

FEDERAL ELECTION COMMISSION

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2018 JUN 10 11:09

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June 14, 2018

Jeff S. Jordan
Assistant General Counsel
Complaints Examination &
Legal Administration

Response: MUR 7373: Dunbar for Congress,
et al.

Dear Mr. Jordan,

As you know, this firm represents Dunbar for Congress (by its treasurer) and Cynthia Dunbar in her individual capacity (collectively, "Respondent") with respect to the above-noted matter under review ("MUR"). The MUR addresses a complaint filed by Joshua C. Johnson, Esq. and this letter constitutes this Respondent's Response. The complaint should be dismissed by the Commission without further action for the following reasons:

Summary

At bottom, the complaint claims that Respondent received contributions from Sayre Enterprises violating both the federal corporate contribution ban and amount limitations and triggering required filings that were not made until later. Complaint at *4, *id.* at *5.¹ The complaint's lengthy recitation of facts is needless, histrionic,² and tendentious and its legal assertions are simply wrong. Cynthia Dunbar received compensation from bona fide employment genuinely independent of the candidacy, compensation that was exclusively made in consideration for services provided and that did not exceed the amount paid to any other similarly

¹The complaint unhelpfully omits pagination. For purposes of this Response, Respondent has assigned page numbers beginning at *1 for the page containing the "caption."

²This was perhaps to enhance the document's ultimate purpose—placement with the press.

Jeff S. Jordan
 June 14, 2018
 Page 2

qualified person for the same work. *See* 11 C.F.R. 113.1(g)(6)(iii); FEC Advisory Opinion 2013-03 (Bilbray-Kohn). Accordingly, the funds were not contributions and did not violate federal source or amount limitations nor trigger candidate or committee registration.

Argument

The complaint spends its first three pages commenting on Mrs. Dunbar's personal finances and raising but never authoritatively answering the irrelevant question of when she decided to run for federal office. That question is irrelevant because regardless of when Cynthia Dunbar "privately determined" to run for federal office,³ the Sayre Enterprises payments were not contributions and therefore: 1) she was not obligated to file a Statement of Candidacy within 15 days of receiving \$5000 in compensation (Complaint at *5); nor 2) file a Statement of Organization within 10 days thereafter, *id.*, and; 3) because the payments were not a contribution, they were neither prohibited by 11 C.F.R. 114.2(b)(1), *id.*; nor 4) in excess of any limit on contributions to a federal candidate. *Id.*

I. The Payments from Sayre Enterprises Were Not Contributions.

The Commission has well-developed rules for distinguishing bona fide compensation from contributions:

Payments of "compensation" to a candidate "shall be considered contributions" from the payor to the candidate unless:

(A) The compensation results from bona fide employment that is genuinely independent of the candidacy;

³An individual becomes a candidate for federal office and must register and file financial reports when he or she raises or spends more than \$5000 in contributions or expenditures. *See* 11 C.F.R. 100.3. As the Commission's Opinion that is selectively quoted in the complaint actually suggests, the timing of Mrs. Dunbar's "private determination" to run for federal office is irrelevant—"An individual who has [already] raised or spent more than \$5000 on "testing-the-waters" activities would [then] become a candidate when he or she makes a private determination that he or she will run for federal office." Advisory Opinion 2015-09 at 5 (emphasis added). That is, even if Mrs. Dunbar had "privately decided" to run for federal office in 2016—a proposition that is not conceded here—federal candidacy and the commensurate reporting obligations are still triggered by receiving *contributions* or making *expenditures* exceeding \$5000. The critical question is whether Mrs. Dunbar received a contribution—when she "decided" to be a candidate is wholly beside the point.

Jeff S. Jordan
June 14, 2018
Page 3

(B) The compensation is exclusively in consideration of services provided by the employee as part of this employment; and

(C) The compensation does not exceed the amount of compensation which would be paid to any other similarly qualified person for the same work over the same period of time.

FEC Advisory Opinion 2013-03 (Bilbray-Kohn) (citing 11 C.F.R. 113.1(g)(6)(iii); Advisory Opinion 2011-27 (New Mexico Voices for Children) (applying section 113.1(g)(6)(iii) to determine whether compensation paid to candidate would be contribution); Advisory Opinion 2006-13 (Spivack) (same); Advisory Opinion 2004-17 (Klein) (same); Advisory Opinion 2004-08 (American Sugar Cane League) (same). Sayre Enterprises' payments to Educational Ventures satisfy each of the three regulatory factors and were compensation and not contributions.

A. The Compensation at Issue Here Resulted from Mrs. Dunbar's Bona Fide Employment in Her Capacity as the Principal of Educational Ventures, LLC, and That Compensation Is "Genuinely Independent" of Mrs. Dunbar's Candidacy.

During the summer and fall of 2017, Scott Sayre, Director and Chief Executive Officer of Sayre Enterprises, consulted a financial advisor about establishing a consulting business for developing and running businesses, utilizing and teaching his expertise running and growing Sayre Enterprises, a small business that has been able to fulfil government contracts and acquire trademarks and other intellectual property. An accountant and a tax attorney later seconded the financial advisor's recommendation for the consulting business and advised a survey of Sayre Enterprises's trademarks to catalog its research and development efforts.

