

## SANDLER REIFF

SANDLER REIFF LAMB ROSENSTEIN & BIRKENSTOCK, P.C. 1090 Vermont Ave NW, Suite 750
Washington, DC 20005
www.sandlerreiff.com
T: 202-479-1111
F: 202-479-1115

March 25, 2019

Mr. Jeff S. Jordan
Assistant General Counsel
Office of Complaints Examination and Legal Administration
Federal Election Commission
1050 First Street, N.E.
Washington, D.C. 20463

Re: MUR 7511

Dear Mr. Jordan:

The undersigned serves as counsel for Allison Hartson 2018 and Allison Hartson, in her official capacity as Treasurer (collectively referred to as "Hartson 2018"). Hartson 2018 was the principal campaign committee of Allison Hartson, a candidate for the Democratic nomination for United States Senate in California in 2018.

This matter was generated by a complaint by Joseph Macaluso, of Capital Development. Capital Development was a vendor to Hartson 2018. Hartson 2018 terminated the services of Capital Development in February 2018, because of the vendor's poor performance of the duties that it was retained for. It was and continues to be the view of Hartson 2018 that it does not owe any funds to Capital Development due to breach of contract and non-performance of services promised to Hartson 2018.

Notwithstanding this, Capital Development filed for arbitration in February of 2018 in order to collect fees in connection with its contract with Hartson 2018. Hartson 2018 continues to dispute this matter and, as of the date of this letter, it is our understanding that this dispute remains unresolved.

It is true that the committee did not initially disclose this debt on its reports during 2018. This was not a deliberate attempt to terminate without disclosing this debt, or otherwise obfuscate this matter from the Commission or public. Rather, Hartson 2018 and its staff were unaware that a disputed debt was required to be disclosed on its reports. The committee has since amended its reports to disclose this disputed debt and has noted on its reports that the debt remains in dispute. Contrary to the assertions in the complaint, the committee expects to resolve this matter either with no liability or one that is significantly lower than the amount listed in the report.

Based on the fact that Hartson 2018 was unaware that a disputed debt was required to be disclosed on its reports, and the fact that it has since amended its reports to include this disputed debt, the committee should use its prosecutorial discretion and dismiss this matter. Hartson 2018 will apprise the Commission of any resolution to this matter as soon as it occurs.

If you have any questions regarding this Response, our daytime number is (202) 479-1111. Our email addresses are reiff@sandlerreff.com, and mitrani@sandlerreiff.com.

Sincerely,

Neil Reiff

David Mitrani

Counsel to Hartson 2018 and Allison Hartson, in her official capacity as Treasurer