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**VIA EMAIL**

Kathryn Ross  
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Federal Election Commission  
Office of Complaints Examination and Legal Administration  
9998 Street, NW  
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Re: MUR 7442

Dear Ms. Ross:

We submit this response to the complaint filed and designated as MUR 7442, on behalf of our clients, Global Energy Producers, LLC, Igor Fruman, and Lev Parnas. The complaint filed by Margaret Christ on behalf of the Campaign Legal Center alleges, based on information and belief, that Global Energy Producers, LLC, was formed by Mr. Fruman and Mr. Parnas for the primary purpose of making federal campaign contributions, while hiding their identities as the true source of the funds. It then argues that if in fact Global Energy Producers was created for the primary purpose of making federal election contributions it should have been registered and reporting as a political committee. The complaint alleges violations of the Federal Election Campaign Act (“FECA”) predicated on news articles, conjecture, and vague claims about the company and individuals associated with it, admittedly absent any facts regarding the actual business activity of Global Energy Producers (“GEP”)

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The complaint seeks to take circumstantial information that is incomplete—and fully rebutted or explained below—to allege a nefarious plot to violate FECA. Because the selectively culled snippets of information upon which the complaint is predicated cannot withstand a reasonable degree of scrutiny, this matter should be dismissed without any further action.

### **Factual Background**

Global Energy Producers is a Delaware Limited Liability Company formed by Mr. Lev Parnas and Mr. Igor Fruman.<sup>1</sup> Mr. Parnas and his family fled persecution of Jews in the Soviet Union in 1976, when Mr. Parnas was only 4 years old.<sup>2</sup> The family immediately came to the United States, where they made a life and became United States citizens.<sup>3</sup> Mr. Parnas worked in the real estate industry before a successful career in the international import/export business.<sup>4</sup> Mr. Parnas then worked as a licensed financial professional for some 20 years, ultimately selling a company he started, before branching off to start or invest in other businesses; this includes Fraud Guarantee, which he continues to own.<sup>5</sup> He has also been active in charitable endeavors in the United States and abroad.<sup>6</sup>

Mr. Fruman similarly left Ukraine due to anti-Semitic discrimination as an adult in 1994 to move to the United States; subsequently, he became a U.S. citizen in 2004.<sup>7</sup> He has been an entrepreneur, philanthropist and business leader for many years. He started an import/export company, largely exporting a variety of food products to Eastern Europe from the United States,

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<sup>1</sup> Affidavit of Lev Parnas (hereinafter “Parnas Aff.”), annexed hereto as Exhibit “A”, at 1; Affidavit of Igor Fruman, (hereinafter “Fruman Aff.”), annexed hereto as Exhibit “B”, at 1.

<sup>2</sup> Parnas Aff. at 2.

<sup>3</sup> *Id.*

<sup>4</sup> Parnas Aff. at 4, 5.

<sup>5</sup> Parnas Aff. at 6-8.

<sup>6</sup> Parnas Aff. at 9

<sup>7</sup> Fruman Aff. at 2.

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and eventually expanded into the energy supply industry.<sup>8</sup> He also invested in real estate, amassing a vast portfolio of multi-family and hotel developments.<sup>9</sup> More recently, he has become a significant investor in restaurants, including the Buddha Bar brand in Europe and Mama Michelangelo in New York.<sup>10</sup> Mr. Fruman has been a leader of and principal donor to a charity in Ukraine.<sup>11</sup> Mr. Fruman and Mr. Parnas both live in Florida and partner in a number of business enterprises, with GEP and its related businesses being the latest endeavor.

While both Mr. Furman and Mr. Parnas have participated in civic and charitable activities, neither was an active political donor prior to the 2016-2017 election cycle.<sup>12</sup>

As unnecessarily stated and emphasized in the complaint, both men are of the Jewish faith. Due to their history with discriminatory actions against Jewish people in Ukraine, they have both been actively engaged in supporting Friends of Anatevka, a charity in Ukraine that focuses on educating Jewish children and assisting with the reestablishment of the Ukrainian Jewish community in the aftermath of both Soviet and Nazi oppression.<sup>13</sup> The complaint's focus on these irrelevant points appear to be an insidious 'dog whistle' intended to prejudice the Commission against these gentlemen, as well as garnering media attention to the complaint, in thinly veiled attempts to link the respondents to Russia and Eastern European plots against our democracy. They do this notwithstanding that such xenophobic and politically motivated rhetoric has no place in a complaint to the FEC regarding alleged campaign finance violations by U.S. citizens and a U.S. business.

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<sup>8</sup> Fruman Aff. at 3.

<sup>9</sup> Fruman Aff. at 5.

<sup>10</sup> *Id.*

<sup>11</sup> Fruman Aff. at 6.

<sup>12</sup> Parnas Aff. at 10; Fruman Aff. at 7.

<sup>13</sup> Parnas Aff. at 9; Fruman Aff. at 6.

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In late 2017, Mr. Parnas and Mr. Fruman began discussing potential opportunities in energy trading.<sup>14</sup> In particular, they recognized the burgeoning market for LNG in Eastern Europe, an area where they both maintained long-standing business relationships and experience.<sup>15</sup> Through the end of 2017 and beginning of 2018, they formalized plans for a company to purchase and sell LNG internationally, retaining counsel to develop the organizational structure and form the necessary entities.<sup>16</sup> On April 10, they purchased a domain name in order to establish a public facing web presence.<sup>17</sup> Ultimately, they formed three entities on or around April 11, 2018: (i) Global Energy Partners, LLC, which was designated as a holding company, (ii) Global Energy Producers, LLC, the entity that would be engaging in LNG trading, and (iii) Global Energy Developers/Miami, LLC, a real estate investment vehicle.<sup>18</sup> The entire corporate structure will be finalized by the end of 2018 and the entities will be taxed as corporations.<sup>19</sup> On April 29, they placed an online advertisement seeking web design assistance.<sup>20</sup> Mr. Parnas and Mr. Fruman further began the process of transferring funds and assets into the entities from their other business holdings. In total, Mr. Furman and Mr. Parnas invested over \$2.8 million into GEP and its related entities.<sup>21</sup>

In May and June 2018, Mr. Furman and Mr. Parnas continued pursuing activities to help establish GEP as a functioning entity. On May 7, 2018, they placed an “under construction” page on their web domain and on May 24, they issued a second advertisement soliciting assistance on designing GEP’s website.<sup>22</sup> Ultimately, the website went live on July 9, 2018.<sup>23</sup> The website was

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<sup>14</sup> Parnas Aff. at 12; Fruman Aff. at 9.

<sup>15</sup> Parnas Aff. at 13; Fruman Aff. at 10.

<sup>16</sup> Parnas Aff. at 13; Fruman Aff. at 10.

<sup>17</sup> Parnas Aff. at 20; Fruman Aff. at 17; Affidavit of David Correia, Director of Operations for GEP (hereinafter “Correia Aff.”), annexed hereto as Exhibit “C”, at 9.

<sup>18</sup> Parnas Aff. at 18; Fruman Aff. at 15; Correia Aff. at 7; *see also* Exhibit “D”.

<sup>19</sup> Parnas Aff. at 19; Fruman Aff. at 16; Correia Aff. at 8.

<sup>20</sup> Parnas Aff. at 20; Fruman Aff. at 17; Correia Aff. at 9.

<sup>21</sup> Parnas Aff. at 17; Fruman Aff. at 14.

<sup>22</sup> Parnas Aff. at 24; Fruman Aff. at 21; Correia Aff. at 13.