On September 15, 2017, Sayre Enterprises retained Educational Ventures, LLC, a firm owned by Cynthia Dunbar, to develop a plan to market business consulting services focusing on online seminars, publishing, and online courses on running a business and acquiring and maintaining intellectual property rights. Educational Ventures, LLC is a company founded by Mrs. Dunbar in 2015 as an educational curriculum company with specific emphasis and experience in online and e-learning. *See Declaration of Cynthia Dunbar (June 14, 2018) (and Exhibit 1 thereto); Exhibit 1, a true and correct copy of the independent contractor agreement and description of initial services to be performed.*

Both the need for the work and the scope of the work for Sayre Enterprises was identified by disinterested third parties. Neither the work nor payment for the work was dependent or in any way related to Mrs. Dunbar's candidacy. Nothing in the arrangement depended on or was even related to Mrs. Dunbar's candidacy. No work was specified, no payments were made and no bills were submitted based on her candidacy. *See Exhibit 4 (Educational Ventures, LLC invoices).*

Jeff S. Jordan
June 14, 2018
Page 4

Bona fide employment that is “genuinely independent” of candidacy is established where an employer’s needs are met by a consultant with established qualifications and duties and payment is unrelated to and unchanged by candidacy. *See* AO 2013-03 (Bilbray-Kohn) at 5 (finding bona fide employment unrelated to candidacy when an employee acts as a consultant). The payments to Educational Ventures, LLC were a result of bona fide employment that was genuinely independent of candidacy.

B. The Compensation Was Exclusively in Consideration of Mrs. Dunbar’s Services as a Consultant to Sayre Enterprises.

The second regulatory factor is also met here. The compensation was exclusively in consideration of services provided by Educational Ventures as part of its contract with Sayre Enterprises. 11 C.F.R. 113.1(g)(6)(iii)(B). The scope of work and schedule for payments to the retainer were clearly set out and funds were billed from the retainer as work progressed. *See* Exhibit 3, (tracking progress); Exhibit 4 (invoices). The work on the “consulting model” proceeded on schedule, beginning the week of September 15-22, *see* Exhibit 3 (electronic billing record), and the first week’s work included researching the status of Sayre Enterprises’ trademarks. *See* Exhibit 3 (showing six hours spent researching Sayre Enterprises’ trademarks). Mrs. Dunbar accurately tracked her work and billed from the retainer commensurately. As contracted, Educational Ventures compiled the research, recommendations, and projections for Mr. Sayre’s unique business consulting services into a manual for Sayre’s use. A true and correct copy of the manual’s table of contents and introduction are attached as Exhibit 2.⁴ And Mr. Sayre did, in fact, establish Sayre Consulting, a Virginia LLC, in March of 2018. *See* Exhibit 5.

Mrs. Dunbar was compensated for clearly delineated work for which she was eminently qualified to perform. She was not compensated for any activities as a candidate or on behalf of any other organization. Her entire compensation was in consideration of the services she provided to Sayre Enterprises. *See* AO 2013-03 (Bilbray-Kohn) at 5.

C. The Compensation Did Not Exceed the Amount That Would Be Paid to Any Other Similarly Qualified Person for the Same Work over the Same Period of Time.

Educational Ventures’ compensation did not exceed the amount that would be paid to any other similarly qualified person for the same work over the same period of time. 11 C.F.R. 113.1(g)(6)(iii)(C). First, on its face, \$75 per hour for the work specified in the contract is reasonable. And in similar circumstances, the Commission has accepted at face value an

⁴The manual is custom work product that remains the property of Sayre Enterprises. To preserve its value and avoid burdening the Commission with voluminous records, the entire 131 page manual is not provided here.

Jeff S. Jordan
June 14, 2018
Page 5

employer's opinion that the compensation paid a former employee as a consultant was "no more than [the employer] is paying any other . . . consultant with her level of knowledge and experience. AO 2013-03 (Bilbray-Kohn) at 5. The Commission should similarly assume that Sayre Enterprises, a sophisticated for-profit corporation with access to financial, legal, and accounting experts, considered the hourly and total costs for Educational Ventures' work to be within the prevailing market for similar work. And indeed, Educational Ventures' pricing was at the lowest end of the prevailing market range for the work that was performed. In researching projected costs for Sayre's consulting and online education venture, Educational Ventures found that costs for business analysis for start-ups and e-learning initiatives—the very work Educational Ventures was itself providing—range from \$75-\$200 per hour. *See* Exhibit 6 (chart); Harold Jarche, *So You Want to Be an E-Learning Consultant* . . . Learn Magazine (November 2007) (available at <https://elearnmag.acm.org/archive.cfm?aid=1331975>).⁵ Sayre Enterprises paid Educational Ventures no more than it would have paid any other consultant with the same level of knowledge and experience for the work that was performed.

Conclusion

The fees paid to Mrs. Dunbar resulted from her bona fide employment that was genuinely independent of her candidacy; the fees were exclusively in consideration of the services provided by Mrs. Dunbar as part of her bona fide employment, and they were no higher than compensation that would be provided to similarly qualified consultants for the same work. Accordingly, the fees meet the requirements of 11 C.F.R. 113.1(g)(6)(iii), and Sayre Enterprises' payments to Educational Ventures, *even if Mrs. Dunbar was a candidate at the time*, were not contributions under FECA and the Commission's regulations. Consequently, no violations have ensued, and Mr. Johnson's complaint should be dismissed without further action.

Sincerely,

THE BOPP LAW FIRM, PC



James Bopp, Jr.
Jeffrey P. Gallant

⁵The figures are from 2007 and are higher when adjusted for inflation *See* Christy Tucker, *Instructional Design Hourly Rates and Salary*, Experiencing E-Learning (Sept. 9, 2013) (noting this and suggesting adjustments) (available at <https://christytucker.wordpress.com/2013/09/09/instructional-design-hourly-rates-and-salary/>).

Exhibit 1 to Response of Cynthia Dunbar for Congress MUR 7373

Independent Contractor Agreement

This Agreement is made between Sayre Enterprises, Inc. ("Client") with a principal place of business at Stonebridge Center, 45 Natural Bridge School Rd., Natural Bridge, VA 24579 and Educational Ventures, LLC. ("Contractor") with a principal place of business at 1001 Wildbriar Place, Forest, VA 24551.

