 -- Houston Host Committee, Inc.
Request for Extension of Time

By letter dated September 21, 1994, counsel for respondent Houston Host Committee, Inc. ("the Committee") requested an extension of time until October 31, 1994, to respond to the Commission's finding of reason to believe in this matter.^{1/} Attachment 1. The letter explains that an extension is necessary due to the time it has taken to enlist the assistance of the Committee's volunteer staff. The letter further explains that gathering the volunteer staff has been a difficult task that is near completion, and that the Committee is now in position to prepare and complete its response to the Commission.

Based on the foregoing and because the information being provided by the Committee will further this Office's effort to resolve this matter prior to a finding of probable cause to believe, the Office of the General Counsel recommends that the Commission grant the requested extension of time until October 31, 1994.

RECOMMENDATIONS

1. Grant the extension of time until October 31, 1994, to Houston Host Committee, Inc.

^{1/} The Commission's notification letter to the Committee was sent on July 26, 1994 and returned to the Commission due to an incorrect address. A second notification was sent on August 16, 1994, and the Committee has acknowledged that it received the notification on August 19, 1994.

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Memorandum to the Commission
Request for Extension of Time
page 2

2. Approve the appropriate letter.

Attachment

1. Request for Extension

Staff Assigned: James S. Portnoy
Jack MacDonald

5043632716

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Houston Host Committee, Inc. - -
Request for Extension of Time.

)
)
) MUR 3923
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 3, 1994, the Commission decided by a vote of 5-0 to take the following actions in MUR 3923:

1. Grant the extension of time until October 31, 1994, to Houston Host Committee, Inc.
2. Approve the appropriate letter, as recommended in the General Counsel's Memo dated September 28, 1994.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Potter recused himself from this matter and did not cast a vote.

Attest:

10-3-94
Date

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

Received in the Secretariat: Wed., Sept. 28, 1994 10:31 a.m.
Circulated to the Commission: Wed., Sept. 28, 1994 4:00 p.m.
Deadline for vote: Mon., Oct. 03, 1994 4:00 p.m.

esh



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 6, 1994

Patrick C. Oxford
Bracewell & Patterson, L.L.P.
South Tower Pennzoil Place
711 Louisiana Street, Suite 2900
Houston, Texas 77002-2781

RE: MUR 3923
Houston Host Committee, Inc.

Dear Mr. Oxford:

This is in response to your letter dated September 21, 1994, which we received on that date, requesting an extension of time until October 31, 1994 to respond to this matter. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on October 31, 1994.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,


James S. Portnoy
Attorney

504363278

BRACEWELL & PATTERSON, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA ST STE 2900
HOUSTON TX 77002-2781

713 223 2900
FAX 713 221 1212

PATRICK C OXFORD
PARTNER

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Nov 4 12 07 PM '94

100 CONGRESS AVE STE 1900
AUSTIN TX 78701-4052
512 472 7800

LINCOLN PLAZA
500 N AKARD ST STE 4000
DALLAS TX 75201-3387
214 740 4000

2000 K STREET NW STE 500
WASHINGTON DC 20006-1872
202 828 5800

43 BROOK ST
LONDON W1T 2BL ENGLAND
44 71 355 3330

October 31, 1994

Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

mur 3923

Re: Federal Election Commission ("FEC") proposal of July 26, 1994

Dear Jim:

As we discussed by telephone today, we find that we must ask for another extension to respond to the FEC's proposal of July 26. Our reasons for requesting the extension, some of which were advanced in our previous request of September 21, follow:

1. The Houston Host Committee ("HHC") is a non-profit organization completely composed of volunteers who did their best to document all financial disclosures of the HCC, although the quality of the documentation was limited by their relative inexperience and the one-time nature of the Convention.
2. In spite of our limitations, we did present documentation to the FEC which resolved most Convention questions within a relatively short time frame.
3. Our resolution of the remaining questions (constituting less than one-half of one percent of HHC expenditures) has been delayed, as the HHC treasurer has retired and his associate at KPMG Peat Marwick has spent most of the fall in Argentina on client business. Both he and I, as volunteers, are doing our best to coordinate our schedules so that our response to the FEC is thorough. Frankly, we haven't done as good a job as I had hoped.

BRACEWELL & PATTERSON L.L.P.

ATTORNEYS AT LAW

Mr. James S. Portnoy

October 31, 1994

Page 2

4. Absolutely no political or financial benefit accrues to the HHC for this civic undertaking.

Please consider this our request to extend until Monday, November 21 the date for us to respond to the FEC's proposal of July 26.

We appreciate your patience.

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

PCO/hec

5743632780

BRACEWELL & PATTERSON, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA ST STE 2900
HOUSTON TX 77002-2781
713 223 2900
FAX 713 221 1212

PATRICK C. OXFORD
PARTNER

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF THE GENERAL COUNSEL

NOV 23 9 47 AM '94

100 CONGRESS AVE STE 1900
AUSTIN TX 78701-4052
512 472 7800

LINCOLN PLAZA
500 N AKARD ST STE 4000
DALLAS TX 75201-3387
214 740 4000

2000 K STREET NW STE 500
WASHINGTON DC 20006-1872
202 828 5800

43 BROOK ST
LONDON W1Y 2BL ENGLAND
44 71 355 3333

November 22, 1994

Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

MUR 3923

RECEIVED
FEDERAL ELECTION
COMMISSION
NOV 23 9 29 AM '94

Re: Federal Election Commission ("FEC") proposal of July 26, 1994
("July 26 Letter")

Dear Jim:

Reference is made to the July 26 letter and the proposed findings contained therein. Pursuant to your suggestion that we continue to discuss evidence informally, please consider this letter and its enclosures the preliminary response of the Houston Host Committee (the "Committee") to the July 26 letter. We propose that the FEC consider the following:

1. Binney & Smith (\$12,500). As the maker of Crayolas, Binney & Smith has contributed regularly to conventions of all kinds as an official provider. We have enclosed a letter from their Director of Corporate Affairs confirming this fact. Because of the nature of Binney & Smith's contribution, the Committee would ask the FEC to rely upon advisory opinion 1988-25 and to take "judicial" notice of the unique promotional value for Crayola that a national nominating convention presents and that the letter from Binney & Smith verifies this assumption.
2. Bonneau Company (\$9,000). We have enclosed a letter from the Bonneau Companies reflecting that for purposes of the FEC, they should be considered a local business. They have an extensive distribution system, sales team and executive representation in Houston.
3. Compco Metal Products (\$4,000). The Committee has asserted that the reflected contribution of Compco was mistakenly shown on the books of the Committee.

Mr. James S. Portnoy

November 22, 1994

Page 2

In fact, it was a contribution by Compco which apparently caused a separate issue to be raised between the FEC, Compco and the Ohio Republican Finance Committee. A memorandum from the Ohio Republican Finance Committee to Compco has been supplied by Compco to evidence the nature of the contribution. We trust that the internal FEC records will reflect that the very nature of the dispute between the FEC, Compco and the Ohio Republican Finance Committee confirms that this was not a contribution to the Committee and that this issue, while still open in Ohio, is closed with respect to the Committee.

4. Cross Communications (\$10,000). Cross Communications was a computer company in Boulder which apparently had a history of providing nominal value products and merchandise to conventions in the capacity of an official provider. They are now out of business, and we can reach no one to provide us with further evidence of that assertion. We have re-enclosed the notation we received from them dated November 1, 1993.
5. Fresh Technology Company (\$435). They are out of business and we can have no further communication with them.
6. Homewood-Flossmoor Community High School (\$4,250). Homewood-Flossmoor is a high school for the disabled. It distributes patriotic products to many conventions as an official provider. We have enclosed correspondence from Homewood-Flossmoor which clearly demonstrates this. We ask that you treat this contribution as also covered by Advisory Opinion 1988-25.
7. Phillip Morris USA (\$2,500). We believe that the entry of the Phillip Morris contribution was a mistake, and that Phillip Morris made a contribution to a breakfast under their control and unrelated to the Committee's activities. At this time we have received no confirmation from Phillip Morris in this regard, but would like another week or so to seek further evidence.

Thus, with respect to the foregoing, we propose that the contributions of Binney & Smith, Bonneau Company and Homewood-Flossmoor Community High School be considered legally made; that the Compco Metal Products dispute be removed from consideration as relating to the Committee; and that a settlement be reached with respect

Mr. James S. Portnoy

November 22, 1994

Page 3

to the Cross Communications, Fresh Technology and Phillip Morris contributions. Depending on the balance of the settlement and whether Phillip Morris can provide additional evidence, we would propose that one-half of Cross Communication's contribution and 100% of the Fresh Technology and Phillip Morris contributions be disgorged. Because the 1992 Republican National Convention was a single event, and the Committee has done everything it can to comply with the letter and spirit of the law, the Committee asks that no civil penalty be assessed.

Please give me a call to discuss this letter and its enclosures and the proposed conciliation agreement.

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

PCO/hec

5043632783

Binney & Smith

5 7 4 3 6 3 2 7 3 4



Binney & Smith Inc.
1100 Church Lane
P. O. Box 431
Easton, PA 18044-0431
(610) 253-0271

November 22, 1994

Houston Host Committee
c/o Mr. Patrick Oxford
Bracewell & Patterson
2900 S. Tower
711 Louisiana Street
Houston, TX 77002-2781

Dear Mr. Oxford:

At Binney & Smith, our firm has a history of providing nominal value products and merchandise to conventions in the capacity of an official provider.

In recent years, we have supplied numerous conventions with samples of our company's Crayola branded products. Including the National Assembly of Local Arts Agencies, the National Endowment for the Arts, the National Art Education Association, Preservation Pennsylvania, Pennsylvanians for Effective Government, the Easton Heritage Alliance, the Food Marketing Institute, the School Home Office Products Association, the College Art Association, the Two Rivers Area Chamber of Commerce and dozens of others.

If I can provide further information, please feel free to call on me.

Sincerely,

Dean Rodenbough
Director
Corporate Affairs

Bonneau Companies

5043632786

The Bonneau Companies



Pennsylvania Optical

FOSTERGRANT

November 18, 1994

Houston Host Committee
c/o Mr. Patrick Oxford
Bracewell and Patterson Law Firm
South Tower, 711 Louisiana Street
Suite 2900
Houston, Texas 77002-2781

Re: Sunglass Donation

Dear Mr. Oxford:

In June 1992 The Bonneau Company made a corporate donation of sunglasses for the Delegates of the 1992 Republican Convention.

The Bonneau Company, with its headquarters based in Dallas, Texas, incorporated under the laws of the State of Texas in 1967 and is still in existence. We are the leading National distributor of quality brand name eyewear sold through Retail Pharmacies, Food Chains, Mass Merchandisers, and Discount Stores.

Bonneau's sales and distribution network in the Houston Region include Randalls Foods, Albertsons, Walmart and Kmart with excellent sales teams including Blake Dinkmeyer, West Zone Sales Manager, Larry Robison, Vice President Of Food Divisions, and Yoka Carder, Director Of Services, who also resides in Houston.

If you should have any questions, please feel free to contact me.

