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March 19, 2019

Via Email

Federal Election Commission Office of Complaints Examination and Legal Administration Attn: Kathryn Ross, Paralegal 1050 First Street, NE Washington, DC 20463

## Re: MUR # 7570

Dear Ms. Ross:

On behalf of Skytron, LLC in the matter of MUR # 7570, I am responding to the Campaign Legal Center's complaint.<sup>1</sup> In short, the factual basis for the complaint is incorrect. Skytron, LLC did not make the contribution on which the alleged violation is based. Accordingly, the FEC should not take any action in this matter.

The complaint alleges that on November 1, 2018, Skytron, LLC contributed \$10,000 to the Outsider PAC, an independent-expenditure-only committee registered with the FEC. The complaint further alleges that, because Skytron, LLC is a federal contractor, the contribution violated 52 U.S.C. § 30119(a)(1) and 11 C.F.R. Part 115, which prohibit a federal contractor from making a contribution to any political committee during the period in which a federal contract is being negotiated or performed.

Skytron, LLC, however, has never made a contribution to Outsider PAC or any other political committee. Upon further review, we discovered that Outsider PAC incorrectly reported the November 1, 2018 contribution as being made by Skytron, LLC. In fact, the contribution was made by The KMW Group, Inc. and not Skytron, LLC.<sup>2</sup>

When we learned through media reports that the complaint was being filed and discovered the reporting mistake, we contacted the Outsider PAC and requested that the PAC amend the post-general report to correctly identify the contributor as The KMW Group, Inc.

<sup>&</sup>lt;sup>1</sup> Skytron, LLC received notice of the complaint from the FEC on March 4, so this response is timely.

<sup>&</sup>lt;sup>2</sup> See enclosed copy of contribution check.

#### MUR757000017

MUR # 7570 Page 2

rather than Skytron, LLC. On February 21, 2019, the Outsider PAC amended the post-general report to show The KMW Group, Inc. as the contributor.<sup>3</sup> The KMW Group, Inc. is a separate and distinct legal entity from Skytron, LLC. The KMW Group, Inc. is a Michigan corporation, while Skytron, LLC is a Delaware limited-liability company. Also, the KMW Group, Inc. is governed by officers and boards that are not identical in composition and are otherwise operated as separate and distinct legal entities. Furthermore, The KMW Group, Inc. had sufficient revenue derived from sources other than Skytron, LLC to make the contribution.<sup>4</sup>

For these reasons, the Campaign Legal Center's complaint alleging that Skytron, LLC made a contribution to the Outsider PAC has no merit. Therefore, the FEC should not take any action in this matter.

Very truly yours,

The

Troy M. Cumings

18222738-2

<sup>&</sup>lt;sup>3</sup> See enclosed copies of the summary pages and Schedule A of the amended report.

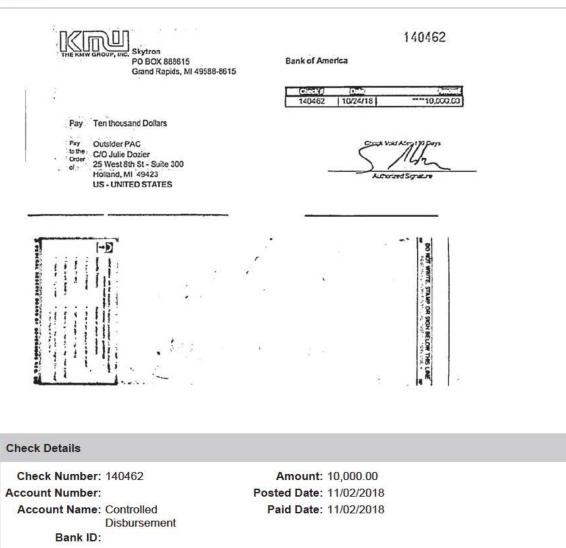
<sup>&</sup>lt;sup>4</sup> See MUR 6726 (Chevron Corp. et al.). See also enclosed Affidavit of Craig Wassenaar.