1. Services to Be Performed

Contractor agrees to perform the services described in Exhibit A, which is attached to this Agreement.

2. Payment

In consideration for the services to be performed by Contractor, Client agrees to pay Contractor Two Thousand Five Hundred Dollars (\$2,500.00) as a monthly retainer. Contractor shall be paid in advance on the fifteenth of each month.

3. Independent Contractor Status

Contractor is an independent contractor, accordingly Contractor is not, nor shall be deemed, Client's employee. In its capacity as an independent contractor, Contractor agrees and represents, and Client agrees, as follows:

A. Contractor has the right to perform services for others during the term of this Agreement.

B. Contractor has the sole right to control and direct the means, manner, and method by which the services required by this Agreement will be performed. Contractor shall select routes taken, and starting and quitting times, days of work.

C. Contractor has the right to hire assistants or to use employees to provide the services required by this Agreement.

D. Neither Contractor nor Contractor's employees or contract personnel shall be required by Client to devote full time to the performance of the services required by this Agreement.

4. Business Licenses, Permits, and Certificates

Client represents and warrants that the work Client will request Contractor perform will be general assistance that will neither require nor constitute the practice of law and will not require Contractor to be licensed in the state of Virginia.

5. State and Federal Taxes

Since Contractor is not an Employee, Client will not:

A. Withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf

B. Make state or federal unemployment compensation contributions on Contractor's behalf, or

C. Withhold state or federal income tax from Contractor's payments.

Exhibit 1 to Response of Cynthia Dunbar for Congress MUR 7373

6. Fringe Benefits

Contractor understands that as an Independent Contractor it is not eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of Client.

7. Unemployment Compensation

Client shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or contract personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement.

8. Workers' Compensation

Client shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor will cover them with workers' compensation insurance to the extent required by law.

9. Insurance

Client shall not provide insurance coverage of any kind for Contractor or Contractor's employees or contract personnel.

10. Expenses

Client shall be responsible for any fees incurred with either the IRS or the United States Patent and Trademark Office, including but not limited to those costs incurred to conduct the requisite search, travel to the Public Search Facility located in Alexandria, VA, training for use of the facility, and/or costs from the IRS concerning the application process of obtaining 501(c)(3) status. All such fees or expenses incurred shall either be advanced or reimbursed to Contractor by Client.

11. Term of Agreement

This agreement will become effective September 15th, 2017 upon signature by both parties and will terminate on the earlier of either the date Contractor completes the services required by this Agreement, or the date a party terminates the Agreement as provided below.

12. Terminating the Agreement

Either party may terminate this Agreement at any time by giving written notice to the other party of the intent to terminate.

13. Exclusive Agreement

This is the entire Agreement between Contractor and Client.

14. Modifying the Agreement

This Agreement may be modified only by a writing signed by both parties.

Exhibit 1 to Response of Cynthia Dunbar for Congress MUR 7373

15. Confidentiality

Contractor acknowledges that it will be necessary for Client to disclose certain confidential and proprietary information to Contractor in order for Contractor to perform duties under this Agreement. Contractor acknowledges that disclosure to a third party or misuse of this proprietary or confidential information could potentially harm Client. Accordingly, Contractor will not disclose or use, either during or after the term of this Agreement, any proprietary or confidential information of Client without Client's prior written permission except to the extent necessary to perform services on Client's behalf.

16. Proprietary Information.

The product of all work performed under this Agreement ("Work Product"), including without limitation all notes, reports, documentation, drawings, computer programs, inventions, creations, works, devices, models, work-in-progress and deliverables will be the sole property of the Client, and Contractor hereby assigns to the Client all right, title and interest therein, including but not limited to all audiovisual, literary, moral rights and other copyrights, patent rights, trade secret rights and other proprietary rights therein. Contractor retains no right to use the Work Product and agrees not to challenge the validity of the Client's ownership in the Work Product.

17. Assignments and Delegation

Contractor may not assign or subcontract any rights or delegate any of its duties under this Agreement without Client's prior written approval.

18. Applicable Law

Virginia law will govern this Agreement.

Signatures

Client/Owner:

Printed Name

Signature

Date

Contractor:

Printed Name

Signature

Date

Taxpayer ID Number

Attachment: Exhibit A: Description of Initial Services to be Performed

Exhibit 1 to Response of Cynthia Dunbar for Congress MUR 7373

EXHIBIT A**Description of Initial Services to be Performed****Intellectual Property**

Shall research various methods for conveying the practical non-legal information Sayre Enterprises, Inc. has garnered from past experiences on acquiring IP rights and maintaining accurate records of status and due dates, in an effort to assist other businesses interested in entering into this business practice.

Business Development

Shall research various methods for developing seminars or course material through both in-house publishing processes and online course instruction to ascertain the most cost-effective means of entering into new business ventures, including the prospect of tapping into the new markets of e-learning, by ascertaining the most profitable audiences and subject matter.