Sincerely,

Kenneth S. Dortch
Kenneth S. Dortch
Senior Vice President

P.O. Box 91084
Dallas, TX 75321
(214) 241-3454
Fax: (214) 215-3152
(800) 527-3150

Compeco Industries

5 7 4 3 3 6 3 2 7 8 8



Ohio
Republican
Finance
Committee

Thomas W. Hannon - Chairman

MEMORANDUM

DATE: July 14, 1992
TO: Clarence Smith, Jr. & Arnold Collins
FROM: Jeffrey P. Ledbetter (signature)
RE: Houston Convention

Thanks for agreeing to sponsor one of the breakfasts for our delegation at the Republican National Convention in Houston next month. Your support is greatly appreciated.

Following this Memorandum are several pages of information, including legal jargon, dealing with the sponsoring of a breakfast. In a nutshell, a check for \$4,000 needs to be sent directly to:

Ms. Carrie H. Eickenrodt
Dini and Associates, Inc.
2727 Allen Parkway, Suite 700
Houston, Texas 77019

The check may be from your corporation. If you want to request a particular day to sponsor a breakfast, please let Carrie know.

Should you have any questions, you can contact Carrie at (713) 942-7923 or me. See you soon!

Cross Communications

5043632730

HOUSTON HOST COMMITTEE

1992 Republican National Convention

August 17 - 20, 1992 • Houston, Texas

Kenneth L. Lay, Chairman
Ben F. Love, Deputy Chairman

Penny H. Butler, Honorary Co-Chairman
Judge Jon Lindsay, Honorary Co-Chairman

November 1, 1993

Vice Chairmen

Wayne S. Alexander
Willie J. Alexander
Jack S. Blanton, Sr.
Philip J. Carroll
John T. Cater
John H. Duncan
James L. Dunlap
Don L. Fitch
Elizabeth L. Grist
C.M. Harrison
Linus Jefferson
Richard J.V. Johnson
Don D. Jordan
Beverly Kaufman
James L. Ketelsen
Ninfa Laureano
Homer L. Luther, Jr.
Vidal G. Martinez
Catherine Clark Mosbacher
Constantine S. Nicandros
Robert R. Omtzad
Roland Rodriguez
Jill Ruckelshaus
William Dean Singleton

Executive Director
Nancy G. McNeil

Kirk Dennis
Cross Communications
1881 9th Street Suite 302
Boulder, CO 80302-5151

Dear Mr. Dennis:

To comply with the recommendations of the Audit Staff of the Federal Election Commission in its recent audit report of the Houston Host Committee (HHC) to the 1992 Republican National Convention, we must confirm our understanding of your in-kind contribution to the HHC. It is our understanding that your organization has a history of providing nominal value products and merchandise to conventions in the capacity of an official provider.

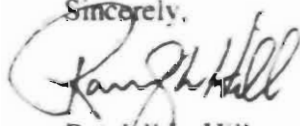
Please review the above statement regarding our understanding of your in-kind contribution and notify us below if you agree, disagree, or have additional comments regarding the nature of your contribution

The above statement is ☒ Correct
☐ Not correct

Comments:

A stamped, self-addressed envelope has been provided for your convenience. If you have any questions relating to the above matters, please contact me prior to returning your response at (713) 221-0363.

Sincerely,


Randall L. Hill
Controller

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Kirk Dennis
Cross Communications
1881 4th Street, Suite 302
Boulder, CO 80302-5151

4a. Article Number

7021 886 566

4b. Service Type

- | | |
|---|---|
| ☐ Registered | ☐ Insured |
| ☒ Certified | ☐ COD |
| ☐ Express Mail | ☐ Return Receipt for Merchandise |

7. Date of Delivery

11-15-93

5. Signature (Addressee)

6. Signature (Agent)

Peggy White

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3847, December 1991

U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

30192

Homewood-Flossmoor Community High School

5 0 4 3 6 3 2 7 9 3

**HOMewood-FLOSSMOOR COMMUNITY HIGH SCHOOL
DISTRICT 233**

999 Kedzie Avenue

Flossmoor, IL 60422-2299

Telephone: (708) 799-3000

Houston Host Committee
c/o Mr. Pat Oxford
Racewell and Patterson
11 Louisiana Street
South Tower
Houston, Texas 77002-2781

Dear Mr. Oxford,

This letter is to further explain our summer of 1992 donation of flag tributes to the Republican and Democratic Convention Delegates. Our JTPA Program is a pre-employment training program for disability youth at a high school level. We constantly look for agencies and functions to accept our products.

Our main goal is to provide simulated work experiences for our students. Our pamphlet seemingly explains our program. We have been nationally recognized by both administrations, the military and numerous veterans groups. We are very proud of our accomplishments.

By the convention committee accepting our products they were giving 50 severely disabled youth in job training an opportunity to build these skills. I'd like someone to come and see the numerous REJECTIONS for ideas for work we solicit. We are extremely thankful to the Republican National Committee for giving us this opportunity!

For further questions regarding our program please contact me at 708-799-3000 ex. 118.

Respectfully submitted,

Mr. Larry Baran

Program Director/Teacher JTPA

5043332704

5 0 4 3 6 3 2 7 9 5

program in giving terrific opportunities
to talented disabled Americans."

President Bill Clinton

"I am overwhelmed by the amount of
work your support group did to support
our brave servicemen and women."

Gen. H. Norman Schwarzkopf (Ret.)

"I am heartened by the number of
Americans like you who have initiated
such projects."

Former President George Bush

"Please accept my heartfelt appreciation
for all your support on behalf of the
Armed Forces."

*Colin L. Powell, Chairman
Joint Chiefs of Staff*

"Once again, you have demonstrated
that young people with disabilities can
participate in all aspects of our society."

*Former Vice President
Dan Quayle*

"Indeed, you are to be commended for
the fine work that you are doing with
these young people and I ask that you
express to them my thanks and deep
appreciation for sharing their talents
with me."