<sup>23</sup> *Id.*

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taken down when the press started raising unfair questions about the company and its founders, after GEP made a political contribution.<sup>24</sup>

GEP began hiring staff and consultants, contracting with ADP on May 16 for payroll services.<sup>25</sup> Currently, GEP has three full-time employees other than Mr. Fruman and Mr. Parnas, all with expertise in the realm of international energy markets.<sup>26</sup> As stated in the affidavit of David Correia, Director of Operations of GEP, they have further near-term plans to hire additional individuals on a full-time basis and have contracted with consultants specializing in the Middle Eastern and North African energy markets.<sup>27</sup> They have also retained outside counsel to assist with both the corporate and real estate elements of GEP's assets and are in the process of hiring additional expert consultants to help develop business in East Asian markets.<sup>28</sup> As the Company's income will be almost entirely derived from fully consummated deals, its current operating budget, totaling over \$1 million, is being paid entirely out of invested capital.<sup>29</sup>

The proposed model of GEP would be to act as a middle man in transactions between utilities and natural gas producers in Eastern Europe and the United States, with Mr. Parnas and Mr. Fruman leveraging their extensive international business contacts and experience to ultimately make profits.<sup>30</sup> As this model—in the absence of formally negotiated agreements that take substantial time to develop and execute—involves highly competitive international deals in countries with potentially uncooperative governments, it requires the highest degree of confidentiality as negotiations progress.<sup>31</sup> The fact that there has not been a great deal of 'out

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<sup>24</sup> Parnas Aff. at 24; Fruman Aff. at 21; Correia Aff. at 13.

<sup>25</sup> Parnas Aff. at 20; Fruman Aff. at 17; Correia Aff. at 9; See also Exhibit "E".

<sup>26</sup> Parnas Aff. at 20; Fruman Aff. at 17; Correia Aff. at 9.

<sup>27</sup> Correia Aff. at 11; Parnas Aff. at 22; Fruman Aff. at 19.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> Parnas Aff. at 12,13; Fruman Aff. at 9, 10.

<sup>31</sup> Parnas Aff. at 23; Fruman Aff. at 20; Correia Aff. at 12.

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facing' public activity at this stage in the development and growth of GEP is not surprising; rather, it is exactly what any knowledgeable person would expect. Though the details have not been made public, they also entered into a formal memorandum of understanding to form a joint venture with a well-established and highly regarded global energy company.<sup>32</sup> While this agreement is currently subject to a confidentiality provision preventing disclosure of its details, the deal will be publicized when appropriate, and further demonstrates GEP's primary purpose as an energy trading company.

To further bolster GEP's profile with other domestic actors in the international energy market, Mr. Parnas and Mr. Fruman decided to make a substantial political donation to America First Action, a political action committee supporting the Trump administration and supported by many other major energy producers, such as Murray Energy Corporation and Continental Resources, Inc.<sup>33</sup> This donation, made ultimately for business purposes, was made entirely from bona fide capital invested in GEP.<sup>34</sup>

### **Legal Background**

Under longstanding Commission precedent, unfounded allegations contradicted by sworn statements from Respondents are not a sufficient basis for initiating an investigation, or a finding of a violation of FECA.<sup>35</sup> "Unwarranted legal conclusions from asserted facts, or mere

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<sup>32</sup> Parnas Aff. at 22; Fruman Aff. at 19; Correia Aff. at 11.

<sup>33</sup> Following the 2016 election, America First Action has received \$1,000,000 from Murray Energy and \$850,000 from Continental Resources, Inc. and its CEO, Harold Hamm. Federal Election Commission, "Receipts – America First Action" [https://www.fec.gov/data/receipts/?two\\_year\\_transaction\\_period=2018&data\\_type=processed&min\\_date=01%2F01%2F2017&max\\_date=10%2F04%2F2018&contributor\\_employer=continental](https://www.fec.gov/data/receipts/?two_year_transaction_period=2018&data_type=processed&min_date=01%2F01%2F2017&max_date=10%2F04%2F2018&contributor_employer=continental); *see also* Parnas Aff. at 21; Fruman Aff. at 18; Correia Aff. at 10.

<sup>34</sup> Parnas Aff. at 21; Fruman Aff. at 18; Correia Aff. at 10.

<sup>35</sup> *See, e.g.* MUR 5999 (Freedom's Watch and NRCC), Notification with Factual and Legal Analysis to Freedom's Watch at 7 (Dec. 15, 2008) *available at* <http://eqs.fec.gov/eqsdocsMUR/29044223107.pdf> ("Given that there is no probative information of coordination, and [Respondent] has provided specific sworn denials of the existence of coordination, there is no basis to open an investigation in this matter."); MUR 5609 (Club for Growth) First General Counsel's Report (Aug. 8, 2005), *available at* <http://eqs.fec.gov/eqsdocsMUR/00004846.pdf> (Allegations of coordination that were contradicted by sworn statement that no coordination occurred insufficient basis for investigation).

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speculation, will not be accepted as true, and such speculative charges, especially when accompanied by direct refutation, do not form an adequate basis to find reason to believe that a violation of FECA has occurred.”<sup>36</sup> In MUR 5774 (MoveOn.org Voter Fund) there was a finding of no reason to believe Respondent violated the act in the form of coordinated expenditures because “[i]n contrast to the rather vague allegations contained in the complaint, [Respondent’s] response 2 includes declarations specifically denying each of the elements that would satisfy the ‘conduct’ 3 standards”.<sup>37</sup>

In July of 2018, the Commission determined in MUR 7352, that speculative allegations rebutted by sworn statement require dismissal. The Commission’s factual and legal analysis succinctly stated, “The allegation is speculative and Respondents have denied the allegation, including in a sworn affidavit from the chief financial Officer of Hedley May L.P. therefore the Commission finds no reason to believe that Gillibrand for Senate and Keith Lowey in his official capacity as treasurer, Senator Kirsten Gillibrand, Hedley May L.P., or Regina Glocker violated 52 U.S.C. §3011.8 (a) or 11 C.F.R. § 114.2 (b).”<sup>38</sup> Here, each of the allegations made in the Complaint are directly contradicted by sworn statements made by Mr. Parnas, Mr. Fruman and Mr. Correia.

Federal election law makes a clear distinction between single member or partnership LLCs and LLCs that elect to be treated as a corporation. Under 11 C.F.R. 110.1:

(2) A contribution by an LLC that elects to be treated as a partnership by the Internal Revenue Service pursuant to 26 CFR 301.7701–3, or does not elect treatment as either a partnership or a

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<sup>36</sup> MUR 6077 (U.S. Chamber of Commerce) Notification with Factual and Legal Analysis to the Chamber of Commerce (May 19, 2009), available at <http://eqs.fec.gov/eqsdocsMUR/29044243637.pdf>; accord MUR 4960 (Hillary Rodham Clinton for U.S. Senate Exploratory Committee) Statement of Reasons (Dec. 21, 2000), available at <https://www.fec.gov/files/legal/murs/4960/0000263B.pdf>.

<sup>37</sup> MUR 5774 (MoveOn.org Voter Fund) Factual and Legal Analysis Regarding Alleged Coordination of Expenditures at 4 (Dec. 12, 2006), available at <http://eqs.fec.gov/eqsdocsMUR/000058F5.pdf>.

<sup>38</sup> MUR 7352 (Gillibrand for Senate) Notification with Factual and Legal Analysis to Gillibrand for Senate at 2 (July 18, 2018), available at <https://www.fec.gov/files/legal/murs/7352/18044446583.pdf>.

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corporation pursuant to that section, shall be considered a contribution from a partnership pursuant to 11 CFR 110.1(e).

(3) An LLC that elects to be treated as a corporation by the Internal Revenue Service, pursuant to 26 CFR 301.7701-3, or an LLC with publicly-traded shares, shall be considered a corporation pursuant to 11 CFR Part 114.

(4) A contribution by an LLC with a single natural person member that does not elect to be treated as a corporation by the Internal Revenue Service pursuant to 26 CFR 301.7701-3 shall be attributed only to that single member.<sup>39</sup>

As a result of the above, unlike donations from single member or partnership LLCs, donations from a corporate LLC are not attributed to their individual members; rather, the entity itself is treated as an individual “person” under the act.<sup>40</sup>

### Argument

#### ***GEP Is Not A “Political Committee” As Its “Major Purpose” Is Not Election Activity.***

At their core, Complainant’s assertions rely on the unsupportable and adequately rebutted contention that GEP is a “political committee,” rather than a newly formed energy trading company. The Federal Election Campaign Act defines “political committee” to mean “any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year.”<sup>41</sup> Commission regulations and precedent have further clarified that, in order for a given organization to be considered a “Political Committee,” the entity’s “major purpose is Federal campaign activity (i.e., the nomination or election of a Federal candidate.)”<sup>42</sup>

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<sup>39</sup> 11 C.F.R. 110.1(g).

