

In the Matter of)	
Sam Brown)	
and)	
Citizens for Nevada PAC)	MUR 8218

INTRODUCTION

The Complaint alleges that Sam Brown "established, financed, maintained, or controlled" the now-defunct Citizens for Nevada ("CFN") independent expenditure-only political committee ("super PAC") in violation of the "soft-money ban" under the Federal Election Campaign Act of 1971, as amended (the "Act").

This theory of liability is based on merely two factual allegations:

- (1) MWE Group LLC ("MWE") was CFN's sole fundraising consultant during the 2022 Nevada U.S. Senate primary, while Sam Brown for Nevada, Mr. Brown's campaign committee for the 2022 primary, 1 was also "MWE's largest client." Relatedly, Falicia Mandel, one of MWE's principals, is the finance director of Mr. Brown's 2024 U.S. Senate campaign.
- (2) All four of CFN's donors were also contributors to Mr. Brown's 2022 campaign.

These facts fail to support reason to believe that MWE acted as Mr. Brown's or Sam Brown for Nevada's agent in "financing" CFN. Rather, CFN and Sam Brown for Nevada each received separate fundraising services from a different member of MWE. Moreover, MWE's two members operated under a firewall which, under the Commission's guidance in AO 2015-09 (Senate Majority PAC/House Majority PAC), ensured that MWE did not become an agent of Mr. Brown (or Sam Brown for Nevada) for purposes of the soft-money ban. Accordingly, the Commission should dismiss this Complaint.

¹ As the same complainant correctly noted in MUR 8183, Mr. Brown's 2022 and 2024 campaign committees are "two separate entities with the same name." Complaint at 2, MUR 8183 (Sam Brown) (on file with the Commission). References herein to "Sam Brown for Nevada" refer to this now-terminated committee from the 2022 election cycle, not to Mr. Brown's authorized committee for the 2024 election cycle.

ANALYSIS

1. No agent of Sam Brown for Nevada or Mr. Brown was involved in fundraising for CFN.

Under the Act's soft-money ban, a super PAC may not be "directly or indirectly established, financed, maintained, or controlled" by a federal candidate or his "agent."²

The Complaint is based almost entirely on the theory that "MWE was an agent of Mr. Brown throughout his 2022 campaign," and that CFN was "financed" "through his agent (MWE)" by virtue of MWE also being CFN's "sole fundraising consultant." This theory fails because, as the attached affidavits show, the MWE member who fundraised for Sam Brown for Nevada did not fundraise for CFN; CFN received fundraising services from a different MWE member. Moreover, MWE and its members complied with the Commission's measures for fundraising under these circumstances, as set forth in AO 2015-09 (Senate Majority PAC/House Majority PAC).

As the Complaint recognizes, "MWE is a *two-member* LLC registered in Arizona." The firm's two members were Falicia Mandel and Lindsey Seitchik. During the 2022 Nevada U.S. Senate primary race, Ms. Mandel was the fundraiser for Sam Brown for Nevada while Ms. Seitchik was the fundraiser for CFN.

MWE maintained a strict firewall policy, under which:

- Ms. Mandel only raised money and provided services for Sam Brown for Nevada and not for CFN;
- Ms. Seitchik only raised money and provided services for CFN and not for Sam Brown for Nevada;

 $^{^2}$ 52 U.S.C. § 30125(e)(1); 11 C.F.R. § 300.2(c)(2)(viii). The soft-money ban generally prohibits funds raised outside of the Act's source prohibitions and amount limitations from being used in connection with federal elections.

³ Complaint at 5-6.

⁴ The Complaint's alternative theory is that "Mr. Brown financed CFN . . . []himself[]" by "provid[ing] donor names and contact information to CFN." *Id.* at 5. This charge is based on pure speculation, which is insufficient to support reason to believe. *See infra* note 18.

⁵ Complaint at 3 (emphasis added).

- At no point in her interactions with donors did Ms. Seitchik ever represent that she was acting at the behest or under the authority of Mr. Brown or Sam Brown for Nevada;
- Ms. Mandel and Ms. Seitchik kept separate notes on their fundraising efforts for their respective clients and did not share those notes with each other; and
- Ms. Mandel and Ms. Seitchik did not seek, obtain, or otherwise share any material, non-public information regarding their respective clients' plans, projects, activities, or needs from or with each other.

In addition:

- Ms. Seitchik solicited all four of CFN's donors based on donor information in MWE's own database;
- Ms. Seitchik did not act under the instruction, direction, or control of Mr. Brown, Ms. Mandel, Sam Brown for Nevada, or any of their agents in her fundraising activities for CFN; and
- Mr. Brown was not involved in any of the solicitations for CFN.

