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July 25, 2018

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

Response: MUR 7388: Respondent Virginia
6th District Republican Committee

Dear Mr. Jordan,

This firm represents the Virginia 6th District Republican Committee (“Committee”) with respect to the above-noted matter under review (“MUR”) 7388. The MUR addresses a complaint filed by Georgia Alvis-Long (“Claimant”) and this letter constitutes the response of the Committee. The complaint against the Committee¹ should be dismissed without further action for the following reasons:

¹The Complaint improperly names former Chairman Sayre, as the Chairman does not have the requisite responsibility for compliance with the statutes and regulations at issue here. According to the State Republican Party Rules, the District Committee Chairman has the authority to call for, convene, and preside over required meetings, canvasses, or conventions; prescribe a time and place for filing declarations of candidacy and petitions as required by state law for a primary; and to operate the District Headquarters, including hiring of any personnel. Republican Party Plan (“Plan”) Article IV § D(2) (April 29, 2016) (available at <http://www.virginia.gov/wp-content/uploads/Party-Plan-Amended-April-2016-2.pdf>). *See also* Bylaws of the Sixth Congressional District of Virginia Republican Committee (last revised Nov. 18, 2017) Article IV(A)(1) (same).

It is the treasurer that receives and disburses funds and files “all required financial reports.” Bylaws, Art. IV (A)(5); *see also* Plan Art. IV § A(7) (providing for the election of a Treasurer of a District Committee). As the Commission has noted, the treasurer’s authority to disburse funds and file and amend disclosure reports is why the “[t]he Act designates treasurers to play a unique role . . . as the representative of the committee for purposes of compliance with the Act” 70 Fed. Reg. 1 (2005). The Chairman is not a proper party to the present action.

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Introduction and Background

The MUR concerns one claim involving Respondent the Commission. Paragraphs 7-20 of the complaint claim that Sayre Enterprises, Inc. made an in-kind contribution to the Committee by providing “use of its corporate facilities,” Complaint at ¶ 12. Because Sayre Enterprises, Inc. is a corporation and a federal contractor, Complainant claims that this in-kind “contribution” would violate the federal corporate contribution prohibition (11 C.F.R. 114.2(b)), and the federal contractor prohibition (11 C.F.R. 115).

First, no violation of the corporate or federal contractor contribution prohibitions is at issue for use of the space as the Complaint claims, as none of that space is owned or operated by Sayre Enterprises, Inc. The corporate headquarters of Sayre Enterprises, Inc. is located at the Stonebridge Center, 45 Natural Bridge School Road, Natural Bridge Station, VA, and the Stonebridge Center is owned and operated by Stonebridge Properties LLC. Declaration of Mary Sayre (June 25, 2018) at ¶ 6.² So use of a room by the Committee at the Stonebridge Center would not be reported as a transaction with Sayre Enterprises. Use of space at the Stonebridge Center by a federal committee would fall under the “meeting room” exception of 11 C.F.R. 114.13 And, in fact, the Committee’s State political party committee has received and reported an in-kind contribution for the fair market value of the rooms’ use and has paid Stonebridge Properties for set up and certain expenses of the use of rooms.

I. Sayre Enterprises, Inc. Made No Improper In-Kind Contribution to the Committee.

Paragraphs 7-20 of the complaint claim that the Committee received improper in-kind contributions from Sayre Enterprises, Inc., to wit, providing “use of its corporate office space [and] the use of its administrative personnel.” Complaint at ¶ 12. But first and foremost, the facilities in question are not owned or controlled by Sayre Enterprises, but by Stonebridge Properties, LLC, a Virginia limited liability company that, under 11 C.F.R. 110.1(g) is not treated as a corporation for purposes of FEC regulations. *See* M. Sayre Decl. ¶¶ 4,5. So there can be no violation of the federal corporate contribution prohibition or the federal contractor prohibition. Likewise, there is no reason for Sayre Enterprises to appear in any report of the Committee “at any time, for any purpose,” Complaint at ¶ 12, because Sayre Enterprises does not own or operate the space alleged to have been provided to the Committee.

²The Complaint is one in a series of three filed just before the convention by political opponents of the officers of the Committee, Cynthia Dunbar for Congress, or both. Since MUR 7373 and 7388 have a good deal of overlap, the evidence is also repetitious. The Declaration of Mary Sayre was originally filed with the Response to MUR 7373 by Dunbar for Congress, and resubmitted in Dunbar’s response to this MUR, and again with the Response of Sayre Enterprises, Inc. to this MUR. For the convenience of the Commission, it is filed again with this Response.