<sup>40</sup> *Accord* Treatment of Limited Liability Companies Under the Federal Election Campaign Act, 64 FR 37397-01 (July 12, 1999); 11 C.F.R. 114.10.

<sup>41</sup> 52 U.S.C.A. 30101.

<sup>42</sup> Political Committee Status, 72 FR 5595-02 (2007).

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This is a fact specific analysis that must be decided on a case-by-case basis without bright line rules. Among other key features, as outlined in Supreme Court and District Court precedent, an entity is likely a major political purpose if they engage in bundling of numerous individual's contributions,<sup>43</sup> spend greater than 50% of its spending annually on express advocacy,<sup>44</sup> or making public statements of political purpose.<sup>45</sup>

In reviewing cases of contributions to political committees by non-registered entities, the Commission has provided more detail as to what should be considered in the major purpose test. In MUR 6872 (New Models), the Commission failed to find reason to believe that a violation of federal election law occurred by virtue of an organization's donations to registered political action committees. There, the entity in question solicited donations and made over \$2.4 million in contributions to political action committees, which represented 68.7% of their total expenditures in a given year.<sup>46</sup> However, as "New Model's organizational purpose, tax exempt status, public statements, and overall spending evidence an issue discussion organization, not a political committee having the major purpose of nominating or electing candidates," the Commission failed to find a reason to believe they had violated federal election law.<sup>47</sup> This without regard to the majority of New Model's expenses in a given year being dedicated to political activity.

Likewise, in MUR 7013/7015 (IGX, LLC), the Commission failed to find a reason to believe a violation occurred by virtue of the entity's donation of \$500,000 to a registered PAC. In

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<sup>43</sup> *McConnell v. Fed. Election. Comm'n*, 540 U.S. 93, 135 (2003) (Political committees "enable like-minded persons to pool their resources").

<sup>44</sup> *Citizens for Responsibility & Ethics in Washington v. Fed. Election Comm'n*, 209 F. Supp. 3d 77, 94 (D.D.C. 2016), *appeal dismissed sub nom. Citizens for Responsibility v. Fed. Election Comm'n*, No. 16-5300, 2017 WL 4957233 (D.C. Cir. Apr. 4, 2017).

<sup>45</sup> *Fed. Election Comm'n v. Malenick*, 310 F.Supp.2d 230 (D.D.C. 2004).

<sup>46</sup> MUR 6872 (New Models), Statement of Reasons of Vice Chair Hunter and Commissioner Goodman (Dec. 20, 2017) <https://www.fec.gov/files/legal/murs/6872/17044435569.pdf>.

<sup>47</sup> MUR 6872 (New Models), Statement of Reasons of Vice Chair Hunter and Commissioner Goodman at 31 (Dec. 20, 2017).

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its factual and legal analysis, the Commission stated that “the record does not indicate that nominating or electing Federal candidates was the LLC’s ‘major purpose,’” as, outside of its “one-time political contribution to an independent expenditure only committee, IGX appears to operate ‘as an investment vehicle for film/entertainment and technology endeavors and not for ‘any political purpose.’”<sup>48</sup> In the factual and legal analysis of MUR 7013/7015, the Commission set forth a critical distinction between contributions to candidates and independent expenditure committees thusly,

“To promote the limits on the amount that any one person may contribute to a candidate in a given election cycle, the Act directs that “all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contribution which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as a contribution from such person to such candidate.” 52 U.S.C. §30116 (1) (8) The Commission has implemented that provision through its earmarking regulations. *See* 111 C.F.R. §110.6. Like the statutory provision it implements, the regulation applies only to “contribution to a person made on behalf of or to a candidate.” *Id* **By their terms, neither the earmarking provision of the Act nor the Commission’s implementing regulation reaches contribution made to independent expenditure only political committees, as implicated in this matter.** (emphasis added)<sup>49</sup>

It is clear from the conduct of GEP and its principals that political activity was never its “major purpose;” rather, the major purpose of the company is energy trading.<sup>50</sup> Moreover, it is equally clear that the contribution from GEP was made as a routine business contribution or

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<sup>48</sup> MUR 7015 (IGX, LLC) Notification with Factual and Legal Analysis to IGX, LLC at 3(April 27, 2018) *available at* <https://www.fec.gov/files/legal/murs/7015/18044442009.pdf>.

<sup>49</sup> MUR 7015 (IGX, LLC) Notification with Factual and Legal Analysis to Conservative Solutions PAC, *et al.* at note 8 (April 27, 2018) *available at* <https://www.fec.gov/files/legal/murs/7015/18044442017.pdf>.

<sup>50</sup> Parnas Aff. at 25; Fruman Aff. at 22; Correia Aff. at 14.

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expense as opposed to one attempting to hide the identity of the true donor.<sup>51</sup> As attested to in their sworn affidavits, Mr. Fruman and Mr. Parnas began active discussions in late 2017 to enter the international energy market, leveraging their long-standing ties and experience in importing and exporting goods in Eastern Europe.<sup>52</sup> In furtherance of this goal, they contributed over two million dollars as bona fide capital investments, retained attorneys, hired employees, engaged consultants, retained a payroll servicer, and began the process of formally incorporating the entity, as well as other entities that would form a broader corporate structure. All told, they made bona fide capital investments of over \$2.8 million in GEP and its related entities, with over \$1.2 million invested with GEP alone.<sup>53</sup> They also began to engage in discussions and negotiations with other actors in the energy sector, including former high-level employees for major European utilities.<sup>54</sup> And on August 17, they entered into a very significant memorandum of understanding for a joint venture with a well-recognized and long-established U.S. global energy corporation, the details of which cannot currently be made public due to a confidentiality provision.<sup>55</sup>

The market for LNG and other fungible energy products is highly competitive, relying on personal connections wrought through sensitive negotiations and discussions with government officials and private industry leaders to formalize deals; it is also highly volatile, with commodity prices changing daily and potentially influenced by public information about pending deals.<sup>56</sup> Due to both this competition and volatility, typically there is limited public facing information about the preparatory work undertaken available until after a formal agreement has been reached and success established. As such, despite the substantial activities of Mr. Fruman and Mr. Parnas over

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<sup>51</sup> Parnas Aff. at 21, 26; Fruman Aff. at 18, 23; Correia Aff. at 10, 15.

<sup>52</sup> Parnas Aff. at 18-22; Fruman Aff. at 15-19; Correia Aff. at 7-11.

<sup>53</sup> Parnas Aff. at 17; Fruman Aff. at 14.

<sup>54</sup> Parnas Aff. at 22; Fruman Aff. at 19; Correia Aff. at 11.

<sup>55</sup> *Id.*

<sup>56</sup> Parnas Aff. at 23; Fruman Aff. at 20; Correia Aff. at 12.

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the past year, there is limited public evidence of GEP's assets or activities. However, as described in the sworn affidavits annexed hereto, the company has spent well over \$1,000,000 on travel and preparatory work, in addition to payroll for three full time employees, legal fees, and consultants.<sup>57</sup> Although a large political contribution could raise a question, GEP and its principals, in their business judgement, determined that it would be in the business' interest.<sup>58</sup> In the same way that some fledging businesses spend on very expensive offices or pay for high profile spokespeople, GEP determined that a significant political contribution would promote their business and administration energy policies that would enhance the likelihood of business success. Not only is it beyond the authority of the Commission to second guess a corporate business decision, said decision is further supported by action of other major energy companies that made six or seven figure contributions to the same independent expenditure only committee in the same time frame.<sup>59</sup>

Much like the corporate LLC in MUR 7013/7015 and as evinced by the sworn statements annexed hereto, it is clear that the "major purpose" of this entity is the global energy business rather than political activity. GEP and its related entities are an ongoing business concern, with substantial activities aimed at increasing its presence in the international energy market, substantially greater activity than a single-member investment vehicle.<sup>60</sup> Further, other than making an occasional political contribution, GEP has not taken out any political ads, or spent any funds on regulated political activity. While there have not been publicly disclosed agreements or profits as of yet, GEP continues to develop its business and will continue to do so in the future.

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<sup>57</sup> Parnas Aff. at 22; Fruman Aff. at 19; Correia Aff. at 11.