SAYRE ENTERPRISES

NEW VENTURES MANUAL

**Educational Ventures, LLC
Customized Manual
© October 2017**

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

In-House Publishing and Online Course Development

Table of Contents

Introduction.....	5
In-House Publishing.....	9
Production.....	10
Marketing & PR.....	11
Industry Definitions.....	12
Online Publications.....	14
Sample Job Descriptions.....	15
Project Manager.....	15
Production Editor.....	17
Digital Product Manager.....	21
Associate Production Manager.....	23
Copy Editor.....	24
IP Needs.....	26
Sample Content for Course Material.....	28
FAQs.....	28
Practical Minutia.....	35
IP Tracking.....	37
Niche Content.....	52
Apparel Trademarks.....	60
Local Government Bids.....	61
From Content to Course Development.....	64
Tips to Memorable Courses.....	64
Finding your Market Niche.....	68
Practical Tips to Course Development.....	70
Know Your Audience.....	76

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

Course Development Costs.....	82
5 key factors that impact the cost.....	84
How to Succeed with E-learning as a Business.....	90
Assess Market Parameters.....	91
Create Practical Content.....	92
Know your Audience.....	93
Your Course as a Pilot.....	94
Make sure your product scales.....	95
Sample Platforms.....	96
Options for Online Platforms.....	98
Standalone Platforms.....	99
All-in-One Platforms.....	101
Marketplace Online Platforms.....	103
Enterprises as a Course.....	105
Engage Community.....	107
Expanding Sales Demographics	110
Analytics.....	111
Hosting & Security.....	114
FAQs.....	115
Conclusion.....	119
Tables.....	121

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

Introduction

In an effort to assist with your goal of branching out into consulting, this manual will provide you with relevant research on the most appropriate audiences you could consult by utilizing print mediums as well as online course offerings into niche markets. None of the content within this manual is professional legal or accounting advice. The content contains a compilation of things your company is likely to encounter when establishing a streamlined publishing company and developing online learning content and courses. The following research was conducted to enable you to efficiently tap into the publishing and e-learning industry to facilitate your new consulting ventures. Your goal of expanding your business processes to include consulting will have a much broader reach through the added prospect of consulting through online training courses. The overview of research that was conducted has been customized to adapt the generally applicable process of development to your specific needs. Since this manual can be uploaded electronically, and since there are constant changes in platforms, interactivity, and expansion of viable markets, it is anticipated that the content may be periodically updated on an as needed basis.

Additionally, to facilitate your desire to expand into business consulting, including the potential of doing workshops, presentations, publishing your own instructional manuals, doing online training for employees, as well as being a resource for other companies, the structuring of a skeletal staff for in-house publishing and online content development will be necessary. There are a minimum of in-house employee positions you will want to consider and/or the utilization of freelance workers or outside professional firms. We strongly suggest that starting out you opt to engage satellite contractors to do the bulk of the work as 1099-misc, rather than increasing your number of employees, until such time as you grow this area of your business to where full-time employees are needed. You will find the level of expertise is equally as high with independent contractors since many copy editors are accustomed to doing this type of work off site within the industry.

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

As your company's goals and objectives closely align to, but do not match, those of educational ventures, some of the needs we encountered with in-house publishing and online course instruction development may not exactly align with those of your anticipated company. For example, it is not likely that you will need to expend a great deal of time on development of syllabi or assessment banks. However, from project development, to editorial staff, vendor selection of printing companies and platforms, copyright and licensing acquisition, etc. are all areas you will need to cover through new hires.

With the dissemination of online training materials the easiest way to expand into new markets is to think in terms of identifying the low hanging fruit or those most interested in acquiring access to your content and business consulting materials. In short, one of the first questions you need to concretely answer is what pool of students/clients will most likely be drawn to enroll in your course instruction? The following research will help you answer this question and provide direction for the development of content for your pilot program. And while seminars are still a viable option, utilizing the business model for e-learning and online course instruction will enable your market reach to go far expand beyond that of live courses. Online educational training is at present a very hot commodity and with good reason. It tends to be more affordable than live training, print costs are drastically reduced, there are no geographic limitations, and clients can take the course 24/7.

Those who are able to find an interesting market niche and price their content competitively, will find that the normal limits on their market are gone. That is why this is an area that is hugely on the rise, and where there are not limits based on some type of professional or academic accreditation, there are likewise no geographic limitations. Your non-legal, real-life experience in government contracts and cost-effective small business trademark acquisition is a clear niche, since there are limited companies with expertise in this area. Very few small, privately-owned companies expend the money necessary to acquire numerous trademarks because such IP rights are cost-prohibitive to obtain and grant nothing more than the ability to sue, which most new

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

business owners can't afford to do anyway. The practical experience that you have gleaned, including finding affordable representation, if packaged properly can easily be used for consulting to technical and entrepreneurial audiences, and utilizing a pilot course with minimal target marketing through social media, could open up entirely new markets.

You could personally function as the subject matter expert for all of your content. This will drastically reduce the cost of course development, as subject matter experts can be one of the more costly aspects. Additionally, as we discussed, practical experiences and gleaned expertise, such as the electronic housing of your mark registrations for easy search and flagging of deadlines, that can be offered as downloadable tools, help the students/clients to feel they walked away with something tangible of value.

In addition to employees and independent contractors there are other expenses you will encounter in terms of subscriptions you should consider, including such things as Basecamp and Adobe InDesign, which will allow you to do much more of the work in-house for a much smaller amount even if those you are allowing to access these subscriptions are independent contractors and not employees. Even though, as subject matter expert, you will be the resource for the content, you will need to engage those to implement the development of videos, assessments, discussion boards, graphics and images. Additionally, you will need discipline to follow the design blueprint; every time you reassess the process the course development costs will increase. Finally, utilizing the initial pilot course will help you identify the most cost efficient markets for highest return on investment.

We also researched ways to identify new markets, and utilized our prior experiences to help other similarly situated companies navigate the intricacies of government contracts, and self-publish including the acquisition of ISBN numbers, licenses, and copyrights. Much of this work can be done in-house and depending on the amount of work you intend to do in this area, you will be able to assess and customize your employee staff and freelance workers.

Exhibit 2 to Response of Cynthia Dunbar for Congress MUR 7373

This entire document is written and customized to assist with your anticipated business expansion into consulting, specifically through print mediums and online course instruction. It is work product that was customized for your new consulting venture. The underlying proprietary information not contained within this manual is retained by Educational Ventures and is not to be disseminated or used for any other company without a separate licensing agreement. However, any of the processes contained within this document are free to not only be utilized by you but also taught in any of the workshops and/or courses you may develop for other companies utilizing your own subject matter.

