

**FEDERAL ELECTION COMMISSION**  
**FIRST GENERAL COUNSEL'S REPORT**

**MUR 7981**

DATE COMPLAINT FILED: Apr. 20, 2022

DATE OF NOTIFICATION: Apr. 27, 2022

LAST RESPONSE RECEIVED: July 13, 2022

DATE ACTIVATED: Jan. 13, 2023

ELECTION CYCLE: 2022

EXPIRATION OF SOL: May 3, 2026-  
July 12, 2026**COMPLAINANTS:**Campaign Legal Center  
Roger G. Wieand**RESPONDENTS:**The Freedom Forward Fund and Mike McCauley in  
his official capacity as treasurer  
Teeter Jay, LLC  
Kimberly A. Skaggs  
Joseph R. Skaggs  
Terryll Jay Skaggs**RELEVANT STATUTES  
AND REGULATION:**52 U.S.C. § 30104(b)  
52 U.S.C. § 30122  
11 C.F.R. § 110.1(e), (g)**INTERNAL REPORTS CHECKED:** Disclosure Reports**FEDERAL AGENCIES CHECKED:** None**I. INTRODUCTION**

This matter stems from two contributions received by the Freedom Forward Fund and Mike McCauley in his official capacity as treasurer (the “Freedom Forward Fund”), which the Freedom Forward Fund reported as being made by Teeter Jay, LLC. The Complaint alleges that Kimberly A. Skaggs, Joseph R. Skaggs, and Terryll Jay Skaggs (the “Skaggs Respondents”)<sup>1</sup>

<sup>1</sup> The Complaint also makes allegations as to “unknown persons.” Compl. ¶ 1 (Apr. 20, 2022). However, because the record makes clear that the Skaggs Respondents were the sole source of funds into Teeter Jay, LLC, we do not believe separate recommendations as to “unknown persons” are required in this matter.

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1 were the true source of those contributions and used Teeter Jay as a conduit to avoid disclosure  
2 in violation of 52 U.S.C. § 30122 of the Federal Election Campaign Act of 1971, as amended  
3 (the “Act”). The Complaint bases this allegation on: The fact that Teeter Jay lacks an online  
4 presence; information in various filings indicating a connection between Teeter Jay and the  
5 Skaggs Respondents; the fact that two of the Skaggs Respondents made contributions to a  
6 candidate whom Freedom Forward Fund’s independent expenditures supported; and the short  
7 time between the Freedom Forward Fund’s formation, receipt of the contributions, and its  
8 disbursements. The factual allegations in the Complaint also raise the question of whether the  
9 Respondents have satisfied the attribution disclosure and reporting requirements of the Act and  
10 Commission regulations.

11 In a joint Response (the “Skaggs Response”), Teeter Jay, LLC, and the Skaggs  
12 Respondents provide information indicating that Teeter Jay was established approximately two  
13 years before the contributions at issue for the purpose of building and operating a horse-showing  
14 arena and that it was taxed as a partnership. Further, there is no information indicating that  
15 Teeter Jay received funds for the purpose of making a contribution to the Freedom Forward Fund  
16 such that the contribution would be considered “made in the name of another” under 52 U.S.C.  
17 § 30122. The Skaggs Response does not specify when and how Teeter Jay received the  
18 particular funds it used to make the contributions. However, absent any affirmative information  
19 indicating that funds were transferred to Teeter Jay for the purpose of making a contribution, we  
20 recommend that the Commission find no reason to believe that the Freedom Forward Fund and  
21 Mike McCauley in his official capacity as treasurer, Teeter Jay, LLC, Kimberly A. Skaggs,  
22 Joseph R. Skaggs, and Terryl Jay Skaggs violated 52 U.S.C. § 30122 by making, allowing one’s  
23 name to be used to effect, or knowingly accepting a contribution in the name of another.

Because Teeter Jay appears to be the true source of the contribution, it follows that the contribution should have been attributed, pursuant to 11 C.F.R. § 110.1(e), either to each partner in proportion to their share of the partnership profits or by other agreement of the partners. Given that Teeter Jay is taxed as a partnership such that its contribution must be attributed to its partners, it appears that Teeter Jay failed to provide required attribution information under 11 C.F.R. § 110.1(g)(5) when making its contribution and that the Freedom Forward Fund failed to properly report attribution information for the contribution as required under 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e). There is no information in the record indicating that the Freedom Forward Fund used best efforts to attempt to obtain this information. Therefore, we recommend that the Commission find reason to believe that Teeter Jay violated 11 C.F.R. § 110.1(g)(5) and that the Freedom Forward Fund violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e).

## **II. FACTUAL BACKGROUND**

The Freedom Forward Fund is an independent expenditure-only political committee (“IEOPC”) that registered with the Commission on May 11, 2021; Mike McCauley is the committee’s treasurer.<sup>2</sup> It reported receiving two contributions from Teeter Jay, LLC: a \$50,000 contribution on May 3, 2021, and a second \$50,000 contribution on May 11, 2021.<sup>3</sup> At the time of the Complaint, these contributions represented 91% of the contributions received by Freedom Forward Fund.<sup>4</sup> Between May 11, 2021, and May 28, 2021, the Freedom Forward Fund reported

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<sup>2</sup> Freedom Forward Fund, Statement of Organization (May 11, 2021).

<sup>3</sup> Freedom Forward Fund, 2021 July Quarterly Report at 6 (July 12, 2021).

<sup>4</sup> The only other contribution to the IEOPC was a single \$10,000 contribution from another source received on May 17, 2021. *Id.*; Freedom Forward Fund, 2021 Year-End Report at 2 (Jan. 20, 2022) (reporting \$110,000 in year-to-date contributions); Freedom Forward Fund, 2022 April Quarterly Report (Apr. 6, 2022) (reporting zero year-to-date contributions).

1 making independent expenditures totaling \$94,643.04, all of which opposed Melanie Stansbury,  
 2 a candidate in the June 1, 2021, special election for New Mexico's 1st Congressional District  
 3 running opposed to Mark Moores.<sup>5</sup>

4 Teeter Jay, LLC, registered in New Mexico as a Domestic Limited Liability Company on  
 5 August 20, 2019.<sup>6</sup> According to information in the Response, including a copy of Teeter Jay's  
 6 operating agreement, Teeter Jay is not a single-member limited liability company ("LLC"), as  
 7 alleged in the Complaint, but rather a partnership between Kimberly Skaggs and her son, Terryl  
 8 Skaggs, with Kimberly Skaggs designated as the managing partner.<sup>7</sup> The Skaggs Response  
 9 asserts that the LLC is a going concern established in 2019 to construct and manage a horse-  
 10 showing arena and provides corroborating business records.<sup>8</sup> Kimberly Skaggs is also the sole  
 11 owner and CEO of a separate business, 50 State DMV, LLC, which is a nationwide vehicle title  
 12 and registration processor for automotive dealerships and served as "Ms. Skaggs' main business  
 13 account, which provides the cash flow for Teeter Jay, LLC."<sup>9</sup> According to the response, profits  
 14 from 50 State DMV were reinvested into Teeter Jay around the time of its formation to purchase  
 15 goods and services required to establish and operate the horse-showing arena, such as gates and

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<sup>5</sup> *FEC Independent Expenditures: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/independent-expenditures/?committee\\_id=C00779314&data\\_type=processed&is\\_notice=true&candidate\\_id=H2NM01144&support\\_oppose\\_indicator=O&min\\_date=01%2F01%2F2021&max\\_date=12%2F31%2F2022](https://www.fec.gov/data/independent-expenditures/?committee_id=C00779314&data_type=processed&is_notice=true&candidate_id=H2NM01144&support_oppose_indicator=O&min_date=01%2F01%2F2021&max_date=12%2F31%2F2022) (last visited Mar. 28, 2023) (reflecting 24 and 48-hour reports filed by the Freedom Forward Fund for independent expenditures in connection with candidate Melanie Stansbury during the 2022 election cycle).

<sup>6</sup> *Business Search*, N.M SEC'Y OF STATE CORPS. & BUS. SERVS., <https://portal.sos.state.nm.us/BFS/online/corporationbusinesssearch> (search for "Teeter Jay LLC") (last visited Mar. 28, 2023).

<sup>7</sup> Teeter Jay, LLC, Kimberly A. Skaggs, Joseph R. Skaggs, & Terryl J. Skaggs Joint Resp. at 6 & Ex. A [hereinafter Skaggs Resp.] (July 14, 2022).

<sup>8</sup> *Id.* at 1-3, Exs. A-H (including invoices for goods related to a horse-showing arena, bank statements reflecting payments for these goods, and communications reflecting receipt of payment). For example, Teeter Jay's Articles of Incorporation describe its purpose as "PERFORMANCE & ARENA, Arts, Entertainment, and Recreation, Promoters of Performing Arts, Sports and Similar Events with Facilities." *Id.*, Ex. B

<sup>9</sup> *Id.* at 2-3 (listing purchases by Teeter Jay, LLC using 50 State DMV funds); *About Us*, 50 STATE DMV, <https://50statedmv.com/about-us> (last visited Mar. 28, 2023).

panels from a company named “Red River Arenas.”<sup>10</sup> The Skaggs Response included bank records for accounts held by 50 State DMV reflecting a transfer of \$31,945 to a vendor on July 25, 2019, and a corresponding invoice from that vendor to Teeter Jay for the same amount for those goods.<sup>11</sup>

On April 3, 2021, Kimberly Skaggs — who at the time was the Executive Director of the New Mexico Republican Party<sup>12</sup> — made a \$2,900 contribution to Mark Moores, the Republican nominee and opponent of Melanie Stansbury in the special election for New Mexico’s 1st Congressional District.<sup>13</sup> According to the Skaggs Response, after contributing the maximum amount to Moores’s campaign committee, Kimberly Skaggs “still desired to support Mark Moores and was correctly informed that there was no contribution limit when giving to an independent expenditure-only political committee,” and “reached out to political consultant Brian Seitchik, who directed her to the Freedom Forward Fund.”<sup>14</sup> She then made the two contributions at issue in the Complaint from in May 2021 “through Teeter Jay,” which the Skaggs Response asserts, was “not to mask her identity, but as a matter of convenience and cash flow.”<sup>15</sup>

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<sup>10</sup> Skaggs Resp., Ex. D.