<sup>58</sup> "Before a court will interfere with the judgment of the Board of Directors, fraud or gross abuse of discretion must be shown." *Moskowitz v. Bantrell*, A.2d 749, 750 (Del. 1963).

<sup>59</sup> "Receipts – America First Action" [https://www.fec.gov/data/receipts/?two\\_year\\_transaction\\_period=2018&data\\_type=processed&min\\_date=01%2F01%2F2017&max\\_date=10%2F04%2F2018&contributor\\_employer=continental](https://www.fec.gov/data/receipts/?two_year_transaction_period=2018&data_type=processed&min_date=01%2F01%2F2017&max_date=10%2F04%2F2018&contributor_employer=continental)

<sup>60</sup> MUR 7015 (IGX, LLC) Notification with Factual and Legal Analysis to IGX, LLC at 2(April 27, 2018) available at <https://www.fec.gov/files/legal/murs/7015/18044442009.pdf>.

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As a result, the Commission should find no reason to believe that GEP is a political committee that failed to appropriately register in violation of federal election law.

***Neither Mr. Parnas nor Mr. Fruman Attempted to Make Donations in the Name of Another***

Questions of whether a corporate donation violates federal campaign finance law as donations in the name of another are relatively new, arising only in the aftermath of the *Citizens United* decision. “In past enforcement matters, the FEC has repeatedly held that contributions by closely held corporations were, in fact, corporate contributions, and could not be exempted from the prohibition on corporate contributions on the grounds that the funds originally came from the owner of the closely held corporation, and that the owner retained substantial control of the corporate decision to make the contributions.”<sup>61</sup> .

In the first matters reviewed under this new regime—MURs 6485, 6487,6488,6711, and 6930—the Commission failed to find reason to believe that a series of donations made by limited liability companies violated the prohibition on giving in the name of another.<sup>62</sup> Central to their analysis in these matters is “whether the funds used to make a contribution were intentionally funneled through a closely held corporation or corporate LLC for the purpose of making a contribution that evades the Act’s reporting requirements, making the individual, not the corporation or corporate LLC, the true source of the funds.”<sup>63</sup> In determining that a given corporate LLC is a straw donor, “the Commission will look at whether, for instance, there is evidence

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<sup>61</sup> Bradley Smith, “LLCs and Politics at the FEC”, *Institute for Free Speech* (April 12, 2016) <https://www.ifs.org/2016/04/12/llcs-and-politics-at-the-fec/>; accord Campaign Legal Center v. Federal Election Commission, 312 F.Supp.3d 153, 162 (D.D.C. 2018).

<sup>62</sup> MUR 6585, 6487, 6488, 6711, 6930 (W Spann LLC, *et al.*) Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman (April 11, 2016) *available at* <https://www.fec.gov/files/legal/murs/6485/16044391107.pdf>.

<sup>63</sup> MUR 6585, 6487, 6488, 6711, 6930 (W Spann LLC, *et al.*) Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 2 (April 11, 2016) *available at* <https://www.fec.gov/files/legal/murs/6485/16044391107.pdf>.

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indicating that the corporate entity did not have income from assets, investment earnings, business revenues, **or bona fide capital investments, or was created and operated for the sole purpose of making political contributions,**<sup>64</sup> (emphasis added)

When applied to specific fact patterns, it becomes clear that this approach requires a specific showing that the given entity was intended to be a straw donor. In MUR 6930, respondent Michel made donations in the name of respondent corporate LLC SPM; in recommending dismissal, Commission counsel gave substantial credit to the fact that “because Michel did not create SPM or direct funds to it for the purpose of making or reimbursing contributions, then as a distinct legal person entitled to contribute without restriction to independent-expenditure-only political committees under prevailing law, SPM could make contributions in its name, and Michel, as a natural person, could also make contributions in his own name.”<sup>65</sup> The Commission’s dismissal was subsequently affirmed by the District Court.<sup>66</sup>

In MUR 7013/7015 (IGX, LLC, Duncan, et al.), the Commission likewise failed to find reason to believe that donations from a single-member LLC to an independent expenditure only committee violated federal election law, as the entity “appeared to have been created and used as an investment vehicle” that was still in operation after making the donation, rather than existing

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<sup>64</sup> MUR 6585, 6487, 6488, 6711, 6930 (*W Spann LLC, et al.*) Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 12 (April 11, 2016) *available at* <https://www.fec.gov/files/legal/murs/6485/16044391107.pdf>.

<sup>65</sup> MUR 6930 (Michel, et al.) First General Counsel’s Report at 10 (Nov. 11, 2015) *available at* <https://www.fec.gov/files/legal/murs/6930/16044386985.pdf>.

<sup>66</sup> “And when investigating allegations of illegal corporate giving, the Commission had ‘treat[ed] funds deposited in a corporate account as the corporation’s funds, even if the corporation’s owner could legally convert them into his or her own funds.’ In a case the Commission decided in 1995, an individual ‘created a corporation to run a television ad and deposited his personal funds into the corporation’s account for the purpose of funding the ad,’ facts strikingly similar to some of the complaints at issue today. The Commission’s General Counsel reasoned that the funds were corporate rather than personal, based on “well established principle[s] of corporate law.’ In sum, corporate LLCs were left with little guidance in determining when they might be considered straw donors. As the Commission explained, “it would be reasonable for Respondents to conclude that contributions made by their closely held corporations and corporate LLCs were lawful and not contributions in the name of another.” *Campaign Legal Ctr. v. Fed. Election Comm’n*, 312 F. Supp. 3d 153, 162 (D.D.C. 2018).

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solely for the purpose of making that donation. In that case, the Commission found that “[v]iewed as a whole, these facts indicate that IGX was formed and used as an ongoing business enterprise, and suggest that IGX may have had the financial ability to make the contribution at issue without an infusion of outside funds provided to it for that purpose.”<sup>67</sup> Furthermore, they found that there was no attempt to mask the source of the donation, as Duncan, the LLC’s only member, had previously made donations under his own name to the same campaign and indicated his position as CEO in connection with that donation.<sup>68</sup>

Here, the notion that Mr. Parnas and Mr. Fruman were trying to hide their identities when the contribution to America First Action was made on May 17, 2018 is likewise without merit. As affirmed in their sworn affidavits, they were, on the contrary trying to lay down a stake, announcing to the political world that their fledgling international LNG and related products trading company was going to be a significant player in these markets.<sup>69</sup> Unlike the donations in MUR 6585, where the donations were made through the LLC to avoid personal backlash, the contributions here were made by GEP within its own name, to increase its visibility.<sup>70</sup> Moreover, it is unquestionable that a person may make a contribution in his/her/its own name, and 52 U.S.C. 30101(11) defines the term “person” to include “an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons. . .”<sup>71</sup>

It is clear that neither Mr. Parnas nor Mr. Furman were attempting to avoid connection with the contribution in question. The contribution by GEP was made from the address of

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<sup>67</sup> MUR 7013/7015 (IGX, LLC, *et al.*) Notification with Factual and Legal Analysis to Andrew Duncan at 5 (April 11, 2018) available at <https://www.fec.gov/files/legal/murs/7015/18044441969.pdf>.

<sup>68</sup> *Id.* at 5-6.

<sup>69</sup> Parnas Aff. at 21; Fruman Aff. at 18; Correia Aff. at 10.

<sup>70</sup> MUR 6585, 6487, 6488, 6711, 6930 (W Spann LLC, *et al.*) Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman (April 11, 2016) available at <https://www.fec.gov/files/legal/murs/6485/16044391107.pdf>.