Sayre Consulting Model

MY TASKS	START DATE	DUE DATE	% COMPLETE	NOTES	Hours
In-House Publishing	9/15/17	9/22/17	 15%	research	12
Trademark Review	9/15/17	9/22/17	 22%	research	6
E-learning Model	9/22/17	9/29/17	 46%	research	20
In-House Publishing	9/29/17	10/6/17	 68%	customization & compilation	18
E-learning Model	10/6/17	10/20/17	 100%	customization & compilation	26
Consulting Manual Completion	9/15/17	10/20/17		Total Hours	82

**STATE CORPORATION COMMISSION**

Richmond, March 19, 2018

This is to certify that the certificate of organization of

Sayre Consulting, LLC

was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: March 19, 2018



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission

Consulting Area	Type of Work	Potential Clients	Considerations	Fee Range (\$/hour)
Business Analytical	Business Advice	Start-ups; Internal e-learning initiatives	Start-ups looking at the learning field may need advice on the size of the market and how best to develop their products or services. Getting known in this field takes some time. You may want to try your hand at some pro bono work, or take shares in the company, to develop your skills and get known.	75-200
Business Analytical	Needs Analysis (Performance or Instructional)	End users of training & education; E-learning custom content developers; Associations	Not only will clients be looking for e-learning expertise but they also may want experience in their specific field. These are usually short term engagements. Another difficulty in finding Analysis work is that e-learning development shops will engage internal resources first, even if they are not as qualified or experienced as an external consultant.	75-150
Pedagogical	Design	Education & training providers; E-learning custom content developers; In-House development teams	As with Analysis work, many organizations have these skills in-house and may not be looking for outside help unless they are desperate. Try to develop a relationship with several development organizations or clients.	50-100
Pedagogical	Development	E-learning custom content developers; Training departments	These are usually longer term engagements and may require work on site. Develop skills with several tools or languages to be more attractive as a freelancer.	30-60
Pedagogical	Implementation	Education & training providers; Training departments	This type of work can be course instruction, moderation or support. Clients are often looking for subject matter expertise as well. Multilingual skills can be an asset, especially for global organizations.	25-50
Pedagogical	Evaluation	Education & training providers; Associations; Governing bodies; Funders	Evaluation is often an overlooked activity so these projects may be few and far between. Often this is a one-shot deal as the evaluator cannot get involved in other aspects of the project in order to maintain objectivity.	50-150
Technological	Application & Platform Selection	Education & training providers; End users of training & education	Giving advice on what technology to use requires in-depth knowledge of various systems. If you have these skills you may want to consider partnering with others in the business in order to offer a full suite of services. These are usually short term projects. Note that being technology neutral is the difference between a vendor and a consultant.	75-200

Note: the content contained within this manual covers only the business analytical and technological consulting. The cost/hour for this type of work ranges from \$75.00 - \$200.00. You will still need to engage others to assist with the pedagogical aspects of design, development, and implementation. You will not need to engage an

Verification

I, Cynthia Dunbar, declare as follows:

1. I am a Respondent to MUR 7373 in my capacity as a candidate for the Republican nomination for United States Representative from Virginia's Sixth Congressional District.
2. I am over 18 years of age.
3. I am also the owner and principal of Educational Ventures, LLC, a Virginia limited liability company, formed in November 2015 as an educational curriculum and publishing company to provide services to established and would-be vendors of especially, but not limited to, online and e-learning programs. I served at Liberty University as an Assistant Professor of Law, Advisor to the Provost and Vice President of Curriculum and Instruction of Global Educational Ventures, *see* Exhibit 1 hereto, and I was an elected member of the Texas State Board of Education from 2007 through 2010.
4. I have personal knowledge of the facts about Educational Ventures, LLC, its contracts, business, transactions, and intents, including those set out in the Response of Respondent Dunbar for Congress, et al. and if called upon to testify I would competently testify as to the matters stated therein.
5. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of Respondent Dunbar for Congress, et al. concerning Educational Ventures, LLC, its activities, and its intentions are true and correct. 28 U.S.C. 1746.

Executed on

June 13, 2018



Cynthia Dunbar, CEO
Educational Ventures, LLC

Exhibit 1 to Declaration of Cynthia Dunbar

LIBERTY UNIVERSITY
Online Academy

To Whom It May Concern:

I strongly recommend Cynthia Dunbar for virtually any position within the field of higher education, both as a Professor and in an Administrative capacity. I have had the pleasure of working with Cynthia Dunbar since September of 2013 when she was brought on as Advisor to the Provost. I was then working in the Office of the Provost and worked with her on numerous educational initiatives.

Since October 2014 I have worked with her as her immediate supervisor in her capacity as Vice President of Curriculum and Instruction of Global Educational Ventures for Liberty University. In this position I have been able to witness first-hand the vision, industry and competency she possesses. Cynthia Dunbar has virtually single-handedly envisioned, developed and managed the day-to-day affairs of the print and online curriculum projects of Global Educational Ventures.

Additionally, I have since been promoted to Vice Provost, and in this position have had occasion to meet with those who were connected with her in her capacity as a Law Professor. I have heard stellar reports of her efficacy and passion as a Professor. Both her teaching and her commitment to their success inspired the students in the Law School.

I am sure you will find, as have I, that Cynthia Dunbar is a rare person in that she is able to excel in almost any professional capacity. You will find her to be not only a visionary, but a disciplined worker, team player, skilled teacher, gifted public speaker and academic scholar. I can assure you that she will be a valuable asset to any employer, especially an Institution of Higher Education.