<sup>11</sup> *Id.*, Ex. E.

<sup>12</sup> Compl. ¶ 11 & Ex. B. As of now, Kimberly Skaggs’s position is described as “Executive Director – South.” *Officers & Staff*, REPUBLICAN PARTY OF N.M., <https://newmexico.gop/officers-staff> (last visited Mar. 28, 2023).

<sup>13</sup> Compl. ¶ 11; Mark Moores for Congress, 12-Day Pre-Election Report at 91 (May 20, 2021).

<sup>14</sup> Skaggs Resp. at 3. Brian Seitchik is the owner of RDP Strategies, a political consulting company that provided services to Freedom Forward Fund in May 2021. RDP STRATEGIES, <http://www.rdpstrategies.com> (last visited Mar. 28, 2023); Freedom Forward Fund, Amended 2021 July Quarterly Report at 8 (Sept. 13, 2021) (reporting a \$5,500 disbursement to RDP strategies on May 10, 2021, for consulting services and two disbursements associated with independent expenditures opposing Melanie Stansbury on May 21 and May 28, 2021).

<sup>15</sup> Skaggs Resp. at 3, 9.

1           The Complaint alleges that Teeter Jay, LLC, was used as a straw donor to make these  
2     contributions that were actually from Kimberly Skaggs, Joseph Skaggs, or Terryl Jay Skaggs,  
3     each of whom the Complaint alleges is connected to Teeter Jay in some way.<sup>16</sup> The Complaint  
4     also alleges that the Freedom Forward Fund knowingly accepted these contributions in the name  
5     of another.<sup>17</sup> The Complaint bases this allegation on the following facts: There is a lack of  
6     public information about Teeter Jay's activities; Teeter Jay shares an address with Kimberly  
7     Skaggs; Teeter Jay's registration documents describe Terryl Jay Skaggs as its only member;  
8     Teeter Jay provided a different address not connected to Kimberly Skaggs when it contributed to  
9     the Freedom Forward Fund; Kimberly Skaggs and Joseph Skaggs each contributed the maximum  
10    contribution to Moores shortly before Teeter Jay reportedly contributed to the Freedom Forward  
11    Fund; and the Freedom Forward Fund registered with the Commission a week after receiving the  
12    first contribution on May 3, 2021, and spent all funds received from Teeter Jay by the end of that  
13    month.<sup>18</sup>

14           The Freedom Forward Fund denies knowingly violating the Act and asserts that it  
15    accepted the contributions and attributed them to the LLC "in good faith pursuant to the laws  
16    provided."<sup>19</sup> That Response also represents that the Freedom Forward Fund uses "stringent  
17    accounting policies and procedures in the processing of contributions, payment of vendor  
18    invoices and reporting of independent expenditures and regular reports."<sup>20</sup>

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<sup>16</sup> Compl. ¶ 1.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* ¶¶ 31-38.

<sup>19</sup> Freedom Forward Fund Resp. at 1 (May 13, 2022).

<sup>20</sup> *Id.*

The Skaggs Response acknowledges that the two contributions should be attributed to Kimberly Skaggs, who is one of the partners in the LLC.<sup>21</sup> The Response further argues that Kimberly Skaggs had no intent to conceal her identity as the contributor and argues that she did not violate the Act or Commission regulations because, the Respondents claim, prior to issuance of two Statements of Reasons (“SORs”) in MUR 7454 (Blue Magnolia, *et al.*) in April 2022, “the Commission had not come to a consensus . . . on the particular legal standards for attribution, reporting, or contributions of LLCs contributing to super PACs.”<sup>22</sup> The Skaggs Response attaches a July 2022 letter indicating that, after receiving the Complaint in this matter, Teeter Jay and Kimberly Skaggs requested that the Freedom Forward Fund attribute Teeter Jay’s contributions to Kimberly Skaggs and that the IEOPC make corresponding amendments to its disclosure reports.<sup>23</sup> To date, the Freedom Forward Fund has not amended its report to provide that attribution information.

Although at the time the Complaint was filed, the Freedom Forward Fund had only received contributions from Teeter Jay, it thereafter raised an additional \$138,000 from other sources during the 2022 election cycle<sup>24</sup> and has spent an additional \$105,240 on independent expenditures in support of a candidate in an unrelated race.<sup>25</sup>

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<sup>21</sup> Skaggs Resp. at 1.

<sup>22</sup> *Id.* at 9-10.

<sup>23</sup> Skaggs Resp., Ex. K.

<sup>24</sup> *FEC Receipts: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/receipts/?two\\_year\\_transaction\\_period=2022&committee\\_id=C00779314&data\\_type=processed](https://www.fec.gov/data/receipts/?two_year_transaction_period=2022&committee_id=C00779314&data_type=processed) (last visited Mar. 28, 2023) (reflecting contributions received by the Freedom Forward Fund for the 2022 election cycle).

<sup>25</sup> *FEC Independent Expenditures: Filtered Results*, FEC.GOV [https://www.fec.gov/data/independent-expenditures/?data\\_type=processed&q\\_spender=C00779314&is\\_notice=false&min\\_date=01%2F01%2F2021&max\\_date=12%2F31%2F2022](https://www.fec.gov/data/independent-expenditures/?data_type=processed&q_spender=C00779314&is_notice=false&min_date=01%2F01%2F2021&max_date=12%2F31%2F2022) (last visited Mar. 28, 2023) (reflecting independent expenditures made by the Freedom Forward Fund for the 2022 election cycle).

### III. LEGAL ANALYSIS

#### A. The Commission Should Find No Reason to Believe That the Respondents Violated 52 U.S.C. § 30122 by Making, Allowing One's Name to Be Used to Make, or Knowingly Accepting a Contribution in the Name of Another

The Act provides that a contribution includes “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.”<sup>26</sup> The term “person” for purposes of the Act and Commission regulations includes partnerships, corporations, and “any other organization or group of persons.”<sup>27</sup> The Act prohibits a person from making a contribution in the name of another person, knowingly permitting his or her name to be used to effect such a contribution, or knowingly accepting such a contribution.<sup>28</sup> The Commission has included in its regulations illustrations of activities that constitute making a contribution in the name of another:

- (i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; or
- (ii) Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.<sup>29</sup>

The requirement that a contribution be made in the name of its true source promotes Congress's objective of ensuring the complete and accurate disclosure by candidates and committees of the political contributions they receive.<sup>30</sup> Courts therefore have uniformly

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<sup>26</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>27</sup> *Id.* § 30101(11); 11 C.F.R. § 100.10.

<sup>28</sup> 52 U.S.C. § 30122.

<sup>29</sup> 11 C.F.R. § 110.4(b)(2)(i)-(ii).

<sup>30</sup> *United States v. O'Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) (“[T]he congressional purpose behind [Section 30122] — to ensure the *complete and accurate disclosure* of the contributors who finance federal elections



1 rejected the assertion that “only the person who actually transmits funds . . . makes the  
 2 contribution,”<sup>31</sup> recognizing that “it is implausible that Congress, in seeking to promote  
 3 transparency, would have understood the relevant contributor to be [an] intermediary who  
 4 merely transmitted the campaign gift.”<sup>32</sup> Consequently, both the Act and the Commission’s  
 5 implementing regulations provide that a person who furnishes another with funds for the purpose  
 6 of contributing to a candidate or committee “makes” the resulting contribution.<sup>33</sup> This is true  
 7 whether funds are advanced to another person to make a contribution in that person’s name or  
 8 promised as reimbursement of a solicited contribution.<sup>34</sup>

9 Here, the available information does not indicate that Teeter Jay operated as a conduit for  
 10 the \$100,000 in contributions to the Freedom Forward Fund. The Complaint bases its allegation  
 11 on a series of circumstantial inferences, but they do not, either in isolation or in combination,  
 12 establish that individuals or entities other than Teeter Jay were the original source of the  
 13 contributions. The Complaint notes that Teeter Jay lacks an online presence,<sup>35</sup> and while the

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— is plain.” (emphasis added)); *Mariani v. United States*, 212 F.3d 761, 775 (3d Cir. 2000) (rejecting constitutional challenge to Section 30122 in light of compelling governmental interest in disclosure).

<sup>31</sup> *United States v. Boender*, 649 F.3d 650, 660 (7th Cir. 2011).

<sup>32</sup> *O'Donnell*, 608 F.3d at 554; *see also Citizens United v. FEC*, 558 U.S. 310, 371 (2010) (“The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”); *Doe v. Reed*, 561 U.S. 186, 199 (2010) (“Public disclosure also promotes transparency and accountability in the electoral process to an extent other measures cannot.”).

<sup>33</sup> *See Boender*, 649 F.3d at 660 (holding that to determine who made a contribution “we consider the giver to be the *source* of the gift, not any intermediary who simply conveys the gift from the donor to the donee” (emphasis added)); *O'Donnell*, 608 F.3d at 550; *Goland v. United States*, 903 F.2d 1247, 1251 (9th Cir. 1990) (“The Act prohibits the use of ‘conduits’ to circumvent [the Act’s reporting] restrictions[.]”).

<sup>34</sup> *O'Donnell*, 608 F.3d at 555. Moreover, the “key issue . . . is the *source* of the funds” and, therefore, the legal status of the funds when conveyed from a conduit to the ultimate recipient is “irrelevant to a determination of who ‘made’ the contribution for the purposes of [Section 30122].” *United States v. Whittemore*, 776 F.3d 1074, 1080 (9th Cir. 2015) (holding that defendant’s “unconditional gifts” to relatives and employees, along with suggestion they contribute the funds to a specific political committee, violated Section 30122 because the source of the funds remained the individual who provided them to the putative contributors).