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The Complainant supposes that the Committee is, per se, a Federal political committee. Complaint at ¶ 6. But the Committee is a district party committee³ of the Republican Party of Virginia and, among other things, occasionally conducts activity in connection with a federal election. Accordingly, it has established a Federal account, in accordance with 11 C.F.R.103, that is treated as a separate Federal political committee (C00005801). *See* 11 C.F.R. 102.5(a)(1)(i).⁴ But the vast bulk of the Committee's work is not in connection with a federal election, and the Committee maintains a "non-Federal account" that reports to the Virginia Department of Elections as a political party committee, the 6th Congressional District Republican Committee (PP-12-00505).^{5,6} The *State* committee has reported both payment to Stonebridge Properties and in-kind contributions from the Stonebridge Center for the use of facilities for meetings.

A. Complainant's Claims of the Committee's Use of Stonebridge Facilities Are Overstated and Unsupported and the Actual Use Has Been Properly Reported to the Virginia Department of Elections.

Discrete meetings were held at The Stonebridge Center in 2016 and 2017. None of these meetings were in connection with a federal election. Four meetings were held in the Stonebridge Center in 2018. Stonebridge Properties invoices the Committee for meeting set-ups and donates as a contribution-in-kind the use of the space for committee meetings and functions. The use of the facilities were for district and state activities and have been reported in the regular reports to the Virginia Department of Elections. The Complainant attempts to make the occasional use something more.

Citing a newspaper article, the Complainant claims that Mr. Sayre "acknowledged that Sayre Enterprises made an in-kind contribution of office space for a "headquarters" to the [Committee]" Complaint ¶ 8. Yet the statement attributed to Mr. Sayre actually says that *Sayre Enterprises' headquarters are located in the same building in which the Committee meets and holds discussions*. Mr. Sayre's reference to a "headquarters" did not refer to the Committee.

The Complainant cites an article reporting on the 2018 challenges to convention delegates and the official Call for the nominating convention as further evidence that the Committee is

³*See* 11 C.F.R. 100.14(b); Republican Party Plan ("Plan") Article IV (April 29, 2016) (<http://www.virginia.gov/wp-content/uploads/Party-Plan-Amended-April-2016-2.pdf>).

⁴*See* <https://www.fec.gov/data/committee/C00005801/>

⁵*See* <http://cfreports.sbe.virginia.gov/Committee/Index/fb200e82-fd82-e111-9bed-984be103f032>

⁶Virginia law does not prohibit an in-kind or direct contribution from a corporation to a Virginia political party committee. The State political party committee violates no law by accepting contributions from a corporation.

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actually headquartered at the Stonebridge Center and raises questions of compensation for the space and administrative personnel. Complaint ¶¶ 9-10. But the use of a Stonebridge Center room to hear convention delegate challenges on April 28 does not make the Stonebridge Center the Committee's headquarters. *See infra*. And the nominating convention Call did not direct anyone to mail anything to the Committee at a Stonebridge Center address.⁷ The only mention of the Stonebridge Center address was explicitly for those hand-delivering documents to Scott Sayre to be later delivered to the District Secretary or other designee. The complaint fails to plausibly support a claim that the Committee was somehow "occupying" space at the Stonebridge Center that should have been reported as an in-kind contribution.

The *actual use* of the space by the Committee for the April 28 meeting was reported as an in-kind contribution to the Committee by Stonebridge Properties on the Virginia Second Quarter report, <http://cfreports.sbe.virginia.gov/Report/ScheduleB/141973>, and a payment by the Committee of \$50 for the setting up and clean up of the space, <http://cfreports.sbe.virginia.gov/Report/ScheduleD/141973?page=3>. Likewise, the meeting on May 12 of the convention subcommittee held at the Stonebridge Center resulted in an in-kind contribution to the Committee that was reported on the same report, <http://cfreports.sbe.virginia.gov/Report/ScheduleB/141973>. Indeed, this has been the practice since the Committee began using the Stonebridge Center for its meetings.^{8,9}

⁷The text of the Call is available at <http://virginia.gop/event/official-call-sixth-district-committee-republican-party-virginia-convention/> and says, in relevant part, "Additionally, the Official Filing Form and filing fee will be accepted in person by Sandy Gates, or her designee, at the the Sixth District Headquarters located at 43 Natural Bridge School Rd, Natural Bridge Station, VA 24579." The reference to headquarters merely denotes where Mr. Sayre, the Chairman, could be found.

⁸The 2018 First Quarter report records an in-kind contribution to the Committee for the January 5, 2018 meeting, <http://cfreports.sbe.virginia.gov/Report/ScheduleB/138478>; in 2017 there were three meetings held at the Stonebridge Center, <http://cfreports.sbe.virginia.gov/Report/ScheduleB/119493?page=2>. In 2016, there were five uses of Stonebridge facilities, and in-kind contributions were recorded for each, <http://cfreports.sbe.virginia.gov/Report/ScheduleB/100142>.

