



FEDERAL ELECTION COMMISSION
Washington, DC

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AGENDA DOCUMENT NO. 24-52-A

AGENDA ITEM

For meeting of December 12, 2024

MEMORANDUM

TO: The Commission

FROM: Lisa J. Stevenson
Acting General Counsel

BY: Adrienne C. Baranowicz *acb*
Deputy Associate General Counsel for Enforcement

Claudio J. Pavia *CP*
Deputy Associate General Counsel for Enforcement

DATE: October 2, 2024

SUBJECT: MUR 1604 (Brady Campaign to Prevent Gun Violence, *et al.*)

RE: Recommendation to Relieve the Brady Campaign from a Remedial Measure in a
Conciliation Agreement

I. INTRODUCTION

The Office of General Counsel (“OGC”) received a request for guidance on behalf of the Brady Campaign to Prevent Gun Violence (the “Brady Campaign”) (f/k/a Handgun Control, Inc. (“HCI”)).¹ In 1984, the Commission found reason to believe that HCI, a corporation without capital stock, and Handgun Control Political Action Committee and Charles Orasin in his official capacity as treasurer (“HCI-PAC”), a political committee of which HCI was the connected organization, violated 2 U.S.C. § 441b(b)(4)(A)(i) (now 52 U.S.C. § 30118(b)(4)(A)(i)) of the Federal Election Campaign Act of 1971, as amended (the “Act”), by soliciting contributions to HCI-PAC from individuals who did not constitute “members” of HCI within the meaning of that term under then-existing Commission regulations.² Shortly thereafter, HCI and HCI-PAC entered into a conciliation agreement with the Commission to resolve MUR 1604, which contained a requirement that membership in HCI include the right to elect a director to HCI’s governing board.³

¹ Letter from Derek Lawlor, counsel for the Brady Campaign to Lisa J. Stevenson, General Counsel, FEC (July 24, 2024), Attach. 1 (“Request”). OGC instructed counsel for the Brady Campaign to submit their request in this format, rather than as an advisory opinion request, so that this matter could be decided similarly to previous requests to modify conciliation agreements. *See* Request for Guidance on Interpretation of Conciliation Agreement, MUR 5635 (The Viguerie Company, *et al.*); Request to Modify Conciliation Agreement, MUR 3620 (Democratic Senatorial Campaign Committee).

² Certification ¶¶ 1-2 (Mar. 21, 1984).

³ Attach. 3, Conciliation Agreement ¶¶ VI, VII.

1 The Brady Campaign, citing to intervening changes in the definition of a membership
2 organization, and noting that it no longer has a connected PAC, requests that the Commission
3 find that continued satisfaction and enforcement of the remedial provision of the Conciliation
4 Agreement regarding the publicly-elected board member is no longer warranted and that,
5 provided the Brady Campaign continues to comply with 52 U.S.C. § 30118 and 11 C.F.R.
6 § 114.1, it has fulfilled its obligations under the Conciliation Agreement.

7
8 Because current regulations no longer require that members of a membership
9 organization must be able to elect a director to the organization's governing board, we
10 recommend that the Commission find that the Brady Campaign has fulfilled its obligations under
11 the conciliation agreement and is relieved from satisfying the remedial measures contained in the
12 relevant paragraph of the conciliation agreement.

13 14 **II. DISCUSSION**

15
16 At the time of the MUR 1604 conciliation agreement, the Commission's regulations
17 defined "members" to mean all persons who are currently satisfying the requirements for
18 membership in a corporation without capital stock.⁴ As explained in the conciliation agreement,
19 the Commission interpreted its regulations such that a person can only be a "member" of a
20 corporation without capital stock if: (1) he or she has knowingly taken some affirmative steps to
21 become a member of the organization; (2) the membership relationship is evidenced by the
22 existence of rights and obligations vis-à-vis the corporation; and (3) there is a predetermined
23 minimum amount for dues or contributions.⁵ Then, HCI defined its membership class as being
24 anyone who contributed any amount to the organization within the last 24 months.⁶ Further,
25 individuals HCI considered to be its members were not entitled to vote in HCI affairs or entitled
26 to vote for HCI officials.⁷ The Commission found that this class of individuals did not meet the
27 definition of membership and accordingly concluded that HCI and HCI-PAC had improperly
28 solicited non-members, in violation of 2 U.S.C. § 441b(b)(4)(A)(i) (now 52 U.S.C.
29 § 30118(b)(4)(A)(i)).

