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CLIENT/MATTER NUMBER
026210-0105

Jeff S. Jordan, Esquire
Supervising Attorney
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: Michael J. Shelton -- Complainant
Jan Schneider -- Complainant
MUR # 5350 & MUR # 5361

Dear Mr. Jordan:

Enclosed herewith are three additional pieces of evidence relating to the above-referenced matters:

1. Shelton Letter of May 26, 2003. On May 26, 2003, Michael Shelton, complainant in MUR # 5350 and respondent in MUR #5361, wrote a letter (Exhibit A hereto) again admitting holding hostage financial data known to be necessary (a) for Schneider for Congress to be able to prepare and correct Federal Election Commission electronic filings, and (b) for Jan Schneider and the committee to be able to respond fully to MUR #5350 that Mr. Shelton himself filed against them. As the FEC is aware, Mr. Shelton has taken incompatible positions in this regard in the past.

On the one hand, he has repeatedly sought to extort \$6,000 to turn over to Schneider for Congress copies of the committee's own FEC electronic reports he prepared as a volunteer – the amount claimed to be "for the time it took [him] to complete them, some 24 hours at [his] customary billable rate of \$250 per hour." On the other hand, Mr. Shelton has at other times pretended ignorance of the nature of the materials being sought by Jan Schneider and her committee, for example, professing himself "reluctant to speculate . . ." about what was needed and protesting that his "crystal ball is on the fritz." Copies of these communications have already been supplied to the FEC. What is most notable about the new, May 26 letter is that Mr. Shelton unequivocally admits knowing full well that Schneider for Congress most urgently needs "copies of campaign reports prepared by me and stored on my personal computer."

2. Shelton Letter of June 6, 2003. On June 6, 2003, Dennis Plews, Esq., an attorney who sometimes represents Mr. Shelton (but who has apparently not been designated as Shelton counsel before the FEC), sent a letter to me on behalf of Mr. Shelton. That communication purports to make a settlement proposal, but in actuality proposes a transaction contrary to public policy and in apparent derogation of the rules and purposes of the FEC. I am turning this letter over to the FEC (Exhibit B) because: (a) by virtue of the objectionable nature of its contents, the letter loses any privilege of confidentiality it might even arguably otherwise have enjoyed; (b) the letter again admits

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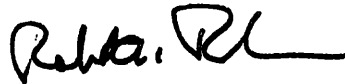
Jeff S. Jordan, Esquire
June 17, 2003
Page 2

that Mr. Shelton is harboring documents he knows to be essential to the above-referenced and other proceedings before the FEC; and (c) Ms. Schneider, Schneider for Congress and the other respondents named in MUR #5350 want to be fully open with the FEC and anyone else who may have an interest in Schneider for Congress financial affairs, eschewing all suggestions of collusive side agreements or "cover-ups" (even assuming that the parties could by agreement terminate the pending MURs or the related audit).

3. Declaration of Keith Fitzgerald. The third document is a declaration by Keith A. Fitzgerald, Associate Professor of Political Science at New College in Sarasota and a key advisor to the Schneider campaign (Exhibit C). On or about October 28, 2002, Professor Fitzgerald met with Mr. Shelton to discuss certain political advertisements Mr. Shelton thought should be used in the Schneider campaign but the candidate had forbidden, which ads are the subject of MUR #5361. As discussed in the Fitzgerald declaration, in the course of the meeting, Mr. Shelton repeatedly complained that "Ms. Schneider would not approve" use of such anti-personal attack ads. Contrary to all advice from Professor Fitzgerald on grounds both of efficacy and fiduciary responsibilities, Mr. Shelton proceeded to substitute his campaign ads for those of the candidate – and, worse still, to run them on television and in written mailers and ads as "Approved by Jan Schneider," knowing precisely the contrary to be true.

Thank you again for your attention to these matters.

Sincerely,



Robert A. Burka

Enclosures (3)



DENNIS J. PLEWS

Civil Trial Attorney

Finkelstein & Associates, P.A.
Attorneys, CPAs and Associates



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Academy of Florida Trial Lawyers
American Trial Lawyers Association

General Civil Litigation
Divorce, Commercial, Residential
Torts, Professional Malpractice

Susan Chapman
Attorney At Law
1800 Second Avenue
Suite 799
Sarasota, Florida 34236

February 20, 2003
VIA FAX #: 941-366-6624

Re: Schneider Campaign Issues
My Client: Michael J. Shelton
Your Client: Jan Schneider

Dear Counselor:

Thank you for your letter of today in which you set forth your recollection of our telephone conference of yesterday. I accept much of it as being a fairly accurate recitation of our conversation.

