FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 13, 2012

VIA ELECTRONIC & CERTIFIED MAIL

Lyn Utrecht, Esq.
Eric F. Kleinfeld, Esq.
Patricia A. Fiori, Esq.
Karen A. Zeglis, Esq.
Utrecht & Phillips, PLLC
1900 M Street, N.W.
Suite 500
Washington, D.C. 20036

Re: John Edwards and John Edwards for President (LRA 743)

Dear Ms. Utrecht, Mr. Kleinfeld, Ms. Fiori, and Ms. Zeglis:

The Commission has considered the response filed on behalf of John Edwards and John Edwards for President to the Commission's repayment determination. On March 12, 2012, the Commission determined, after administrative review, that John Edwards and John Edwards for President must repay $2,136,507 to the United States Treasury.

Enclosed is a Statement of Reasons that sets forth the legal and factual basis for the Commission's determination, and the accompanying vote certification. 11 C.F.R. § 9038.2(c)(3). John Edwards and John Edwards for President must repay $2,136,507 to the United States Treasury within 30 calendar days after service of this Repayment Determination After Administrative Review. 11 C.F.R. § 9038.2(c)(3), (d)(2). Judicial review of the Commission's determination is available pursuant to 26 U.S.C. § 9041. If you have any questions regarding the Commission's determination, you may contact me at (202) 694-1650.

Sincerely,

Lawrence L. Calvert
Associate General Counsel

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Edwards for President – Statement	)	LRA 743
Of Reasons in Support of Repayment	)	
Determination after Administrative	)	
Review	)	

CERTIFICATION

I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election Commission, do hereby certify that on March 12, 2012, the Commission decided by a vote of 6-0 to take the following actions in LRA 743:

1. Determine that John Edwards and the John Edwards for President Committee must repay $2,136,507 to the United States Treasury for matching funds received in excess of the candidate's entitlement.

2. Approve the Statement of Reasons.

3. Approve the appropriate letter.

Commissioners Bauerly, Hunter, McGahn II, Petersen, Walther, and Weintraub voted affirmatively for the decision.

Attest:

March 12, 2012
Date

Shawn Woodhead Werth
Secretary and Clerk of the Commission

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
John Edwards	)	LRA 743
John Edwards for President	)	

STATEMENT OF REASONS IN SUPPORT OF REPAYMENT DETERMINATION AFTER ADMINISTRATIVE REVIEW

I. SUMMARY OF REPAYMENT DETERMINATION AFTER ADMINISTRATIVE REVIEW

Pursuant to 26 U.S.C. § 9038(b)(1), on March 12, 2012, the Federal Election Commission ("the Commission") determines, after administrative review, that John Edwards and the John Edwards for President Committee (collectively, "Edwards" or "the Committee") must repay $2,136,507 to the United States Treasury for matching funds received in excess of the candidate's entitlement. Therefore, for the reasons set forth below, the Commission orders Edwards to repay $2,136,507 to the United States Treasury within 30 calendar days after service of this Repayment Determination After Administrative Review. 11 C.F.R. § 9038.2(c)(3), (d)(2).

II. PROCEDURAL BACKGROUND AND THE COMMITTEE'S ARGUMENTS

John Edwards sought the Democratic Party's nomination for the Office of President of the United States in the 2008 primary election. John Edwards for President, his principal campaign committee, registered with the Commission in January 2007. Edwards applied for matching funds, and the Commission determined that he was eligible to receive matching funds on November 1, 2007. Edwards received a total of $12,882,878 in matching funds from the United States Treasury. Edwards' date of ineligibility ("DOI") was January 30, 2008, the day he withdrew from the presidential race. *See* 11 C.F.R. § 9033.5(a).