30
31 In addition to requiring HCI and HCI-PAC to pay a civil penalty of \$15,000, the
32 conciliation agreement required HCI to "establish a predetermined minimum amount of dues or
33 contributions. . . . and that the rights of membership in HCI shall include the right to participate
34 in annual meetings and to elect a Director to the Governing Board of HCI."⁸ On August 13,
35 1984, counsel for HCI and HCI-PAC sent a letter to the Office of General Counsel, stating that
36 respondents had paid the civil penalty and had amended HCI's corporate bylaws to specify that
37 the "rights of membership include the right to participate in annual meetings and to elect a
38 Director of the Governing Board of HCI."⁹

4 *Id.* ¶ IV(B)(2) (citing then-existing 11 C.F.R. § 114.1(e)).

5 *Id.* ¶ IV(B)(3).

6 *Id.* ¶ IV(C)(2)-(3).

7 *Id.* ¶ IV(C)(5).

8 *Id.* ¶¶ VI, VII.

9 MUR 1604 PDF File at 684.

1
2 In the intervening years, HCI changed its name to the Brady Campaign and stopped
3 operating a connected PAC.¹⁰ Accordingly, it no longer solicits contributions to a connected
4 PAC. In 1993 and in 1999, the Commission amended its regulations to reflect changes to the
5 definition of a “member” of a membership organization.¹¹ Currently, regulations provide that
6 members must “affirmatively accept the membership organization’s invitation to become a
7 member” and then also meet at least one of three additional criteria: having a significant
8 financial attachment to the membership organization, paying membership dues at least annually,
9 of a specific amount predetermined by the organization, or having a significant organizational
10 attachment to the membership organization.¹² Thus, under the current meaning of “member,”
11 participation in the governance of the organization is no longer required of all membership
12 organizations.
13

14 The Brady Campaign contends that because it no longer operates or controls a connected
15 PAC and given the changes in the definition of “member,” the requirement that members be
16 entitled to elect a director to the governing board should no longer apply.¹³ The Brady
17 Campaign states that if it eliminates the requirement to allows its members to elect a director, its
18 bylaws will comply with the Act and its present regulations rendering the remedial provision in
19 the Conciliation Agreement obsolete and contradictory to current law.¹⁴ Specifically, the Brady
20 Campaign notes that its solicitations for memberships clearly state that “the first \$25 of your
21 contribution activates your annual membership status,”¹⁵ that it acknowledges acceptance of
22 membership with confirmation emails and membership cards,¹⁶ and that it requires its members
23 to pay membership dues of a predetermined amount annually.¹⁷
24

25 Here, in light of the changes in factual circumstance and the law since 1984, we believe
26 that there is no longer a need for the Brady Campaign to require that members participate in the
27 group’s governance, both because this is no longer a necessary component of the meaning of
28 “members” under the Commission’s regulations and because the Brady Campaign no longer
29 solicits its membership for contributions to a connected organization. In short, the remedial
30 provision of the MUR 1604 Conciliation Agreement is requiring the Brady Campaign to do
31 something that is not necessary under the current law. Thus, we recommend that the
32 Commission determine that the Brady Campaign be relieved from satisfying the remedial
33 measures in Paragraph VII.¹⁸

¹⁰ Request at 3.

¹¹ See Definition of “Member” of a Membership Association, 58 Fed. Reg. 45,770 (Aug. 30, 1993);
Definition of “Member” of a Membership Organization; 64 Fed. Reg. 41,266 (July 30, 1999).

¹² 11 C.F.R. § 114.1(e).

¹³ Request at 5.

¹⁴ *Id.* at 5-8.

¹⁵ *Id.* at 6.

¹⁶ *Id.*

¹⁷ *Id.* at 7.