Should you have any questions, please feel free to contact me.

Sincerely,



Jay Spencer, D.Min.
Vice Provost of Liberty University Online Academy

Verification

I, Scott Sayre, declare as follows:

1. I am also a Respondent to MUR 7373
2. I am over 18 years of age.
3. I am the Director and Chief Executive Officer of Sayre Enterprises, Inc., a

Virginia corporation in business since 1987 that designs, manufactures, personalizes and sells several lines of products, including clothing, insignia, and accessories and provides embroidery, needlework, screen printing, and dye sublimation printing for personalizing and customization. I have personal knowledge of the facts about myself, Sayre Enterprises, Inc., its contracts, business, transactions, and intents, including those set out in the Response of Respondent Dunbar for Congress, et al., and if called upon to testify I would competently testify as to the matters stated herein.

4. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of Respondent Dunbar for Congress, et al. concerning me and Sayre Enterprises, its activities, and its intentions are true and correct. 28 U.S.C. 1746.

Executed on June 13, 2018.



Scott Sayre

WHARTON ALDHIZER & WEAVER^{PLC}

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June 14, 2018

Gregory T. St. Ours
Charles F. Hilton
Daniel L. Fitch
Thomas E. Ullrich
Stephan W. Milo
Humes J. Franklin, III
Jeffrey R. Adams
Lauren R. Darden
Derek J. Brostek

P. Marshall Yoder
Ginger T. Chapman
James L. Johnson
Ashley H. Waterbury
Alexandra E. Humphreys
Lucas I. Pangle
Briana A. Stevens

Donald E. Showalter (*Retired*)
Glenn M. Hodges (*Retired*)

Reply to the Harrisonburg office

VIA U.S. MAIL AND
ELECTRONIC MAIL: CELA@fec.gov

Jeff S. Jordan
Assistant General Counsel
Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Christal Dennis, Paralegal
1050 First Street, NE
Washington, DC 20463

CELTA
JUN 14 2018 11:11:03
FEDERAL ELECTION
COMMISSION

Re: Response: MUR 7373: Scott Sayre and Sayre Enterprises, Inc.

Dear Mr. Jordan or Ms. Dennis:

This law firm represents Scott Sayre and Sayre Enterprises, Inc. (collectively, "Respondent") with respect to the above-noted matter under review ("MUR"). The MUR addresses a complaint filed by Joshua C. Johnson, Esq. and this letter constitutes this Respondent's Response. The Commission should dismiss the complaint without further action for the following reasons:

Summary

The Claimant, Joshua Johnson, alleges in his opening paragraph that Scott Sayre and Sayre Enterprises, Inc. made source prohibitive and excessive contributions to a congressional candidate, Cynthia Dunbar. Cynthia Dunbar is a respondent in this complaint as well.

Cynthia Dunbar is the owner of Educational Ventures. As such, she travels around the country giving business presentations and consultations and is especially skilled in the knowledge of creating online educational media. Mrs. Dunbar also has a law degree.

June 14, 2018

Page 2

Respondent, Scott Sayre, acknowledges he is the Chief Executive Officer of Sayre Enterprises, Inc. As such, he has full knowledge of the retainer paid to Educational Ventures and its agent, Cynthia Dunbar, including the nature and scope of work and delivered work product.

After five pages of baseless assertions, speculations, innuendos and “widely held beliefs” the Claimant narrows his complaint to three demands for answer:

1. How much did Scott Sayre pay Cynthia Dunbar?
2. When did he pay it?
3. What valuable service did she provide Sayre Enterprises in exchange?

Argument

Complaint claims that Respondent made contributions to Dunbar violating the federal corporate contribution ban to federal candidates and spends its first three pages commenting on Dunbar’s personal finances and raising but never authoritatively answering the irrelevant question of when she decided to run for federal office. Regardless, Sayre Enterprises’ payments were not contributions but bona fide compensation and not prohibited by 11 C.F.R. 114.2(b)(1),id.

Sayre Enterprises retained the services of Educational Ventures, LLC and Cynthia Dunbar on or about September 10, 2017 to perform work in support of an initiative recommended by Sayre’s financial advisor, Neil Treger, over the course of the summer of 2017 and finalized on or about August 30, 2017 (Exhibit 1, p.1). The initiative received further recommendation by Sayre’s Accountant, Jim Fries, with help from Sayre’s Tax attorney, Matt Von Schuch, at a meeting held September 29, 2017 (Exhibit 1, pp. 2-3).

The need for research and development of new processes to consult potential clients was recommended by Sayre’s financial advisor and encouraged by Sayre’s tax attorney Matt Von Schuch at a meeting held September 29, 2017 and afterwards. The meeting agenda and subsequent discussion reaffirmed the need for the services provided by Educational Ventures LLC. Sayre was looking for a way to transition from full-time executive management with Sayre Enterprises to operating a consulting business drawing on his 30 years of entrepreneurial experience.

Dunbar was to examine all of Sayre’s existing patents and trademarks to confirm their current status. Dunbar was to develop a manual to be used by Sayre to assist Sayre’s establishment of a consulting company. Dunbar was to write and apply for 501(c)(3) status for Scott Sayre’s existing Roller Skating venue.

June 14, 2018

Page 3

Dunbar was eminently capable of producing the work product required based on her past experience in the legal profession as well as her current business experience delivering online presentations and consultations.

Responses

1. How much did Sayre pay and when did he pay?

For these services and work product, Sayre Enterprises agreed to pay Educational Ventures/Cynthia Dunbar a retainer, as an independent agent, \$2500 per month. Dunbar was never an employee of Sayre Enterprises and received a form 1099 for payments to her from Sayre Enterprises in 2018.