Mrs. Scott King

"The impossible dream — isn't!!"

*Captain Rainbow
Larry Baran, Director
Homewood-Flossmoor High School
J.T.P.A. Program*

with **Disabilities**

in **Action, Inc.**



A NATIONALLY RENOWNED
Homewood-Flossmoor High School

J.T.P.A. Program

and

Special Education Entrepreneurship

In Free Enterprise

Flossmoor, Illinois

PHILOSOPHY

A.D.A., Inc. builds self esteem and employability skills to Youth with Special Needs through stimulating a free enterprise system of DESIGNING, MANUFACTURING, and MARKETING Silk Floral Centerpieces, Corsages, and Boutonnieres for school, community, state and national events.

HISTORY

In the fall of 1980, teacher Larry Baran envisioned and implemented a very needed elective vocational class where his creativity in floral designing and his expertise in special education were a perfect match.

Students began to solicit floral orders for school functions sponsored by students and staff. The program's reputation and product quality quickly spread to our local civic, business, religious, and governmental community organizations.

Then, in December of 1988, Mr. Baran was inspired to seek national awareness that students with disabilities are *job ready and worthy* when given an opportunity! The White House was



This DREAM became a REALITY. The students designed the "STAR SPANGLED TRIBUTE" by entwining and taping a red, white & blue ribbon rose and leaf around our American Flag.



The hearts and hands of these Young Americans with Special Disabilities have gone on to touch the Heartland, Spirit, and American Dream through these nationally recognized accomplishments:

- 5,000 for Vice President Quayle's Inauguration Reception for Members of Congress
- 20,000 for the Moving Vietnam Wall

- 25,000 for the National Victory Celebration in Washington, D.C.

- 25,000 for the 50th Commemorative of Pearl Harbor, Hawaii

- Three were officially aboard the Jan. '92 Discovery Shuttle
- 30,000 made for the '92 Presidential Campaigns
- 8,000 requested by the Pentagon for Operation Renew Hope's Troops in Somalia
- 10,000+ for Clinton/Gore Inauguration Reunion on the Mall centerpieces and American Heroes Luncheon Decorations
- 40,000 for the Department of Defense's 50th Year Commemoration of "D-Day."
- Centerpieces for the American Legion's National Convention.
- Ongoing funding since 1990 from The Job Training Partnership Act.

We encourage you to support this student run Entrepreneurship by considering our silk floral creations for your next educational, governmental, business, civic, or military event.

For further information regarding this program and/or its products, write or call:

JOB TRAINING PARTNERSHIP PROGRAM

THE WHITE HOUSE

WASHINGTON

November 1, 1990

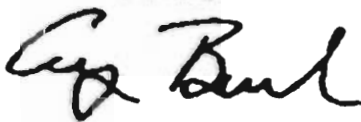
Dear Mr. Baran:

Word has reached me of your outstanding record of community service. I congratulate you on your achievements.

Many of America's most pressing social problems can best be solved through a renewal of the values on which our Nation was founded: duty, acceptance of personal responsibility, commitment, and a respect for every individual that expresses itself in direct or consequential action in behalf of others. Efforts such as yours are evidence that these values remain firmly embedded in the American character. I commend you for making a difference in the life of your community.

Barbara joins me in wishing you every success as you continue to set a fine example for your friends and neighbors. May God bless you.

Sincerely,



Mr. Larry Baran
R.A.I.N.B.O.W.
999 Kedzie Avenue
Flossmoor, Illinois 60422-2299



THE VICE PRESIDENT
WASHINGTON

February 5, 1991

Mr. Larry Baran
Project RAINBOW
HOMEWOOD-FLOSSMOOR HIGH SCHOOL
999 Kedzie Avenue
Flossmoor, Illinois 60422

Dear Larry,

I would like to commend you for your Flags in the Desert Project. Once again, you have demonstrated that young people with disabilities can participate in all aspects of our society. Patriotism is not limited to just able-bodied Americans. I enjoyed reading the letters of appreciation you received from our men and women serving in the Gulf. I would like to add my praise to theirs.

I have followed the work you and your students have done since the floral arrangements they created for the Bush-Quayle Inaugural ceremonies. I was delighted to see you at the picnic following the signing of the Americans with Disabilities Act on July 26th here in Washington. The boutonnieres your students created for the event were greatly appreciated by those in attendance. I am proud to have played a small part in your RAINBOW PROJECT through its funding by the Job Training Partnership Act (JTPA). When I introduced JTPA in the United States Senate, I hoped that it would result in successful projects to help disabled people find employment. Your work has helped reach this goal.

Keep up the good work!

Sincerely,

A handwritten signature in cursive script, reading "Dan Quayle".

Dan Quayle

THE WHITE HOUSE

WASHINGTON

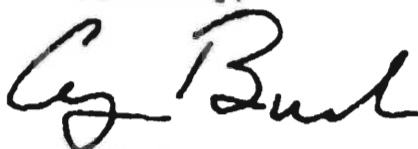
December 14, 1990

Dear Friends:

I was delighted to learn from Secretary Derwinski what the Homewood-Flossmoor High School and the Homewood-Flossmoor community have done to demonstrate support for the members of our Armed Forces serving in the Persian Gulf. I am heartened by the number of Americans like you who have initiated such projects. They serve as a source of strength as we work to enforce United Nations sanctions against Iraq's aggression.

This is a difficult assignment for our service men and women, but through programs like yours you are letting them know that they have the backing of the American people. Thank you for all you are doing in behalf of those who are defending the cause of freedom in the Persian Gulf and for their families.

Sincerely,



Members of the
Flags In The Desert Project
Flossmoor, Illinois

5043032799

BRACEWELL & PATTERSON, L.L.P.

