



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA FAX (410-659-0436) and FIRST CLASS MAIL

William J. Murphy, Esq.
Conor B. O'Croinin, Esq.
Zuckerman Spaeder LLP
100 East Pratt Street, Suite 2440
Baltimore, MD 21202

AUG 29 2011

RE: MUR 6223
Edward St. John
St. John Properties, Inc.

Dear Messrs. Murphy and O'Croinin:

On August 24, 2011, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). Information derived in connection with conciliation will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

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) 694-1650.

Sincerely,


Kamau Philbert
Attorney

Enclosure
Conciliation Agreement

cc: Stephen Hershkowitz, Esq.
Joseph E. Sandler, Esq.

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BEFORE THE FEDERAL ELECTION COMMISSION

OFFICE OF GENERAL
COUNSEL

In the Matter of)
) MUR 6223
Edward St. John)
St. John Properties, Inc.)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. The Federal Election Commission ("Commission") found reason to believe that Edward St. John and St. John Properties, Inc. violated 2 U.S.C. §§ 441b(a) and 441f.

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

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

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

1. St. John Properties, Inc. ("SJPI") is a privately held Maryland corporation that engages in real estate development and management.

2. Edward St. John is SJPI's chairman and owner.

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1 3. Sometime in May of 2006, the Maryland Republican State Central Committee
2 ("MRSCC") federal account solicited and Mr. St. John contributed \$10,000 to the MRSCC. The
3 \$10,000 amount was the maximum allowable contribution to the MRSCC during the 2006
4 election cycle.

5 4. In October 2006, the MRSCC contacted Mr. St. John for help in quickly raising
6 additional funds, and Mr. St. John agreed to try to raise approximately \$60,000.

7 5. Mr. St. John arranged for SJPI's Controller to solicit the six SJPI Senior Vice
8 Presidents.

9 6. SJPI's six Senior Vice Presidents each voluntarily made a \$10,000 contribution to the
10 MRSCC between October 31 and November 2, 2006.

11 7. In February 2007, in connection with calculating SJPI's annual profit-sharing bonuses,
12 Mr. St. John directed SJPI's Controller to reimburse each of the Senior Vice President's \$10,000
13 contributions by increasing their respective profit-sharing bonuses. The \$10,000 addition to each
14 of the profit-sharing bonuses was "grossed up" to account for the state and federal income taxes
15 the Senior Vice Presidents would pay on the added bonus amounts.

16 8. After the institution of a state investigation of SJPI-related political contributions to
17 state candidates, and prior to the complaint herein, the six SJPI Senior Vice Presidents
18 voluntarily repaid the part of their annual profit-sharing bonuses related to their contributions to
19 the MRSCC.

20 9. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits a
21 corporation from making contributions from its general treasury funds in connection with any
22 election of any candidate for federal office. 2 U.S.C. § 441b(a).

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1 10. The Act also prohibits any officer or director of any corporation from consenting to
2 any contribution by the corporation. *Id.*

3 11. The Act further prohibits a person from making a contribution in the name of another
4 person. 2 U.S.C. § 441f.

5 12. The Commission's regulations prohibit knowingly helping or assisting any person in
6 making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

7 13. Respondents contend that Mr. St. John had no intention of directly or indirectly
8 reimbursing the Senior Vice Presidents for any of their political contributions when he directed
9 the Controller to ask the Senior Vice Presidents if they would consider making a contribution to
10 the MRSCC. Respondents also contend that the Senior Vice Presidents voluntarily made
11 contributions to the MRSCC without any expectation of being reimbursed. Respondents further
12 contend that the idea to reimburse the Senior Vice Presidents arose for the first time in February
13 2007 during the review of the calculation of the Senior Vice Presidents' annual profit-sharing
14 bonuses. In November, 2007, acting on advice of counsel, the SJPI Senior Vice Presidents
15 returned to SJPI the full amount of their profit-sharing bonus payments that were attributable to
16 the campaign contributions.

17 14. Respondents contend that their aforesaid actions were taken in good faith and that
18 any violations of the Act were inadvertent and unintentional. The Commission has not found
19 reason to believe that Respondents or any SJPI officer committed a knowing and willful
20 violation of the Act.

21 V. In order to avoid the business disruption, costs, and expenses of potential litigation
22 with the Commission, Respondents will no longer contest the Commission's findings that:

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1 1. St. John Properties, Inc. used corporate funds to make contributions in the name of
2 another, in violation of 2 U.S.C. §§ 441b(a) and 441f.

3 2. Edward St. John consented to the use of corporate funds to make contributions in
4 the name of others and helped or assisted in making contributions in the name of another, in
5 violation of 2 U.S.C. §§ 441b(a) and 441f.

6 VI. 1. Respondents will jointly pay a civil penalty to the Federal Election Commission
7 in the amount of \$55,000, pursuant to 2 U.S.C. § 437g(a)(5)(A).

8 2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

9 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
10 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
11 with this agreement. If the Commission believes that this agreement or any requirement thereof
12 has been violated, it may institute a civil action for relief in the United States District Court for
13 the District of Columbia.

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

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

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

FOR THE COMMISSION:

Christopher Hughey
Acting General Counsel

BY: Kathleen Guith
Kathleen Guith
Acting Associate General Counsel
for Enforcement

8-26-11
Date

FOR THE RESPONDENTS:

Edward St. John
(Name) Edward St. John
(Position) Chairman, St. John Properties, Inc.

7/29/2011
Date

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