Sayre paid Educational Ventures/Cynthia Dunbar \$2500 on September 12, 2017. Sayre paid Educational Ventures/Cynthia Dunbar \$2500 on October 13, 2017. Sayre Enterprises paid Educational Ventures/Cynthia Dunbar \$2500 on November 10, 2017. (Exhibit 2)

No more payments were made.

2. What valuable service did Cynthia Dunbar provide?

a. Sayre was provided a thorough written analysis of all patents and trademarks with recommendations regarding their current status.

b. Sayre was provided a custom 131-page manual (Extract, Exhibit 3) written by Dunbar for Sayre to assist the planning and execution of an anticipated consulting business. The manual will be used by Sayre to construct work products. The aforementioned consulting business was subsequently formed on March 1, 2018 under the name Sayre Consulting, LLC (Exhibit 4).

c. Sayre cancelled work on the roller skating project or about November 18, 2017 because, at his sole discretion, Scott Sayre decided not to pursue 501(c)(3) status for the Roller Skating facility (Exhibit 5).

Conclusion

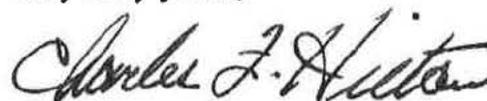
Respondent maintains the fees paid were genuinely independent of any other Dunbar activity; was paid exclusively for bona fide work Sayre required for which Dunbar was qualified to perform; and payment was commensurate with similar efforts performed by similar persons over the same time period.

June 14, 2018

Page 4

Accordingly, the fees paid meet the requirements of 11 C.F.R. 113.1(g)(6)(iii), and Sayre Enterprises' payments to Mrs. Dunbar, even if she had been a candidate at the time she was paid, which she was not, were not contributions under FECA and the Commission's regulations. Thus, no violations have ensued, and Mr. Johnson's complaint should be dismissed without further action.

Very truly yours,

A handwritten signature in black ink that reads "Charles F. Hilton". The signature is written in a cursive style with a prominent initial "C".

Charles F. Hilton

CFH/dfm
Enclosures

cc: R. Scott Sayre (*via U.S. Mail & electronic mail*)

18007296.DOCX

Subject: RE: Review

Date: Monday, August 21, 2017 4:01:14 PM Eastern Daylight Time

From: Neil Treger

To: Scott Sayre

Scott,

Wednesday morning at 9:00 AM would work, I have a commitment in town at 11:30.

Let's go through your plan first before reviewing it with Jim. I think that would use his time (and yours) more efficiently.

Best regards,

Neil

Treger & Associates

Fee Only Financial Advisors

P. O. Box 919

Lexington, Virginia 24450

(540) 464-1418

Fax (540) 526-9988

neil@financegatekeeper.com

michelle@financegatekeeper.com

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-----Original Message-----

From: Scott Sayre [<mailto:scott@sayreinc.com>]

Sent: Monday, August 21, 2017 3:12 PM

To: Neil Treger <neil@financegatekeeper.com>

Subject: Re: Review

Can we make it Wednesday morning?

On Aug 21, 2017, at 9:41 AM, Neil Treger <neil@financegatekeeper.com> wrote:

How about 10:00 AM at your office on Tuesday August 29th?

Neil Treger

Fee Only Financial Advisor

P. O. Box 919

Lexington, VA

(540) 464-1418



Click [here](#) to send me files securely.

From: Scott Sayre [<mailto:scott@sayreinc.com>]
Sent: Friday, September 08, 2017 2:14 PM
To: Jim Fries
Cc: Neil Treger; Matthew Von Schuch
Subject: Re: Meeting

I am available those dates. Which day works best?
Yes, please bring Matt.
Neil and I will prepare a list of questions prior to your visit.

Neil, can you be available those days?

From: Jim Freeze Fries <jfries@BECPAS.com>
Date: Friday, September 8, 2017 2:06 PM
To: Scott Sayre <scott@sayreinc.com>
Cc: Neil Treger <Neil@financegatekeeper.com>, Matthew Von Schuch <mvonschuch@BECPAS.com>
Subject: RE: Meeting

Hello Scott,

I apologize about not getting with you a little sooner. I've thought about the meeting several times. It's been a pretty rough summer for our family. There have been several deaths and I've also had to spend much of that time in the hospital with my wife. It's been all I can do to keep up with current deadlines. That's certainly not your problem, though, and I'm sorry for not being more proactive.

I still am looking forward to paying you a visit. I don't remember if I mentioned this, but I would like to come down with an associate of mine named Matt Von Schuch. Matt is a tax director with Brown Edwards. He is an attorney who is also a CPA and he specializes in retirement planning, transitioning a business, etc. Would that be acceptable to you? Right now, September 27-29 look pretty good, but I would also want to bounce that off of Matt's calendar if you're amenable to him coming along. I've copied him on this e-mail so that he can start looking at the dates.

Thanks,
Jim

James R. Fries, CPA, MSA
Partner

Subject: RE: Meeting

Date: Saturday, September 9, 2017 10:02:18 AM Eastern Daylight Time

From: Neil Treger

To: Scott Sayre

Scott,
I will see you then!
Neil Treger

Treger & Associates

Fee Only Financial Advisors

P.O. Box 919

Freshington, Virginia 24110

(540) 464-1418

Fax (540) 526-9988

neil@financegatekeeper.com

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From: Scott Sayre [mailto:scott@sayreinc.com]

Sent: Friday, September 8, 2017 6:03 PM

To: Jim Fries <jfries@BECPAS.com>

Cc: Neil Treger <neil@financegatekeeper.com>; Matthew Von Schuch <mvonschuch@BECPAS.com>

Subject: Re: Meeting

Would 9:30 AM at our factory in Buena Vista work?