Regarding the vacuum cleaner and card table, your client has given several versions of their disposition, most recently at the Kennedy-King Dinner given by the Sarasota Democratic Party Executive Committee. Rather than pursue the matter through the courts you asked me during our telephone conference yesterday to provide you with a description of each and a suggested fair market value as of the date of their conversion. Included herewith are pictures of examples of the vacuum cleaner and card table which fairly depict the items nature. Although they were not new, they were in excellent condition and the vacuum had just been serviced and was in top working order when it was lent to the campaign. My client would accept either similar items acquired by your client in substitution for the ones that have been converted or, alternatively, the prices listed for the items as shown on the enclosed ads.

Concerning the so-called FEC records, you make interesting assertions concerning ownership and have information concerning Mr. Carroll's position with the Schneider campaign that is inconsistent with what is known to be true. As to the ownership of the data that may still be contained in my client's personal computer, Mr. Carroll provided the data from paper records and presumably he or some other campaign member such as your client or her father should still be possessed thereof. Anything in my client's computer was entered by him and would therefore appear to be his work product. As your claim of ownership is unsupported by any citations of authority, I am unable to agree that the data is anything other than the product of my client's labors. Would you be so kind as to provide me with copies of the legal authorities upon which you base your ownership assertion so that I might review same and reach my own legal opinion on this issue in the light thereof? Alternatively, your client can purchase those records from my client by paying him for the time it took him to compile them, some 24 hours, at his customary billable rate.

As to Mr. Carroll's visit, we are aware that he resigned his position as campaign treasurer. Regarding any

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ethical violation, when Mr. Carroll approached my client he, Mr. Carroll, stated that your client had sent him around to speak with my client on the matter of acquiring the so-called FEC records. What I did say is I asked that you insure that in the future neither Mr. Carroll nor any other person be tasked by you or your client to circumvent the requirement that communications concerning the disputed issues be made only through counsel.

The next matter I feel compelled to address is your apparent penchant for ambiguity. In your letter of February 20, 2003 you include the following paragraph concerning the so-called FEC records:

"Mr. Shelton continues to hold campaign records that are the property of Ms. Schneider's campaign. Mr. Shelton input donor records, finance records, and expenditure records on his computer. These records are essential for accurate campaign reporting to the Federal Elections Commission. Mr. Shelton is fully aware of the nature of the records, since he completed some of the reports made to the F.E.C. These records are the proprietary records of the Jan Schneider campaign. There is no law that gives Mr. Shelton a claim or lien on these records. It is important that Mr. Shelton release these records to Ms. Schneider or to her campaign treasurer, Carroll Johnson. Please consider this our last formal demand for these campaign records before the appropriate authorities are notified. Mr. Shelton needs to return these records to my office or to Mr. Johnson within seven days." (e.s.)

Since you clearly claim ownership of the computerized data, the clear import of this language is to threaten a criminal complaint against my client unless he meets your demands. If that is not what you meant, please, in writing, clarify your meaning by noon tomorrow, otherwise I will accept that you confirm my interpretation of this ambiguity as accurately stating your intent.

You have made an offer of \$3,500.00 to settle the claimed indebtedness of \$8,032.09 (plus statutory interest). I'm glad to see that some progress on this issue is being made. It is hereby rejected, as is your suggestion that the matter be mediated. A binding arbitration agreement is possible, depending upon the terms concerning the responsibility for the costs thereof. However, I suggest that should your client pay mine the full amounts claimed and execute a mutual release and a confidentiality agreement that would require both parties, Mr. Schneider and anyone acting on Ms. or Mr. Schneider's request, express or implied, to forever remain silent on all of the issues between my client and yours that have been addressed in our written communications, he would be inclined to again volunteer to assist her campaign complete its FEC filings and should that go well on an interpersonal level, he would seriously consider assisting Ms. Schneider raise funds to retire the remaining campaign indebtedness. As you also seem to want to put this matter to rest promptly by your 48 hour deadline for acceptance of your \$3,500.00 offer, we require that your client's acceptance of one or the other of these counter-proposals (payment/arbitration) be delivered to me by 5:00 p.m. on February 21, 2003. I look forward to your reply.