<sup>35</sup> Compl. ¶¶ 3, 9, 31

Commission has considered this fact in prior conduit contribution matters, it has never taken the lack of online activity, absent additional information indicating that an LLC was formed as a pass-through entity, to be a basis to find reason to believe that an LLC served as a conduit.<sup>36</sup> Likewise, although the Complaint points out that Teeter Jay shares an address with Kimberly Skaggs and lists Terryl Jay Skaggs as a member,<sup>37</sup> this also does not suggest that the LLC was formed for illegitimate reasons, as this could simply indicated that Teeter Jay was formed as a small business that operates from these individuals' home, rather than a dedicated office. The Complaint also notes that the Freedom Forward Fund registered with the Commission a week after receiving the first contribution from Teeter Jay on May 3, 2021, and spent all funds received from Teeter Jay by the end of that month.<sup>38</sup> However, the Commission has previously explained that, while a short timeline between the formation of an LLC and its contribution could indicate that the LLC was formed for the purpose of making a contribution in the name of another, a short timeline between *the contribution from an LLC and the use of that contribution by the recipient IEOPC* does not suggest such a scheme.<sup>39</sup> Lastly, the fact that Kimberly Skaggs and Joseph Skaggs each contributed the maximum contribution to Moores shortly before Teeter

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<sup>36</sup> Compare F&LA at 8, MUR 7690 (Soc'y of Young Women Scientists & Eng'rs, LLC, *et al.*) (finding reason to believe that an LLC made a contribution on behalf of other individuals where the LLC made the contribution five weeks after its formation, it did not appear that the LLC had engaged in any other activity until months after making the contribution, and there was no information regarding how the LLC obtained the funds necessary to make the contribution other than through the true contributors ), with F&LA at 7-8, MUR 7965 (Iho Araise LLC, *et al.*) (finding that lack of an online presence was not further supported by other information indicating a conduit scheme and plausibly explained by response).

<sup>37</sup> Compl. ¶¶ 3, 12, 32, 35.

<sup>38</sup> *Id.* ¶¶ 15-19, 38.

<sup>39</sup> See Factual & Legal Analysis at 8, MUR 7861 (American Jobs and Growth PAC, *et al.*) ("The Complaint focuses on information in American Jobs' disclosure reports indicating that GIF contributed to American Jobs in order to fund specific independent expenditures in support of Taylor's campaign. But this does not indicate that GIF received funds to be passed on to American Jobs for those expenditures. Neither the Act nor Commission regulations prohibits making contributions for the purpose of funding specific expenditures, and such activity does not indicate the existence of a conduit scheme.").

1 Jay reportedly contributed to the Freedom Forward Fund to fund independent expenditures in  
2 opposition to Moores's opponent<sup>40</sup> does not indicate a motive to conceal the Skaggs  
3 Respondents' identities, as the Complaint alleges, given that their names were publicly disclosed  
4 when they made those contributions.

5 The facts surrounding Teeter Jay's formation and operations also do not support the  
6 allegations. Operating documents and receipts of purchases affirmatively show that Teeter Jay  
7 was formed for the purpose of building and operating a horse-showing arena.<sup>41</sup> Moreover, as the  
8 Complaint acknowledges, Teeter Jay was formed nearly two years before the contributions to the  
9 Freedom Forward Fund. This matter is thus similar to MUR 7965 (Iho Araise LLC), where the  
10 Commission found no reason to believe that an LLC was used to make conduit contributions  
11 under circumstances where, although the LLC was established five months before its  
12 contribution and it lacked an online presence, affirmative information put forward by the  
13 respondents showed that the LLC in question was established and operated for a legitimate  
14 business purpose — as an investment vehicle for the individual respondents — which plausibly  
15 explained its lack of an online presence.<sup>42</sup> In that matter, there was also no information  
16 indicating that the funds used to make the contributions were transferred into the LLC for the  
17 purpose of making a contribution.<sup>43</sup>

18 Lastly, much like the circumstances in MUR 7965 (Iho Araise LLC ), there is no  
19 information in the record indicating that the Skaggs Respondents, or anyone else, transferred  
20 funds into Teeter Jay for the specific purpose of making a contribution, which would constitute a

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<sup>40</sup> Compl. ¶¶ 11, 37.

<sup>41</sup> Skaggs Resp. at 1-3, Exs. A-H.

<sup>42</sup> F&LA at 7-8, MUR 7965 (Iho Araise LLC, *et al.*).

<sup>43</sup> *Id.*

1 violation of 52 U.S.C. § 30122 regardless of whether Teeter Jay otherwise operated as a  
2 legitimate business. It should be noted, however, that the Skaggs Response is circumspect in its  
3 description of the source of funds Teeter Jay used to make these contributions. The Skaggs  
4 Response provides detailed information about how in 2019, Kimberly Skaggs's other business,  
5 50 State DMV, financed purchases as part of Teeter Jay's formation.<sup>44</sup> But it then states that  
6 "the funds provided to Teeter Jay, LLC, *up until 2021*, were for the specific purpose of creating a  
7 horse[-]showing arena, and not for the specific purpose of having it contribute . . . without  
8 disclosing the true contributors' identities."<sup>45</sup> This explanation leaves a five-month gap between  
9 the start of 2021 and Teeter Jay's first contribution to the Freedom Forward Fund on May 3,  
10 2021, during which time Kimberly Skaggs could have transferred additional funds — or caused  
11 50 State DMV to transfer additional funds — to Teeter Jay for the specific purpose of making  
12 contributions. This possibility could be supported by the representation made in the Skaggs  
13 Response that after "having reached the maximum federal limit, [Kimberly Skaggs] wanted to  
14 lawfully donate to a super PAC, Freedom Forward Fund. She used her company, Teeter Jay  
15 LLC, to do so."<sup>46</sup> This is ambiguous in that it could be interpreted to mean that Kimberly  
16 Skaggs caused Teeter Jay to use its pre-existing funds to contribute to the Freedom Forward  
17 Fund *or* that Kimberly Skaggs transferred funds into Teeter Jay to make those contributions.  
18 Nevertheless, the Skaggs Response also asserts that Kimberly Skaggs caused Teeter Jay to make  
19 the contributions "not to mask her identity, but as a matter of convenience and cash flow."<sup>47</sup> All

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<sup>44</sup> Skaggs Response at 2-3.

<sup>45</sup> *Id.* at 5.

<sup>46</sup> *Id.* at 2; *see also id.* at 3 ("Ms. Skaggs then made two contributions to Freedom Forward Fund through Teeter Jay LLC, who then reported the contributions to the Commission.").

<sup>47</sup> *Id.* at 4, 9.

told, given that there is no affirmative information indicating that Kimberly Skaggs or others transferred funds into the LLC for the purpose of contributing to the Freedom Forward Fund, this lack of clarity from the Skaggs Response without more is not a basis to recommend finding reason to believe that a violation occurred.

In short, the only available information to indicate that the contribution could have been made in the name of another is Teeter Jay's lack of an online presence and the lack of attribution information in the Freedom Forward Fund's disclosure report. Absent additional information indicating a conduit contribution scheme occurred, and given the information provided in the Skaggs Response, we recommend that the Commission find no reason to believe that the Freedom Forward Fund and Mike McCauley in his official capacity as treasurer, Teeter Jay, LLC, Kimberly A. Skaggs, Joseph R. Skaggs, and Terryl Jay Skaggs violated 52 U.S.C. § 30122 by making, allowing one's name to be used to make, or knowingly accepting a contribution in the name of another.

## **B. Attribution Reporting Requirements for Contributions from LLCs**

### **1. LLC Attribution Disclosure and Reporting Requirements Under the Act and Commission Regulations**

Under the Act, all political committees, including IEOPCs, are required to file periodic disclosure reports with the Commission which accurately report all contributions received and disbursements made.<sup>48</sup> The treasurer of an unauthorized political committee is responsible for reporting the identification of each person whose aggregate contributions exceed \$200 per calendar year, together with the date and amount of any such contribution.<sup>49</sup> In the interest of

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<sup>48</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>49</sup> 52 U.S.C. § 30104(b)(3)(A); 11 C.F.R. § 104.3(a)(4).

transparency, Commission regulations further require committees to report certain attribution information for contributions from limited liability companies.<sup>50</sup> Commission regulations state that “[a] contribution by an LLC that elects to be treated as a partnership by the Internal Revenue Service pursuant to [26 C.F.R. §] 301.7701-3, or does not elect treatment as either a partnership or a corporation, pursuant to that section, shall be considered a contribution from a partnership pursuant to [11 C.F.R. §] 110.1(e).”<sup>51</sup> Thus, contributions by an LLC that does not elect to be treated as a corporation by the Internal Revenue Service and does not have a single natural-person member are treated as partnership contributions, which must be attributed to both the LLC and its member or members.<sup>52</sup> Furthermore, when an LLC makes a contribution, it must affirm to the recipient, at the time the LLC makes the contribution, that it is eligible to make a contribution and “provide information to the recipient committee as to how the contribution is to be attributed.”<sup>53</sup>

The Commission’s regulations concerning the attribution of LLC contributions apply on their face to all LLC contributions irrespective of recipient.<sup>54</sup> These regulations uphold the Act’s

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<sup>50</sup> See 11 C.F.R. § 110.1(g). An LLC that has a single natural-person member and is not taxed as a corporation must be attributed only to the natural person member. *Id.* § 110.1(g)(4).

<sup>51</sup> 11 C.F.R. § 110.1(g)(2). The regulations further specify that a “contribution by an LLC with a single natural[-]person member that does not elect to be treated a corporation by the Internal Revenue Service . . . shall be attributed only to that single member.” *Id.* § 110.1(g)(4); *see also id.* § 110.1(g)(3) (governing contributions by LLCs electing IRS treatment as corporations and LLCs with publicly traded shares). The current record does not support a finding that Teeter Jay is a publicly traded LLC and it does not appear that Teeter Jay is a single-member LLC. *See* 11 C.F.R. § 110.1(g)(3), (4).

<sup>52</sup> 11 C.F.R. § 110.1(e), (g).

<sup>53</sup> *Id.* § 110.1(g)(5).