A HOUSTON LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA ST STE 2800
HOUSTON TX 77002-2781

713 223 2800
FAX 713 321 1212

PATRICK C. OXFORD
PARTNER

January 20, 1995

100 CONGRESS AVE STE 1800
AUSTIN TX 78701-6052
512 472 7600

LINCOLN PLAZA
500 N ARARD ST STE 4000
DALLAS TX 75201-3267
214 740 4000

2000 H STREET NW STE 800
WASHINGTON DC 20006-1872
202 628 8400

43 BROOK ST
LONDON W1T 2PL ENGLAND
44 71 353 3330

Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

Re: Federal Election Commission ("FEC") proposal of July 26, 1994

Dear Jim:

Thank you for your call last week; I'm moving ahead to try and get more material from Binney and Smith. I appreciate your patience.

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

PCO/hec

5043632300

BRACEWELL & PATTERSON, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA ST STE 2900
HOUSTON TX 77002-2781
713 223 2900
FAX 713 221 1212

PATRICK C. OXFORD
PARTNER

January 24, 1995

100 CONGRESS AVE STE 1800
AUSTIN TX 78701-4082
512 472 7800

LINCOLN PLAZA
500 N AKARD ST STE 4000
DALLAS TX 75201-3387
214 740 4000

2000 K STREET NW STE 500
WASHINGTON DC 20006-1872
202 828 5800

43 BROOK ST
LONDON W1Y 2BL ENGLAND
44 71 355 3330

Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

MAR 3 1995

Re: Binney & Smith

Dear Jim:

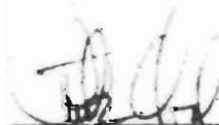
I have enclosed a fax from Binney & Smith regarding issues we have discussed. As you can see from the fax, we are not able to confirm contributions to the Democratic convention, but it is clear that Binney & Smith has a huge presence in the Houston area and their contribution should qualify on that basis. In summary, they should qualify as a local business as they have five retail outlets, four outlets which are distributor and retail, and three other distributor-only outlets.

If you will confirm your understanding in this regard with me, we should be in a position to wrap up this matter.

Thank you, Jim, for your patience.

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

PCO/pjj
Enclosure

TEXAS

(D) - Distributor

(A) - Address

(D) Col Shannon Sales
200 West Carroll
Harlingen TX 79350
(910) 423-6257

(D) Diamond Arts & Crafts
2207 Royal Lane
Dallas TX 75229
(214) 620-9653

(D) Educational Products
11425 Mathis, Suite 402
Dallas TX 75234
(214) 849-6230

(R) ✓ Hobby Lobby (all store locations)

(R & D) Marvel Products
306 Bonds, Suite 800
San Antonio TX 78216
(210) 340-1218

(D) EB Hott
3015 Hamshire
Dallas TX 75233
(214) 339-5113

(D) ✓ E & R Wholesale Distributor Company
2306 Canada Dry Street
Houston TX 77023
(713) 921-7197

(D) ✓ Sam's Wholesale
4307 South Fort
PO Box 7023
Corpus Christi TX 78415
(512) 852-0450

(R & D) School Mart Inc
1812 South Pross
San Antonio TX 78210
(210) 334-8803

5043632802

BINNEY & SMITH INC. **FACSIMILE TRANSMITTAL COVER PAGE**

Date:

1/25/95

Urgent

Priority

✓
FYI

Number of pages including cover page:

5

To:

PATRICK OXFORD

Facsimile #:

713 - 221 - 1212

From:

Dean Rodenbough
Director, Corporate Affairs

Telephone #:

(610)253-4272, Ext. 4743

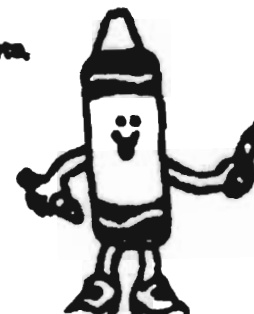
Message:

PATRICK - NO ENDOUSE ON AIR SEND TO SHOW CONTRIBUTION
TO A DEMOCRATIC CONVENTION; HOWEVER 2 ATTACHED
PAGES LIST RETAIL & WHOLESALE DISTRIBUTORS FOR
OUR PRODUCTS. HOPE THIS IS SATISFACTORY

DEAN RODENBOUGH

Our facsimile number is (610) 253-5708. If the copy is illegible or incomplete,
 please call Jennifer Panto at (610) 253-4272 Ext. 4241.

Binney & Smith Inc.
 1100 Church Lane
 P. O. Box 431
 Easton, PA 18044-0431



EDUCATIONAL DISTRIBUTORS

TEXAS

(D) - Distributor

(R) - Retail

(C) - Crayola

(L) - Liquitex

(D) Asel Art Supply - (C & L)
2701 Cedar Springs
Dallas, TX 75201
(214) 871-2423

(D) Asel Art Supply - (C & L)
1524 North Main
San Antonio, TX 78265
(210) 722-8481

(R) Basic Office & School Supply - (C)
13245 Jones Road
Houston, TX 77070
(713) 840-6613

(D) Beckley Cardy Company - (C & L)
Box 103 East
Lufkin, TX 75902
(409) 637-1648

(R) Canbury/Plains Teaching
3500 Bell, Suite 1-28
Amarillo, TX 79106
(806) 358-0375

(D & R) Cole Educational Supply (C & L)
1801 Allen Green Road
South Houston, TX 77587
(713) 944-2345

(D & R) Cole Educational Supply (C & L)
1508 W. Loop North
Houston, TX 77008
713-861-9944

(D & R) Cole Educational Supply (C & L)
211 A I-45 at 1960
Houston, TX 77090
713-387-2633