Sincerely,



Dennis J. Pews

DJP/

Encl.: Hoover and Samsonite Ads
cc: Client

**DENNIS J. PLEWS***Civil Trial Attorney***Finkelstein & Associates, P.A.****Attorneys and CPAs**

*Member of
Academy of Florida Trial Lawyers
American Trial Lawyers Association*

*Civil Litigation Involving Divorce,
Commercial, Residential, Torts and
Professional Malpractice Matters*

June 6, 2003

VIA FAX # 202.672.5399

Robert A. Burka, Esq.
Foley & Lardner
3000 K Street, NW, Suite 500
Washington, DC 20007-5109

RE: Shelton v Schneider

Dear Mr. Burka:

I have just finished reviewing my client's draft response to the FEC complaint filed by your client. It is 38 pages, without attachments or affidavits, and I must tell you that it is not a pretty recitation of the events of the past year. Clearly, the actions of our respective clients are doing nothing to further their individual well being and resulting only in their mutual consternation. I believe that the filing of my client's response will have a significantly adverse impact upon all concerned, especially to Ms. Schneider who still harbors political ambitions. I would be happy to supply you with a pre-filing copy; however, I do not see any benefit that will come from showing it to Ms. Schneider. It will only upset her and, if released, others in the community. If you would like a courtesy copy prior to filing, please let me know.

Both of our clients have obligations to others which are much greater than their personal desires. If these battles continue, they will further damage the local Democratic party, which I am sure we all would rather avoid. In that regard, I believe that I have convinced my client to accept the following as a full and complete settlement to this uncomfortable situation:

1. Ms. Schneider pays the sum of \$3,500.00 to my client who will contribute it to Emily's List, a political action committee which supports pro-choice Democratic woman candidates as well as the Victory Fund, another liberal Democratic PAC (on February 20, 2003, your client offered this sum as a partial settlement);
2. My client provides Ms. Schneider with copies of all records contained on his computer or elsewhere and provides whatever assistance may be within his control to assist Ms. Schneider with fulfilling her campaign reporting requirements;
3. Our clients sign a general mutual release of all claims against each other;

*Sarasota, Florida Office: 27 Fletcher Avenue 34237 941-952-9999 ext. 108 Fax: 309-9999
E-Mail dennis@attorneycpa.com*

4. Our clients sign a mutual confidentiality agreement which encompasses any and all matters which occurred from June 1, 2002 and through the date of any agreement;
5. Our clients, to the extent possible, withdraw any complaints which they may have filed against the other with any agency, to include, but not be limited to, the Federal Elections Commission;
6. Our clients agree not to file any future complaints against each other; and
7. Now that Ms. Schneider has decided to run for public office again, my client will not engage in any activities which could be construed as campaigning against her.
8. Mr. Shelton would agree not to pursue any legal remedies he may have against others related to the Schneider campaign nor the Sarasota Herald Tribune for publishing her slanderous comments on March 29, 2003, in conformity with the release mentioned in number 3 above.

I hope that you see the benefit that will come from your client accepting Mr. Shelton's offer. Not only will our clients' benefit, but the community as a whole will be able to begin the process of healing. Should the information in these filings become public, only the GOP will benefit

As my client is facing a deadline to file his response with the FEC by Tuesday next, I will need your response no later than Monday, June 9, 2003 at 5:00 PM. Thank you for your consideration of this proposal.

Sincerely,



Dennis J. Plews

cc: Michael J. Shelton, Esq.
Susan Chapman, Esq.

C:\PLEWS\CLIENTS\SHELTON\LTRS\BURKA66.03

June 5, 2003

WRITER'S DIRECT LINE
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CLIENT/MATTER NUMBER
026210-0101

Michael J. Shelton, Esquire
426 Partridge Circle
Sarasota, FL 34236

Re: Federal Election Commission Complaint MUR #5361

Dear Mr. Shelton:

This is in response to your letter addressed to Jan Schneider, dated May 26, 2003 (Exhibit A hereto).

1. Counsel for Schneider Campaign. As you know, my firm and I represent Ms. Schneider and Schneider for Congress in all pending matters before the Federal Election Commission, including but not limited to MUR # 5350, MUR # 5354 and MUR # 5361. We have also entered appearances on behalf of other individuals -- that is, contributors to the Schneider for Congress campaign -- that you named in MUR #5350. Consequently, please address all communications concerning or relating to these FEC matters to me, rather than contacting any of my clients directly. This includes any communications to Carroll F. Johnson, as Treasurer of Schneider for Congress, and/or Harold B. Schneider, as Assistant Treasurer and later Treasurer of the committee.

With respect to other Schneider campaign matters, Ms. Schneider, Schneider for Congress, and all officers and agents of the committee are represented by Susan Chapman, Esq., of Sarasota, Florida. Since you have previously dealt with Ms. Chapman, you know how to contact her.