<sup>54</sup> Factual & Legal Analysis (“F&LA”) at 14-15, MUR 7464 (LZP, LLC) (citing 52 U.S.C. §§ 30116(a)(1), 30118(a)); Treatment of Limited Liability Companies Under the Federal Election Campaign Act, 64 Fed. Reg. 37,397, 37,398-99 (July 12, 1999) (“LLC E&J”) (discussing role of LLC attribution rules in identifying prohibited contributions from foreign national or government contractor sources, concerns that apply to all LLC contributions, including contributions to IEOPCs).

1 reporting framework, which serves important transparency interests,<sup>55</sup> and inhibit attempts to  
 2 circumvent the Act's contribution source prohibitions and amount limitations, including  
 3 prohibitions applicable to IEOPCs.<sup>56</sup> The Commission has recognized that because LLCs are a  
 4 product of state law and many states have very minimal LLC disclosure requirements, LLCs  
 5 must affirmatively provide attribution information when making political contributions so that  
 6 the recipient committees can accurately disclose those contributions to the public.<sup>57</sup>

7 When a treasurer of a political committee shows that the committee used "best efforts" to  
 8 obtain, maintain, and submit the information required by the Act, the committee's reports will be  
 9 considered in compliance with the Act.<sup>58</sup> Best efforts require, among other things, that all  
 10 written solicitations contain a clear request for the necessary information and that, "[f]or each  
 11 contribution . . . which lacks required contributor information," the recipient committee must  
 12 make at least one effort to obtain the missing information within 30 days after the receipt of the  
 13 contribution, in either a written request or a documented oral request.<sup>59</sup> If the treasurer receives  
 14 missing contributor information after submitting a report, the treasurer either files an amendment  
 15 to the report originally disclosing the contribution to provide the missing contributor information  
 16 or includes the missing contributor information on an amended memo Schedule A with the next  
 17 regularly scheduled report.<sup>60</sup> The best-efforts standard is an affirmative defense; the burden rests

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<sup>55</sup> See, e.g., *Citizens United v. FEC*, 558 U.S. 310, 371 (2010) ("[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.").

<sup>56</sup> See 52 U.S.C. §§ 30116(a)(1), 30118(a); LLC E&J at 37,398-99.

<sup>57</sup> F&LA at 14-15, MUR 7464 (LZP, LLC) (citing LLC E&J at 37,399 ("The Commission further notes that the recipient committee would have no way of knowing how to attribute a contribution made by an eligible multi-member or single member LLC, unless that information was provided."))

<sup>58</sup> 52 U.S.C. § 30102(i); 11 C.F.R. § 104.7(a).

<sup>59</sup> 11 C.F.R. § 104.7(b).

<sup>60</sup> *Id.* § 104.7(b)(4)(i).

1 with the political committee and its treasurer to present evidence sufficient to demonstrate that  
 2 best efforts were exercised to obtain, maintain, and submit the required information.<sup>61</sup>

3                   2.     The Commission Should Find Reason to Believe That Teeter Jay, LLC,  
 4                         Failed to Provide Required Attribution Information in Violation of  
 5                         11 C.F.R. § 110.1(g)(5)

6             Teeter Jay acknowledges and provides documentation showing that it elected to be  
 7 treated as an S corporation under federal tax laws, meaning that it is either taxed as a disregarded  
 8 entity or a partnership, depending on its membership, rather than as a corporation.<sup>62</sup> As noted  
 9 above, after receiving the Complaint, Teeter Jay sent the Freedom Forward Fund a letter stating  
 10 that Teeter Jay “is a partnership. Kimberly A. Skaggs is the manager and partnership  
 11 representative, and the partners have agreed to attribute the contributions to Ms. Skaggs.”<sup>63</sup> And  
 12 Teeter Jay requested, albeit over a year late, that the Freedom Forward Fund attribute the LLC’s  
 13 contributions to Kimberly Skaggs on this basis.<sup>64</sup> The overall record therefore establishes that  
 14 Teeter Jay should have provided attribution information to the Freedom Forward Fund at the  
 15 time that it made its contributions pursuant to 11 C.F.R. § 110.1(g)(5).

16             The Skaggs Response takes the position that, even if there is a basis to find reason to  
 17 believe that Teeter Jay violated the Act by failing to provide attribution information, the  
 18 Commission should dismiss the matter as an exercise of prosecutorial discretion because the  
 19 Commission has previously acknowledged a “lack of clarity” regarding attributions for LLC

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<sup>61</sup>     *E.g.*, F&LA at 7, MUR 7616 (Oakland Cty. Democratic Party) (citing Statement of Policy Regarding  
 Treasurers’ Best Efforts to Obtain, Maintain, and Submit Information as Required by the Federal Election Campaign  
 Act, 72 Fed. Reg. 31,438, 31,440 (June 7, 2007)).

<sup>62</sup>     Skaggs Resp. at 2 & Ex. C; 26 C.F.R. §§ 301.7701-2, 301.7701-3.

<sup>63</sup>     Skaggs Resp., Ex. K.

<sup>64</sup>     *Id.*



1 contributions to IEOPCs, citing MUR 7454 (Blue Magnolia Investments, LLC).<sup>65</sup> In that matter,  
 2 however, as explained by a Statement of Reasons (“SOR”) issued by four Commissioners, the  
 3 Commission did not impose a penalty because the contributions at issue in that matter occurred  
 4 during a period when “the Commission did not agree whether, following *Citizens United* and  
 5 *SpeechNow.org v. FEC*, respondent committees had received adequate notice that the  
 6 Commission’s LLC reporting rules and conduit contribution rules applied to contributions made  
 7 to the newly formed IEOPCs authorized by those judicial rulings.”<sup>66</sup> As that SOR explains,  
 8 adequate notice existed after the promulgation of various SORs in 2018, which state that  
 9 contributions to IEOPCs from LLCs taxed as partnerships should be attributed to LLC  
 10 members.<sup>67</sup> After those SORs were issued, the latest of which was on September 13, 2018, the  
 11 public had adequate notice that contributions from LLCs that are taxed as partnerships to  
 12 IEOPCs must be attributed to the LLC’s members pursuant to 11 C.F.R. § 110.1.<sup>68</sup> Here, Teeter

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<sup>65</sup> *Id.* at 6.

<sup>66</sup> SOR of Chairman Allen Dickerson, Vice Chair Steven T. Walther, Commissioner Shana M. Broussard, and Commissioner Ellen L. Weintraub at 2, MUR 7454 (Blue Magnolia, *et al.*) (“Blue Magnolia SOR 1”); *see also* SOR of Chairman Allen Dickerson, MUR 7454 (Blue Magnolia, *et al.*) (“Blue Magnolia SOR 2”) (explaining that “[a] September 13, 2018, statement of controlling commissioners reasoned that . . . the LLC attribution rules apply to contributions to IEOPCs”).

<sup>67</sup> Blue Magnolia SOR 1 at 2 (explaining that “[w]ith the passage of time, IEOPCs have become a regular part of the campaign finance landscape, and adequate notice to the public now exists” and citing to various SORs between April 1, 2016 and July 2, 2018); *see also* SOR of Chair Caroline C. Hunter and Commissioner Matthew S. Petersen in the Matters of MURs 6969 (MMWP12 LLC, *et al.*), 7031 & 7034 (Children of Israel, LLC, *et al.*) at 5 (Sept. 13, 2018) (“By operation of the Commission’s attribution rules, MMWP12’s contributions should have been attributed to K2M and each of its owners, Mark and Megan Kvamme. Similarly, Children of Israel’s contributions should have been attributed to Saul Fox.”); *id.* at 7 (“Therefore, because Respondents did not have prior notice of the legal interpretation discussed above, . . . applying section 30122 [or the Commission’s attribution rules] to Respondents would be inconsistent with due process principles.”) (quotation marks omitted) (alteration in original); *see also* SOR of Vice Chair Ellen L. Weintraub in the Matters of MURs 6969 (MMWP12 LLC, *et al.*), 7031 & 7034 (Children of Israel, LLC, *et al.*) (July 13, 2018) (“Contributions by an LLC that is a disregarded entity and does not have a single natural-person must be attributed to both the entity and each of its partners. . . . LLCs that are not treated as a corporation and have a single natural person member shall be attributed only to the single member.”) (internal citations omitted).

<sup>68</sup> *Supra* notes 66-67 and accompanying text.

Jay made its contributions in May 2021,<sup>69</sup> long after the relevant 2018 SORs that “served as notice to the public” of the attribution requirements.<sup>70</sup>

Accordingly, we recommend that the Commission find reason to believe that Teeter Jay, LLC, violated 11 C.F.R. § 110.1(g)(5) by failing to provide attribution information to the Freedom Forward Fund.

3. The Commission Should Find Reason to Believe That the Freedom Forward Fund Violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e) by Failing to Report Attribution Information

The Freedom Forward Fund reported receiving two \$50,000 contributions from Teeter Jay on May 3 and 11, 2021.<sup>71</sup> It did not report any attribution information as to those contributions at the time, and it has not amended its reports to provide such attribution information to date.<sup>72</sup> According to the Freedom Forward Fund's Response, at the time of the contributions, Teeter Jay did not provide the required attribution information, the Freedom Forward Fund did not request it, and thus the contributions were reported as coming from only Teeter Jay, LLC.<sup>73</sup> The available information, however, indicates that Teeter Jay was taxed as a partnership such that the contributions should have been attributed to its partners in proportion to their share of the partnership profits or by other agreement of the partners, and there is no information indicating that the Freedom Forward Fund would have had reason to believe Teeter

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<sup>69</sup> Freedom Forward Fund, 2021 July Quarterly Report at 6 (July 12, 2021).

<sup>70</sup> Blue Magnolia SOR 2 at 5. Moreover, in MUR 7454, the Commission did not dismiss the matter as an exercise of prosecutorial discretion, as requested by the Skaggs Respondents here, but rather found reason to believe a violation occurred and entered into conciliation with the LLC without requiring a penalty. *See* Conciliation Agreement, MUR 7454 (Blue Magnolia, LLC).

<sup>71</sup> Freedom Forward Fund, 2021 July Quarterly Report at 6 (July 12, 2021).