<sup>71</sup> 52 U.S.C. 30101 (11)

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Boca Raton, Florida, an address that served as both a business address and Mr. Parnas' residence.<sup>72</sup> Moreover, on June 25, 2018, Mr. Parnas contributed \$2,700 to the Pete Sessions for Congress Committee, listing his employer as Global Energy Producers and the address from which he made the contribution as Boca Raton, Florida—the actual address where he lives.<sup>73</sup> This is strikingly similar to MUR 7013/7015, where a single member LLC made a significant contribution to a federal committee and noted his identity was well known because he made personal contributions to federal committees listing his address and position with the LLC that made the subject contribution.<sup>74</sup> Buttressed by a sworn affidavit from the sole member of the LLC, the Commission found, “no reason to believe that IGX, LLC violated 52 U.S.C. §30122, 30103,30104 as alleged.”<sup>75</sup>

Further evidence that Mr. Parnas and Mr. Fruman weren't trying to hide their identities a that GEP is a genuine business that made the political donation is found in public statements made by a company spokesman to Breitbart News,

“‘The assertion that GEP is a shell company is not true. While it is a new company significant capital investment, and man-hours have been devoted to the mission of the company, which is to export American natural gas,’ a source familiar with the company’s operations told Breitbart News. ‘Ironically, despite mainstream media trying to tie the founders (Parnas and Fruman) to the Kremlin, the mission of the company will actually weaken

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<sup>72</sup> Parnas Aff. at 27.

<sup>73</sup> *Id.*

<sup>74</sup> MUR 7015 (IGX, LLC) First General Counsel’s Report at 10 (April 27, 2018) *available at* <https://www.fec.gov/files/legal/murs/7013/18044441851.pdf>

<sup>75</sup> MUR 7015 (IGX, LLC) Notification with Factual and Legal Analysis to IGX, LLC at 4(April 27, 2018) *available at* <https://www.fec.gov/files/legal/murs/7015/18044442009.pdf>

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Russia because if successful it will cut into Russia's share of the natural gas market."<sup>76</sup>

They continued that "The amount donated to America First PAC represents only a small fraction of the operating costs of GEP."<sup>77</sup> We note these statements were made prior to GEP retaining FEC counsel.

The complaint at paragraphs 12 and 13, seeks to make much of contributions made by Mr. Parnas and Mr. Fruman to the NRCC and the Pete Sessions for Congress Committee, each listing his occupation as an officer of GEP, publicly reinforcing their connection to GEP, and each using an address in Woodmere, NY. Rather than these actions being an attempt to hide their identity, they simply had made the contributions by a business credit card registered at that location, and paid the credit card bill for the contributions from their personal resources.<sup>78</sup> It is hard to imagine how a truthful report of their actual names and occupations could possibly be viewed as an attempt to hide information.

The same is true for the issues raised in paragraph 16, regarding the GEP contribution to the Friends of Ron DeSantis, a Florida PAC; this contribution listed the Woodmere address because they used the same credit card to facilitate the contribution, while paying the funds for the contribution out of GEP funds.<sup>79</sup> In paragraph 17, the complainants note Mr. Fruman gave a contribution to another Florida committee, Florida Grown PC, from the Woodmere address, and listing his occupation as a real estate investor, a truthful response and a sensible one since Florida

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<sup>76</sup> Matthew Boyle, "'The New Normal': Establishment Media Emerges as 'Enforcement Arm' of Democrats to Punish Trump Donors", *Breitbart News*, <https://www.breitbart.com/big-government/2018/08/02/the-new-normal-establishment-media-emerges-as-enforcement-arm-of-democrats-to-punish-trump-donors/> (Aug. 2, 2018)

<sup>77</sup> *Id.*

<sup>78</sup> Parnas Aff. at 27; Fruman Aff. at 24.

<sup>79</sup> Parnas Aff. at 28.

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Grown P.C. was supporting Adam Putnam, the opponent of the state candidate GEP had supported, and once again this contribution was paid from Mr. Fruman's his own funds.<sup>79</sup>

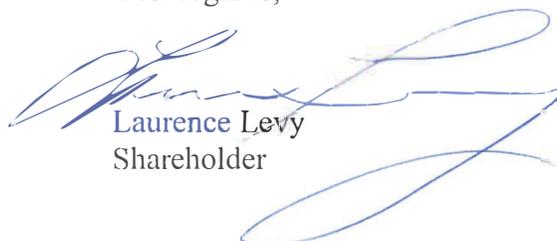
If they were attempting to hide their identities or their connections to GEP, it was the most incompetent effort ever recorded. By simply searching the FEC website, one could easily find all these contributions based on the name of the donor or the occupation field; apparently that is how the complainant obtained the publicly available data they now suggest evidences violations of FECA.

Unlike the allegations in MUR 7013/7015, where news reports indicated that the principal used a corporate LLC to mask the donation over worries about reprisal,<sup>80</sup> there is no evidence presented that either Mr. Furman nor Mr. Parnas intended to hide their identities; rather, they made legally permissible donations from corporate funds in the name of that entity, for corporate business purposes. As such, the Commission should find no reason to believe that the contribution in question was made in the name of another.

### Conclusion

For each of the foregoing reasons, the Commission should find no reason to believe a violation of federal election law occurred and dismiss the Complaint.

Best regards,



Laurence Levy  
Shareholder

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<sup>80</sup> Fruman Aff. at 24.

<sup>81</sup> MUR 7013/7015 (IGX, LLC, *et al.*) Notification with Factual and Legal Analysis to Andrew Duncan at 5 (April 11, 2018) available at <https://www.fec.gov/files/legal/murs/7015/18044441969.pdf>

**Exhibit A**  
**Affidavit of Lev Parnas**

**BEFORE THE FEDERAL ELECTION COMMISSION****MUR 7442**

I, Lev Parnas, in accordance with the provisions of 28 U.S.C. §1746, make the following statement in support of the response of myself, Mr. Igor Fruman, and Global Energy Producers, LLC to MUR 7442; it is provided to the best of my recollection.

1. I am one of the two founders of Global Energy Producers, LLC, Global Energy Partners, LLC, and Global Developers/Miami, LLC. I am currently serving as the Chief Executive Officer of Global Energy Producers, LLC.
2. I was born in Odessa, Ukraine on February 6, 1972. I moved to the United States with my parents in 1976, when I was four years old, due to the persecution of Jews in the Soviet Union. I have been a naturalized United States Citizen since 1978.
3. From my arrival through 1995, I lived in New York City. In 1995, I moved to south Florida, where I continue to reside.
4. Early in my career, I worked as a real estate broker in Brooklyn and Queens, New York. Among the first properties I was involved in marketing was Trump Village, a co-operative development in Coney Island, Brooklyn.
5. I began working in the import/export market in the late 1980s. After the fall of the Soviet Union, I expanded my portfolio in former Soviet republics, developing strong business ties in the region.
6. I also worked extensively in the financial industry, first as a broker and later as a market maker. In 1995, I opened my own brokerage firm which eventually grew to be the fifth largest wholesale market maker in the United States, employing over 100 traders.
7. In 2002, I also began expanding my personal investment portfolio, founding EdgeTech (NASDAQ symbol EGIL), a technology investment company.
8. I also founded a company known as Fraud Guarantee, which provides risk management tools for investors to prevent losses from fraudulent activities.
9. I have also been extensively involved in charitable endeavors both locally and internationally. I have given extensively to religious institutions, including my local synagogue, the national Chabad organization, and Friends of Anatevka, an organization dedicated to rebuilding the Jewish community of Ukraine, which was devastated by decades of Nazi and Russian oppression. I also helped establish the

football program at Florida Atlantic University in Boca Raton, Florida, and given to organizations dedicated to ending childhood obesity.