(D & R) Cole Educational Supply (C & L)
4508 W. Highway 6
Houston, TX 77084
713-461-6961

(D & R) Cole Educational Supply (C & L)
2111 East Avenue
San Antonio, TX 78201
(210) 732-1136

504363204

EDUCATIONAL DISTRIBUTORS

TEXAS

Page 2

(D) - Distributor
 (R) - Retail
 (C) - Crayola
 (L) - Liquitex

(D & R) Cole Educational Supply
 4250 S. Alameda
 Corpus Christi, TX 78412
 512-991-5331

(R) Creative Classroom Supply - (C)
 2558 Gravel - Building 8
 Ft. Worth, TX 76118
 (817) 284-5138

(R) Creative Storehouse
 2501 West Ohio
 Midland, TX 79701
 (915) 684-9804

(D) Educational Products, Inc. - (C)
 719 Bradford Road
 Houston, TX 77060
 (713) 820-3820

(R & L) Hoover Brothers - (C & L)
 2050 Postal Way
 Dallas, TX 75212
 (214) 634-8674

(D) Houston Art & Frame - (C & L)
 3004 Pagan Street
 Houston, TX 77007
 (713) 868-2503

(R) Manning School Supply - (C & L)
 711 North 111th Street
 Beaumont, TX 77702
 (409) 838-0413

(R & L) O'Neill Specialty Company - (C & L)
 3401 West Expressway
 McAllen, TX 78501
 (210) 686-6521

(D) Sex Arts & Crafts - (C & L)
 1185 Corporate Drive
 Arlington, TX 76011
 (817) 633-4534

(R) Southwest Teacher Supply - (C)
 7497 Southwest Freeway
 Houston, TX 77074
 (713) 771-8506

EDUCATIONAL DISTRIBUTORS

TEXAS

Page 3

- (D) - Distributor
- (R) - Retail
- (C) - Crayola
- (L) - Liquitex

(R)

Socinor's - (C)

5043632306

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Houston Host Committee, Inc.,)
and Frank Maresh, as)
Treasurer)

MUR 3923

SENSITIVE

GENERAL COUNSEL'S REPORT

I. INTRODUCTION

On October 19, 1994, the Commission found reason to believe that Houston Host Committee, Inc., and Frank Maresh, as Treasurer ("the Committee") violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). The Commission also directed this Office to enter into pre-probable cause conciliation negotiations with the Committee.

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II. DISCUSSION

By letter dated November 22, 1994, the Committee submitted evidence to this Office purporting to demonstrate that the Committee did not accept unlawful contributions (Attachment 2). The Committee supplemented that submission by letters dated January 10, 1995 (Attachment 3) and January 24, 1995 (Attachment 4).

The materials submitted by the Committee indicate that the contributions from Binney & Smith (\$12,500); Bonneau Company (\$9,000); Compco Metal Products (\$4,000); and Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities (\$4,250) may have been lawful.

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A. Binney & Smith and Bonneau Company

Binney & Smith manufactures Crayola crayons and markers; Bonneau Company manufactures Foster Grant sunglasses. The Committee submitted evidence demonstrating that both companies have extensive distribution and dealership networks in the Houston Metropolitan Statistical Area. See Attachments 2-4. The companies therefore are "local businesses" as defined in the Commission's regulations, and were permitted to contribute to the Committee. 11 C.F.R. § 9008.7(d)(2).

B. Homewood-Flossmoor Community High School
Job Training Partnership Class for Americans
with Disabilities

Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities ("Homewood-Flossmoor") is a school-based, job training program for the disabled. According to evidence submitted by the Committee, Homewood-Flossmoor students craft "flag tributes" -- flowers wrapped in red, white and blue ribbons -- as part of their job training curriculum. See Attachment 2 at 15. Homewood-Flossmoor then distributes the flag tributes free of charge to conventions and other patriotic gatherings. Id.

The purpose of the host committee contribution regulations is to "ensure that donations are commercially rather than

politically motivated." 44 Fed. Reg. 63037, 63038 (1979). The Homewood-Flossmoor contribution is consonant with that purpose. Although it is not a business in the traditional sense, Homewood-Flossmoor's motivation for providing the flag tributes to the Committee was essentially commercial. The program seeks to build "national awareness that students with disabilities are job ready and worthy when given an opportunity." Attachment 2 at 17 (emphasis in original). To achieve this end, Homewood-Flossmoor has contributed floral arrangements for such events as the 50th anniversary commemoration of the bombing of Pearl Harbor, 50th anniversary commemoration of D-Day, the launch of Space Shuttle Discovery, the American Legion's national convention, Vice President Quayle's inauguration, and the Clinton/Gore Inauguration Reunion. Id. Thus, the contribution to the Committee (as well as a similar contribution to the New York Host Committee in connection with the 1992 Democratic National Convention) clearly served Homewood-Flossmoor's "commercial" purpose. In addition, the range of events to which Homewood-Flossmoor has contributed indicates that while the contributions may have been made in connection with political events, they were not political in purpose.1/

1/ In Advisory Opinion 1988-25, the Commission established the principle that a contribution to a host committee may be lawful, even though it falls within the interstices of the regulations governing contributions to national nominating conventions. Specifically, the Commission stated that, under the conditions presented in the request, General Motors Corporation ("GMC") could loan cars to both national conventions without violating 2 U.S.C. § 441b(a). Although GMC's program was not authorized

C. Compco Metal Products

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Compco Metal Products sponsored a breakfast for the Ohio delegation to the 1992 Republican National Convention. The Committee initially reported the \$4,000 cost of the reception as an in-kind contribution. During the audit, however, the Committee advised the Audit staff that the breakfast was an independent event held outside the Committee's purview, and that it was erroneously reported by the Committee. See Final Audit Report at 4. The Audit staff rejected the Committee's proposed recharacterization of the breakfast for lack of corroborative evidence. Id. Based upon that lack of evidence, this Office recommended that the Commission find reason to