On July 28, 2011, the Commission approved the Audit Report and determined that Edwards must repay $2,136,507 to the United States Treasury for matching funds received in

excess of the candidate's entitlement. *See* Attachment 1 (Audit Report). The Committee thereafter submitted a written response disputing and seeking administrative review of the Commission's repayment determination.[1] *See* Attachment 2 (Request for Administrative Review). The Committee advances three principal arguments in support of its position that there should be no repayment or, in the alternative, a lesser repayment. *See id.*

1. The Committee contends that, because "a series of unprecedented and extraordinary events that occurred during the 2008 campaign," including the Commission's lack of a quorum and a shortfall in the Presidential Primary Matching Payment Account, delayed matching fund payments to the Committee, the Commission incorrectly determined that the Committee received funds in excess of entitlement. *Id.* at 1, 6-8.

2. The Committee contends that the Commission should allow the Committee to "re-allocate" actual and anticipated costs related to providing information to the Department of Justice ("DOJ") as qualified campaign expenses that are not winding down costs, or, alternatively, exclude these costs from the ten percent winding down limitation under 11 C.F.R. § 9034.11. *Id.* at 8.

3. The Committee contends that $528,454 in payroll expenses were qualified campaign expenses. *Id.* at 1-6.

After careful consideration, the Commission determines that none of these arguments has merit.

III. LEGAL BACKGROUND

The Commission's initial repayment determination was based on a determination that Edwards received more than the aggregate amount of matching funds to which he was entitled. 11 C.F.R. § 9038.2(b)(1). When a candidate receives more matching funds than the aggregate amount of payments that the candidate is entitled to receive, the candidate must repay the excess amount to the United States Treasury. *Id.*

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[1] In its Request for Administrative Review, the Committee also sought, and the Commission approved, a request for an oral hearing pursuant to 11 C.F.R. § 9038.2(c)(2)(ii). The Committee subsequently withdrew this request on November 22, 2011, and the Commission, therefore, did not hold an oral hearing.

Prior to DOI, a candidate is entitled to one dollar of matching funds for every matchable dollar of contributions received and submitted for matching. 11 C.F.R. § 9034.1(a). After DOI, a candidate's entitlement to matching funds is limited to the remaining amount of the candidate's "net outstanding campaign obligations" ("NOCO") on the date of payment by the United States Treasury. 11 C.F.R. § 9034.1(b). NOCO is defined as the difference between a candidate's outstanding obligations for qualified campaign expenses as of the candidate's DOI plus estimated winding down costs and the committee's total cash-on-hand, assets, and receivables. 11 C.F.R. § 9034.5(a). To receive matching funds on or after DOI, the total of the contributions and matching funds received by the candidate on or after DOI must be less than the NOCO. 11 C.F.R. § 9034.1(b).

When the Commission audits a publicly funded candidate's committee, the Commission determines the NOCO, and compares the amount of matching funds that the candidate received after DOI to the amount that the candidate was entitled to receive, to determine whether the candidate received funds in excess of entitlement. *See* 11 C.F.R. § 9038.2(b)(1)(i).[2]

IV. REPAYMENT DETERMINATION AFTER ADMINISTRATIVE REVIEW

After reviewing the Committee's Request for Administrative Review, the Commission is not persuaded by the Committee's arguments. Therefore, the Commission again concludes that Edwards must repay $2,136,507 to the United States Treasury. *See* 26 U.S.C. § 9038(b)(1). We reach this conclusion for the reasons set forth below.

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[2] When a committee argues, during the audit or on administrative review of a repayment determination, that a particular expense should have been included on the NOCO Statement, it is arguing that the amount of its NOCO should be increased, which necessarily would decrease any potential repayment amount for funds that the candidate received in excess of entitlement.

A. THE COMMITTEE'S GENERAL OBJECTION TO REPAYMENT OF MATCHING FUNDS IS NOT PERSUASIVE

The Committee first disagrees with the Commission's interpretation of the Presidential Primary Matching Payment Account Act. Specifically, the Committee argues that no repayment is due because the Commission's regulations are "not supported by applicable statutory provisions and would lead to an inequitable result with regard to [the Committee]." Attachment 2 at 6; *see also* Response of John Edwards for President to the Draft Final Audit Report ("DFAR") at 4-6 (June 13, 2011); Response of John Edwards for President to the Preliminary Audit Report ("PAR") at 4-5 (Dec. 14, 2010).

