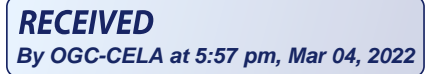


ELECTIONS, LLC

Attorneys at Law
Nathan Groth
E Nathan.Groth@ElectionLawLLC.com

March 4, 2022

Roy Q Lockett
Acting Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

VIA EMAIL: cela@fec.gov

RE: MUR 7961

Dear Mr. Lockett:

We represent Leaders Only Unite Political Action Committee (“LOU PAC”) and Lou Barletta (collectively, the “Respondents”) in connection with the complaint filed by the Democratic Governors Association (the “Complainant”) in the above referenced matter. This complaint, which is clearly politically driven and speculative, has no merit and we respectfully request that the Commission find there is no reason to believe a violation has occurred, dismiss the Complaint, and close the file as to all Respondents.

On December 1, 2018, LOU PAC entered into a lease agreement with Mrs. Barletta to rent office space located at 322 Rocky Road, Hazleton, PA (the “Lease”)¹ for general operating purposes from January 1, 2019 through October 31, 2020.

Article II of the Lease provides that “Tenant shall pay to Lessor and Lessor shall accept from Tenant as rent for the Premises the sum of Two Thousand Two Hundred Dollars (\$2,200.00) payable on the first day of each and every calendar month.” Complainants do not allege, or provide any reason to believe, that the \$2,200 rent per month due under the Lease did not constitute fair market value for the Premises. Complainant’s complaint relies solely on the misguided assumption that payments must not have been fair market value, and therefore constituted either an impermissible personal use or an excessive contribution, because the “rent varied significantly over the course of the 2020 election cycle . . . [and LOU PAC] has not explained these drastic changes in rental costs over a short period of time.”

As noted above, the rent due under the lease was \$2,200 per month. The \$4,400 payment made by LOU PAC in February 2019 was for January and February 2019 rent. The standard rent

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to those terms in the Lease.

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payment of \$2,200 per month was made through August 2019. From September 2019 through October 2020, LOU PAC relinquished, or otherwise sublet, half of the Premises and accordingly paid 50% of the standard lease amount during such time.

LOU PAC's expenditures pursuant to the Lease from February 2019 to October 2020 constituted fair market value and did not violate the Federal Election Campaign Act of 1971, as amended ("FECA" or the "Act"), or federal regulations. Complainant's allege LOU PAC's expenditures were either impermissible personal use or impermissible excessive contributions – the expenditures were neither. Even if LOU PAC expenditures were subject to the personal use restrictions, LOU PAC's expenditures did not constitute personal use.² Personal use includes rent payments for real property that is owned by the candidate or a member of the candidate's family for campaign purposes, to the extent the payments exceed the fair market value of the property usage. 11 CFR § 113.1(g)(1)(i)(E)(2). Contributions and in-kind contributions include receipt of anything of value, including the provision of goods and services without charge or at a charge less than the usual and normal charge for such goods. 11 CFR § 100.52(d)(1). Usual and normal charge for goods means "the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution." 11 CFR § 100.52(d)(2). The lease agreement between LOU PAC and Mrs. Barletta, and payments made pursuant to such lease agreement, were fair market value. Complainants do not allege, or provide any reason to believe, such valuation was not fair market value other than the variation in prices paid during different portions of the lease, which were detailed above.

Accordingly, as Complainants do not offer any evidence of a violation of the Act or of federal regulations, we respectfully request the Commission find there is no reason to believe a violation has occurred, dismiss the Complaint, and close the file as to all Respondents.

Respectfully submitted,

ELECTIONS, LLC



Nathan Groth

Counsel to Leaders Only Unite Political Action Committee ("LOU PAC") and Lou Barletta

² Respondents do not address, nor concede, whether LOU PAC expenditures were subject to personal use restrictions under the Act because LOU PAC's expenditures constituted fair market value.