



FEDERAL ELECTION COMMISSION
Washington, DC 20463

BY U.S. MAIL & E-MAIL

mtoner@wileyrein.com

SEP 10 2019

Michael E. Toner, Esq.
Wiley Rein LLP
1776 K Street, N.W.
Washington, DC 20006

RE: MUR 6824
Wayne B. Brown

Dear Mr. Toner:

On September 4, 2019, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30116(a)(1)(A), a provision 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* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 52 U.S.C. § 30109(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) 694-1591.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dawn M. Odrowski".

Dawn M. Odrowski
Attorney

Enclosure
Conciliation Agreement

RECEIVED
FEDERAL MAIL CENTER

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of

Wayne B. Brown

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MUR 6824

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission"). The Commission found reason to believe that Wayne B. Brown ("Respondent") violated 52 U.S.C. § 30116(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondent, 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 Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:

FACTUAL BACKGROUND

1. Wayne B. Brown is the owner and sole member of WayneWorks, LLC, a limited liability company that is not taxed as a corporation. WayneWorks, LLC, manages and operates Brown's residential and commercial real estate business ventures.

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GENERAL COUNSEL
OFFICE OF

1004444001

2. Eugene C. Yu ("Yu") was a candidate for U.S. Senate from the state of Georgia during the 2014 election cycle. Yu filed a Statement of Candidacy on July 10, 2013. Eugene Yu for U.S. Senate ("Senate Committee") was his authorized committee.

3. On March 4, 2014, Yu filed a Statement of Candidacy for Georgia's 12th Congressional District during the 2014 election cycle and changed the name of his authorized committee to Eugene Yu for Congress, Inc. ("House Committee"). The newly named committee disclosed financial activity for both the Senate and House committees (collectively the "Committee") in reports filed with the Commission. Donnie Miller is the Committee's treasurer.

4. Jonie H. Yu is the candidate's spouse.

5. During the 2014 election cycle, Yu made loans totaling \$790,704 to his authorized committees: Twenty-six separate loans to the Senate Committee totaled \$438,204 and eight loans to the House Committee totaled \$352,500. The Committee reported these loans as coming from Yu's personal funds from the period of May 15, 2013 through August 4, 2014.

6. The candidate disclosed no salary or earned income and only limited assets in his Senate and House Financial Disclosure Statements filed in 2013 and 2014.

7. On July 1, 2013, Brown and WayneWorks, LLC, entered into a "Contract for Partial Sale" ("Contract") with Jonie H. Yu in connection with 1082 Bertram Road, Augusta, Georgia, a property jointly owned by Eugene and Jonie Yu. The Contract gave Brown the option to purchase up to a 50% ownership interest in the property for \$650,000 over the next year, and his ownership interest would increase as payments were made. Under the Contract, Brown would make payments on a periodic basis and in exchange he would receive a corresponding

percentage of the Bertram property. Public records do not reflect that Brown has any ownership interest in the Bertram Road property.

8. In total, between August 19, 2013 and September 4, 2014, Brown made fifteen payments totaling \$645,000 in connection with the Contract. Of Brown's earliest payments, totaling \$50,000, three were payable directly to the Committee and the fourth was payable to Eugene Yu; each of these payments was deposited directly into the Committee's account. Brown made the remaining payments to Eugene Yu. Two of Brown's payments included the word "loan" as a notation on the check.

9. In January 2014, Brown, WayneWorks, LLC, Yu, and the Committee filed a *sua sponte* submission with the Commission, designated ADR 701 (P-MUR 569), disclosing that the four payments totaling \$50,000 were paid directly to the Senate Committee or to Eugene Yu and deposited directly into the Committee's account by checks issued on Brown's personal account and a WayneWorks, LLC, business account. The Committee refunded Brown \$50,000 on November 11, 2013.

10. Of the \$790,000 that Yu reported loaning to the Committee, \$555,000 was derived from payments made by Brown or WayneWorks, LLC to Eugene Yu in connection with the Contract. The Committee's reports filed with the Commission do not disclose that funds Yu loaned to the Committee came from Wayne Brown or WayneWorks, LLC.

LAW

11. The Federal Election Campaign Act of 1971, as amended (the "Act"), defines the term "contribution" to include "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(8)(A)(i).

12. In 2014, the Act prohibited persons from making contributions to any candidate and his or her authorized political committee with respect to any election for federal office which, in the aggregate, exceeded \$2,600. *See* 52 U.S.C. § 30116(a)(1)(A).

13. A limited liability company ("LLC") is a business entity that is recognized as a limited liability company under the laws of the State in which it is established. 11 C.F.R. § 110.1(g).

14. A contribution by an LLC with a single natural person member that does not elect to be treated as a corporation by the Internal Revenue Service pursuant to 26 C.F.R. § 301.7701-3 shall be attributed only to that single member. 11 C.F.R. § 110.1(g)(4).

V. Solely for the purposes of settling this matter expeditiously and avoiding additional time and expense, Respondent agrees not to contest the Commission's finding that he violated 52 U.S.C. § 30116(a)(1)(A) by making excessive contributions to Yu and the Committee.

VI. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Commission in the amount of Twelve Thousand Five Hundred Dollars (\$12,500) pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from violating 52 U.S.C. § 30116(a)(1)(A).


VII. The Commission, on request of anyone filing a complaint under 52 U.S.C § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. Except as otherwise provided, Respondent 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.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, including matters arising from ADR 701 (P-MUR 569), a matter handled by the Commission's Alternative Dispute Resolution Office generated by the *sua sponte* submission submitted on behalf of Brown, WayneWorks, LLC, Yu, and the Committee. 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:

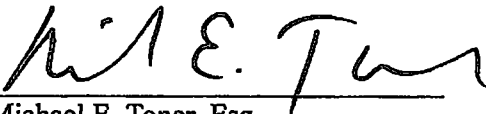


Charles Kitcher
Acting Associate General Counsel
For Enforcement

9/5/19

Date

FOR THE RESPONDENT:



Michael E. Toner, Esq.
Counsel for Respondent

8/2/19

Date