As we understand the Committee's argument, it contends that if the Committee received a matchable contribution prior to the candidate's DOI, it is entitled to a matching payment for that contribution, regardless of when it submitted the contribution for matching and regardless of whether the matching payment was made prior to or after DOI. The Committee thus argues that the size of its NOCO at the time the United States Treasury actually paid the matching funds is irrelevant to the Committee's entitlement and that the Commission has "interpret[ed] the statutory language in a way that completely undermines the plain language of the statute." Attachment 2 at 8.

We disagree. The Presidential Primary Matching Payment Account Act instructs that "no payment shall be made [from the Treasury] to any individual . . . if such individual ceases to be a candidate," 26 U.S.C. § 9033(c)(1), except that the candidate "shall be eligible to continue to receive payments . . . to defray qualified campaign expenses incurred before the date upon which such candidate becomes ineligible." 26 U.S.C. § 9033(c)(2). The Commission's regulations interpret this provision to mean that an ineligible candidate without NOCO has no entitlement to

additional matching payments from the United States Treasury "*regardless of the date of deposit of the underlying contributions.*" 11 C.F.R. § 9034.1(a) (emphasis added).

This is not an issue of first impression. The Commission has consistently rejected arguments similar to the Committee's and concluded that for an ineligible candidate to receive matching funds, the ineligible candidate must have remaining debts on the most recent NOCO Statement. *See, e.g.,* 11 C.F.R. § 9034.1(a)-(b); Explanation and Justification for 11 C.F.R. § 9034.1, 48 Fed. Reg. 5,224, 5,227 (Feb. 4, 1983); Mondale for President Committee Final Audit Report ("FAR") at 57-58, 64-68 (Oct. 28, 1986); Dukakis for President Committee FAR at 31-33 (Dec. 17, 1991); Clinton/Gore '92 Committee FAR at 12-13 (Dec. 27, 1994). To accept the Committee's argument would require the Commission to depart from its long-standing interpretation of the Presidential Primary Matching Payment Account Act. As the Commission noted at length in the Clinton/Gore '92 Committee FAR, the Commission has a long and consistent history of conditioning a candidate's remaining entitlement after DOI on the candidate's NOCO at the time the matching funds are paid. Section 9034.1(b) of the Commission's regulations states that after DOI, candidates may continue to receive payments only to the extent they have sufficient NOCO. The Commission considered this requirement in a December 1976 internal memorandum proposing the rule that "a candidate shall be entitled to no further matching funds if, at the time of any submission for certification, the total contributions and matching funds received after the ineligibility date equals or exceeds the net obligations outstanding on the date of ineligibility." The 1979 Explanation and Justification for section 9034.1 explained that the regulation "follows the legislative intent of 26 U.S.C. [§] 9033(c)(1), which provides that payments are cut off to a candidate who becomes inactive, except where those payments are used to defray expenses incurred before the date of ineligibility. Therefore, if a campaign has no debts

for qualified campaign expenses on the date of ineligibility, no further matching funds are forthcoming." Explanation and Justification for 11 C.F.R. § 9034.1, 44 Fed. Reg. 20,336, 20,339 (Apr. 4, 1979).