¹⁸ In the past, the Commission has made a further determination that respondents have fulfilled their
obligations under conciliation agreements and the Brady Campaign has sought a similar determination. See

III. RECOMMENDATIONS

1. Find that the Brady Campaign to Prevent Gun Violence (f/k/a Handgun Control, Inc.) is relieved from satisfying the remedial measures contained in Paragraph VII of its Conciliation Agreement; and
2. Send the appropriate letter.

Attachments:

1. Request
2. Declaration in Support of Request
3. Conciliation Agreement

Certification ¶ 1, MUR 3620 (DSCC) (Nov. 16, 2012) (finding that respondent “has fulfilled its obligations under the Conciliation Agreement and is relieved from satisfying the remedial measures contained in paragraph VI.2”). The present conciliation agreement states that “Respondents agree that they shall not undertake any activity which is in violation of [the Act],” an obligation which exists independent of the remedial provision and is ongoing rather than having been fulfilled. *See* Conciliation Agreement ¶ VIII. We recommend that the Commission decline to make such a finding and instead focus its determination on the specific provision implicated by changes in the Act and its regulations which is at the heart of the respondent’s request here. *See* Certification ¶¶ 1-2, MUR 5635 (Viguerie Company, *et al.*) (Sept. 15, 2016) (finding that two paragraphs of a corporation’s conciliation agreement would not prevent respondent from entering into “no risk” direct mail fundraising agreements with independent expenditure only committees or hybrid PACs).

COVINGTON

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Lisa J. Stevenson
Acting General Counsel
Federal Election Commission
1050 First St. NE, Washington
Washington, DC 20463

July 24, 2024

Re: Conciliation Agreement in MUR 1604

Dear Ms. Stevenson:

We are writing regarding the Conciliation Agreement among the Federal Election Commission (the “Commission”), the Brady Campaign to Prevent Gun Violence (“Brady Campaign”) (formerly known as Handgun Control, Inc.), and Handgun Control Political Action Committee (“HCI-PAC”). The Conciliation Agreement was reached in 1984, pursuant to MUR 1604.

In MUR 1604, the complainant, the National Rifle Association of America (“NRA”), alleged that Handgun Control, Inc. (“HCI”), and HCI-PAC unlawfully solicited contributions to HCI-PAC from individuals who were not members of HCI, violating 2 U.S.C. § 441b(b)(4)(A)(i) (now 52 U.S.C. § 30118(b)(4)(A)(i)).

In 1984, the Commission and HCI resolved the matter through a Conciliation Agreement. The Conciliation Agreement required “that the rights of membership in [HCI] shall include the right to participate in annual meetings and to elect a Director to the Governing Board of [HCI] (“publicly elected board member”).” At the time, the relevant regulation required that individuals have “some right to participate in the governance of the organization” to qualify as “members.” HCI also agreed to “establish a predetermined minimum amount of dues or contributions which shall not be less than the current ‘suggested dues.’”

Now, almost forty years after the original complaint’s filing, Brady Campaign remains bound by these restrictions, despite the fact that:

1. Brady Campaign no longer operates or controls a Connected Committee as defined by the Act; and
2. Commission regulations no longer require individuals to have “some right to participate in the governance of the organization” to qualify as “members” within a “membership organization.”

Brady Campaign submits that there have been sufficient changes in the facts and the law since 1984 for the Commission to conclude that (i) continued satisfaction and enforcement of

the remedial provisions of the Conciliation Agreement regarding the publicly elected board member are no longer warranted and (ii) that Brady Campaign has fulfilled its obligations under the Conciliation Agreement, provided that Brady Campaign continues to comply with 52 U.S.C. § 30118 and 11 C.F.R. § 114.1.