<sup>72</sup> *Id.*

<sup>73</sup> Freedom Forward Fund Resp. at 1.

1 Jay was taxed as a corporation.<sup>74</sup> Indeed, it appears that Teeter Jay sent the Freedom Forward  
2 Fund a letter after the Complaint was filed in July 2022, making the Freedom Forward Fund  
3 aware that the contributions had to be attributed to Kimberly Skaggs and requesting that the  
4 IEOPC do so.<sup>75</sup> Despite receipt of that information, the Freedom Forward Fund has yet to  
5 amend its reports to attribute the contributions. Because the Freedom Forward Fund did not  
6 report Teeter Jay's contributions with an attribution to Kimberly Skaggs, it failed to report the  
7 attribution information required under 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e).

8 The Freedom Forward Fund contends that it "accepted the funds in good faith" and  
9 "utilizes stringent accounting policies and procedures in the processing of contributions."<sup>76</sup> But  
10 the available information does not indicate that the Freedom Forward Fund satisfied the  
11 requirements of the "best efforts" provisions of the Act and Commission regulations. These  
12 provide that, if a respondent establishes that they complied with the best efforts requirements, an  
13 otherwise-deficient report will be deemed in compliance with the Act.<sup>77</sup> Those provisions  
14 require, among other things, that when a reporting Committee receives a contribution that lacks  
15 required contributor information "the treasurer makes at least one effort after the receipt of the  
16 contribution to obtain the missing information" within 30 days.<sup>78</sup> The request "must clearly ask  
17 for the missing information, and must include the statement set forth" in 11 C.F.R.  
18 § 104.7(b)(1).<sup>79</sup> The Freedom Forward Fund does not provide information indicating that it took

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<sup>74</sup> Skaggs Resp. at 6 & Ex. A.

<sup>75</sup> Skaggs Resp., Ex. K.

<sup>76</sup> Freedom Forward Fund Resp. at 1.

<sup>77</sup> 52 U.S.C. § 30102(i); 11 C.F.R. § 104.7(a).

<sup>78</sup> 11 C.F.R. § 104.7(b)(2).

<sup>79</sup> *Id.*

1 any affirmative steps required by the best efforts regulation<sup>80</sup> to ensure it was reporting accurate  
2 LLC contributor information. There is no indication that the Freedom Forward Fund requested  
3 attribution information at the time it solicited or received the contributions in May 2021 from an  
4 entity containing “LLC” as part of its name or that Teeter Jay represented to the Freedom  
5 Forward Fund at the time the contributions were made that it was taxed as a corporation such  
6 that attribution information would not be required. In addition, even after the Freedom Forward  
7 Fund was affirmatively put on notice in July 2022 that it had failed to report attribution  
8 information, it did not correct its reports to do so.<sup>81</sup>

9 Therefore, we recommend the Commission find reason to believe that the Freedom  
10 Forward Fund violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e) by failing to report  
11 attribution information.

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<sup>80</sup> 52 U.S.C. § 30102(i); 11 C.F.R. § 104.7(a).

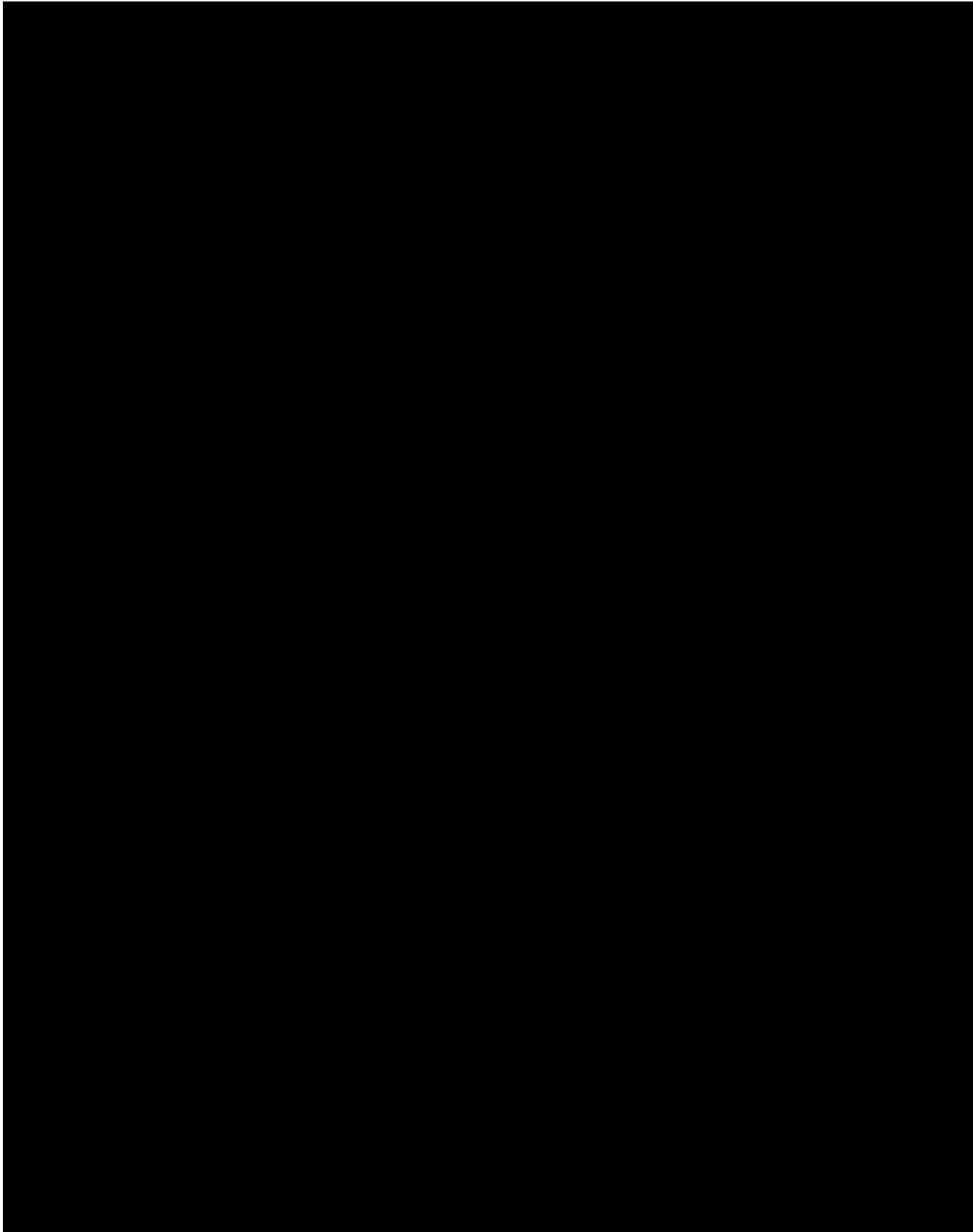
<sup>81</sup> Skaggs Resp., Ex. K.

MUR 7981 (The Freedom Forward Fund, *et al.*)

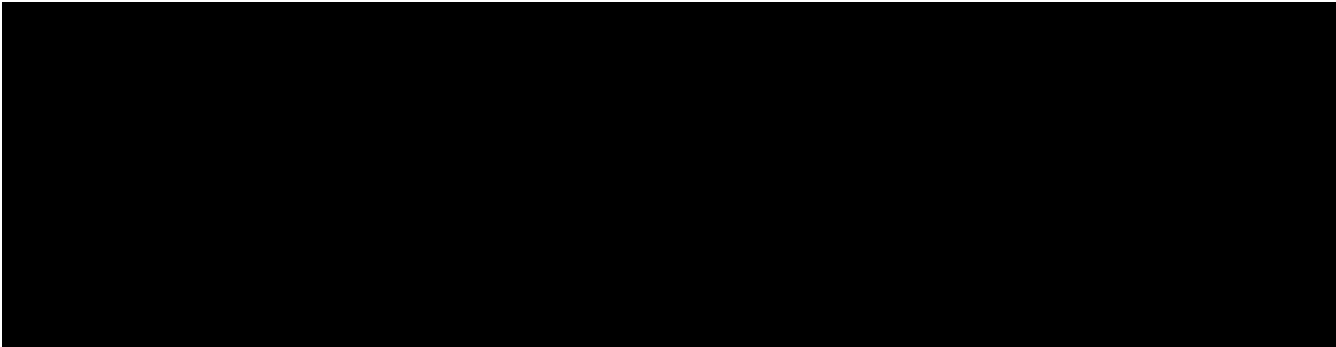
First General Counsel's Report

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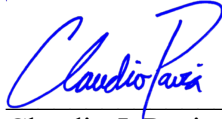
## **V. RECOMMENDATIONS**


1. Find no reason to believe that The Freedom Forward Fund and Mike McCauley in his official capacity as treasurer, Teeter Jay, LLC, Kimberly A. Skaggs, Joseph R. Skaggs, and Terryl Jay Skaggs violated 52 U.S.C. § 30122 by making, allowing one's name to be used, or knowingly accepting a contribution in the name of another;
2. Find reason to believe that Teeter Jay, LLC, violated 11 C.F.R. § 110.1(g)(5) by failing to provide required attribution information;
3. Find reason to believe that The Freedom Forward Fund and Mike McCauley in his official capacity as treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 110.1(e) by failing to report attribution information;
4. Authorize conciliation prior to a finding of probable cause to believe;
5. Approve the attached Factual and Legal Analyses;
6. Approve the attached proposed conciliation agreements; and
7. Approve the appropriate letters.