In 1983, the Commission revised these regulations to make clear "that to receive matching funds after the date of ineligibility, candidates must have net outstanding campaign obligations as of the date of payment rather than the date of submission. Thus, if the candidate's financial position changed between the date of his or her submission for matching funds and the date of payment, reducing the candidate's net outstanding campaign obligations, that candidate's entitlement would be reduced accordingly." Explanation and Justification for 11 C.F.R. § 9034.1, 48 Fed. Reg. 5,224, 5,227 (Feb. 4, 1983); *see also* Explanation and Justification for 11 C.F.R. § 9034.5, 60 Fed. Reg. 31,854, 31,868 (June 16, 1995). The D.C. Circuit has upheld the Commission's regulation. *LaRouche v. FEC*, 28 F.3d 137, 141 (D.C. Cir. 1994) ("[We] fail to discern why it was impermissible for the Commission to adopt a regulation that terminates post-DOI matching payments as soon as a candidate has received sufficient matching funds from private and public sources to liquidate his NOCO, whether or not they are so used.").

Thus, the Commission rejects the Committee's argument that, based on the statute, the size of its NOCO at the time the United States Treasury actually paid the matching funds is irrelevant to the Committee's entitlement to matching funds.

The Committee next argues that unique factual circumstances present in 2007 and 2008 demonstrate that the Commission's position is wrong and that the Committee's asserted position is the only fair approach to determining the Committee's entitlement to public funds. The Committee's argument does not withstand scrutiny.

The Commission first determined on November 1, 2007 that John Edwards was eligible for and entitled to matching funds. Under normal circumstances, the United States Treasury would have made the initial payment of matching funds to the Committee on January 2, 2008, the first business day of the election year. *See* 11 C.F.R. §§ 9037.1, 9037.2. As a result of a shortfall in the Presidential Election Campaign Fund, however, there were no funds available in the Presidential Primary Matching Payment Account for the Treasury to pay to Edwards (or any other candidate) on January 2. *See* 26 U.S.C. § 9037(a). The Treasury did not make the first payment to the Committee until February 14, 2008.

Edwards withdrew from the campaign on January 30, 2008, making that date his DOI. *See* 11 C.F.R. § 9033.5. As of that date, as recounted above, he had received no payments from the Treasury and would not for another 15 days.

An additional complication emerged when, on December 31, 2007, the Commission lost its quorum. As a result, it could not certify Edwards' entitlement to any amounts in addition to those it had certified earlier that month. *See* 2 U.S.C. § 437c(e); 26 U.S.C. § 9036. The Commission remained without a quorum until July 2008 and therefore was unable to certify Edwards' entitlement to any additional amounts until that time, some six months after the candidate's DOI.

The Committee asserts that but for the shortfall in the Presidential Primary Matching Payment Account and the lack of a Commission quorum, it would have already received by January 30, 2008 all but $2.9 million of the $12.8 million in matching funds it was eventually paid. Thus, it argues, none of the amount it would have received prior to DOI would have been subject to repayment for having been received in excess of entitlement. *See* Attachment 2 at 6-7; *see also* Response of John Edwards for President to the DFAR at 4-6 (June 13, 2011); Response of John Edwards for President to the PAR at 4-5 (Dec. 14, 2010). Thus, the Committee argues that the

Commission should change its approach and pay matching funds for all matchable contributions deposited by the Committee prior to DOI, because otherwise shortfalls in the Presidential Primary Matching Payment Account and unique circumstances such as the lack of a Commission quorum will shortchange committees, preventing them from receiving funds they otherwise would have received, or, in some instances, such as this one, requiring them to repay funds that they otherwise would not have had to repay. *See id.*

The question, then, is whether, as the Committee claims, the unique circumstances of 2007 and 2008 require the Commission to ignore the plain meaning of 11 C.F.R. § 9034.1 and change its long standing practice and policy. We conclude they do not.

