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FEDERAL ELECTION COMMISSION

NOVEMBER 6, 2024 9:45 AM

OFFICE OF GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

TMA Direct, LLC
 2311 Wilson Blvd
 Floor 2
 Arlington, VA 22201

v.

MUR No. **8345**

Elder for America
 Lysa Ray
 3843 S Bristol St. #604
 Santa Ana, CA 92705

Steve Baric
 Baric Law
 3636 Birch Street, Suite 270
 Newport Beach, CA 92660

COMPLAINT

This complaint is filed pursuant to 52 U.S.C. §§ 30118(a) and 30109(a)(1) is based on information providing reason to believe that Elder for America (C00799361), a Hybrid PAC registered with the Federal Election Commission ("FEC" or "the Commission") and Steve Baric, Treasurer for Elder for America, violated the Federal Election Campaign Act ("FECA") and Commission regulations by deliberately omitting over \$27,000 in campaign finance debt owed to TMA Direct, LLC ("TMA") from Elder for America's FEC reports. The standard for an FEC investigation is "[i]f the Commission, upon receiving a complaint...has reason to believe that a person has committed, or is about to commit, a violation of [FECA]...[t]he Commission shall make an investigation of such alleged violation... 52 U.S.C. § 30109(a)(2); *see also* 11 C.F.R. § 111.4(a). That standard is easily met in this matter and the Commission should take proper action.

TMA provided text message fundraising for Elder for America beginning on or around July 2022. Pursuant to TMA's contractual agreement with Elder for America,¹ TMA deployed peer-to-peer text messages on Elder for America's behalf in exchange for payment within thirty (30) days of receiving TMA's invoices. However, Elder for America has not paid the following amounts:

Invoice #050249: \$24,971.88
 Invoice #050293: \$2,275.20
 Invoice #050385: \$380.18
TOTAL: \$27,627.26²

All political organizations are required to disclose all debts and obligations continuously until repaid³ and any debt exceeding \$500 must be reported in the report covering the date on which the debt was incurred.⁴ Elder for America has owed TMA money for services rendered since July 2022. However,

¹ Notably, Mr. Baric signed this Agreement on behalf of Elder for America.

² Exhibits A-C.

³ 11 C.F.R. § 104.3(d).

⁴ 11 C.F.R. § 104.11(b).

Elder for America has never, and still has not, reported any debt to TMA on its FEC reports. Elder for America and Mr. Baric are also aware that these invoices exist and are outstanding, as they have received countless emails and phone calls from TMA on this issue.⁵ As such, there is no valid reason for Elder for America not reporting the debt it owes to TMA.⁶

Elder for America knows, and has known for the past two years, that it has to report any and all outstanding debts to the FEC. This is evidenced by Elder for America reporting some form of debt to the Commission on almost every FEC report since its first report was submitted in April of 2022.⁷ Even now, Elder for America is reporting over \$42,681.75 in debt to four different vendors.⁸ Still, *at no point has Elder for America reported the debt it owes to TMA on any of its FEC reports, despite the debt being incurred as early as July 2022.*⁹ Therefore, the glaring omission of TMA's debt from Elder for America's FEC reports cannot be construed as anything other than a knowing and willful violation of FECA and Commission regulations by Mr. Baric and Elder for America.¹⁰

This behavior is an example of an unfortunate practice that has plagued vendors like TMA for countless election cycles. Bad actors, like Elder for America and Mr. Baric, hope that by avoiding reporting certain debts, they can terminate the political committees they are responsible for without paying vendors that provide legitimate and valuable services for these committees. The Commission should hold political committees, and the individuals in charge of these committees, accountable for this deceptive and illegal practice. Therefore, we ask the Commission to find reason to believe that Elder for America, and Steve Baric in his official and personal capacity as Treasurer for Elder for America, violated and continue to violate campaign finance law by deliberately filing false FEC reports.

