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July 10, 2015

Jeff S. Jordan, Esq.
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: **MUR 6932**
Respondent Ready for Hillary PAC

Dear Mr. Jordan:

I am writing on behalf of Ready for Hillary PAC and Amy Wills Gray, in her official capacity as treasurer, in response to the June 1, 2015 supplement to the April 1, 2015 complaint submitted by Foundation for Accountability and Civic Trust (the "Foundation").

I. Introduction

The Foundation alleges in its June 1 supplement that when Hillary Clinton's presidential campaign, Hillary for America, entered into a list "swap with another independent group [not Ready for Hillary PAC]" there was a violation of the Federal Election Campaign Act.¹ They are wrong. Political committees are permitted to sell, rent, or swap (exchange) their lists with other political committees and candidate committees.

The Foundation provides no evidence of any violation by Ready for Hillary PAC. In fact, the evidence they do provide (the Politico story describing the list swap) undermines their complaint. Hillary for America can do exactly what the Foundation alleges -- they can enter into a list swap with another group.

For these reasons, as discussed in detail below, we respectfully request that the Commission dismiss the Foundation's complaint with a finding that there is no reason to believe that Ready for Hillary PAC violated the Act.

¹ Supp. Compl., at 1, citing Annie Karni, *Hillary Clinton Campaign Scores Ready for Hillary Email List*, Politico, (May 30, 2015).

II. Factual and Legal Analysis

A. Background

Ready for Hillary PAC, like other political committees in the Internet-era, built an e-mail list of supporters. They used decades-old legal methods of buying, renting, and swapping names of equal value with other political committees, party committees, and candidate committees. In a related matter, the Commission found that it was permissible for Ready for Hillary PAC to even rent the Friends of Hillary list at fair market value.² Ready for Hillary PAC exchanged lists with other organizations pursuant to written agreements that ensured both entities received equal value. There was nothing notable about how Ready for Hillary PAC built its list – other than the fact that they did an outstanding job at it.

According to the supplement to the complaint, Hillary for America gained access to Ready for Hillary PAC's 4 million-name list "through a swap with another independent group."³ The name of the other group was not identified in the Politico story. According to the Politico story, at some point prior to effectively shutting down its operations Ready for Hillary PAC exchanged lists with an unidentified "independent group" and then that group exchanged its list with Hillary for America.

B. Legal Analysis

From 1981 through 2014, the Commission has issued numerous advisory opinions reiterating that it is permissible under the Act for political committees to buy, sell, rent, or exchange their lists for fair market value.⁴

² MUR 6775

³ Supp. Compl., at 1, citing Annie Karni, *Hillary Clinton Campaign Scores Ready for Hillary Email List*, Politico, (May 30, 2015).

⁴ See, e.g., Advisory Opinion 1981-46 (Dellums) at 1 ("The exchange may be a direct exchange of the same number of names, a multiple use of a smaller number of names or some other variation which the parties believe is an exchange of equal value."); Advisory Opinion 1982-41 (Dellums) at 2 ("The Commission has recognized that if an exchange of names on a contributor list is an exchange of names of equal 'value,' as determined by industry practice, the exchange would be considered full consideration for services rendered."); Advisory Opinion 1983-2 (Citizens for Emery) at 2 ("The Commission has allowed political committees to exchange or sell their mailing or contributor lists without receiving a contribution if the amount (or other consideration) received for the list would not exceed the usual and normal charge."); Advisory Opinion 1986-14 (Burton) at 2 ("...[W]here the asset was a political committee's mailing or contributor list which have a unique quality and was developed by the political committee in the normal course of its operations (and primarily for its own use), rather than as an item to be sold to others or for use in a campaign fundraising activity."); Advisory Opinion 2002-14 (Libertarian National Committee) at 4-5 ("Likewise, the LNC may exchange its mailing lists or portions of its mailing lists of equal value with any outside organization, including political committees under the Act, Section 527 organizations (including state and local campaign, PAC, and party organizations), 501(c)(3) and (c)(4) groups, non-profit and for-profit corporations, and labor organizations, provided that the lists or the portions of the lists that are exchanged are of equal value."); Advisory Opinion 2011-02 (Brown) at 7-8 ("The Commission has long recognized that a political committee's mailing lists are assets that have value and that are frequently sold, rented, or exchanged in a market."); Advisory Opinion 2014-06 (Paul Ryan) at 8 ("The Commission has long recognized

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This area of election law is so well-settled that in 2003, a proposed rulemaking on the issue of mailing list exchanges was closed when the Commission concluded that it "is not amending its current rules and is terminating this rulemaking at this time for several reasons, including the lack of perceived need by political committees for guidance beyond what has been presented in Commission advisory opinions."⁵

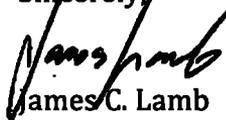
There is no question that Ready for Hillary PAC could purchase lists, rent lists, and exchange for market value its list with other political committees or organizations in full compliance with the Act. There is no question that Hillary for America can do exactly what it appears that they did – swap their list with another political committee or organization for fair market value. The Foundation provided no evidence to support an allegation that Ready for Hillary PAC did anything in violation of the Act.

III. Conclusion

Ready for Hillary PAC was permitted under the Act to engage in the activity the Foundation describes in its supplement to the complaint. Specifically, it was permissible for Ready for Hillary PAC to buy lists, rent lists, and exchange its list with other political committees and organizations for fair market value. The Foundation provided no evidence that Ready for Hillary PAC did anything that violated the Act.

For these reasons, we respectfully request that the Commission find no reason to believe that Ready for Hillary PAC violated the Act and that the Foundation's complaint be dismissed.

Sincerely,


James C. Lamb

that a political committee's mailing lists are assets that have value and that are frequently sold, rented, or exchanged in a market.").

⁵ 68 Fed. Reg. 64571 (Nov. 14, 2003)