# Check Inquiry Summary

#### Account Number:

Account Name: Controlled Disbursement

Bank ID:



**Electronic Endorsement Information** 

BOFD - Bank Of First Deposit

Bank Name: CHAIN BRIDGE BANK, NATIONAL AS (BOFD) Date: 11/01/2018

R/T:

Sequence Number:

Bank Name: FED RES BK OF ATLANTA Date: 11/02/2018 R/T: Sequence Number:

# Check Inquiry Summary

Account Number: Account Name: Controlled Disbursement Bank ID:

> BOFD - Bank Of First Deposit Bank Name: BANK OF AMERICA NA Date: 11/02/2018 R/T Sequence Number:



# FEC FORM 3X

# **REPORT OF RECEIPTS AND DISBURSEMENTS**

## For Other Than An Authorized Committee

## **FILING FEC-1317488**

#### **1. OUTSIDER PAC**

25 WEST 8TH STREET SUITE 300 HOLLAND, Michigan 49423

2. FEC Committee ID #: Coo678920

3. This committee has NOT qualified as a multicandidate committee (see FEC Form 1M)

4. Report Type = POST-GENERAL For election on 11/06/2018 in the State of \_\_\_\_\_ This IS an amended REPORT Filed: 02/21/2019

SUMMARY PAGE DETAILED SUMMARY PAGE Schedule A Filings (ITEMIZED RECEIPTS) Schedule B Filings (ITEMIZED DISBURSEMENTS) Schedule E (INDEPENDENT EXPENDITURES)

SUMMARY PAGE

#### 5. Covering Period 10/18/2018 Through 11/26/2018

	Column A This Period	Column B Year To Date
6. (a) Cash on hand, January 1, 2018		0.00
(b) Cash on hand at Beginning of Reporting Period	168642.71	
(c) Total Receipts (from line 19)	477750.00	1424236.00
(d) Subtotal (6(b) + 6(c) for A, 6 (a) + 6(c) for B)	646392.71	1424236.00

## FEC Disclosure Form 3X for OUTSIDER PAC

	Column A This Period	Column B Year To Date		
7. Total Disbursements	634096.40	1411939.69		
8. Cash on Hand at Close of Reporting Period	12296.31	12296.31		
9. Debts and Obligations Owed TO the Committee	0.00			
Itemize all on SCHEDULE C or SCHEDULE D				
10. Debts and Obligations Owed BY the Committee	0.00			
Itemize all on SCHEDULE C or SCHEDULE D				

Treasurer: JULIE DOZIER Date Signed: 02/21/2019

# (End Summary Page, FEC FORM 3X)

# **Of Receipts And Disbursements**

	Column A This Period	Column B Calendar Year			
I. Receipts					
11. Contributions (other than loans) From:					
(a) Individuals/Persons Other than	Political Com	mittees			
(i) Itemized	417750.00	1314086.00			
(ii) Unitemized	0.00	150.00			
(iii) Total (11(a)(i) + 11(a)(ii))	417750.00	1314236.00			
(b) Political Party Commitees	0.00	0.00			
(c) Other Political Committees (such as PACS)	60000.00	110000.00			
(d) Total Contributions (11(a)(iii) + (b) + (c))	477750.00	1424236.00			
12. Transfers From Affiliated/Other Party Committees	0.00	0.00			
13. All Loans Received	0.00	0.00			
14. Loan Repayments Received	0.00	0.00			
15. Offsets to Operating Expenditures (Refunds, Rebates, etc)	0.00				
16. Refunds of Contributions made to Fed. Candidates and other Political Committees	0.00	0.00			
17. Other Federal Receipts (Dividends, Interest, etc)	0.00	0.00			
18. Transfers from Non-Federal and Levin Funds					