Respectfully submitted,



Katie Reynolds
Counsel, TMA Direct, LLC

⁵ See, e.g., Exhibit D. This is one of several emails sent to Mr. Baric regarding TMA's outstanding invoices.

⁶ A common defense for political committees not reporting campaign finance debt to the Commission is that the amounts charged by a vendor are in dispute. However, political committees cannot claim that an invoice is disputed to avoid legal liability. Regardless of whether the amount a political committee owes is in dispute, that committee is still required to report any amounts paid to the vendor, any amounts the political committee admits it owes, and the amounts the vendor claims it is owed. 11 C.F.R. § 116.10(a).

⁷ The only exceptions were Elder for America's 2022 Pre-General and Post-General Reports, where Elder for America reported no debt on its FEC report despite owing TMA \$27,627.26. Elder for America, 2022 Pre-General Report, available at <https://docquery.fec.gov/cgi-bin/forms/C00799361/1653089/>; Elder for America, Post-General Report, available at <https://docquery.fec.gov/cgi-bin/forms/C00799361/1667139/>.

⁸ Elder for America, Schedule D, 2022 October Quarterly Report, available at <https://docquery.fec.gov/cgi-bin/forms/C00799361/1830234/sd/10> (showing debts to Campaign Solutions, Winning Tuesday, Inc., Matchpoint Strategies, and Laurence A. Elder and Associates, Inc.).

⁹ Exhibits A-C (reflecting August, September and October Invoices that have not been paid).

¹⁰ Pursuant to 52 U.S.C. § 30109(d)(1)(a), any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution, donation, or expenditure (i) aggregating \$25,000 or more during a calendar year shall be fined or imprisoned for not more than 5 years, or both; or (ii) aggregating \$2,000 or more (but less than \$25,000) during a calendar year shall be fined, or imprisoned for not more than 1 year, or both. We defer to the Commission as to whether Elder for America and/or Mr. Baric's conduct meets this standard.

State of Virginia
County of Arlington

Signed and sworn to before me on 5th of November, 2024 by Katie Reynolds





Rachel Sewell
My commission expires: 5/31/2025

EXHIBIT A



MUR834500005
RENTAL INVOICE

OICE# | D13-050249-000-B
DATE | 08/31/22

CLIENT | Elder for America

MAIL DATE | 08/01/22
THRU | 08/31/22
DUE DATE | 09/30/22

REFERENCE# | , A
OUR ORDER# | US
August 2022
050249-MM

MAILER | Elder for America
OFFER | FUNDRAISI

KEYCODE
LIST | CONSERVATIVE DONORS SMS 3
SEGMENT

SHIPPED TO | SMS

RENTAL QTY 0

DESCRIPTION	QUANTITY	RATE P	GROSS	DISC%	ET	AMOUNT
ASE CHARGES	0	0.00 F	0.00			0.00
August P2P	0	5,365.71 F	5,365.71			5,365.71
July P2P	0	19,606.17 F	19,606.17			19,606.17

TOTAL DUE	24,971.88
APPLIED	0.00
ADJUSTMENTS	0.00
ALANCE DUE	24,971.88

EXHIBIT B



MUR834500007
RENTAL INVOICE

CE# | D13-050293-000-B
DATE | 09/30/22

CLIENT | Elder for America

MAIL DATE | 09/01/22
THRU | 09/30/22
DUE DATE | 10/31/22

REFERENCE# | , A
UR RDER# | US
September 2022
050293-M
AILER | Elder for America
FFER | FUNDRAISING
KEYCODE
LIST | CONSERVATIVE DONORS SMS 3
SEGMENT | September P2P