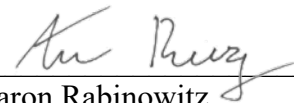
Lisa J. Stevenson  
Acting General Counsel

Charles Kitcher  
Associate General Counsel for  
Enforcement

Date: December 6, 2023

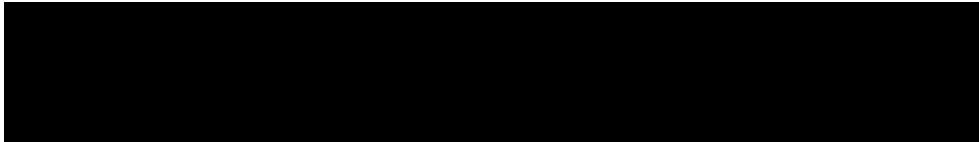
  
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Claudio J. Pavia  
Deputy Associate General Counsel  
for Enforcement

  
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Ana J. Peña-Wallace  
Assistant General Counsel

  
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Aaron Rabinowitz  
Assistant General Counsel

Attachments:

- 1) Factual and Legal Analysis – Skaggs Respondents and Teeter Jay



Cooksey Office Edits

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Teeter Jay, LLC MUR 7981  
Kimberly A. Skaggs  
Joseph R. Skaggs  
Terryl Jay Skaggs

**I. INTRODUCTION**

This matter stems from two contributions received by the Freedom Forward Fund and Mike McCauley in his official capacity as treasurer (the “Freedom Forward Fund”), which the Freedom Forward Fund reported as being made by Teeter Jay, LLC. The Complaint alleges that Kimberly A. Skaggs, Joseph R. Skaggs, and Terryl Jay Skaggs (the “Skaggs Respondents”) were the true source of those contributions and used Teeter Jay as a conduit to avoid disclosure in violation of 52 U.S.C. § 30122 of the Federal Election Campaign Act of 1971, as amended (the “Act”). The Complaint bases this allegation on: The fact that Teeter Jay lacks an online presence; information in various filings indicating a connection between Teeter Jay and the Skaggs Respondents; the fact that two of the Skaggs Respondents made contributions to a candidate whom Freedom Forward Fund’s independent expenditures supported; and the short time between the Freedom Forward Fund’s formation, receipt of the contributions, and its disbursements. The factual allegations in the Complaint also raise the question of whether the Respondents have satisfied the attribution disclosure and reporting requirements of the Act and Commission regulations.

In a joint Response (the “Skaggs Response”), Teeter Jay, LLC, and the Skaggs Respondents provide information indicating that Teeter Jay was established approximately two years before the contributions at issue for the purpose of building and operating a horse-showing



1 arena and that it was taxed as a partnership. Further, there is no information indicating that  
2 Teeter Jay received funds for the purpose of making a contribution to the Freedom Forward Fund  
3 such that the contribution would be considered “made in the name of another” under 52 U.S.C.  
4 § 30122. Absent any affirmative information indicating that funds were transferred to Teeter Jay  
5 for the purpose of making a contribution, the Commission finds no reason to believe that Teeter  
6 Jay, LLC, Kimberly A. Skaggs, Joseph R. Skaggs, and Terryl Jay Skaggs violated 52 U.S.C.  
7 § 30122 by making or allowing one’s name to be used to effect a contribution in the name of  
8 another.

9 Because Teeter Jay appears to be the true source of the contribution, it follows that the  
10 contribution should have been attributed, pursuant to 11 C.F.R. § 110.1(e), either to each partner  
11 in proportion to their share of the partnership profits or by other agreement of the partners.  
12 Given that Teeter Jay is taxed as a partnership such that its contribution must be attributed to its  
13 partners, it appears that Teeter Jay failed to provide required attribution information under  
14 11 C.F.R. § 110.1(g)(5) when making its contribution. Therefore, the Commission finds reason  
15 to believe that Teeter Jay violated 11 C.F.R. § 110.1(g)(5).

## 16 II. FACTUAL BACKGROUND

17 The Freedom Forward Fund is an independent expenditure-only political committee  
18 (“IEOPC”) that registered with the Commission on May 11, 2021; Mike McCauley is the  
19 committee’s treasurer.<sup>1</sup> It reported receiving two contributions from Teeter Jay, LLC: a \$50,000  
20 contribution on May 3, 2021, and a second \$50,000 contribution on May 11, 2021.<sup>2</sup> At the time

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<sup>1</sup> Freedom Forward Fund, Statement of Organization (May 11, 2021).

<sup>2</sup> Freedom Forward Fund, 2021 July Quarterly Report at 6 (July 12, 2021).

of the Complaint, these contributions represented 91% of the contributions received by Freedom Forward Fund.<sup>3</sup> Between May 11, 2021, and May 28, 2021, the Freedom Forward Fund reported making independent expenditures totaling \$94,643.04, all of which opposed Melanie Stansbury, a candidate in the June 1, 2021, special election for New Mexico's 1st Congressional District running opposed to Mark Moores.<sup>4</sup>

Teeter Jay, LLC, registered in New Mexico as a Domestic Limited Liability Company on August 20, 2019.<sup>5</sup> According to information in the Response, including a copy of Teeter Jay's operating agreement, Teeter Jay is not a single-member limited liability company ("LLC"), as alleged in the Complaint, but rather a partnership between Kimberly Skaggs and her son, Terryl Skaggs, with Kimberly Skaggs designated as the managing partner.<sup>6</sup> The Skaggs Response asserts that the LLC is a going concern established in 2019 to construct and manage a horse-showing arena and provides corroborating business records.<sup>7</sup> Kimberly Skaggs is also the sole owner and CEO of a separate business, 50 State DMV, LLC, which is a nationwide vehicle title

<sup>3</sup> The only other contribution to the IEOPC was a single \$10,000 contribution from another source received on May 17, 2021. *Id.*; Freedom Forward Fund, 2021 Year-End Report at 2 (Jan. 20, 2022) (reporting \$110,000 in year-to-date contributions); Freedom Forward Fund, 2022 April Quarterly Report (Apr. 6, 2022) (reporting zero year-to-date contributions).

<sup>4</sup> *FEC Independent Expenditures: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/independent-expenditures/?committee\\_id=C00779314&data\\_type=processed&is\\_notice=true&candidate\\_id=H2NM01144&support\\_oppose\\_indicator=O&min\\_date=01%2F01%2F2021&max\\_date=12%2F31%2F2022](https://www.fec.gov/data/independent-expenditures/?committee_id=C00779314&data_type=processed&is_notice=true&candidate_id=H2NM01144&support_oppose_indicator=O&min_date=01%2F01%2F2021&max_date=12%2F31%2F2022) (last visited Mar. 28, 2023) (reflecting 24 and 48-hour reports filed by the Freedom Forward Fund for independent expenditures in connection with candidate Melanie Stansbury during the 2022 election cycle).

<sup>5</sup> *Business Search*, N.M. SEC'Y OF STATE CORPS. & BUS. SERVS., <https://portal.sos.state.nm.us/BFS/online/corporationbusinesssearch> (search for "Teeter Jay LLC") (last visited Mar. 28, 2023).

<sup>6</sup> Teeter Jay, LLC, Kimberly A. Skaggs, Joseph R. Skaggs, & Terryl J. Skaggs Joint Resp. at 6 & Ex. A [hereinafter Skaggs Resp.] (July 14, 2022).

<sup>7</sup> *Id.* at 1-3, Exs. A-H (including invoices for goods related to a horse-showing arena, bank statements reflecting payments for these goods, and communications reflecting receipt of payment). For example, Teeter Jay's Articles of Incorporation describe its purpose as "PERFORMANCE & ARENA, Arts, Entertainment, and Recreation, Promoters of Performing Arts, Sports and Similar Events with Facilities." *Id.*, Ex. B

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1 and registration processor for automotive dealerships and served as “Ms. Skaggs’ main business  
2 account, which provides the cash flow for Teeter Jay, LLC.”<sup>8</sup> According to the response, profits  
3 from 50 State DMV were reinvested into Teeter Jay around the time of its formation to purchase  
4 goods and services required to establish and operate the horse-showing arena, such as gates and  
5 panels from a company named “Red River Arenas.”<sup>9</sup> The Skaggs Response included bank  
6 records for accounts held by 50 State DMV reflecting a transfer of \$31,945 to a vendor on  
7 July 25, 2019, and a corresponding invoice from that vendor to Teeter Jay for the same amount  
8 for those goods.<sup>10</sup>

9 On April 3, 2021, Kimberly Skaggs — who at the time was the Executive Director of the  
10 New Mexico Republican Party<sup>11</sup> — made a \$2,900 contribution to Mark Moores, the Republican  
11 nominee and opponent of Melanie Stansbury in the special election for New Mexico’s 1st  
12 Congressional District.<sup>12</sup> According to the Skaggs Response, after contributing the maximum  
13 amount to Moores’s campaign committee, Kimberly Skaggs “still desired to support Mark  
14 Moores and was correctly informed that there was no contribution limit when giving to an  
15 independent expenditure-only political committee,” and “reached out to political consultant  
16 Brian Seitchik, who directed her to the Freedom Forward Fund.”<sup>13</sup> She then made the two

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<sup>8</sup> *Id.* at 2-3 (listing purchases by Teeter Jay, LLC using 50 State DMV funds); *About Us*, 50 STATE DMV, <https://50statedmv.com/about-us> (last visited Mar. 28, 2023).

<sup>9</sup> Skaggs Resp., Ex. D.

<sup>10</sup> *Id.*, Ex. E.

<sup>11</sup> Compl. ¶ 11 & Ex. B (Apr. 20, 2022). As of now, Kimberly Skaggs’s position is described as “Executive Director – South.” *Officers & Staff*, REPUBLICAN PARTY OF N.M., <https://newmexico.gop/officers-staff> (last visited Mar. 28, 2023).

<sup>12</sup> Compl. ¶ 11; Mark Moores for Congress, 12-Day Pre-Election Report at 91 (May 20, 2021).