# FEC Disclosure Form 3X for OUTSIDER PAC

	Column A This Period	Column B Calendar Year
(a) Non-Federal Account (SCHEDULE H3)	0.00	0.00
(b) Levin Funds (SCHEDULE H5)	0.00	0.00
(c) Total Transfers ( 18(a) + 18 (b) )	0.00	0.00
19. Total Receipts (11(d) + 12 + 13 + 14 + 15 + 16 + 17 + 18)	477750.00	1424236.00
20. Total Federal Receipts (19 - 18 (c))	477750.00	1424236.00
II. Disburseme	ents	
21. Operating Expenditures		
(a) Shared Federal/Nonfederal Activ	ity (SCHEDU	LE H4)
(i) Federal Share	0.00	0.00
(ii) Nonfederal Share	0.00	0.00
(b) Other Federal Operating Expenditures	106096.40	269064.69
(c) Total Operating Expenditures $(21(a)(i) + (a)(ii) + (b))$	106096.40	269064.69
22. Transfers to Affiliated/Other Party Committees	0.00	0.00
23. Contributions to Fed. Candidates/Committees and Other Political Committees	275000.00	275000.00
24. Independent Expenditures (SCHEDULE E)	253000.00	857875.00
25. Coordinated Expenditures Made by Party Committees (SCHEDULE F)	0.00	0.00
26. Loan Repayments Made	0.00	0.00
27. Loans Made	0.00	0.00
28. Refunds of Contributions To:		
(a) Individuals/Persons Other Than Political Committees	0.00	10000.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees (such as PACs)	0.00	0.00
(d) Total Contribution Refunds (28 (a) + (b) + (c))	0.00	10000.00
29. Other Disbursements	0.00	0.00
30. Federal Election Activity		
(a) (i) Allocated Federal Election Activity - Federal Share (SCHEDULE H6)	0.00	0.00
(a) (ii) Allocated Federal Election Activity - Levin Share (SCHEDULE H6)	0.00	0.00
(b) Federal Election Activity Paid Entirely with Federal Funds	0.00	0.00

## FEC Disclosure Form 3X for OUTSIDER PAC

	Column A This Period	containin to
(c) Total Federal Election Activity ( 30(a)(i)+30(a)(ii)+30(b) )	0.00	0.00
31. Total Disbursements ( 21(c) +23+24+25+26+27+28(d)+29+30 (c) )	634096.40	1411939.69
32. Total Federal Disbursements (31- 21(a)(ii)-30(a)(ii))	634096.40	1411939.69
III. Net Contributions/Opera	ting Expend	litures
33. Total Contributions (other than loans) (11(d))	477750.00	1424236.00
34. Total Contribution Refunds (28 (d))	0.00	10000.00
35. Net Contributions (other than ioans) (32 - 33)	477750.00	1414236.00
36. Total Federal Operating Expenditures (21(a)(i) + 21(b))	106096.40	269064.69
37. Offsets to Operating Expenditures (15)	0.00	0.00
38. Net Operating Expenditures	106096.40	269064.69