⁹If the use of meeting rooms by the Committee was in connection with a federal election, a proposition that the Committee does not concede, then under the "meeting room" exception of 11 C.F.R. 114.13, that use is not an in-kind contribution at all. The Stonebridge Center is an event venue that hosts weddings, receptions, business conferences, corporate events and concerts. Sayre Decl. ¶ 7. The Stonebridge Center has and does customarily make meeting rooms available to clubs, civic, and community groups for free or a steeply discounted rate and would make those meeting rooms available for a political committee or a candidate on request on the same terms given to other groups using the meeting rooms. Sayre Decl. ¶ 8. So any requirement that would

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Conclusion

Sayre Enterprises, Inc. did not provide "headquarters" space to the Committee. No violation of the corporate or federal contractor contribution prohibitions could have occurred because the space at issue is owned and operated by Stonebridge Properties, LLC, not Sayre Enterprises, Inc. The actual, limited use of space at the Stonebridge Center by the Committee has been reported by the Committee's non-Federal committee and if the meetings were activities in connection with a federal election, they would fall under the "meeting room" exception of 11 C.F.R. 114.13.

Because it describes no violations, Ms. Alvis-Long's complaint should be dismissed without further action.

Sincerely,

THE BOPP LAW FIRM, PC



James Bopp, Jr.
Jeffrey P. Gallant

apply to use of Stonebridge Center meeting rooms by a federal committee do not apply here.

Declaration of Mary Sayre

I, Mary Sayre, declare as follows:

1. I am over 18 years of age.
2. I have personal knowledge of the facts about the Stonebridge Center, its business, operations, tenants, policies, and agreements and if called upon to testify I would competently testify as to the matters stated herein.
3. I am offering this declaration in support of various responses to Federal Election Commission Matters Under Review.
4. Stonebridge Properties, LLC does not have publicly traded shares and files as a partnership under Internal Revenue Service rules.
5. No member of Stonebridge Properties, LLC is a corporation.
6. Stonebridge Properties, LLC owns and operates the Stonebridge Center, 45 Natural Bridge Station, Virginia. I manage all of the operations of the Stonebridge Center.
7. The Stonebridge Center is an event venue that hosts weddings, receptions, business conferences, corporate events and concerts. The Stonebridge Center also has meeting rooms and it has space suitable for office space for long-term occupancy. The corporate offices of Sayre Enterprises, Inc. are located at Stonebridge Center. The Stonebridge Center also has other long-term lessees of space.
8. The Stonebridge Center has and does customarily make meeting rooms available to clubs, civic, and community groups for free or a steeply discounted rate. The Stonebridge Center would make those meeting rooms available for a political committee or candidate on request on the same terms given to other groups using the meeting rooms.

I verify under penalty of perjury under the laws of the United States of America that the factual statements herein concerning the Stonebridge Center, its activities, and its intentions are true and correct. 28 U.S.C. 1746.

Executed on 25 June 2018.

Mary Sayre
Mary Sayre

Verification

I, Albert S. J. Tucker III, declare as follows:

1. I am over 18 years of age.
2. I am a Respondent to MUR 7388 in my capacity as the former treasurer of the Virginia 6th District Republican Committee (the "Committee").
3. I have personal knowledge of the facts about the Committee, its activities, business, transactions, and intents, including those set out in the foregoing Response of Respondent Virginia 6th District Republican Committee to MUR 7388 and if called upon to testify I would competently testify as to the matters stated therein.
4. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of the Virginia 6th District Republican Committee concerning the Committee, its activities, business, transactions, and intents are true and correct. 28 U.S.C. 1746.

Executed on July 26 2018


Albert S. J. Tucker III

Verification

I, J. Hudson McWilliams, declare as follows:

1. I am over 18 years of age.
2. I am a Respondent to MUR 7388 in my capacity as the former treasurer of the Virginia 6th District Republican Committee (the "Committee").
3. I have personal knowledge of the facts about the Committee, its activities, business, transactions, and intents, including those set out in the foregoing Response of Respondent Virginia 6th District Republican Committee to MUR 7388 and if called upon to testify I would competently testify as to the matters stated therein.
4. I verify under penalty of perjury under the laws of the United States of America that the factual statements in the Response of the Virginia 6th District Republican Committee concerning the Committee, its activities, business, transactions, and intents are true and correct. 28 U.S.C. 1746.

Executed on

7-25-18


J. Hudson McWilliams