324 E. 32nd St., Buena Vista 24416

On Sep 8, 2017, at 5:22 PM, Jim Fries <jfries@BECPAS.com> wrote:

I heard back from Matt Von Schuch. Do you want to shoot for Friday, September 29? Mid-late morning?

I'm very much looking forward to seeing your operation.

James R. Fries, CPA, MSA

Partner

Brown, Edwards & Company, L.L.P.

424 Newtown Avenue, Harrisonburg, Virginia 22801

(540) 434-3333

(540) 434-3007

Sayre Enterprises, Inc.
All Transactions for Educational Ventures, LLC
All Transactions

PM

1/18

Type	Num	Date	Account	Amount
Check		09/12/2017	1-1120 - SunTrust C...	-2,500.00
Check		10/13/2017	1-1120 - SunTrust C...	-2,500.00
Check		11/10/2017	1-1120 - SunTrust C...	-2,500.00
Total				



SAYRE ENTERPRISES

NEW VENTURES MANUAL

Educational Ventures, LLC
Customized Manual
© October 2017



In-House Publishing and Online Course Development

Table of Contents

Introduction.....	5
In-House Publishing.....	9
Production.....	10
Marketing & PR.....	11
Industry Definitions.....	12
Online Publications.....	14
Sample Job Descriptions.....	15
Project Manager.....	15
Production Editor.....	17
Digital Product Manager.....	21
Associate Production Manager.....	23
Copy Editor.....	24
IP Needs.....	26
Sample Content for Course Material.....	28
FAQs.....	28
Practical Minutia.....	35
IP Tracking.....	37
Niche Content.....	52
Apparel Trademarks.....	60
Local Government Bids.....	61
From Content to Course Development.....	64
Tips to Memorable Courses.....	64
Finding your Market Niche.....	68
Practical Tips to Course Development.....	70
Know Your Audience.....	76

Course Development Costs.....	82
5 key factors that impact the cost.....	84
How to Succeed with E-learning as a Business.....	90
Assess Market Parameters.....	91
Create Practical Content.....	92
Know your Audience.....	93
Your Course as a Pilot.....	94
Make sure your product scales.....	95
Sample Platforms.....	96
Options for Online Platforms.....	98
Standalone Platforms.....	99
All-in-One Platforms.....	101
Marketplace Online Platforms.....	103
Enterprises as a Course.....	105
Engage Community.....	107
Expanding Sales Demographics	110
Analytics.....	111
Hosting & Security.....	114
FAQs.....	115
Conclusion.....	119
Tables.....	121

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, March 19, 2018

This is to certify that the certificate of organization of

Sayre Consulting, LLC

was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: March 19, 2018



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission

Subject: Roller Skating Survey

Date: Wednesday, October 25, 2017 2:55:53 PM Eastern Daylight Time

From: Kristen Simpson

To: Scott Sayre

Hi Scott,

Here is the roller skating survey for approval.

Thank you,

Kristen

Kristen Simpson

Commercial Sales Representative

Promotional Products Rockbridge County Sales Representative

Sayre Enterprises, Inc.

45 Natural Bridge School Road

PO Box 52

Natural Bridge Station, VA 24579

(P) 540-291-3800, EXT: 215

(F) 540-291-2017

ksimpson@sayreinc.com



Subject: Skating

Date: Thursday, November 2, 2017 12:18:59 PM Eastern Daylight Time

From: Jessica Ayers

To: Scott Sayre

CC: Allen Fitzgerald, Rebecca Austin

I know we had talked and Allen and Thomas wanted to open for that one day in November. From a financial stand point, my vote is to not reopen and try to sell the roller skates and any other skating stuff/equipment we will not be using.

Ultimately, the final decision is yours. I just need final say so I can post on our Facebook.

Thoughts?

Jessica Ayers

Accounting Assistant



Sayre Enterprises, Inc | P.O. Box 52 | Natural Bridge Station, VA 24579

Telephone: 540.291.3812 | Facsimile: 540.291.2017

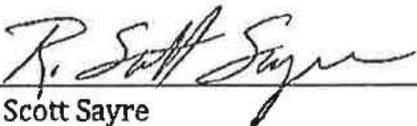
E-Mail: jayers@sayreinc.com | Website: www.sayreinc.com

Verification

I, Scott Sayre, declare as follows:

1. I am a Respondent to MUR 7373 in my capacity as Chairman, 6th Congressional District Republican Committee and CEO, Sayre Enterprises, Inc.
2. I am over 18 years of age.
3. I have personal knowledge of the facts about the 6th District Committee and Sayre Enterprises, Inc., its contracts, business, transactions, and intents, including those set out in the Response of Respondent Scott Sayre and Sayre Enterprises, Inc., and if called upon to testify I would competently testify as to the matters stated herein.
4. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of Respondent Scott Sayre, et al. concerning the 6th District Committee and Sayre Enterprises, Inc., its activities, and its intentions are true and correct. 28 U.S.C. 1746.

Executed on June 13, 2018



R. Scott Sayre

Verification

I, Cynthia Dunbar, declare as follows:

1. I am also a Respondent to MUR 7373
2. I am over 18 years of age.
3. I am the owner of Educational Ventures, LLC, which was retained by Scott Sayre and Sayre Enterprises, Inc. to perform contracted work being paid during the period of September, October and November 2017. I have personal knowledge of the facts about Myself, Educational Ventures, LLC, its contracts, business, transactions, and intents, including those set out in the MUR 7373 Response of Respondent Scott Sayre and Sayre Enterprises, Inc., and if called upon to testify I would competently testify as to the matters stated herein.
4. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of Respondent Scott Sayre, et al. concerning me and Educational Ventures, LLC, its activities, and its intentions are true and correct. 28 U.S.C. 1746.

Executed on

06/13/18


Cynthia Dunbar