## (End Detailed Summary Page, FEC FORM 3X)

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### SCHEDULE A

#### ITEMIZED RECEIPTS All Listed Line Numbers

#### **Committee: OUTSIDER PAC**

Contributor's Name	Contributor's Address	Employer/Occupation	Memo/Description Memo Text	Date	Amount (\$)	Aggregate (\$)
ALTICOR INC.	30600 TELEGRAPH ROAD SUITE 2345 BINGHAM FARMS, Michigan 48025		CONTRIBUTION	10/22/2018	50000.00	10000.00
BELLE TIRE	1000 ENTERPRISE DRIVE ALLEN PARK, Michigan 48101		CONTRIBUTION	10/22/2018	25000.00	25000.00
BELLE TIRE	1000 ENTERPRISE DRIVE ALLEN PARK, Michigan 48101		CONTRIBUTION	10/22/2018	5000.00	30000.00
JONATHAN CILLEY, Jr.	336 ARLINGTON CIR MURRELLS INLET, South Carolina 29576	RETIRED / RETIRED	CONTRIBUTION	10/22/2018	7750.00	7750.00
SEAN P COTTON	33 HENDRIE LN GROSSE POINTE FARM, Michigan 482363735	CAIDAN MGT COMPANY / ATTORNEY	CONTRIBUTION	10/29/2018	100000.00	100000.00
KRIS ELLIOTT	120 WASHINGTON AVENUE LANSING, Michigan 48933	INFINITY CO. / CEO	CONTRIBUTION	10/21/2018	25000.00	25000.00
LOUIS JAMES	7140 W FORT STREET DETROIT, Michigan 48209	MCL JASCO INC / EXECUTIVE	CONTRIBUTION	10/26/2018	5000.00	5000.00
PETER KARMANOS, Jr.	4740 DOW RIDGE ROAD ORCHARD LAKE, Michigan 48324	MADDOG TECHNOLOGY / CHAIRMAN	CONTRIBUTION	10/22/2018	25000.00	25000.00
MCL JASCO INC	7140 W FORT STREET DETROIT, Michigan 48209		CONTRIBUTION	10/26/2018	20000.00	20000.00
MIDWEST TERMINALS - UTICA LLC	383 W. DUSSEL DRIVE MAUMEE, Ohio 43537		CONTRIBUTION	11/01/2018	10000.00	10000.00
WILLIAM PARFET	15570 NORTHWOOD LANE HICKORY CORNERS, Michigan 49060	RETIRED / RETIRED	CONTRIBUTION	10/26/2018	50000.00	65000.00
ELSA PRINCE BROEKHUIZEN	190 S RIVER AVE STE 300 HOLLAND, Michigan 49423	RETIRED / RETIRED	CONTRIBUTION	10/22/2018	10000.00	35000.00
ELSA PRINCE BROEKHUIZEN	190 S RIVER	RETIRED / RETIRED	CONTRIBUTION	11/01/2018	25000.00	60000.00

## MUR757000025

Contributar's Name	Contributor's Address	Employer/Occupation	Memo/Description Memo Text	Date	Amount (\$)	Aggregate (\$)
	Michigan 49423					
RENAISSANCE GLOBAL LOGISTICS LLC	DETROIT,		CONTRIBUTION	11/01/2018	10000.00	10000.00
PETER SECCHIA	220 LYON NW SUITE 510 GRAND RAPIDS, Michigan 49503	SIBSCO LLC / MANANGING PARTNER	CONTRIBUTION	10/29/2018	10000.00	10000.00
SIGNAL RESTORATION SERVICES	2490 INDUSTRIAL ROW TROY, Michigan 48084		CONTRIBUTION	10/23/2018	10000.00	10000.00
THE KMW GROUP, INC.	5085 CORPORATE EXCHANGE BLVD SE GRAND RAPIDS, Michigan 49512		CONTRIBUTION	11/01/2018	10000.00	20000.00
DUANE VANDER ARK	151 44TH STREET SW GRANDVILLE, Michigan 49418	POLARIS HOME FUNDING CORP / PRESIDENT	CONTRIBUTION	11/01/2018	20000.00	20000.00
HOOSIERS FOR CONSERVATIVE VALUES	133 W MARKET ST #282 INDIANAPOLIS, Indiana 46204		CONTRIBUTION	11/02/2018	60000.00	110000.00

Total Donation Amount (Non Memo)	\$477750
Total Memo Amount	\$0
Number of Transactions (Non-Memo)	19
Number of Transactions (Memo)	0

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## **DECLARATION OF CRAIG WASSENAAR**

I, Craig Wassenaar, declare and affirm as follows:

1. If called to testify, I could and would competently testify to the facts set forth in this Affidavit.

2. I am the Chief Financial Officer of The KMW Group, Inc.

3. The KMW Group, Inc. made a \$10,000 contribution to the Outsider PAC on November 1, 2018.

4. The KMW Group, Inc. is and has at all times been operated as a separate and distinct legal entity from Skytron, LLC.

5. The KMW Group, Inc. had sufficient revenue derived from sources other than Skytron, LLC to make the November 1, 2018 contribution to the Outsider PAC, and, in fact, no revenue derived from Skytron, LLC was used to make any portion of that contribution.

6. I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on March 14 , 2019.

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Craig Wassenaar