Affidavits from Ms. Mandel and Ms. Seitchik corroborating these points are attached hereto as <u>Exhibit A</u> and <u>Exhibit B</u>.

Commission rules define an "agent," in relevant part, as "any person who has actual authority, either express or implied . . . [i]n the case of an individual who is a Federal candidate . . . to solicit, receive, direct, transfer, or spend funds in connection with any election" on behalf of that candidate. Here, under MWE's strict firewall, no agent of Sam Brown for Nevada or Mr. Brown solicited any funds for CFN. As Sam Brown for Nevada's agent, Ms. Mandel did not solicit any funds for CFN. Ms. Seitchik, who did not have any authority from Sam Brown for Nevada or Mr. Brown to act on their behalf and therefore was *not* their agent, was the only one who solicited funds for CFN.

Moreover, even assuming the Complaint's theory that the MWE firm—and not Ms. Mandel and Ms. Seitchik—was an agent of Sam Brown for Nevada or Mr. Brown, Commission precedent expressly permits fundraisers to wear multiple "hats" in this context. In AO 2015-09 (Senate Majority PAC/House Majority PAC), the Commission

⁶ 11 C.F.R. § 300.2(b)(3).

permitted "individuals who are agents of federal candidates [to] solicit funds" for super PACs if they did so "on their own and not at the request or suggestion of federal candidates," provided that:

the individuals would identify themselves as raising funds only for [the super PACs], would not use their campaign titles or campaign resources (such as letterhead and email), and would inform potential contributors that they are making the solicitation on their own and not at the direction of the federal candidates or their agents. Finally, the individuals would not solicit contributions for the candidates and for [the super PACs] at the same time.⁷

As Commissioners Petersen and Hunter explained, this "provide[s] breathing room for the same individual to permissibly maintain agency relationships with both principals that may permissibly solicit and accept soft money, and those that may not."8

Similarly, as the Commission's Office of General Counsel has explained, "the Act's prohibition on raising non-federal funds does not extend to an individual, who is an agent of a federal candidate, when he or she raises non-federal funds for another group or political committee and does not act on behalf of the candidate."

Here, the firewall that MWE's principals adopted went above and beyond what AO 2015-09 sets forth. AO 2015-09 addressed *the same individual* raising money for both candidates and super PACs. By contrast, Ms. Mandel and Ms. Seitchik completely bifurcated their fundraising functions so that the same individuals were *not* raising money for both the campaign and the super PAC. Given this separation of functions, they did "[n]ot solicit contributions for the candidate[] and for [CFN] at the same time," 10 and Ms.

 $^{^{7}}$ AO 2015-09 (Senate Majority PAC/House Majority PAC) at 7-8 (quotation marks, brackets, and citations omitted).

⁸ MUR 6798 (David Vitter, *et al.*), Statement of Reasons of Vice Chairman Petersen and Commissioner Hunter at 5.

⁹ MUR 6971 (John Ellis Bush, et al.), First General Counsel's Report ("FGCR") at 4-5.

¹⁰ AO 2015-09 at 7-8.

Seitchik did not use any "campaign titles or campaign resources" ¹¹ and did "not act on behalf of the candidate" ¹² when raising money for CFN. ¹³

2. Mr. Brown is not a proper respondent in this matter.

The Complaint names Mr. Brown personally as a respondent instead of Sam Brown for Nevada. The Commission generally will not hold a candidate personally liable for allegations against their campaign committee unless the candidate was personally involved in the relevant activity. Mr. Brown is not a proper respondent here because the Complaint's factual allegations all pertain to the campaign committee, and there is no basis to believe that Mr. Brown was personally involved in any of the activities at issue.

Specifically, the Complaint alleges that "[b]ecause MWE was a fundraising consultant to the Campaign, with contractual obligations and authority to operate on its behalf, MWE was an agent of Mr. Brown." The Complaint then posits that, as an agent of Mr. Brown, MWE "financed" CFN by acting as CFN's fundraising consultant. Putting aside (for the moment) the dubious legal merit of this theory, the Complaint offers no competent factual support for the notion that Mr. Brown was personally involved in MWE's solicitations for CFN. Rather, the Complaint simply speculates that "either Mr. Brown or MWE provided donor names and contact information to CFN." The Complaint even

¹¹ *Id*.

¹² MUR 6971, FGCR at 4-5.