<sup>13</sup> Skaggs Resp. at 3. Brian Seitchik is the owner of RDP Strategies, a political consulting company that provided services to Freedom Forward Fund in May 2021. RDP STRATEGIES, <http://www.rdpstrategies.com> (last

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contributions at issue in the Complaint from in May 2021 “through Teeter Jay,” which the Skaggs Response asserts, was “not to mask her identity, but as a matter of convenience and cash flow.”<sup>14</sup>

The Complaint alleges that Teeter Jay, LLC, was used as a straw donor to make these contributions that were actually from Kimberly Skaggs, Joseph Skaggs, or Terryl Jay Skaggs, each of whom the Complaint alleges is connected to Teeter Jay in some way.<sup>15</sup> The Complaint also alleges that the Freedom Forward Fund knowingly accepted these contributions in the name of another.<sup>16</sup> The Complaint bases this allegation on the following facts: There is a lack of public information about Teeter Jay’s activities; Teeter Jay shares an address with Kimberly Skaggs; Teeter Jay’s registration documents describe Terryl Jay Skaggs as its only member; Teeter Jay provided a different address not connected to Kimberly Skaggs when it contributed to the Freedom Forward Fund; Kimberly Skaggs and Joseph Skaggs each contributed the maximum contribution to Moores shortly before Teeter Jay reportedly contributed to the Freedom Forward Fund; and the Freedom Forward Fund registered with the Commission a week after receiving the first contribution on May 3, 2021, and spent all funds received from Teeter Jay by the end of that month.<sup>17</sup>

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visited Mar. 28, 2023); Freedom Forward Fund, Amended 2021 July Quarterly Report at 8 (Sept. 13, 2021) (reporting a \$5,500 disbursement to RDP strategies on May 10, 2021, for consulting services and two disbursements associated with independent expenditures opposing Melanie Stansbury on May 21 and May 28, 2021).

<sup>14</sup> Skaggs Resp. at 3, 9.

<sup>15</sup> Compl. ¶ 1.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* ¶¶ 31-38.

The Skaggs Response acknowledges that the two contributions should be attributed to Kimberly Skaggs, who is one of the partners in the LLC.<sup>18</sup> The Response further argues that Kimberly Skaggs had no intent to conceal her identity as the contributor and argues that she did not violate the Act or Commission regulations because, the Respondents claim, prior to issuance of two Statements of Reasons (“SORs”) in MUR 7454 (Blue Magnolia, *et al.*) in April 2022, “the Commission had not come to a consensus . . . on the particular legal standards for attribution, reporting, or contributions of LLCs contributing to super PACs.”<sup>19</sup> The Skaggs Response attaches a July 2022 letter indicating that, after receiving the Complaint in this matter, Teeter Jay and Kimberly Skaggs requested that the Freedom Forward Fund attribute Teeter Jay’s contributions to Kimberly Skaggs and that the IEOPC make corresponding amendments to its disclosure reports.<sup>20</sup> To date, the Freedom Forward Fund has not amended its report to provide that attribution information.

Although at the time the Complaint was filed, the Freedom Forward Fund had only received contributions from Teeter Jay, it thereafter raised an additional \$138,000 from other sources during the 2022 election cycle<sup>21</sup> and has spent an additional \$105,240 on independent expenditures in support of a candidate in an unrelated race.<sup>22</sup>

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<sup>18</sup> Skaggs Resp. at 1.

<sup>19</sup> *Id.* at 9-10.

<sup>20</sup> Skaggs Resp., Ex. K.

<sup>21</sup> *FEC Receipts: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/receipts/?two\\_year\\_transaction\\_period=2022&committee\\_id=C00779314&data\\_type=processed](https://www.fec.gov/data/receipts/?two_year_transaction_period=2022&committee_id=C00779314&data_type=processed) (last visited Mar. 28, 2023) (reflecting contributions received by the Freedom Forward Fund for the 2022 election cycle).

<sup>22</sup> *FEC Independent Expenditures: Filtered Results*, FEC.GOV [https://www.fec.gov/data/independent-expenditures/?data\\_type=processed&q\\_spender=C00779314&is\\_notice=false&min\\_date=01%2F01%2F2021&max\\_date=12%2F31%2F2022](https://www.fec.gov/data/independent-expenditures/?data_type=processed&q_spender=C00779314&is_notice=false&min_date=01%2F01%2F2021&max_date=12%2F31%2F2022) (last visited Mar. 28, 2023) (reflecting independent expenditures made by the Freedom Forward Fund for the 2022 election cycle).

**III. LEGAL ANALYSIS****A. The Commission Finds No Reason to Believe That the Respondents Violated 52 U.S.C. § 30122 by Making or Allowing One's Name to Be Used to Make a Contribution in the Name of Another**

The Act provides that a contribution includes “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.”<sup>23</sup> The term “person” for purposes of the Act and Commission regulations includes partnerships, corporations, and “any other organization or group of persons.”<sup>24</sup> The Act prohibits a person from making a contribution in the name of another person, knowingly permitting his or her name to be used to effect such a contribution, or knowingly accepting such a contribution.<sup>25</sup> The Commission has included in its regulations illustrations of activities that constitute making a contribution in the name of another:

- (i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; or
- (ii) Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.<sup>26</sup>

Here, the available information does not indicate that Teeter Jay operated as a conduit for the \$100,000 in contributions to the Freedom Forward Fund. The Complaint bases its allegation on a series of circumstantial inferences, but they do not, either in isolation or in combination,

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<sup>23</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>24</sup> *Id.* § 30101(11); 11 C.F.R. § 100.10.

<sup>25</sup> 52 U.S.C. § 30122.

<sup>26</sup> 11 C.F.R. § 110.4(b)(2)(i)-(ii).

1 establish that individuals or entities other than Teeter Jay were the original source of the  
 2 contributions. The Complaint notes that Teeter Jay lacks an online presence,<sup>27</sup> and while the  
 3 Commission has considered this fact in prior conduit contribution matters, it has never taken the  
 4 lack of online activity, absent additional information indicating that an LLC was formed as a  
 5 pass-through entity, to be a basis to find reason to believe that an LLC served as a conduit.<sup>28</sup>  
 6 Likewise, although the Complaint points out that Teeter Jay shares an address with Kimberly  
 7 Skaggs and lists Terryl Jay Skaggs as a member,<sup>29</sup> this also does not suggest that the LLC was  
 8 formed for illegitimate reasons, as this could simply indicate that Teeter Jay was formed as a  
 9 small business that operates from these individuals' home, rather than a dedicated office. The  
 10 Complaint also notes that the Freedom Forward Fund registered with the Commission a week  
 11 after receiving the first contribution from Teeter Jay on May 3, 2021, and spent all funds  
 12 received from Teeter Jay by the end of that month.<sup>30</sup> However, the Commission has previously  
 13 explained that, while a short timeline between the formation of an LLC and its contribution could  
 14 indicate that the LLC was formed for the purpose of making a contribution in the name of  
 15 another, a short timeline between *the contribution from an LLC and the use of that contribution*  
 16 *by the recipient IEOPC* does not suggest such a scheme.<sup>31</sup> Lastly, the fact that Kimberly Skaggs

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<sup>27</sup> Compl. ¶¶ 3, 9, 31

<sup>28</sup> See F&LA at 7-8, MUR 7965 (Iho Araise LLC, *et al.*) (finding that lack of an online presence was not further supported by other information indicating a conduit scheme and plausibly explained by response).

<sup>29</sup> Compl. ¶¶ 3, 12, 32, 35.

<sup>30</sup> *Id.* ¶¶ 15-19, 38.

<sup>31</sup> See Factual & Legal Analysis at 8, MUR 7861 (American Jobs and Growth PAC, *et al.*) (“The Complaint focuses on information in American Jobs’ disclosure reports indicating that GIF contributed to American Jobs in order to fund specific independent expenditures in support of Taylor’s campaign. But this does not indicate that GIF received funds to be passed on to American Jobs for those expenditures. Neither the Act nor Commission

1 and Joseph Skaggs each contributed the maximum contribution to Moores shortly before Teeter  
2 Jay reportedly contributed to the Freedom Forward Fund to fund independent expenditures in  
3 opposition to Moores's opponent<sup>32</sup> does not indicate a motive to conceal the Skaggs  
4 Respondents' identities, as the Complaint alleges, given that their names were publicly disclosed  
5 when they made those contributions.

6 The facts surrounding Teeter Jay's formation and operations also do not support the  
7 allegations. Operating documents and receipts of purchases affirmatively show that Teeter Jay  
8 was formed for the purpose of building and operating a horse-showing arena.<sup>33</sup> Moreover, as the  
9 Complaint acknowledges, Teeter Jay was formed nearly two years before the contributions to the  
10 Freedom Forward Fund. This matter is thus similar to MUR 7965 (Iho Araise LLC), where the  
11 Commission found no reason to believe that an LLC was used to make conduit contributions  
12 under circumstances where, although the LLC was established five months before its  
13 contribution and it lacked an online presence, affirmative information put forward by the  
14 respondents showed that the LLC in question was established and operated for a legitimate  
15 business purpose — as an investment vehicle for the individual respondents — which plausibly  
16 explained its lack of an online presence.<sup>34</sup> In that matter, there was also no information  
17 indicating that the funds used to make the contributions were transferred into the LLC for the  
18 purpose of making a contribution.<sup>35</sup>

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regulations prohibits making contributions for the purpose of funding specific expenditures, and such activity does not indicate the existence of a conduit scheme.”).

<sup>32</sup> Compl. ¶¶ 11, 37.

<sup>33</sup> Skaggs Resp. at 1-3, Exs. A-H.

<sup>34</sup> F&LA at 7-8, MUR 7965 (Iho Araise LLC, *et al.*).

<sup>35</sup> *Id.*



1           Lastly, much like the circumstances in MUR 7965 (Iho Araise LLC ), there is no  
2 information in the record indicating that the Skaggs Respondents, or anyone else, transferred  
3 funds into Teeter Jay for the specific purpose of making a contribution, which would constitute a  
4 violation of 52 U.S.C. § 30122 regardless of whether Teeter Jay otherwise operated as a  
5 legitimate business.

6           In short, the only available information to indicate that the contribution could have been  
7 made in the name of another is Teeter Jay's lack of an online presence and the lack of attribution  
8 information in the Freedom Forward Fund's disclosure report. Absent additional information  
9 indicating a conduit contribution scheme occurred, and given the information provided in the  
10 Skaggs Response, the Commission finds no reason to believe that Teeter Jay, LLC, Kimberly A.  
11 Skaggs, Joseph R. Skaggs, and Terryl Jay Skaggs violated 52 U.S.C. § 30122 by making or  
12 allowing one's name to be used to make a contribution in the name of another.

