



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Arvin Black
20617-081
FCI Florence
Federal Correction Institution
PO Box 6000
Florence, CO 81226

JUL 17 2015

RE: MUR 6850 (Arvin Lee Black, II)

Dear Mr. Black

On July 9, 2015, the Federal Election Commission accepted the signed conciliation agreement you submitted in settlement of violations of 52 U.S.C. §§ 30122 and 30116(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

You are advised that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents and other allegations. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael A. Columbo".

Michael A. Columbo
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 6850

Arvin Black

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CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by The Alliance for a Better Utah and Maryann Martindale. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that Arvin Black violated 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f) and 52 U.S.C. § 30116(a) (formerly 2 U.S.C. § 441a(a)).

NOW, THEREFORE, the Commission and the Respondent(s), having duly entered into conciliation pursuant to 52 U.S.C. § 30109(a)(4)(A)(i) (formerly 2 U.S.C. § 437g(a)(4)(A)(i)), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
- 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:

1. At the time of the events described here, Arvin Lee Black, II, was the sole member of Sole Group, LLC.
2. Jeremy Johnson was a Utah businessman who owned an Internet marketing company and various entities that processed transactions for online poker games. Millions of dollars that originated with Johnson passed through Black and Sole Group.
3. On June 14, 2010, Triple 7, a company controlled by Johnson, issued a check for \$14,400 to Black's Sole Group, LLC. That same day, at Black's direction, Sole Group issued six checks for \$2,400 to himself, members of his family, an employee, and two others, totaling \$14,400, to reimburse them for contributions they were making to the Friends of Mike Lee in their names. Of those contributions, \$9,600 were successfully made and disclosed as received by Friends of Mike Lee.
4. The Act provides that no person shall make contributions to any candidate and his or her authorized political committees with respect to any election for federal office that, for the 2010 election cycle, exceed \$2,400 in the aggregate. 52 U.S.C. § 30116(a)(1)(A) (formerly 2 U.S.C. § 441a(a)(1)(A)). The Act further provides that no person "shall make a contribution in the name of another person." 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f). That prohibition extends to knowingly permitting one's name to be used to effect the making of a contribution in the name of another, or to knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(ii), (iii). The Commission has explained that "knowingly helping or assisting" a false-name contribution would reach the conduct of "those who initiate or instigate or have some significant participation in a

plan or scheme to make a contribution in the name of another.” Explanation & Justification for 11 C.F.R. § 110.4, 54 Fed. Reg. 34,098, 34,105 (Aug. 17, 1989).

V. Arvin Black made approximately \$9,600 in contributions in the names of others to the Friends of Mike Lee in violation of 52 U.S.C. § 30122 and 52 U.S.C. § 30116(a). Black will cease and desist from violating 52 U.S.C. § 30122 and 52 U.S.C. § 30116(a).

VI. In ordinary circumstances, the Commission would seek a civil penalty based on the violations outlined in this agreement as well as mitigating circumstances. However, Arvin Black pleaded guilty to Wire Fraud and Money Laundering in connection with an alleged ponzi scheme operated through his company, Sole Group, LLC, and was sentenced on May 9, 2014, in the United States District Court for the District of Utah. As part of that sentence, he was ordered to pay \$13,793,626.55 in restitution, which was more than his assets. Additionally, a court-appointed receiver obtained a judgment against Mr. Black and Sole Group for \$618,991.61 on October 20, 2014, in connection with a Federal Trade Commission matter involving businesses owned or operated by Johnson. Due to these matters, Arvin Black does not have sufficient assets to pay a civil penalty in this matter. Accordingly the Commission agrees to depart from the civil penalty that the Commission would normally seek for the violations at issue, and the Commission agrees that no civil penalty will be due. If evidence is uncovered indicating Respondent’s financial condition is not as stated, a total civil penalty of up to nine thousand six hundred dollars (\$9,600) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) (formerly 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

MUR 6850 (Black)
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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 same and the Commission has approved the entire agreement.

IX. Respondent(s) shall have no more than thirty (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, 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:

BY:


Daniel A. Petalas
Associate General Counsel
for Enforcement

7/16/15
Date

FOR THE RESPONDENT:


Arvin Black

JUNE 03, 2015
Date