¹³ Because the same individuals were not raising money for both Sam Brown for Nevada and CFN, the other measures described in AO 2015-09 are inapplicable here. In particular, there was no reason for Ms. Seitchik to specifically "identify [herself] as raising funds only for [CFN]" or "inform potential contributors that [she was] making the solicitation on [her] own and not at the direction of [Mr. Brown] or [his] agents." AO 2015-09 at 7. Since Ms. Seitchik had no role with Sam Brown for Nevada, there would have been no reason to clarify whose authority she was acting under. Moreover, AO 2015-09 did not purport to require these measures where, as here, the same individual was not involved in fundraising for both the campaign and the super PAC. Nor could it, since an advisory opinion may address only the "specific transaction or activity" in the request. *See* 52 U.S.C. § 30108(a)(1); 11 C.F.R. § 112.1(c).

¹⁴ See, e.g., Fed. Election Comm'n v. Gus Savage for Congress '82 Comm., 606 F. Supp. 541, 547 (N.D. Ill. 1985) ("Liability . . . filters through the candidate to his amorphous campaign committee . . . It is the treasurer, and not the candidate, who becomes the named defendant in federal court").

¹⁵ Complaint at 5 (emphasis added); *see also id.* at 6 (describing "Mr. Brown's *campaign*" (emphasis added) as MWE's "client").

¹⁶ *Id.* at 5 (emphasis added).

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suggests the possibility that CFN retrieved the donor names *by itself*, without any involvement by Mr. Brown or MWE.¹⁷

In short, the Complaint offers mere speculation that Mr. Brown was personally involved in any of the activities at issue. On this basis alone, the Commission should dismiss Mr. Brown as a respondent herein.¹⁸

CONCLUSION

For the foregoing reasons, the Commission should dismiss this Complaint.

Respectfully submitted,

CLX5

Chris K. Gober

Eric Wang

Anne Marie Mackin

Counsel to Sam Brown

¹⁷ *Id.* at 5 n.23.

¹⁸ See, e.g., MUR 4960 (Hillary Rodham Clinton for U.S. Senate Exploratory Comm.), Statement of Reasons of Commissioners Mason, Sandstrom, Smith, and Thomas at 2 ("Unwarranted legal conclusions from asserted facts . . . or mere speculation . . . will not be accepted as true.") and 4 ("purely speculative charges, especially when accompanied by a direct refutation, do not form an adequate basis to find reason to believe that a violation of the [Act] has occurred"); MUR 5467 (Michael Moore), Concurring Statement of Commissioners Smith and Toner at 2 ("The OGC therefore recommended dismissal because the complaint 'presents nothing more than idle, unsupported speculation.' We agree. We write here to stress the importance of this case as a matter of Commission policy not to entertain speculative complaints.") (internal citation omitted).

MUR821800054 **EXHIBIT A** STATE OF VIRGINIA § 8 8

COUNTY OF FAIRFAX

AFFIDAVIT

BEFORE ME, the undersigned authority, Falicia Mandel, personally appeared who, upon first being duly sworn, deposes and states:

- I, Falicia Mandel, a resident of Virginia, hereby certify, swear, or affirm that I am over the age of eighteen years and competent to give the following affidavit based on my personal knowledge, unless otherwise stated, and that the following facts and things are true and correct.
- During the 2022 Nevada U.S. Senate primary race, I was a partner in MWE Group LLC ("MWE"). MWE was a political fundraising firm. Lindsey Seitchik was the other partner in MWE.
- I have been working as a political fundraising consultant for 14 years and, by virtue of my job duties, I am familiar with the laws and rules regulating political fundraising, including the restrictions on federal candidates and their agents raising money for independent expenditure committees ("super PACs").
- 3. During the 2022 Nevada U.S. Senate primary race, I was retained as a fundraising consultant for Sam Brown for Nevada (the "Brown Campaign"). My partner, Ms. Seitchik, was retained as a fundraising consultant for Citizens for Nevada ("CFN"), a super PAC that independently supported Sam Brown's candidacy for U.S. Senate.
- 4. As a seasoned campaign fundraising professional and partner in a political fundraising firm, I recognized that MWE needed to follow certain protocols so that we and our respective clients would remain compliant with the federal campaign finance laws.
- CFN's legal counsel provided MWE with detailed memoranda and a firewall 5. policy to prevent coordination between the Brown Campaign and CFN, and also to prevent solicitations for CFN from being attributed to Mr. Brown or the Brown Campaign. I followed the guidance and firewall policy that CFN's counsel provided for the entire time that MWE raised money for the Brown Campaign and CFN during the 2022 Nevada primary race.
- For the entire time that MWE raised money for the Brown Campaign and CFN 6. during the 2022 Nevada primary race, I followed the measures listed below, among others.
 - (a) I only raised money for and provided services to the Brown Campaign and not CFN;
 - (b) I kept separate notes on my fundraising efforts for the Brown Campaign, and I did not share those notes with Ms. Seitchik;
 - (c) Ms. Seitchik did not share any notes on her fundraising efforts for CFNwith me, and I did not ever see any such notes;

- (d) I did not ask Ms. Seitchik for any non-public information regarding the plans, projects, activities, or needs of CFN. I did not obtain such information from any other person;
- (e) I did not request or suggest that Ms. Seitchik solicit any donors to CFN. To the best of my knowledge, Mr. Brown did not request or suggest that Ms. Seitchik solicit any donors to CFN.