(Footnote 1 continued from previous page)
by the regulations, the Commission concluded that it was the kind of activity sanctioned by the regulations. Noting, inter alia, that GMC had made similar loans to commercial conventions, the Commission concluded that the loan program was unrelated to the political nature of the conventions. As further evidence for this proposition, the Commission noted that GMC made the loan program available to both the the Republican and the Democratic conventions. Many of the factors that gave rise to the Commission's determination in Advisory Opinion 1988-25 are present in the instant case.

believe that the Committee accepted an unlawful contribution from Compco.

the Committee provided this Office with a memorandum from the Ohio Republican Finance Committee to Compco, thanking the company for agreeing to sponsor a \$4,000 breakfast for the Ohio convention delegation. See Attachment 2 at 10. The Committee also has advised this Office that it neither solicited nor controlled the Compco contribution, and that no funds from Compco were deposited in the Committee's bank account.

The Commission has stated that a corporation may host a reception for convention participants without contributing to the host committee, provided, inter alia, that the committee does not exercise control over the event. Advisory Opinion 1983-23. Here, the evidence indicates that the Committee had no role in the Compco reception. We therefore recommend that the Commission treat the Compco contribution as lawful insofar as the Committee is concerned, and accept the Committee's assertion in this regard.

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III. CLOSING THE FILE WITH RESPECT TO THE CONTRIBUTORS

On October 19, 1994, the Commission found reason to believe that Binney & Smith; Bonneau Company; Compco Metal Products; Cross Communications; Fresh Technology Company; and Philip Morris USA violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) by making contributions to the Committee, but took no further action. The Commission also found reason to believe that Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities violated 11 C.F.R. § 9008.7(d)(2)(i), but took no further action. The General Counsel's Report that recommended the foregoing determinations inadvertently did not contain a recommendation to close the file with respect to those respondents. Accordingly, for administrative purposes, we recommend that the Commission close the file with respect to Binney & Smith; Bonneau Company; Compco Metal Products; Cross Communications; Fresh Technology Company; Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities; and Philip Morris USA.

IV. RECOMMENDATIONS

1. Approve the attached conciliation agreement with Houston Host Committee, Inc., and Frank Maresh, as Treasurer, and close the file in this matter with respect to those respondents.
2. Close the file in this matter with respect to Binney & Smith; Bonneau Company; Compco Metal Products; Cross Communications; Fresh Technology Company; Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities; and Philip Morris USA.

3. Approve the appropriate letters.

2/23/95
Date


Lawrence M. Noble
General Counsel

Attachments

1. Conciliation Agreement
2. Letter from Patrick C. Oxford to James S. Portnoy
(November 22, 1994)
3. Letter from Patrick C. Oxford to James S. Portnoy
(January 10, 1995)
4. Letter from Patrick C. Oxford to James S. Portnoy
(January 24, 1995)

5943632316

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Houston Host Committee, Inc.,)
and Frank Maresh, as)
Treasurer.)

MUR 3923

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 1, 1995 the Commission decided by a vote of 6-0 to take the following actions in MUR 3923:

1. Approve the conciliation agreement with Houston Host Committee, Inc., and Frank Maresh, as Treasurer, and close the file in this matter with respect to those respondents as recommended in the General Counsel's Report dated February 23, 1995.
2. Close the file in this matter with respect to Binney & Smith; Bonneau Company; Compco Metal Products; Cross Communications; Fresh Technology Company; Homewood-Flossmoor Community High School Job Training Partnership Class for Americans with Disabilities; and Philip Morris USA.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated February 23, 1995.

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

3/2/95
Date

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

Received in the Secretariat: Fri., Feb. 24, 1995 10:32 a.m.
Circulated to the Commission: Fri., Feb. 24, 1995 12:00 p.m.
Deadline for vote: Wed., Mar. 01, 1995 4:00 p.m.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 7, 1995

Patrick C. Oxford
Bracewell & Patterson
South Tower Pennzoil Place
711 Louisiana Street, Suite 2900
Houston, TX 77002-2781

RE: MUR 3923
Houston Host Committee

Dear Mr. Oxford:

On March 1, 1995, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Patrick C. Oxford
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,


James S. Portnoy
Attorney

Enclosure
Conciliation Agreement

5043632312

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JAN 27 12 45 PM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Houston Host Committee, Inc.) MUR 3923
and Frank Maresh, as)
Treasurer)
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Houston Host Committee, Inc. and Frank Maresh, as treasurer, ("Respondents") violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

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

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

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IV. Respondents enter into this agreement and make the admissions contained herein for the purpose of reaching a settlement in this matter.

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

1. The 1992 Republican National Convention was held in Houston, Texas during August 1992.

2. Houston Host Committee, Inc. is a host committee with respect to the 1992 Republican National Convention within the meaning of 11 C.F.R. § 9008.7(d)(1). Frank Maresh is the treasurer of the Houston Host Committee, Inc.

3. Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for president or vice president, or for any person to accept or receive such a contribution or expenditure.

4. Pursuant to 11 C.F.R. § 9008.7(d)(2)(i), it is unlawful for a business, other than a local business as defined in 11 C.F.R. § 9008.7(d)(2)(iv), to donate funds or make in-kind contributions to a host committee, or for a host committee to accept or receive such funds or in-kind contributions.

5. Respondents accepted the following three in-kind contributions: (1) Cross Communications -- \$10,000 (February 24, 1992); (2) Fresh Technology Company -- \$430 (June 3, 1992), and (3) Philip Morris USA -- \$2,500 (August 11, 1992). All three contributors are corporations.