The Committee's claim that section 9034.1(b) "would lead to an inequitable result with regard to [the Committee]," *see* Attachment 2 at 6, is incorrect. When drafting the regulations, the Commission considered that a shortfall in the Presidential Election Campaign Fund might prevent a committee from being paid the full amount that the Commission had certified prior to DOI. Explanation and Justification for 11 C.F.R. § 9034.1, 56 Fed. Reg. 35,898, 35,904-05 (July 29, 1991) (noting that candidates' receipt of matching funds "could be affected by the amount of funds available in the matching payment account"). The Commission nevertheless concluded that post-DOI entitlement would be based on the candidate's NOCO at the time of payment of public funds rather than the date the matchable contributions were received or the date of submission. The Commission's regulations provide that "[a]fter the candidate's date of ineligibility, if the candidate does not receive the entire amount of matching funds on a regularly scheduled payment date due to a shortfall in the matching payment account, the candidate shall also submit a revised statement of net outstanding campaign obligations," on which basis the Commission may "revise the amount previously certified for payment." 11 C.F.R.

§ 9036.4(c)(2); *see also* 11 C.F.R. § 9034.5(f)(3). If, therefore, a shortfall delays payment, any eventual payment will be based on any subsequent NOCO Statement, and this may result in a reduction even to amounts already certified by the Commission.

In fact, the Commission treated every other 2008 presidential primary candidate who had already been determined eligible for matching funds prior to their DOI in the same manner as Edwards. The Commission conditioned those candidates' remaining entitlement after DOI on their NOCO at the time the matching funds were paid, notwithstanding the lack of a Commission quorum and the shortfall in the Presidential Primary Matching Payment Account.[3] *See, e.g.*, Memorandum from the Audit Division to the Commission, May Status Report on Matching Funds (May 30, 2008).

The Committee also contends that the lack of a Commission quorum affected the loan amount that the Committee was able to obtain from its bank. The Committee claims that it was able to obtain a loan equal only to 70 percent of its entitlement to matching funds rather than to 90

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[3] On two occasions, the Commission has treated contributions received prior to DOI as if they had been submitted and matched prior to DOI, even though those matching funds were not in fact certified by the Commission and paid by the Treasury until after the candidate's DOI. In both of those instances, however, the Commission was attempting, many months after the candidate's last possible DOI date, to remedy a failure to find the candidate eligible to participate in the program prior to his DOI. *See* Mike Gravel for President 2008 FAR at 2 (Feb. 1, 2010); LaRouche in '92 FAR at 4-6 (Dec. 5, 1994). In *Comm. to Elect Lyndon LaRouche v. FEC*, 996 F.2d 1263 (D.C. Cir. 1993), the court ordered the Commission to retroactively certify matching funds to LaRouche because the court concluded that the Commission had improperly denied his eligibility prior to his DOI. In the Gravel matter, the Commission was without a quorum when Senator Gravel submitted his letter of candidate agreements and certifications in January 2008. Not until December 2008 did the Commission conclude that Senator Gravel was eligible to receive matching funds. In that case, since the Commission did not find Senator Gravel eligible until after his party's nomination, it used that date as his DOI since it was impossible "to ascertain, in retrospect, what choices he might have made had he been deemed eligible and received matching funds earlier and how he would have fared in the primaries." Memorandum from the Office of General Counsel to the Commission, Date of Ineligibility – Senator Mike Gravel and Mike Gravel for President 2008 (LRA 748) (Jan. 21, 2009). In both instances, the Commission retroactively determined that the candidates' DOIs were the date of their parties' nominations and allowed them to treat contributions received prior to DOI as if they had been submitted and matched prior to DOI because proceeding on the basis of their NOCOs as they stood might have resulted in no payment, thus yielding no remedy for the delayed eligibility determinations. Unlike the LaRouche and Gravel cases, this case does not involve an obligation by the Commission to remedy an erroneous determination or failure to act on a question of whether the candidate was eligible in the first place. Edwards contests only the Commission's post-DOI entitlement calculation, not his eligibility.

percent, which it says would have been available had the Commission had a quorum. *See* Attachment 2 at 7.

There are two flaws in the Committee's argument. First, the Committee submitted no evidence to document its claim that the lack of public funds influenced the bank's lending decision. Second, bank loans secured by entitlement to public funds are simply alternative tools that allow committees to receive interim financing until they receive public financing. *See* 11 C.F.R. § 100.82(e)(2). Therefore, the fact that the Committee's loan was reduced due to a lack of a quorum does not make a legal difference on the question of Edwards' entitlement to public funds.