Further, affiant sayeth naught.

	Affiant's Signature	
	FCULCIA Mendel Affiant's Printed Name	
SUBSCRIBED AND SWORN TO be by Falicia Mandel, who is personally know Drive license C66146781 as		2024,
NOTARY SEAL; CASTILLO CASTILLO REGISTRATION # 8101556 0 ARY PURPLE NOTARY PURP	Sther C. NOTARY PUBLIC, STATE OF VIRGINIA	

MUR821800056

EXHIBIT B

STATE OF ARIZONA

8888

COUNTY OF MARICOPA

AFFIDAVIT

BEFORE ME, the undersigned authority, Lindsey Seitchik, personally appeared who, upon first being duly sworn, deposes and states:

- I, Lindsey Seitchik, a resident of Arizona, hereby certify, swear, or affirm that I am over the age of eighteen years and competent to give the following affidavit based on my personal knowledge, unless otherwise stated, and that the following facts and things are true and correct.
- 1. During the 2022 Nevada U.S. Senate primary race, I was a partner in MWE Group LLC ("MWE"). MWE was a political fundraising firm. Falicia Mandel was the other partner in MWE.
- 2. I have been working as a political fundraising consultant for 18 years and, by virtue of my job duties, I am familiar with the laws and rules regulating political fundraising, including the restrictions on federal candidates and their agents raising money for independent expenditure committees ("super PACs").
- 3. During the 2022 Nevada U.S. Senate primary race, my partner, Ms. Mandel, was retained as a fundraising consultant for Sam Brown for Nevada (the "Brown Campaign"). I was retained as a fundraising consultant for Citizens for Nevada ("CFN"), a super PAC that independently supported Sam Brown's candidacy for U.S. Senate. To the best of my knowledge, I was the only fundraising consultant retained by CFN.
- 4. As a seasoned campaign fundraising professional and partner in a political fundraising firm, I recognized that MWE needed to follow certain protocols so that we and our respective clients would remain compliant with the federal campaign finance laws.
- 5. CFN's legal counsel provided MWE with detailed memoranda and a firewall policy to prevent coordination between the Brown Campaign and CFN, and also to prevent solicitations for CFN from being attributed to Mr. Brown or the Brown Campaign. I followed the guidance and firewall policy that CFN's counsel provided for the entire time that MWE raised money for the Brown Campaign and CFN during the 2022 Nevada primary race.
- 6. For the entire time that MWE raised money for the Brown Campaign and CFN during the 2022 Nevada primary race, I followed the measures listed below, among others.
 - (a) I only raised money for and provided services to CFN and not the Brown Campaign;
 - (b) I kept separate notes on my fundraising efforts for CFN, and I did not share those notes with Ms. Mandel;

- (c) Ms. Mandel did not share any notes on her fundraising efforts for the Brown Campaign with me, and I did not ever see any such notes;
- (d) I did not ask Ms. Mandel for any non-public information regarding the plans, projects, activities, or needs of the Brown Campaign. I did not obtain such information from any other person;
- (e) Ms. Mandel did not request or suggest that I solicit any donors to CFN;
- (f) In all of my interactions with donors and prospective donors to CFN, I never said or suggested that I was raising money at the behest of or under the authority of Sam Brown or the Brown Campaign. I told donors that I was raising money for CFN, and that CFN was a super PAC that was acting independently of Mr. Brown and the Brown Campaign;
- (g) I personally solicited the donors who gave to CFN (Robert Beadles, David Henderson, Mark Jones, and Larry Scheffler);
- (h) I used donor information in MWE's own donor database to solicit donors to CFN;
- (i) To the best of my knowledge, Mr. Brown was not involved in any solicitation I made on behalf of CFN;
- (j) I did not request or suggest that Ms. Mandel solicit any donors for the Brown Campaign.

Further, affiant sayeth naught.



Lindsey Seitchik
Affiant's Printed Name

SUBSCRIBED AND SWORN TO before me on the \hat{1}\hat{h}\day of \frac{April}{2024}, by Lindsey Seitchik, who is personally known to me or who has produced \text{Driver License} as the form of identification.

NOTARY SEAL:



NOTARY PUBLIC, STATE OF ARIZONA

My commission expires June 73, 2026