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6. The three contributors identified in paragraph IV.5 were not "local businesses" because they were located outside the Metropolitan Statistical Area ("MSA") of Houston, Texas at the time they made the contributions in question.

VI. Respondents accepted prohibited corporate contributions totaling \$12,930 from Cross Communications, Fresh Technology Company, and Philip Morris USA, in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

VII. Respondents agree as follows:

1. Respondents will disgorge the prohibited contributions identified in paragraph IV.5 to the United States Treasury. Respondents therefore will pay the United States Treasury the sum of \$12,930.

2. Respondents also will pay a civil penalty to the Federal Election Commission in the amount of five thousand dollars (\$5,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. 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.

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

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

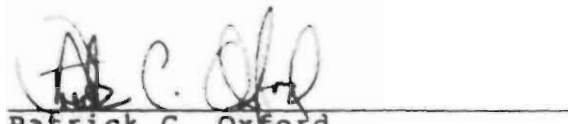
FOR THE COMMISSION:



Lawrence M. Noble
General Counsel

3/7/95
Date

FOR THE RESPONDENTS:



Patrick C. Oxford
General Counsel

January 26, 1995
Date

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3923

DATE FILMED 4/4/95 CAMERA NO. L

CAMERAMAN E.E.S.

5043632324



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 4/7/95

☒ Microfilm
☐ Public Records
☐ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED RMR 3923

25043633376

BRACEWELL & PATTERSON, L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
ATTORNEYS AT LAW

SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA ST STE 2800
HOUSTON TX 77002-2781
713 223 2900
FAX 713 221 1212

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PARTNER

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512 472 7800

LINCOLN PLAZA
500 N AKARD ST STE 4000
DALLAS TX 75201-3387
214 740 4000

2000 K STREET NW STE 500
WASHINGTON DC 20008-1672
202 626 5800

43 BROOK ST
LONDON W1Y 2SL ENGLAND
44 71 355 3330

April 5, 1995

Mr. James S. Portnoy
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

Re: Houston Host Committee, Inc.

Dear Jim:

Please find enclosed Texas Commerce Bank cashier's checks as follows:

1. Made payable to U.S. Treasury in the amount of \$12,930.00; and
2. Made payable to Federal Election in the amount of \$5,000.00.

The payment of these amounts constitutes full compliance by the Houston Host Committee with the terms of the Conciliation Agreement by and between the Federal Election Commission and the Respondents in MUR 3923. Please indicate your acceptance of these payments by signing in the appropriate space below on both copies of this letter and returning the xerox copy to me.

Very truly yours,

HOUSTON HOST COMMITTEE



Patrick Oxford
General Counsel

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
Apr 6 3 21 PM '95

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BRACEWELL & PATTERSON

Mr. James S. Portnoy

April 5, 1995

Page 2

ACCEPTED THIS _____ DAY OF _____, 1995.

James S. Portnoy
Office of the General Counsel
Federal Election Commission

cc: Randy Hill
KPMG Peat Marwick

Nancy McNeil
Enron Corp.

PCO/hec



HOUSTON TEXAS 77002
CW

OFFICIAL CHECK

61-310034337

DATE

NATIONAL ASSOCIATION
SELLING AGENT

REMITTER

GREATER HOUSTON CONVENTION & VISITORS BUREAU

PAY TO THE
ORDER OF

TEXAS COMMERCE 12,930.00cts
BANK N.A.

12,930.00

U.S. TREASURY

A 60 day stopping period and an
indemnity bond is required
to replace this check.

GUARANTY BY AMERICAN EXPRESS TRUST AND SAVINGS COMPANY, INC., MEMPHIS, TENNESSEE
FIRST INTERSTATE BANK OF DENVER, N.A., DENVER, COLORADO



Barbara Lewis
AUTHORIZED SIGNATURE

⑆102000018⑆61 -3100343373⑆

25043633379



HOUSTON TEXAS 77202

CW

OFFICIAL CHECK

61-310034338

DATE APR -4 1995

NATIONAL ASSOCIATION

SELLING AGENT

REMITTER

GREATER HOUSTON CONVENTION & VISITORS BUREAU

PAY TO THE
ORDER OF

TEXAS COMMERCE

BANK N.A.

5,000 dollars 00 cts

5,000.00

FEDERAL ELECTION COMMISSION

A 60 day waiting period applies to
endorsements. Bank is required
to replace this check.

ISSUED BY AMERICAN EXPRESS TRAVEL & TOURS COMPANY, INC., Registered, Columbia
FIRST INTERSTATE BANK OF DENVER, N.A. MEMBER FDIC

204
100

NOT VALID OVER \$10,000.00
Michael O. Walker
SENIOR VICE-PRESIDENT - CASHIER

AUTHORIZED SIGNATURE

25043633380



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

4/6/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Houston Host Committee Inc., check number 61-310034337 dated 4/1/95, and in the amount of \$12,930.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of \$12,930.00, the MUR number is 2929 and in the name of Houston Host Cmte.. The account into which it should be deposited is indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☐ Civil Penalties Account, 95-1099.160
- ☒ Other: Re-Pymt to U.S. Treasury

Anita Alexander
Signature

4-7-95
Date

1383363405



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20461

APR 10 1995

4/6/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Houston Host Committee, check number 61-310034578 dated 4/4/95, and in the amount of \$ 5,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of \$ 5,000.00, the MUR number is 3923 and in the name of Houston Host Cmte.. The account into which it should be deposited is indicated below:

☐ Budget Clearing Account (OGC), 95F3875.16

☒ Civil Penalties Account, 95-1099.160

☐ Other: _____

Anita Alexander
Signature

4-7-95
Date

2504363382