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April 30, 2018

Mr. Jeff Jordan
Office of Complaints Examination & Administration
Federal Election Commission
1050 First Street NE
Washington, DC 20463

Re: MUR 7341 – Philip J. Law

Dear Mr. Jordan:

I am writing in response to your March 8, 2018 letter notifying me that a complaint was filed against me. I was a candidate for the Republican nomination in North Carolina's Third Congressional District in 2016. I filed my Statement of Candidacy with the FEC on March 9, 2015. I did not win my June 7, 2016 primary, and my campaign committee, Law for Congress (C00573766), terminated with the FEC the following day on June 8, 2016.

During my 2016 campaign, I made the following loan and contributions:

- Loan of \$8,500, which was repaid to me on June 8, 2016;
- Cash contribution of \$5,000;
- In-kind contributions totaling \$14,635.08, which required me to spend funds; and
- In-kind contributions totaling \$7,765 for campaign use of my personally owned RV, which did not require me to spend funds.

The \$7,765 of in-kind contributions for my campaign's use of my personal RV did not require me to spend funds because I owned the RV. My campaign reported the value of its use of the RV as an in-kind contribution from me on FEC reports. My campaign calculated the value by researching the daily rental rate for a similar RV. In total, I spent \$28,135.08 on my campaign (\$8,500 of which was repaid to me).

The complaint assumes that I did not have enough personal funds during my 2016 campaign to make the loan and contributions to my campaign. This assumption is based on the fact that I resigned from my job at Hewlett Packard in 2015 to run for Congress as well as my personal financial disclosure report filed in August 2015. The complaint overlooks that not all assets or sources of income are required to be disclosed on personal financial disclosure reports. For example, my U.S. Marine Corps disability pay, federal and state tax refunds, and proceeds from the sale of my personal gun collection are not required to be reported on the personal financial disclosure report. The complaint also narrowly focuses on the unearned and earned income reported on my personal financial disclosure report and overlooks the value of assets, which can be (and were) sold to generate personal funds.

On March 10, 2015, I loaned \$8,500 to my campaign. I made this loan using my personal funds I had saved in my Navy Federal Credit Union bank account. My bank account balance on March 10, 2015 was \$11,506.95. After the loan, it was \$3,006.95.

On February 9, 2016, I made an in-kind contribution of \$12,200 to my campaign for various campaign expenses. I sold \$12,022.66 of stock I personally owned on January 28, 2016 to fund this in-kind contribution.

I generated additional personal funds to pay for campaign expenses by selling personal property throughout 2015. I sold pieces from my personal gun collection for \$16,070 and household items at a yard sale for \$1,200. This was more than enough to pay for the remaining \$2,435.08 of in-kind contributions and the \$5,000 cash contribution. I received no monetary gifts from my mother, aunts, or anyone else to pay for campaign expenses.

The complaint also argues that my extended family subsidized my living expenses while I was a candidate. Throughout 2015 and 2016, my personal funds totaled \$164,735.41—which was sufficient to support my family. My personal funds came from my Hewlett Packard salary, a payment from Hewlett Packard for my unused vacation time that I received after my 2015 personal financial disclosure report was filed, my U.S. Marine Corps disability pay, income from Daybreak IT Solutions, income from other IT consulting services I performed, my federal and state tax refunds, the sale of my personal property discussed above, the sale of stock in addition to what is discussed above, dividends and interest, a class action settlement award, and a personal loan my wife and I took out from Navy Federal Credit Union.

My wife and I took out a personal loan from Navy Federal Credit Union for \$34,488.51 on March 13, 2015. This loan was secured by collateral I owned. We obtained this loan after I already made the \$8,500 loan to my campaign. We did not take out this loan for the purpose of contributing to my campaign, nor did I need to because I had sufficient personal funds from the sources identified above to do so.

The complaint's assumption that one or more members of my family subsidized my living expenses while I was running for Congress appears to be based on public knowledge that two of my aunts, Laurie Breininger and Lynn Johnson, are successful businesswomen. My aunts have always been very generous. They and my mother, Beth Garcia, have given me, my wife, and my children gifts in the form of meals, holiday gifts, birthday gifts, vacations, summer camps, clothing, household items, etc. over the decades since I was a child. They provided me and my family similar gifts in 2015 and 2016 that were consistent with the kind and value of gifts we customarily have received from them over many years. For example:

- My mother and aunts often paid for meals when we dined out together.
- My mother and aunts gave us gifts for Christmas and on birthdays, which sometimes included gift cards in modest amounts.
- My mother and Aunt Lynn often "treated" my wife by paying for clothing or household items while they were shopping together. Since we've been married, my mother and

Aunt Lynn sometimes provided my wife and children gifts of money to buy such personal things.

- My family, brother, mother, and aunts often vacation together, and my aunts customarily have paid for everyone's expenses, including my family's share of the expenses. My aunts have paid for our extended family vacations since I was a child.
- My Aunt Laurie customarily has paid for my children's summer camp near her home. She has paid for my children's summer camp since they were old enough to begin attending camp.
- My Aunt Lynn has paid for my children's school tuition and activity expenses for their entire lives. She also paid for my and my brother's school tuition and activity expenses, as well as part of our college tuition.

My family and I did not receive any extraordinary gifts while I was running for office in 2015 and 2016. The gifts we received from my mother and aunts were the same kind of gifts they provided us over many years, long before I became a candidate. Outside of the spending money given to my wife discussed above (and any gift cards received for Christmas or on birthdays), my extended family did not give me or my family monetary gifts during my 2016 campaign and they definitely did not give me any money to use for my campaign.

To be clear, I used my personal funds to lend my campaign \$8,500, contribute \$19,635.08, and I owned my own RV that I used in my 2016 campaign. I had total available funds of \$164,735 from sources I earned or owned to pay for my family's living expenses during calendar years 2015 and 2016 (my campaign lasted about 15 months).

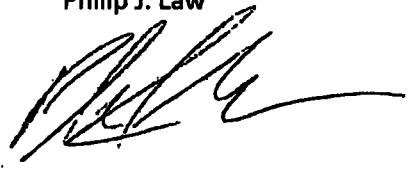
The complaint seems to make these same allegations for my 2018 campaign, but offers no evidence or facts related to my 2018 campaign because the complaint was made shortly after I became a candidate and before any reports were filed. When I was not a candidate from late 2016 through January 2018, I started a new job with a higher salary, moved my family to Raleigh, reorganized my retirement and stock investments, and sold real estate. I became a candidate in February 2018 and made a \$50,000 loan to my 2018 campaign committee on February 13. As of February 12, 2018, I had approximately \$44,378.99 in my personal bank accounts at Wells Fargo, Navy Federal Credit Union, and USAA and my wife and I had \$93,041.30 in our joint bank accounts at Wells Fargo and Navy Federal Credit Union, which included my share of the proceeds from the sale of our home in Jacksonville, NC in December 2017. I clearly had enough personal funds to make this loan. Within days of when the complaint was filed, I also sold my Raleigh, NC townhouse at a profit (my net proceeds from the sale were \$56,203.18). All of this is reflected in my April 2018 personal financial disclosure report, which demonstrates that I have enough personal funds to support my family, make the \$50,000 loan to my 2018 campaign committee on February 13, and make an additional \$20,000 loan to my 2018 campaign committee on April 18. Nobody has given me any personal money to use for my 2018 campaign.

The complaint is based solely on speculation and its allegations have no merit. The FEC should promptly dismiss this complaint.

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Sincerely,

Philip J. Law

A handwritten signature in black ink, appearing to read 'Philip J. Law', with a long horizontal flourish extending to the right.

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