I. Background of MUR 1604

In 1983, the NRA filed a complaint alleging that HCI and HCI-PAC unlawfully solicited contributions to HCI-PAC from individuals who were not members of HCI, violating 2 U.S.C. § 441b(b)(4)(A)(i) (now 52 U.S.C. § 30118(b)(4)(A)(i)).¹

At the time, Commission regulations defined “members” as “all persons who are currently satisfying the requirements for membership in a membership organization, trade association, cooperative, or corporation without capital stock.”² In interpreting the regulation, the Commission determined that whether someone was a “member” turned on whether that person had “any interests and rights in the organization through *some right to participate in the governance of the organization* and an obligation to help sustain the organization through regular financial contributions of a predetermined minimum amount.”³ The Conciliation Agreement sets out the following standard for membership:

[A] person can only be considered a member of a corporation without capital stock if: he or she has knowingly taken some affirmative steps to become a member of the organization; the membership relationship is evidenced by the existence of rights and obligations vis-a-vis the corporation; and, there is a predetermined minimum amount for dues or contributions.⁴

Before the Commission complaint by the NRA, HCI considered any HCI donor to be a member of HCI for 24 months after the donation.⁵ Some of HCI’s solicitations to potential members stated “suggested dues” of \$15.⁶ These solicitations also informed individuals that a contribution to HCI would result in membership in HCI.⁷ Relying on the exemption for membership communications, HCI solicited contributions from those members to HCI-PAC.

¹ See MUR 1604, Conciliation Agreement (July 10, 1984).

² 11 C.F.R. § 114.1(e) (1984).

³ Federal Election Comm’n Advisory Opinion 1984-22 (June 18, 1984) (emphasis added).

⁴ MUR 1604, at 3.

⁵ The Agreement notes that during this time, “the only requirement for membership in HCI was a financial contribution of any amount,” and “those individuals HCI considered to be its members were not entitled to a vote in HCI affairs or entitled to vote for HCI officials.” *Id.* at 7.

⁶ *Id.* § IV(C)(6).

⁷ *Id.*

In July 1984, HCI and HCI-PAC entered into the Conciliation Agreement with the Commission to settle the matter.⁸ In the Agreement, HCI acknowledged that it had solicited contributions to HCI-PAC, its connected political committee, from individuals who did not qualify as members of HCI within the meaning of the Federal Election Campaign Act (“FECA”) and the Commission’s interpretation of FECA.⁹ Consistent with the Commission’s view at the time as to the applicable meaning of “members,” HCI agreed in the Conciliation Agreement to “establish a predetermined minimum amount of dues or contributions” and that “the rights of membership in HCI shall include the right to participate in annual meetings and to elect a Director to the Governing Board of HCI.”¹⁰

II. Brady Campaign’s Current Practices

The Brady Campaign to Prevent Gun Violence is organized as a nonprofit corporation under section 501(c)(4) of the Internal Revenue Code. Brady Campaign’s mission is to advocate for gun violence prevention through education, litigation, and legislation. Brady Campaign is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual for federal office.

Unlike the circumstances in MUR 1604, Brady Campaign no longer operates or controls a Connected PAC registered under the Act. From this, the circumstances that precipitated the complaint and Conciliation Agreement are no longer applicable.

Separately, assuming that the Act’s “membership” construct applied, Brady Campaign’s Bylaws set forth the qualifications and requirements for Public Members of the organization. Pursuant to Brady’s Bylaws and internal agreements, the organization is managed by a Board of Trustees that comprises at least in part Brady Campaign’s Public Members and includes a seat for a trustee elected by the membership.¹¹ Public Members are also entitled to vote on matters presented at meetings of Public Members.¹² Brady Campaign’s Bylaws and other formal organizational documents are made available to all members upon request.

Brady Campaign has established a predetermined minimum amount of dues or amounts of \$25 annually to be a member. Brady Campaign expressly solicits persons to become members through mail and online communications and acknowledges the acceptance of membership by sending a membership card or confirmation communication.

All members from whom Brady Campaign solicits amounts satisfy Brady Campaign’s requirements for membership. Members affirmatively accept Brady Campaign’s invitation to

⁸ *Id.* at 8.

⁹ In the Matter of Handgun Control, Inc.; Handgun Control Political Action Committee; Charles Orasin, as treasurer, MUR 1604 (July 6, 1984), at 8.

¹⁰ *Id.* at 8-9.

¹¹ Decl. of Joshua Scharff ¶ 2; Brady Bylaws, Article II, Sections 3.1 – 3.3.