2. Lack of Designation of Shelton Counsel. This letter is addressed to you, since you have, to the best of my knowledge, failed to file any designation of counsel with respect to MUR # 5361, the subject of your May 26 letter. Further, while you have previously claimed to be represented by Dennis J. Plews, Esq., in connection with MUR #5350, we have seen no designation of counsel or other written advice to that effect. Moreover, Mr. Plews has declined to confirm his representation of you in any Federal Election Commission matter, notwithstanding my repeated requests. (See email exchanges with Mr. Plews, Apr. 10, 2003 & Apr. 21, 2003, Exs. B & C.) In order to avoid any further confusion, we hereby again request immediate written confirmation of the role, if any, of Mr. Plews has in the FEC proceedings in which you are involved. I am also enclosing a copy of this letter for you to give counsel, if any, that may be representing you in matters before the Federal Election Commission

3. Schneider Financial Data. With respect to the substance of your May 26 letter, your continuing refusal to turn over Schneider for Congress electronic data and other information is preventing both (a) the respondents from fully addressing and (b) the Federal Election Commission from completely and fairly investigating complaints you have instigated before the FEC. Your

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refusal to turn over to the committee its own records is also precluding Schneider for Congress from properly correcting and completing all accounting for the 2002 Schneider campaign, including complying in full with FEC electronic reporting requirements.

You have repeatedly pretended that you lacked knowledge regarding what materials Ms. Schneider was seeking, that you were "reluctant to speculate . . .," and even that your "crystal ball is on the fritz at the moment . . ." (email of Apr. 22, 2003, Ex. C). At the same time, after preparing Schneider for Congress electronic filings with the FEC as a volunteer, you several times sought to sell these records back to the committee for \$6,000.00 -- claimed to be "for the time it took [you] to complete them, some 24 hours at [your] customary billable rate of \$250 per hour" (Plews letter, Feb. 20, 2003, Ex. D; see also Exs. B & C supra). Now, while admitting knowing full well that Schneider for Congress most urgently needs "copies of campaign reports prepared by me and stored on my personal computer," you profess ignorance as to other, related requirements and requests (May 26 letter, Ex. A supra).

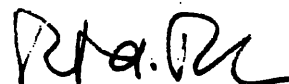
In the circumstances, let me be absolutely clear, once again. *Schneider for Congress and Ms. Schneider hereby again demand that you turn over any and all Schneider campaign records, in whatever form, in your possession, custody or control. These include, but are not limited to, any and all financial data, FEC electronic filings or other materials stored on your computer or anywhere else. Schneider for Congress will reimburse any reasonable copying costs involved.*

4. Shelton Reimbursements. Your May 26 letter also raises the issue of reimbursements to you. Schneider for Congress is in possession of receipts for all expenditures by the committee, including reimbursements for amounts paid by various individuals, except for some instances in which you authorized reimbursements to yourself and failed to provide the Treasurer with requisite backup materials.

We do not know why you apparently treated payments to yourself differently from those to every other individual associated with the Schneider campaign, or why you failed to include the requisite "original vendor" memoranda for reimbursements in FEC filings you prepared for Schneider for Congress. From the original documentation maintained by the Treasurer, the committee has been able to supply the missing memos for all reimbursements to everyone else and some reimbursements to you. Only you, however, can rectify the problem with respect to your own, remaining expenditures. We cannot locate any folders resembling those your May 26 letter purports to describe. The Schneider campaign filing cabinet and some files are still located at our old headquarters, and you are welcome to look for yourself, at a mutually convenient time, when Susan Chapman or someone designated by her can be present. Please contact her to make the arrangements.

In sum, you have made formal complaints to the FEC, the resolution of portions of which requires access to data that you refuse to supply. Schneider for Congress also needs this information for other reasons, including to correct and complete required FEC electronic filings. In the circumstances, your actions seem to violate both the letter and the spirit of the Federal Election Campaign Act of 1971, as amended, as well as established fiduciary duties.

Sincerely,



Robert A. Burka

cc: Jeff S. Jordan, Esquire
Mr. Joseph F. Stoltz
Mr. Jeff Spilzewski
Mr. Christopher Whyrick
Susan Chapman, Esquire

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IN THE FEDERAL ELECTION COMMISSION

Michael J. Shelton)
v.) MUR ## 5350 & 5354
Jan Schneider;)

Jan Schneider)
v.) MUR #5361
Michael J. Shelton)

DECLARATION OF KEITH A. FITZGERALD

KEITH A. FITZGERALD, PH.D., 5211 Winchester Drive, Sarasota, Florida
34234, (941) 359-3952, declares and states:

1. I am over eighteen (18) years of age and competent to give this declaration.
2. I am an Associate Professor of Political Science at New College, 5700 North Tamiami Trail, Sarasota, Florida 34234, (941) 359-4700. I specialize in American politics with a focus on political institutions (such as Congress and the Presidency) and public policy.
3. During both the 2002 primary and general election campaigns, I provided political and strategic advice to the Schneider for Congress campaign in the Florida 13th Congressional District. I had prior experience working on political campaigns. I also provide analysis for local television news stations on political matters.
4. In the closing days of the general election campaign, and to the best that I can reconstruct it, on the 28th of October 2002, I called the Schneider Campaign office and asked to speak with the candidate or someone in authority. I wanted to relay a conversation I had earlier that day with a local television reporter in which I had learned that the local news media had the results of polling data on the Harris-Schneider race. Since I knew that the Schneider campaign did not have its own poll data, I wanted it to have the benefit of this information. Ms. Schneider was

unavailable, so I spoke with Marilyn Harwell. She subsequently asked me to visit the campaign office to review videotape that the campaign was considering using.

5. When I arrived, Ms. Harwell introduced to me to Jason A. McIntosh, who had recently joined the campaign. Mr. McIntosh told me that he had produced videotape that he and others were urging Ms. Schneider to use in her campaign. He asked me to review it and offer an opinion. I do not remember the exact length of the video, but it was far longer than a standard televised ad, perhaps fifteen minutes in length.
6. After I reviewed the video, Mr. McIntosh and I were rejoined by Ms. Harwell and Michael J. Shelton, Finance Chair of the Schneider campaign, also joined in. A colleague of Mr. McIntosh, known to me only as "Steve," was also present for parts of the meeting. I do not recall exactly what Steve may have heard and/or seen. I commented in the most general terms that I thought the ad was well-written, but I did not understand why they produced it or for what purpose they wished to use it.
7. At this point Mr. Shelton, invited all of us into a small back room in the campaign headquarters. Although Steve came and left a couple times during the subsequent conversation, it was clear to me that the purpose of us convening in the backroom was so that the conversation would not be overheard. In the course of this meeting, Messrs. Shelton and McIntosh told me that they either had already or intended to use the longer video, which consisted mainly of laudatory testimonials about Ms. Schneider's accomplishments and character, but which began with a harsh denunciation of the opponent. They told me that the shorter presentation would be a 30-second negative ad composed entirely of the criticisms and unflattering photographs of Ms. Harris extracted from the beginning of the longer version. I never saw such a production.

8. Messrs. Shelton and McIntosh told me that they wanted to run the negative advertisement on local television stations. They also told me clearly that Ms. Schneider was unwilling even to consider 'going negative.' It was clear to me that both parties were exasperated with Ms. Schneider. Both Mr. Shelton and Mr. McIntosh stated that they were considering airing their attack ad contrary to the express directives of the candidate and without informing her. I do not recollect whether Ms. Harwell expressed a firm opinion on the matter.
9. Messrs. Shelton and McIntosh further told me that they were considering mailing out videotapes of the intact version of the videotape to numerous households in the Congressional district. They told me that Ms. Schneider was against any such proposal as ineffective and much too costly. Nonetheless, they discussed the costs and timing of how both tasks would be accomplished.
10. Messrs. Shelton and McIntosh asked my opinion on whether I believed that the campaign should run a negative ad taken from the longer videotape, and whether I believed that the longer tape should be mailed out. I told them that I could not support this since I had not reviewed the specific production, and because I believe that negative ads can be counterproductive, especially if they seem unfair. I thought the long piece had merits, but I questioned what the benefit/cost ratio of a mailed video presentation would be given the expense of mailing it out and the low likelihood that it would be widely viewed even among those who received it.
11. Messrs. Shelton and McIntosh pressed the issue of whether they should go ahead with 'something negative' against candidate Schneider's stated decision not to do so. I told them that I did not agree with them doing so. I told them that I would be happy to participate in a conversation with the candidate to discuss ways of effectively

countering her opponent's negative ads. As I left the conversation I was satisfied that I had made myself clear that I thought an ad culled from the material I had seen would be a mistake, that running an ad without the approval of the candidate would be wrong, and that I could aid the campaign in deliberating on a strategy with which the candidate would be comfortable. I also left believing that these anxious campaign workers were simply blowing off steam based on their frustration with the candidate who they found unwilling to pursue what they felt was an effective strategy and the uphill struggle they faced against a far better funded opponent.

12. I was surprised to learn later that the Schneider campaign had run negative ads, precisely because Messrs. Shelton and McIntosh had firmly stated that Ms Schneider would not approve of such.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: June 9, 2003.



Keith A. Fitzgerald