### 13           **B. Attribution Reporting Requirements for Contributions from LLCs**

#### 14           1. LLC Attribution Disclosure and Reporting Requirements Under the Act 15           and Commission Regulations

16           Under the Act, all political committees, including IEOPCs, are required to file periodic  
17 disclosure reports with the Commission which accurately report all contributions received and  
18 disbursements made.<sup>36</sup> The treasurer of an unauthorized political committee is responsible for  
19 reporting the identification of each person whose aggregate contributions exceed \$200 per  
20 calendar year, together with the date and amount of any such contribution.<sup>37</sup> In the interest of

<sup>36</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>37</sup> 52 U.S.C. § 30104(b)(3)(A); 11 C.F.R. § 104.3(a)(4).

transparency, Commission regulations further require committees to report certain attribution information for contributions from limited liability companies.<sup>38</sup> Commission regulations state that “[a] contribution by an LLC that elects to be treated as a partnership by the Internal Revenue Service pursuant to [26 C.F.R. §] 301.7701-3, or does not elect treatment as either a partnership or a corporation, pursuant to that section, shall be considered a contribution from a partnership pursuant to [11 C.F.R. §] 110.1(e).”<sup>39</sup> Thus, contributions by an LLC that does not elect to be treated as a corporation by the Internal Revenue Service and does not have a single natural-person member are treated as partnership contributions, which must be attributed to both the LLC and its member or members.<sup>40</sup> Furthermore, when an LLC makes a contribution, it must affirm to the recipient, at the time the LLC makes the contribution, that it is eligible to make a contribution and “provide information to the recipient committee as to how the contribution is to be attributed.”<sup>41</sup>

The Commission’s regulations concerning the attribution of LLC contributions apply on their face to all LLC contributions irrespective of recipient.<sup>42</sup> These regulations uphold the Act’s

<sup>38</sup> See 11 C.F.R. § 110.1(g). An LLC that has a single natural-person member and is not taxed as a corporation must be attributed only to the natural person member. *Id.* § 110.1(g)(4).

<sup>39</sup> 11 C.F.R. § 110.1(g)(2). The regulations further specify that a “contribution by an LLC with a single natural[-]person member that does not elect to be treated a corporation by the Internal Revenue Service . . . shall be attributed only to that single member.” *Id.* § 110.1(g)(4); *see also id.* § 110.1(g)(3) (governing contributions by LLCs electing IRS treatment as corporations and LLCs with publicly traded shares). The current record does not support a finding that Teeter Jay is a publicly traded LLC and it does not appear that Teeter Jay is a single-member LLC. *See* 11 C.F.R. § 110.1(g)(3), (4).

<sup>40</sup> 11 C.F.R. § 110.1(e), (g).

<sup>41</sup> *Id.* § 110.1(g)(5).

<sup>42</sup> Factual & Legal Analysis (“F&LA”) at 14-15, MUR 7464 (LZP, LLC) (citing 52 U.S.C. §§ 30116(a)(1), 30118(a)); Treatment of Limited Liability Companies Under the Federal Election Campaign Act, 64 Fed. Reg. 37,397, 37,398-99 (July 12, 1999) (“LLC E&J”) (discussing role of LLC attribution rules in identifying prohibited contributions from foreign national or government contractor sources, concerns that apply to all LLC contributions, including contributions to IEOPCs).

1 reporting framework, which serves important transparency interests,<sup>43</sup> and inhibit attempts to  
2 circumvent the Act's contribution source prohibitions and amount limitations, including  
3 prohibitions applicable to IEOPCs.<sup>44</sup> The Commission has recognized that because LLCs are a  
4 product of state law and many states have very minimal LLC disclosure requirements, LLCs  
5 must affirmatively provide attribution information when making political contributions so that  
6 the recipient committees can accurately disclose those contributions to the public.<sup>45</sup>

7                   2.       The Commission Finds Reason to Believe That Teeter Jay, LLC, Failed to  
8                               Provide Required Attribution Information in Violation of 11 C.F.R.  
9                               § 110.1(g)(5)

10           Teeter Jay acknowledges and provides documentation showing that it elected to be  
11 treated as an S corporation under federal tax laws, meaning that it is either taxed as a disregarded  
12 entity or a partnership, depending on its membership, rather than as a corporation.<sup>46</sup> As noted  
13 above, after receiving the Complaint, Teeter Jay sent the Freedom Forward Fund a letter stating  
14 that Teeter Jay "is a partnership. Kimberly A. Skaggs is the manager and partnership  
15 representative, and the partners have agreed to attribute the contributions to Ms. Skaggs."<sup>47</sup> And  
16 Teeter Jay requested, albeit over a year late, that the Freedom Forward Fund attribute the LLC's  
17 contributions to Kimberly Skaggs on this basis.<sup>48</sup> The overall record therefore establishes that

<sup>43</sup> See, e.g., *Citizens United v. FEC*, 558 U.S. 310, 371 (2010) ("[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.").

<sup>44</sup> See 52 U.S.C. §§ 30116(a)(1), 30118(a); LLC E&J at 37,398-99.

<sup>45</sup> F&LA at 14-15, MUR 7464 (LZP, LLC) (citing LLC E&J at 37,399 ("The Commission further notes that the recipient committee would have no way of knowing how to attribute a contribution made by an eligible multi-member or single member LLC, unless that information was provided."))

<sup>46</sup> Skaggs Resp. at 2 & Ex. C; 26 C.F.R. §§ 301.7701-2, 301.7701-3.

<sup>47</sup> Skaggs Resp., Ex. K.

<sup>48</sup> *Id.*

Teeter Jay should have provided attribution information to the Freedom Forward Fund at the time that it made its contributions pursuant to 11 C.F.R. § 110.1(g)(5).

The Skaggs Response takes the position that, even if there is a basis to find reason to believe that Teeter Jay violated the Act by failing to provide attribution information, the Commission should dismiss the matter as an exercise of prosecutorial discretion because the Commission has previously acknowledged a “lack of clarity” regarding attributions for LLC contributions to IEOPCs, citing MUR 7454 (Blue Magnolia Investments, LLC).<sup>49</sup> In that matter, however, as explained by a Statement of Reasons (“SOR”) issued by four Commissioners, the Commission did not impose a penalty because the contributions at issue in that matter occurred during a period when “the Commission did not agree whether, following *Citizens United* and *SpeechNow.org v. FEC*, respondent committees had received adequate notice that the Commission’s LLC reporting rules and conduit contribution rules applied to contributions made to the newly formed IEOPCs authorized by those judicial rulings.”<sup>50</sup> As that SOR explains, adequate notice existed after the promulgation of various SORs in 2018, which state that contributions to IEOPCs from LLCs taxed as partnerships should be attributed to LLC members.<sup>51</sup> After those SORs were issued, the latest of which was on September 13, 2018, the

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<sup>49</sup> *Id.* at 6.

<sup>50</sup> SOR of Chairman Allen Dickerson, Vice Chair Steven T. Walther, Commissioner Shana M. Broussard, and Commissioner Ellen L. Weintraub at 2, MUR 7454 (Blue Magnolia, *et al.*) (“Blue Magnolia SOR 1”); *see also* SOR of Chairman Allen Dickerson, MUR 7454 (Blue Magnolia, *et al.*) (“Blue Magnolia SOR 2”) (explaining that “[a] September 13, 2018, statement of controlling commissioners reasoned that . . . the LLC attribution rules apply to contributions to IEOPCs”).

<sup>51</sup> Blue Magnolia SOR 1 at 2 (explaining that “[w]ith the passage of time, IEOPCs have become a regular part of the campaign finance landscape, and adequate notice to the public now exists” and citing to various SORs between April 1, 2016 and July 2, 2018); *see also* SOR of Chair Caroline C. Hunter and Commissioner Matthew S. Petersen in the Matters of MURs 6969 (MMWP12 LLC, *et al.*), 7031 & 7034 (Children of Israel, LLC, *et al.*) at 5 (Sept. 13, 2018) (“By operation of the Commission’s attribution rules, MMWP12’s contributions should have been attributed to K2M and each of its owners, Mark and Megan Kvamme. Similarly, Children of Israel’s contributions

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public had adequate notice that contributions from LLCs that are taxed as partnerships to IEOPCs must be attributed to the LLC's members pursuant to 11 C.F.R. § 110.1.<sup>52</sup> Here, Teeter Jay made its contributions in May 2021,<sup>53</sup> long after the relevant 2018 SORs that "served as notice to the public" of the attribution requirements.<sup>54</sup>

Accordingly, the Commission finds reason to believe that Teeter Jay, LLC, violated 11 C.F.R. § 110.1(g)(5) by failing to provide attribution information to the Freedom Forward Fund.

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should have been attributed to Saul Fox."); *id.* at 7 ("Therefore, because Respondents did not have prior notice of the legal interpretation discussed above, . . . applying section 30122 [or the Commission's attribution rules] to Respondents would be inconsistent with due process principles.") (quotation marks omitted) (alteration in original); *see also* SOR of Vice Chair Ellen L. Weintraub in the Matters of MURs 6969 (MMWP12 LLC, *et al.*), 7031 & 7034 (Children of Israel, LLC, *et al.*) (July 13, 2018) ("Contributions by an LLC that is a disregarded entity and does not have a single natural-person must be attributed to both the entity and each of its partners. . . . LLCs that are not treated as a corporation and have a single natural person member shall be attributed only to the single member.") (internal citations omitted).

<sup>52</sup> *Supra* notes 59-60 and accompanying text.

<sup>53</sup> Freedom Forward Fund, 2021 July Quarterly Report at 6 (July 12, 2021).

<sup>54</sup> Blue Magnolia SOR 2 at 5. Moreover, in MUR 7454, the Commission did not dismiss the matter as an exercise of prosecutorial discretion, as requested by the Skaggs Respondents here, but rather found reason to believe a violation occurred and entered into conciliation with the LLC without requiring a penalty. *See* Conciliation Agreement, MUR 7454 (Blue Magnolia, LLC).