¹² Decl. of Joshua Scharff ¶ 4; Brady Bylaws Article II, Section 2.8.

become a member by clicking on an embedded link in online solicitations and completing the relevant form in mail solicitations, which contain a statement that the first \$25 of the donation activates annual membership status with Brady Campaign. Finally, all Brady Campaign members pay \$25 in membership dues annually, the specific amount predetermined by Brady Campaign, pursuant to its Bylaws.¹³

III. Changes in Factual and Legal Circumstances Justify Relieving Brady Campaign from Satisfying the Ongoing Remedial Measure of the Conciliation Agreement Regarding a Publicly Elected Board Member

New factual and legal circumstances should release Brady Campaign from the Conciliation Agreement's requirement to have a publicly elected board member. As an initial matter, FECA prohibits corporations, including nonprofit corporations, from making contributions to candidates in federal elections.¹⁴ Although *Citizens United* in 2010 overturned the ban on corporate "independent expenditures," *i.e.*, expenditures not made in coordination with candidates, corporations still may not make expenditures coordinated with candidates. One exception to the prohibition on corporate contributions and coordinated expenditures allows political communications between membership organizations and their members. Membership organizations are specifically permitted to solicit contributions – as defined by the FECA – from their members.¹⁵

In the time since the Conciliation Agreement among the Commission, HCI, and HCI-PAC, the Commission has changed its interpretation of the law underlying the Conciliation Agreement. Commission regulations no longer require that individuals have "some right to participate in the governance of the organization" to qualify as "members." So, federal campaign finance law no longer requires Brady Campaign to allow its members to elect a Trustee in order for it to send solicitations for contributions to its members. Under current regulations, Brady Campaign is a membership organization, and individuals who pay annual membership dues predetermined by Brady Campaign are "members" of Brady Campaign, even if they do not have the right to elect a trustee.

A. Brady Campaign No Longer Operates or Controls a Connected PAC Registered under the Act. From This, the Circumstances That Precipitated the Complaint and Conciliation Agreement Are No Longer Applicable

The statutes and Commission rules dealt with in the Conciliation Agreement are simply inapplicable to Brady Campaign's present circumstances. While for many years Brady continued to maintain a Connected PAC – Brady Campaign to Prevent Gun Violence – Voter

¹³ Decl. of Joshua Scharff ¶ 5.

¹⁴ 52 U.S.C. §§ 30118(a), (b)(4)(A)(i).

¹⁵ *Id.* § 30118(b)(4)(C).

Education Fund – it no longer does so.¹⁶ As such, the prohibitions implicated in the Conciliation Agreement no longer reflect Brady’s current circumstances, as it does not control or operate a Connected PAC.

B. Brady Campaign is a Membership Organization under Current Regulations

Separately, Brady Campaign is in compliance with the Conciliation Agreement. Commission regulations define a membership organization as an unincorporated association, trade association, cooperative, corporation without capital stock, or a local, national, or international labor organization that:

1. Is composed of members, some or all of whom are vested with the power and authority to operate or administer the organization, pursuant to the organization's articles, bylaws, constitution or other formal organizational documents;
2. Expressly states the qualifications and requirements for membership in its articles, bylaws, constitution or other formal organizational documents;
3. Makes its articles, bylaws, constitution or other formal organizational documents available to its members upon request;
4. Expressly solicits persons to become members;
5. Expressly acknowledges the acceptance of membership, such as by sending a membership card or including the member’s name on a membership newsletter list; and;
6. Is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual for Federal office.¹⁷

Brady is organized as a nonprofit corporation under section 501(c)(4) of the Internal Revenue Code and meets all six requirements under the regulation.

First, Brady is managed by the Board of Trustees, which comprises at least in part its Public Members.¹⁸ Additionally, each Public Member is entitled to one vote on matters presented at meetings of Public Members.¹⁹ Public Members are also currently entitled to elect at least one member of the Board of Trustees (which is responsible for managing the affairs of

¹⁶ See Brady Campaign to Prevent Gun Violence – Voter Education Fund, <https://www.fec.gov/data/committee/COO113449/>.

¹⁷ 11 C.F.R. § 114.1(e)(1).