SHIPPED TO | SMS

RENTAL QTY 0

DESCRIPTION	QUANTITY	RATE P	GROSS	DISC%	ET	AMOUNT
ASE CHARGES	0	2,275.20 F	2,275.20			2,275.20

TOTAL DUE	2,275.20
APPLIED	0.00
ADJUSTMENTS	0.00
ALANCE DUE	2,275.20

EXHIBIT C



MUR83450009
RENTAL INVOICE

E# | D13-050385-000-B
DATE | 10/31/22

LIENT | Elder for America

MAIL DATE | 10/01/22
THRU | 10/31/22
DUE DATE | 11/30/22

REFERENCE# | , A
UR RDER# | US
ctober 2022
050385-M

AILER | Elder for America
FFER | SHORT MESSAGING SERVICE (TEXT AMPAIGN)
KEYCODE
LIST | SERVATIVE DONORS SMS 3
SEGMENT | ctober 2022 - P2P

SHIPPED TO | SMS

RENTAL QTY 0

DESCRIPTION	QUANTITY	RATE P	GROSS	DISC%	ET	AMOUNT
BASE HARGES	0	380.18 F	380.18			380.18

TOTAL DUE	380.18
APPLIED	0.00
ADJUSTMENTS	0.00
BALANCE DUE	380.18

EXHIBIT D

From: Katie Reynolds <kreynolds@tmadirect.com>
Sent: Tuesday, August 13, 2024 12:33 PM
To: sbaric@bariclaw.com <sbaric@bariclaw.com>
Cc: Lyman Munschauer <lmunschauer@tmadirect.com>; Mike Murray <mmurray@tmadirect.com>
Subject: Re: DEMAND NOTICE: Elder for America

Steve--

It's been over 90 days since we last talked through this AR issue. Can you provide me with a status update of when we can expect payment?

Thanks,
Katie

From: Katie Reynolds <kreynolds@tmadirect.com>
Sent: Wednesday, May 8, 2024 1:51 PM
To: sbaric@bariclaw.com <sbaric@bariclaw.com>
Cc: Lyman Munschauer <lmunschauer@tmadirect.com>; Mike Murray <mmurray@tmadirect.com>
Subject: Re: DEMAND NOTICE: Elder for America

Hi Steve--

I wanted to follow up on our conversation to make sure everyone is looped in.

My understanding is that Elder for America is beginning to enter into list rental agreements with other clients with the hope that those proceeds will help pay off

the Campaign's debt to TMA. Revenue should start coming in between 90 days and 6 months from now. Once you receive such payment, you will begin paying TMA first.

We look forward to receiving payments, and we'll follow up with you in 90 days.

Thanks,
Katie

From: Katie Reynolds
Sent: Wednesday, April 24, 2024 3:25 PM
To: sbaric@bariclaw.com <sbaric@bariclaw.com>
Cc: Lyman Munschauer <lmunschauer@tmadirect.com>; Mike Murray <mmurray@tmadirect.com>
Subject: DEMAND NOTICE: Elder for America

Steve,

I am counsel for TMA Direct, and I'm following up regarding outstanding invoices that have not been paid by Elder for America (hereinafter "the Campaign").

The Campaign and TMA Direct entered into an agreement on June 20, 2022 for TMA to deploy text messages on the Campaign's behalf in exchange for payment within thirty (30) days of receiving TMA Direct's invoices. However, in breach of its obligations under the Agreement, the Campaign has failed to pay the following amounts:

Invoice #050249: \$24,971.88

Invoice #050293: \$2,275.20

Invoice #050385: \$380.18

TOTAL: \$27,627.26

While I'm sure you're aware of the Agreement, given that you personally signed it, an executed copy of the Agreement is attached for reference.

Based on prior email conversations, the Campaign has acknowledged that it owes TMA the total amount listed above. However, despite such acknowledgement, the Campaign has made no effort to remit payment for such

debt.

Please notify us of the Campaign's intentions regarding its outstanding debt by Monday, April 29. While we do not wish to escalate this issue further, if you fail to respond to this email or make payment as demanded by the above deadline, we reserve the right to take further legal action without notice.

Best,
Katie Reynolds
Counsel, TMA Direct