10. Although I previously had little experience in politics or political donations, I was energized by the candidacy of President Donald J. Trump. I have been involved in business relationships with the Trump Organization since the 1990s and knew Mr. Trump to be a successful and diligent real estate developer. I also appreciated his honest and tough demeanor, a much-needed change in American politics. I therefore made my first federal political donations in 2015 to Mr. Trump and other Republican candidates.
11. Due to my extensive work and community involvement, I became acquainted with Igor Fruman, another businessman who was involved in the import, export and investment industries. Due to our shared background as Jews from the former Soviet Union and similar business enterprises, Mr. Fruman and I became friends and frequent collaborators.
12. In October or November 2017, Mr. Fruman and I began discussing the possibility of entering into the liquified natural gas (LNG) export industry. We were aware that, as a result of the dramatic expansion of hydraulic fracturing in the United States, natural gas products were dropping in price domestically; at the same time, prices internationally remained high. As the Trump administration had signaled an intention to expand opportunities for LNG exports, we sought to create a business that could capitalize on this arbitrage opportunity.
13. Through the end of 2017, Mr. Fruman and I began researching the most effective ways to leverage our business connections in Eastern Europe and the United States. We conducted substantial research, funded through our personal assets. Ultimately, we determined that we would establish a new corporate entity, which would partner with existing American energy corporations as joint ventures.
14. In January and February 2018, we began ramping up the establishment of our new venture. We brought on David Correia, my business partner in Fraud Guarantee and an established investor, as Director of Operations.
15. We also began to assess the appropriate way to fund our new endeavor. Based on Mr. Fruman's long background in the restaurant sector, we determined that a continuing investment in Manhattan restaurants would serve as a productive asset in the portfolio.
16. We also determined that by utilizing at least one of the new entities as a real estate investment vehicle, we could have continually performing assets. We therefore

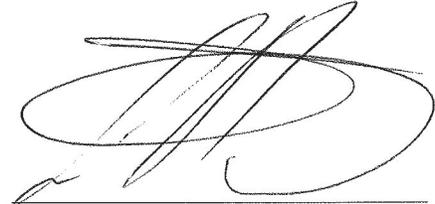
decided to establish Global Developers/Miami, LLC to invest in a real property development in Miami, Florida.

17. We further each contributed capital to the company. Ultimately, we funded the entities with over \$2.8 million in assets within the first five months of operation, with \$1.2 million invested with GEP itself.
18. By early April 2018, we were prepared to begin the process of incorporating the various entities that would comprise our new venture. We contracted with Greenspoon Marder, LLP to assist with the formation process. Ultimately, on April 11, 2018 we incorporated Global Energy Producers, LLC. We further incorporated Global Developers Miami, LLC and Global Energy Partners, LLC on April 30, 2018. Copies of Certificates of Good Standing for each entity have been annexed to our response as Exhibit "D"
19. As it is not yet the end of fiscal year 2018, we have not filed taxes for these entities; however, we intend for these entities to be taxed and treated by the IRS as corporations.
20. Through April and May, we continued the process of establishing the companies. We hired an additional two employees and retained ADP to manage payroll for GEP. A copy of our agreement with ADP is annexed to our response as Exhibit "E". We acquired a domain name for GEP and, on April 29, we began advertising for web design services.
21. We also made the strategic decision to begin donating to political candidates as a means of both supporting policies that would benefit our nascent business and developing a profile of GEP as a major player within the energy sector. As such, we made a \$325,000 contribution to America First Action, a Political Action Committee that has received contributions from numerous American energy companies, including Murray Energy and Continental Resources. This donation was made with GEP funds for GEP purposes.
22. Since making this donation, GEP has continued to pursue numerous opportunities and expand our operations. As our area of expertise is Eastern Europe, we have contracted with consultants with experience in North Africa, the Middle East, and East Asia. We are also in negotiations with a former high level executive of a European country's national electrical utility, who we hope to bring on as a full time employee and board member. We have also entered into a memorandum of understanding on August 19, 2018 with a major U.S. based energy company to create a new joint venture. The collective cost of these activities has exceeded \$1 million and has been paid out of our initial bona fide capital investment.

- 23. Because so much of this business involves highly volatile markets and competitive agreements, we have not engaged in substantial publicity of our efforts so far. For example, we are bound by a confidentiality provision in our current memorandum of understanding that prevents us from discussing its details.
- 24. After placing an "Under Construction" page on our domain on May 7, 2018, we placed an additional advertisement for web design services on May 24. Our website, ultimately went live on July 9, 2018; however, as a result of the adverse publicity created by this complaint, we have since taken the site down.
- 25. Contrary to the assertions in the Complaint, GEP is a real business enterprise funded with substantial bona fide capital investment; its major purpose is energy trading, not political activity.
- 26. Contrary to the assertion in the Complaint, we did not intend to mask the source of funding by donating through GEP; on the contrary, we intended the donation to be an announcement of the Company's arrival within the highly competitive energy market.
- 27. In fact, on June 6, 2018, I contributed to the NRCC, listing GEP as my employer; I also listed GEP as my employer in connection with my June 25, 2018 contribution to Pete Session for Congress. This donation was made with a business credit card with a billing address in Woodmere, New York, which I reimbursed.
- 28. Outside of Federal donations, GEP also made a donation to Friends of Ron DeSantis, a committee supporting his candidacy for Governor. This donation was made with GEP funds and was, similar to our federal donation, made for GEP purposes.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: October 12, 2018



Lev Parnas

Subscribed and sworn to before me this 12th day of October, 2018



Notary Public

**NOTARY PUBLIC, STATE OF NEW YORK  
 EVAN J. PREMINGER  
 NO. 02PR6335025  
 QUALIFIED IN NEW YORK COUNTY  
 COMMISSION EXPIRES 12/28/2019**

**Exhibit B**  
**Affidavit of Igor Fruman**

**BEFORE THE FEDERAL ELECTION COMMISSION****MUR 7442**

I, Igor Fruman, in accordance with the provisions of 28 U.S.C. §1746, make the following statement in support of the response of myself, Mr. Lev Parnas, and Global Energy Producers, LLC to MUR 7442; it is provided to the best of my recollection.

1. I am one of the two founders of Global Energy Producers, LLC, Global Energy Partners, LLC, and Global Developers/Miami, LLC.
2. I was born in Belarus in 1966. I moved to the United States in 1994 after the fall of the Soviet Union. I have been a naturalized United States citizen since 2004.
3. During my early life, I established a dairy distribution company in Ukraine, which I helped grow into one of the largest milk companies in the region; subsequently, I was able to expand this business to include imported coffee products from major international coffee brands.
4. Since moving to the United States in 1994, I have continued to work in the import/export industry, using the business connections I developed over the course of my career in Ukraine to build FD Import & Export Corporation, my company, into a highly successful venture. We are currently a major grocery distributor in Ukraine, distributing NesCafe, Del Monte bananas, Lipton Tea and various Unilever household chemical goods.
5. Using profits from this business, I was able to expand into a number of other industries and investments. I have invested in a number of residential real estate assets, including both single and multi-family homes. I also invest in restaurants, including international Asian cuisine restaurant Buddha Bar's Kiev and London locations and Mama Michelangelo's New York location.
6. I am also heavily involved with a charitable endeavor known as the Friends of Anatevka. This organization focuses on reestablishing the once-vibrant Ukrainian Jewish community, which was devastated by over sixty years of Nazi and Soviet persecution. Friends of Anatevka helped establish a new town outside of Kiev that provides religious facilities and a safe community for Ukrainian Jews.
7. Although I previously had little experience in politics or political donations, I was energized by the candidacy of President Donald J. Trump. I appreciated his honest and tough demeanor, a much-needed change in American politics. I therefore made

my first federal political donations in 2015 to Mr. Trump and other Republican candidates.

8. Due to my extensive work and community involvement, I became acquainted with Lev Parnas, another businessman who was involved in the import, export and investment industries. Due to our shared background as Jews from the former Soviet Union and similar business enterprises, Mr. Parnas and I became friends and frequent collaborators.
9. In October or November 2017, Mr. Parnas and I began discussing the possibility of entering into the liquified natural gas (LNG) export industry. We were aware that, as a result of the dramatic expansion of hydraulic fracturing in the United States, natural gas products were dropping in price domestically; at the same time, prices internationally remained high. As the Trump administration had signaled an intention to expand opportunities for LNG exports, we sought to create a business that could capitalize on this arbitrage opportunity.
10. Through the end of 2017, Mr. Parnas and I began researching the most effective ways to leverage our business connections in Eastern Europe and the United States. We conducted substantial research, funded through our personal assets. Ultimately, we determined that we would establish a new corporate entity, which would partner with existing American energy corporations as joint ventures.
11. In January and February 2018, we began ramping up the establishment of our new venture. We brought on David Correia, Mr. Parnas' business partner in Fraud Guarantee and an established investor, as Director of Operations.
12. We also began to assess the appropriate way to fund our new endeavor. Based on my long background in the restaurant sector, we determined that a continuing investment in Manhattan restaurants would serve as a productive asset in the portfolio.
13. We also determined that by utilizing at least one of the new entities as a real estate investment vehicle, we could have continually performing assets. We therefore decided to establish Global Developers/Miami, LLC to invest in a real property development in Miami, Florida.
14. We further each contributed capital to the company. Ultimately, we funded the entities with over \$2.8 million in assets within the first five months of operation.
15. By early April 2018, we were prepared to begin the process of incorporating the various entities that would comprise our new venture. We contracted with Greenspoon Marder, LLP to assist with the formation process. Ultimately, on April 11, 2018 we incorporated Global Energy Producers, LLC. We further incorporated Global Developers Miami, LLC and Global Energy Partners, LLC on April 30, 2018.