¹⁸ Decl. of Joshua Scharff ¶ 2; Brady Bylaws, Article II, Sections 3.1 – 3.3.

¹⁹ Decl. of Joshua Scharff ¶ 4; Brady Bylaws Article II, Section 2.8.

Brady and, in particular, setting organizational policy and long-term strategy) and to fill any vacancy created by the death, resignation, or removal of such elected trustee(s).²⁰

Second, Brady's Bylaws expressly state the qualifications and requirements for membership. "Public Members" are defined as "those persons who have accepted [Brady's] invitation to become Members and who have paid membership dues within the preceding 12 months," with the amount of such dues to be set by Brady's Board of Trustees from time to time.²¹ The Bylaws provide that Brady will issue to each member an "appropriate acknowledgement of membership."²²

Third, Brady makes its articles, bylaws, constitution, or other formal organizational documents available to its members upon request.²³

Fourth, Brady expressly solicits persons to become members through mail and online communications. Mail solicitations state that "the first \$25 of your contribution activates your annual membership status with the Brady Campaign." Online solicitations state, "[T]he first \$25 of your [donation] activates your annual membership status with the Brady Campaign if you want to make a tax-deductible donation to the Brady Center: click here to donate" and includes an embedded link that directs users to enter payment information.

Fifth, Brady Campaign expressly acknowledges the acceptance of membership. It sends membership cards to all members that enroll via direct mail. It sends email confirmation messages to members that enroll via email on the organization's behalf. The confirmation email welcomes each new member and provides them a receipt for their payment with the following language:²⁴

Thank you for your generous contribution and for joining Brady as one of our newest members. As a Brady Campaign Member, you play a key role in our ability to save lives and prevent gun injuries. Here are more ways to be involved: Join our Facebook team @Bradycampaign, call your lawmakers about common-sense gun laws, and

²⁰ Decl. of Joshua Scharff ¶ 4; Brady Campaign Bylaws, Article II, Section 2.1(a); Article III, Section 3.1. This section of the bylaws were implemented in response to the remedial provisions of the Conciliation Agreement regarding the publicly elected board member. As indicated, due to changes in the law and facts, Brady Campaign submits that continuing to require a publicly elected board member is no longer warranted.

²¹ Decl. of Joshua Scharff ¶ 3.

²² *Id.*; Brady Campaign Bylaws, Article III, Section 2.1(a).

²³ An organization can satisfy the bylaws requirement if the bylaws are made available upon request. See, e.g., [AO 2018-02](#) at 7 ("Third, the Academy makes its bylaws available to its members upon request, consistent with 11 C.F.R. § 114.1(e)(1)(iii)"); [AO 2016-11](#) at 4 ("Third, PCG makes its bylaws available to members of the organization upon request, in accordance with section 114.1(e)(1)(iii)").

²⁴ See [AO 2018-02 \(McBride\)](#) (sending an email on the membership organization's behalf welcoming each new member and providing the member with a receipt for payment was an express acknowledgement of a member's acceptance of membership under the regulation).

learn more at www.BradyUnited.org. You can also contact Brady Campaign Member Services at (202) 370-8100.

Finally, Brady Campaign is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual for federal office. Rather, Brady Campaign's mission is to advocate for gun control and against gun violence through education, litigation, and legislation.²⁵

C. Individuals who Pay Annual Membership Dues of \$25 are “Members” of Brady Campaign Under Current Regulations

Commission regulations no longer require that individuals have “some right to participate in the governance of the organization” to qualify as “members.” Current regulations define “members” as “all persons who are currently satisfying the requirements for membership in a membership organization, affirmatively accept the membership organization’s invitation to become a member, and:

1. Have some significant financial attachment to the membership organization, such as a significant investment or ownership stake; or
2. Pay membership dues at least annually, of a specific amount predetermined by the organization; or
3. Have a significant organizational attachment to the membership organization which includes: affirmation of membership on at least an annual basis; and direct participatory rights in the governance of the organization. For example, such rights could include the right to vote directly or indirectly for at least one individual on the membership organization’s highest governing board; the right to vote directly for organization officers; the right to vote on policy questions where the highest governing body of the membership organization is obligated to abide by the results; the right to approve the organization’s annual budget; or the right to participate directly in similar aspects of the organization’s governance.”²⁶

Brady Campaign members qualify as members under the regulation. First, all members satisfy Brady Campaign’s requirements for membership. Second, members affirmatively accept Brady’s invitation to become a member by clicking on the embedded link in online solicitations and completing the relevant form in mail solicitations, which contain a written statement that the first \$25 of the contribution activates annual membership status with Brady Campaign.²⁷

²⁵ See About Brady Campaign, BRADY, <https://www.bradyunited.org/about>.