In short, regardless of whether the Committee was paid the full amount the Commission had certified prior to DOI, the Committee is entitled to receive public funds after DOI only if it has NOCO that those funds will be used to defray. The Committee's NOCO Statements at the time of payment appeared to support further payment of public funds, but the audit has revealed that the NOCO was in fact overstated. Consequently, the Commission concludes that the Committee received funds in excess of the candidate's entitlement.

B. COSTS RELATED TO DOJ INVESTIGATION ARE WINDING DOWN COSTS SUBJECT TO THE LIMITATION

The Committee urges the Commission to allow the Committee to "re-allocate" actual and anticipated costs related to providing information to DOJ as qualified campaign expenses that are not winding down costs, or, alternatively, to exclude these costs from the ten percent winding down limitation under 11 C.F.R. § 9034.11.[4] Attachment 2 at 8-9. The Committee explains that

[4] A grand jury indictment was filed against the candidate on June 3, 2011, which alleges several criminal violations of FECA. *See* Indictment, *United States v. Edwards*, 1:11 CR 161-1 (M.D.N.C. June 3, 2011). We address these issues only to the extent required to address the Committee's contention that it should be permitted additional qualified campaign expenses or winding down costs because of its own expenses as a non-party in the

it is "involved in an extensive [DOJ] investigation and proceedings" and has had to incur "substantial and unanticipated expenses for its own representation in this matter, including staff, equipment and legal costs." *Id.* at 8. The Committee states that these expenses are not related to the candidate's criminal defense but are related solely to the Committee's representation. *Id.* The Committee states that the costs incurred to date are approximately $425,000, which includes "legal fees of approximately $320,000 in addition to approximately $86,000 in costs for equipment, staffing and related expenses ($21,800.97 for new computer equipment and software to secure [the Committee's] server; $37,305.43 for IT services related to above; $27,232.45 in costs for additional staff and services; and approximately $18,000 in expenses incurred in connection with representation, including travel, lodging, and related expenses)." *Id.* at 8-9. The Committee also estimates that it will incur an additional $500,000 in future costs for several months of legal representation related to the criminal trial and post-trial appeals. *Id.*

The Committee contends that these costs are qualified campaign expenses and should have been added to the NOCO Statement, but are not typical winding down costs because they are not related to the Commission audit or compliance with the public financing laws. *Id.* at 8. Instead, it argues that these costs are "essentially qualified campaign expenses that go beyond winding down costs." *Id.* It asserts that to the extent that the DOJ prosecution addresses the question of which contributions the Committee received, the "proceedings clearly relate to a core activity of the Committee." *Id.* If accepted, the Committee's arguments would increase the Committee's liabilities for qualified campaign expenses incurred after the candidate's DOI without exceeding

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criminal case, thus increasing its NOCO and reducing its repayment. We express no view on the merits of the criminal case. The indictment and the preceding grand jury investigation were conducted independently of the Commission's audit of the Committee.

the winding down limitation, thus increasing the amount of matching funds to which it was entitled and reducing the repayment for funds received in excess of the candidate's entitlement.

The Committee's position cannot be squared with the Commission's regulations. Qualified campaign expenses are defined as expenses "incurred by or on behalf of a candidate or his or her authorized committee from the date the individual becomes a candidate through the last date of the candidate's eligibility," 26 U.S.C. § 9032(9); 11 C.F.R. § 9032.9; winding down costs after that date are also qualified campaign expenses. 11 C.F.R. §§ 9034.4(a)(3)(i), 9034.11. Winding down costs are defined as "costs associated with the termination of political activity related to a candidate's seeking his or her nomination for election[.]" *Id.* And the amount of winding down costs that may be included on a candidate's NOCO Statement are limited to the lesser of: ten percent of the overall expenditure limitation of 11 C.F.R. § 9035.1 or ten percent of the total of the candidate's expenditures subject to the overall expenditure limitation plus exempt expenses as of DOI. 11 C.F.R. § 9034.11(b). The winding down limitations apply to "[a]ll expenses incurred and paid by a candidate during the winding down period." *See* Explanation and Justification for 11 C.F.R. §§ 9004.11 and 9034.11, 68 Fed. Reg. 47,392 (Aug. 8, 2003).[5] Thus, the Committee asks the Commission to ignore its own regulations and exempt the Committee from the rules that apply to all other publicly-funded primary candidates.