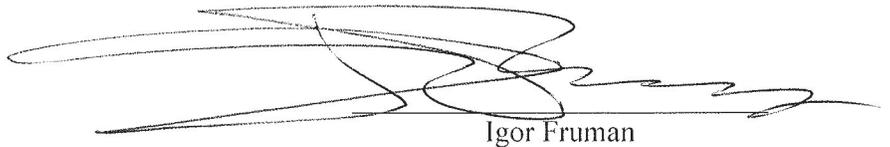
Copies of Certificates of Good Standing for each entity have been annexed to our response as Exhibit “D”

16. As it is not yet the end of fiscal year 2018, we have not filed taxes for these entities; however, we intend for these entities to be taxed and treated by the IRS as corporations.
17. Through April and May, we continued the process of establishing the companies. We hired an additional two employees and retained ADP to manage payroll for GEP. A copy of our agreement with ADP is annexed to our response as Exhibit “E”. We acquired a domain name for GEP and, on April 29, we began advertising for web design services.
18. We also made the strategic decision to begin donating to political candidates as a means of both supporting policies that would benefit our nascent business and developing a profile of GEP as a major player within the energy sector. As such, we made a \$325,000 contribution to America First Action, a Political Action Committee that has received contributions from numerous American energy companies, including Murray Energy and Continental Resources. This donation was made with GEP funds for GEP purposes.
19. Since making this donation, GEP has continued to pursue numerous opportunities and expand our operations. As our area of expertise is Eastern Europe, we have contracted with consultants with experience in North Africa, the Middle East, and East Asia. We are also in negotiations with a former high-level executive of a European country’s national electrical utility, who we hope to bring on as a full time employee and board member. We have also entered into a memorandum of understanding on August 19, 2018 with a major U.S. based energy company to create a new joint venture. The collective cost of these activities has exceeded \$1 million and has been paid out of our initial bona fide capital investment.
20. Because so much of this business involves highly volatile markets and competitive agreements, we have not engaged in substantial publicity of our efforts so far. For example, we are bound by a confidentiality provision in our current memorandum of understanding that prevents us from discussing its details.
21. After placing an “Under Construction” page on our domain on May 7, 2018, we placed an additional advertisement for web design services on May 24. Our website, ultimately went live on July 9, 2018; however, as a result of the adverse publicity created by this complaint, we have since taken the site down.

- 22. Contrary to the assertions in the Complaint, GEP is a real business enterprise funded with substantial bona fide capital investment; its major purpose is energy trading, not political activity.
- 23. Contrary to the assertion in the Complaint, we did not intend to mask the source of funding by donating through GEP; on the contrary, we intended the donation to be an announcement of the Company's arrival within the highly competitive energy market.
- 24. In fact, during the month of June, I made three \$2,700 contributions where I listed GEP as my employer: two to Joe Wilson for Congress and one to Pete Session for Congress. This donation was made with a business credit card with a billing address in Woodmere, New York, which I reimbursed. I also used this card to donate to a Florida political action committee supporting Adam Putnam for Governor; however, as this donation was in opposition to the candidate supported by GEP, I decided to not list GEP as my employer, correctly indicating that I am also an investor.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: October 12, 2018



Igor Fruman

Subscribed and sworn to before me this 12th day of October,  
2018



Notary Public

**NOTARY PUBLIC, STATE OF NEW YORK**  
**EVAN J. PREMINGER**  
(Seal) **NO. 02P66335025**  
**QUALIFIED IN NEW YORK COUNTY**  
**COMMISSION EXPIRES 12/28/2019**

**Exhibit C**  
**Affidavit of David Correia**

**BEFORE THE FEDERAL ELECTION COMMISSION****MUR 7442**

I, David Correia, in accordance with the provisions of 28 U.S.C. §1746, make the following statement in support of the response of Igor Fruman, Mr. Lev Parnas, and Global Energy Producers, LLC to MUR 7442; it is provided to the best of my recollection.

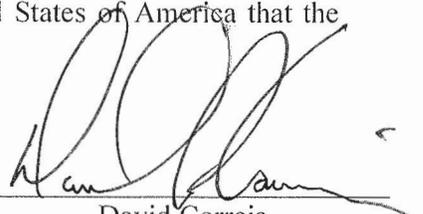
1. I am the Director of Operations for Global Energy Producers, LLC, as well as the related entities Global Energy Partners, LLC and Global Developers/Miami LLC.
2. I was born in the United States and am a United States citizen. Prior to entering business, I also played professional golf for six years.
3. I began my business career as the owner of a number of restaurants, which I sold to pursue opportunities in real estate.
4. Subsequently, I founded Correia Holdings, an investment entity that manages interests I have acquired in several industries, including insurance, real estate, telecommunications and energy assets.
5. I also, along with Lev Parnas, co-founded Fraud Guarantee Holdings, LLC, a company that provides various risk management tools for investors. This includes both insurance products and mechanisms for conducting pre-investment due diligence. I continue to serve as Chief Operating Officer for Fraud Guarantee.
6. Because we successfully worked together to establish Fraud Guarantee, Mr. Parnas contacted me in early 2018 concerning a new venture in the energy sector. He and his partner, Igor Fruman, were attempting to begin exporting liquified natural gas and needed someone with operational experience to assist. Based on conversations with both Mr. Parnas and Mr. Fruman, I agreed to join GEP as Director of Operations in late March 2018.
7. By early April 2018, we were prepared to begin the process of incorporating the various entities that would comprise our new venture. We contracted with Greenspoon Marder, LLP to assist with the formation process. Ultimately, on April 11, 2018 we incorporated Global Energy Producers, LLC. We further incorporated Global Developers Miami, LLC and Global Energy Partners, LLC on April 30, 2018.

8. As it is not yet the end of fiscal year 2018, we have not filed taxes for these entities; however, we intend for these entities to be taxed and treated by the IRS as corporations.
9. Through April and May, we continued the process of establishing the companies. We hired an additional two employees and retained ADP to manage payroll for GEP. We acquired a domain name for GEP and, on April 29, we began advertising for web design services.
10. We also made the strategic decision to begin donating to political candidates as a means of both supporting policies that would benefit our nascent business and developing a profile of GEP as a major player within the energy sector. As such, we made a \$325,000 contribution to America First Action, a Political Action Committee that has received contributions from numerous American energy companies, including Murray Energy and Continental Resources. This donation was made with GEP funds for GEP purposes.
11. Since making this donation, GEP has continued to pursue numerous opportunities and expand our operations. As Mr. Fruman and Mr. Parnas' area of expertise is Eastern Europe, we have contracted with consultants with experience in North Africa, the Middle East, and East Asia. We are also in negotiations with a former high-level executive of a European country's national electrical utility, who we hope to bring on as a full time employee and board member. We have also entered into a memorandum of understanding on August 19, 2018 with a major U.S. based energy company to create a new joint venture. The collective cost of these activities has exceeded \$1 million and has been paid out of our initial bona fide capital investment.
12. Because so much of this business involves highly volatile markets and competitive agreements, we have not engaged in substantial publicity of our efforts so far. For example, we are bound by a confidentiality provision in our current memorandum of understanding that prevents us from discussing its details.
13. After placing an "Under Construction" page on our domain on May 7, 2018, we placed an additional advertisement for web design services on May 24. Our website, ultimately went live on July 9, 2018; however, as a result of the adverse publicity created by this complaint, we have since taken the site down.
14. Contrary to the assertions in the Complaint, GEP is a real business enterprise funded with substantial bona fide capital investment; its major purpose is energy trading, not political activity.