²⁶ 11 C.F.R. § 114.1(e)(2) (emphasis added).

²⁷ Fed. Reg. Vol. 58, No. 166 (August 30, 1993), available at <https://sers.fec.gov/fosers/showpdf.htm?docid=87037#page=3> (“a check with the notation ‘dues’ or some similar indication, either on the check or an accompanying written document, would be sufficient.”).

Finally, members pay \$25 in membership dues annually, the specific amount predetermined by Brady, pursuant to its Bylaws.²⁸

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'DL' followed by a stylized flourish.

Derek Lawlor
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One CityCenter
850 Tenth Street, NW
Washington, DC 20001
(202) 662-6000

²⁸ Decl. of Joshua Scharff ¶ 5.

BEFORE THE FEDERAL ELECTION COMMISSION

_____))
Conciliation Agreement in MUR 1604)
_____))

DECLARATION OF JOSHUA SCHARFF

I, Joshua Scharff, declare as follows based on personal knowledge:

1. I am the General Counsel and Senior Director of Programs at the Brady Campaign to Prevent Gun Violence ("Brady Campaign"). I attest that Brady Campaign's Bylaws and internal agreements contain the below provisions, as of the date of this declaration.
2. Brady Campaign's Bylaws and internal agreements provide that the organization is managed by a Board of Trustees that comprises at least in part Brady Campaign's Public Members and includes a seat for a trustee elected by the membership.
3. The Bylaws define "Public Members" as "those persons who have accepted [Brady's] invitation to become Members and who have paid membership dues within the preceding 12 months," with the amount of such dues to be set by Brady's Board of Trustees from time to time. The Bylaws state that Brady will issue to each member an "appropriate acknowledgement of membership."
4. Under the Bylaws, Public Members are entitled to one vote on matters presented at meetings of Public Members. They may elect at least one member of the Board of Trustees and to fill any vacancy created by the death, resignation, or removal of such elected trustee(s).
5. The specific amount of dues that Brady Campaign members pay is predetermined by Brady Campaign, pursuant to the Bylaws.

* * *

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Date:

By:



JOSHUA SCHARFF

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Handgun Control, Inc.;)
Handgun Control Political)
Action Committee;)
Charles Orasin, as treasurer)

MUR 1604

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the National Rifle Association of America. The Commission found reason to believe that Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCI-PAC"), and Charles Orasin, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

- A. (1) HCI is a corporation without capital stock and incorporated in the District of Columbia.
- (2) HCI-PAC is a political committee which has been registered with the Commission since September 17, 1979.
- (3) HCI is the connected organization of HCI-PAC.
- (4) Charles Orasin is the treasurer of HCI-PAC.
- B. (1) Section 441b(b)(4)(A)(i) of Title 2, United States Code, provides that a corporation, or a separate segregated fund established by a corporation, may only solicit contributions to such a fund from its stockholders and their families and its executive or administrative personnel and their families, except that under Section 441b(b)(4)(C) of Title 2, United States Code, a corporation without capital stock, may solicit contributions from members of the corporation without capital stock.
- (2) Section 114.1(e) of Title 11, Code of Federal Regulations, defines the term "member" to mean all persons who are currently satisfying the requirements for membership in a corporation without capital stock.
- (3) In interpreting its regulations, the Commission has concluded that a person can only be considered a "member" of a corporation without capital stock if: he or she has knowingly taken some affirmative steps to become a member of the organization; the membership relationship is evidenced by the existence of rights and obligations vis-

a-vis the corporation; and, there is a predetermined minimum amount for dues or contributions.