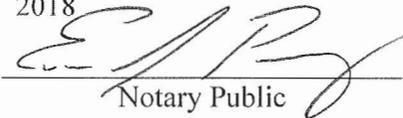
15. Contrary to the assertion in the Complaint, we did not intend to mask the source of funding by donating through GEP; on the contrary, we intended the donation to be an announcement of the Company's arrival within the highly competitive energy market.

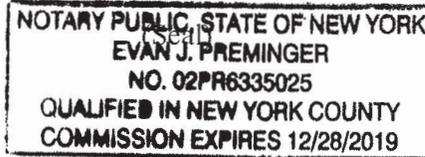
I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: October 12, 2018

  
David Correia

Subscribed and sworn to before me this 12th day of October,  
2018

  
Notary Public



**Exhibit D**  
**Certificate of Good Standing for Global Energy Producers LLC,**  
**Global Energy Partners LLC and Global Developers/Miami LLC**

# Delaware

Page 1

The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "GLOBAL ENERGY PRODUCERS LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE ELEVENTH DAY OF APRIL, A.D. 2018.*

*AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.*



A handwritten signature in black ink, appearing to read "JBULLOCK". Below the signature is a horizontal line, and underneath the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

6840339 8300

SR# 20182615451

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 202494451

Date: 04-11-18

# Delaware

Page 1

The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "GLOBAL ENERGY PARTNERS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF APRIL, A.D. V201.*

*AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.*



  
 Jeffrey W. Bullock, Secretary of State

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# Delaware

Page 1

The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "GLOBAL DEVELOPERS / MIAMI, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF APRIL, A.D. 2018.*

*AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.*



6862676 8300

SR# 20183145985

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)  
Jeffrey W. Bullock, Secretary of State

Authentication: 202602838

Date: 04-30-18

**Exhibit E**  
**Agreement with ADP**

CLIENT ACCOUNT AGREEMENT AND AUTHORIZATION TO DEBIT/CREDIT

Client Name GLOBAL ENERGY PRODUCERS LLC Branch \_\_\_\_\_ Co.Code \_\_\_\_\_

Additional Applicable Company Codes \_\_\_\_\_

With respect to the services for which ADP, LLC ("ADP") has been engaged as described in the services agreement or other understanding between ADP and Client (each, a "Service" and collectively the "Services"), Client agrees to the debit method listed below for collection of (1) payroll tax and penalty obligations related to ADP's Tax Filing Services or ACA Penalty Management Services, (2) payroll obligations related to ADP's ALINE Pay, Workers' Compensation, FSDD, ADPCheck, ALINE Pay Card and/or Instant Pay Services, and/or (3) wage garnishment deduction amounts related to ADP's WGPS Services, and Client agrees to the ACH debit method listed below for collection of the applicable fees for the Services, all pursuant to this Client Account Agreement and Authorization to Debit/Credit, and the provisions of Exhibit A attached hereto and incorporated by reference herein (this "Agreement"). Such debits will be initiated by ADP out of Client's applicable account specified below (the "DDA Account") at the financial institution specified below ("BANK"). Additional authorizations may be required by CLIENT's BANK(s) authorizing reverse wire and/or ACH (fees for services) transactions. Client understands and acknowledges that the implementation and ongoing provision of Services are conditioned upon Client passing (and continuing to pass) a credentialing process that ADP may deem necessary in connection with the provision of Services.

DEBIT METHOD (Check Applicable Box): Note: ACH method will be used to collect all service fees

<input type="checkbox"/> Reverse Wire	ADP will initiate request for a wire transfers of funds from the DDA ACCOUNT indicated below in accordance with the Reverse Wire provisions of this Agreement. Each applicable BANK is authorized to charge the applicable DDA Account in accordance with the Reverse Wire provisions of this Agreement.
<input checked="" type="checkbox"/> ACH (Please refer to the ACH Debit Filter page for Bank Authorization / Setup)	BANK is authorized to charge the DDA ACCOUNT in accordance with the ACH provisions of this Agreement. NOTE: CLIENT electing ACH may be contacted by an ADP representative to make arrangements for a wire transfer of funds for impounds exceeding the established dollar limit for processing by ACH. Such dollar limit shall be determined by ADP in its sole discretion.
<input type="checkbox"/> Reverse Wire (Over ACH Limit)	In the event a single impound exceeds the established threshold for ACH processing, CLIENT agrees that ADP may initiate a request for a wire transfer of funds from the DDA ACCOUNT in accordance with the Reverse Wire instructions on the Debit Filter page of this Agreement.

BANK INFORMATION \*FSDD & ADPCheck funds must be debited from the same account

Payroll Taxes  FSDD\*  ADPCK\*  Aline Pay  ACA  WGPS  Wage Garnishment  401K  Workers Comp  Other

BANK Transit/ABA # <input checked="" type="checkbox"/>	BANK Account # <input checked="" type="checkbox"/>
Bank Name <input checked="" type="checkbox"/>	BANK Contact
BANK Address	BANK Phone
<input type="checkbox"/> Reverse Wire <input type="checkbox"/> ACH <input type="checkbox"/> Reverse Wire (Over ACH Limit)	

Payroll Taxes  FSDD\*  ADPCK\*  Aline Pay  ACA  WGPS  Wage Garnishment  401K  Workers Comp  Other

BANK Transit/ABA #	BANK Account #
Bank Name	BANK Contact
BANK Address	BANK Phone
<input type="checkbox"/> Reverse Wire <input type="checkbox"/> ACH <input type="checkbox"/> Reverse Wire (Over ACH Limit)	

ACH FEES FOR SERVICES ADP will initiate ACH debits for its Fees for Services from the DDA Account indicated below in accordance with the ACH provisions of this Agreement. The applicable BANK is authorized to charge the applicable DDA Account in accordance with the ACH provisions of this Agreement.

Same bank information as above

<input checked="" type="checkbox"/> Fees for Service (ACH Debit Method)	
BANK Transit/ABA #	BANK Account #
Bank Name	BANK Contact
BANK Address	BANK Phone

COMPLETE THIS SECTION ONLY IF FSDD, ADPCHECK OR ALINE PAY IS INDICATED ABOVE:

Est. No. of Employees: <b>1</b>	ADPCheck Partner Bank <b>JP Morgan Chase</b>	FSDD Start Date: <b>5/18/2018</b>	ADPCK Start Date	Federal ID# <div style="background-color: black; width: 100px; height: 15px;"></div>
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In consideration of each BANK's compliance with this authorization, CLIENT agrees that such BANK's treatment of any charge, and such BANK's rights with respect thereto, shall be the same as if the charge were initiated personally by CLIENT, and that if any charge is dishonored, whether with or without cause, such BANK shall be under no liability whatsoever. In addition, CLIENT authorizes ADP to credit the applicable DDA ACCOUNT when necessary, at ADP's sole discretion, for any refund or credit amount due CLIENT.

CLIENT acknowledges and agrees that (i) ADP Payroll Services Inc. ("ADPPSI"), a licensed money transmitter, is responsible for providing the money transmission services hereunder and is a party to this Agreement and (ii) ADP's provision of services hereunder shall be deemed acceptance of this Agreement by ADP and ADPPSI. Exhibit B, to the extent applicable, contains information related to how to file a complaint in connection with the money transmission services.

In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of any other agreement, this Agreement shall control. CLIENT acknowledges and agrees that, notwithstanding anything to the contrary, CLIENT'S right to refund under any State law shall first be subject to any offset for funds due to ADP with respect to any previous transactions completed on Client's behalf by ADP, and subject to the terms and conditions of this Agreement and any other agreement between CLIENT and ADP.

This authorization shall remain in effect unless and until revoked in writing by an authorized representative of CLIENT and until the applicable BANK(s) and ADP have each received such notice and have had reasonable time to act upon such notice.

CLIENT Signature:

Date: 5/16/2018

 Deanna J. Van Rensburg

CLIENT Name & Title:



Deanna J. Van Rensburg

Executive Assistant

(Must be an authorized signatory on the accounts listed above)

FOR REGION USE ONLY / ADP DO NOT DEBIT ACCOUNT

CLIENT CHECK (This bank account below will be printed on your company checks.):

BANK Transit/ABA #	BANK Account(DDA)#	
Bank Name		Starting Check Number:
Bank Address		