C. (1) Prior to June 10, 1980, Article VI of HCI's bylaws stated: "The Council shall have members. The Governing Board may in its discretion, by resolution, establish the terms and conditions of such membership and the dues which members shall be required to pay."

(2) On June 10, 1980, Article VI of HCI's bylaws were amended to state: "A member of Handgun Control, Inc. shall be anyone who has contributed to the organization within the last 24 months."

(3) From 1979 through 1983 individuals who made a financial contribution to HCI were considered to be members of HCI for the ensuing 24 month period. No predetermined minimum amount for dues or contributions was required.

(4) From 1979 through 1983, the only requirement for membership in HCI was a financial contribution of any amount.

(5) From 1979 through 1983, those individuals HCI considered to be its members were not entitled to a vote in HCI affairs or entitled to vote for HCI officials.

(6) From 1979 through 1983, some of HCI's solicitations to potential members stated that "suggested dues" were \$15. Such solicitations also informed individuals that a contribution to HCI would result in membership in HCI.

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(7) HCI contends its membership practices were in full compliance with the requirements for membership in the corporation and in full compliance with the laws of the District of Columbia.

(8) From 1979 through 1983, membership renewals were mailed by HCI to those individuals considered to be its members.

(9) From 1979 through 1983, HCI provided newsletters and regular publications, and other materials at no cost to those individuals considered to be its members.

(10) From 1979 through 1983, Respondents solicited contributions to HCI-PAC only from those individuals whom they considered to be members of HCI, and HCI-PAC received \$478,095 in contributions from those individuals.

V. The Commission has determined that Respondents violated 2 U.S.C. § 441b(b)(4)(A)(i) by soliciting contributions to HCI-PAC from individuals who do not constitute "members" of HCI within the meaning of the Federal Election Campaign Act of 1971, as amended, the Commission's regulations, and the Commission's interpretation thereunder.

VI. For purposes of settling this matter with regards to the Respondents, Respondents will pay a civil penalty in the amount of Fifteen Thousand Dollars (\$15,000) to the United States Treasurer, pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondent HCI agrees that, as requirements for membership in HCI, it shall establish a predetermined minimum amount of dues

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or contributions which shall not be less than the current "suggested dues" and that the rights of membership in HCI shall include the right to participate in annual meetings and to elect a Director to the Governing Board of HCI and Respondents agree that they will not solicit contributions to HCI-PAC from any individual who does not constitute a "member" of HCI within the meaning of the Federal Election Campaign Act of 1971, as amended, the Commission's regulations, and the Commission's interpretation thereunder.

VIII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

IX. It is agreed that this Conciliation Agreement is entered into in accordance with 2 U.S.C. §437g(a)(5)(A) and 2 U.S.C. §437g(a)(4)(A), and this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission against the Respondents with respect to all solicitations by HCI and HCI-PAC for contributions to HCI-PAC prior to the execution of this Agreement.

X. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XI. This Agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire Agreement.

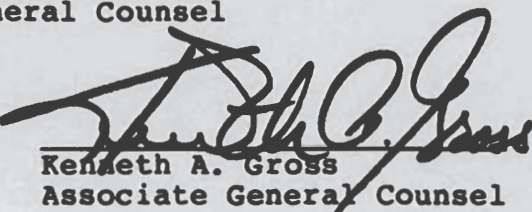
XII. Respondents shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

XIII. This Conciliation Agreement constitutes the entire Agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written Agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY:


Kenneth A. Gross
Associate General Counsel

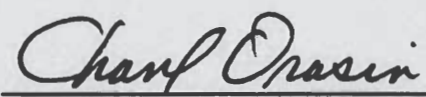

Date

July 16, 1984

FOR THE RESPONDENTS:

Handgun Control, Inc.

BY:


Charles Orasin, Executive
Vice-President of Handgun
Control, Inc.

7-10-84

Handgun Control, Inc. -
Political Action Committee

BY:


Charles Orasin, Treasurer

7-10-84
Date

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CHARLES ORASIN

BY: Charles Orasin

7-10-84
Date

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