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[5] Winding down expenses in excess of the limitation may in some circumstances be subject to repayment as non-qualified campaign expenses, which is a different basis for repayment than that at issue here. However, if a primary candidate pays for winding down costs in excess of the limitation after the committee's accounts no longer contain any matching funds, such payments are not non-qualified campaign expenses subject to repayment. 68 Fed. Reg. at 47,409; *see* 11 C.F.R. § 9038.2(b)(2)(iii)(B), (iv). Based on the Commission's entitlement and repayment calculations, the last matching funds would have been exhausted from the Committee's bank accounts as of April 30, 2010. After that date, the Committee could pay for winding down expenses in excess of the limitation without making non-qualified campaign expenses subject to repayment. 11 C.F.R. § 9038.2(b)(iii)(B).

We decline the Committee's invitation. The Committee's costs related to the DOJ investigation are the kind of legal and staff costs that are usually considered winding down expenses, rather than costs "beyond winding down." The winding down rule "allows candidates to classify compliance matters arising from the campaign as winding down costs." *See* 68 Fed. Reg. at 47,393. Costs related to a government agency investigation are similar to winding down costs related to Commission compliance actions. Complying with investigative requests from DOJ or any other federal or law enforcement agency is a reasonable cost of terminating a campaign. This is particularly the case here, where the Committee states that the DOJ proceedings may address what contributions the Committee received, and allegations in the indictment of the candidate relate to violations of campaign finance laws.

Moreover, the Committee's proposals are contrary to the purpose of the winding down limitations. The winding down limitations for primary and general candidates were part of several changes to the rules for winding down costs intended to avoid future disputes over winding down costs like those that had previously lengthened audit and repayment processes. *See* 68 Fed. Reg. at 47,390-91. The Commission explained that the monetary limitation "establishes a fair and readily determined amount to ensure that all campaigns are treated consistently" and that the limitation is "necessary to ensure that publicly funded campaign committees wind down as quickly and efficiently as possible and do not inflate winding down costs" to avoid repayments. *Id.* Permitting the Committee to either "re-allocate" these expenses as a separate type of qualified campaign expenses instead of winding down costs, or to exclude these costs from its winding down costs for purposes of the winding down limitation, would not treat the Committee consistently or fairly compared to all other publicly funded candidates, who are subject to the winding down limitations. Moreover, instead of avoiding lengthy disputes over specific

expenses, acceptance of the Committee's position would require that the Commission expend resources to determine which specific expenses related to DOJ activity.

Furthermore, classifying expenses related to DOJ activity as costs "beyond winding down" would create a new category of qualified campaign expenses incurred after the candidate's DOI that is not contemplated in the Commission's regulations. Generally, after DOI, candidates may use matching funds only for qualified campaign expenses incurred prior to DOI and winding down costs – subject to the ten percent ceiling. *See* 11 C.F.R. §§ 9032.9, 9034.4(a), 9034.11. Nearly all qualified campaign expenses incurred after DOI are winding down costs subject to the winding down limitation. *See* 11 C.F.R. § 9034.11. The Commission's regulations include strictly limited rules for other qualified campaign expenses after DOI for staff gifts and bonuses and convention-related costs. *See* 11 C.F.R. § 9034.4(a)(5)-(6). But the Commission has never created the kind of broad category of unlimited qualified campaign expenses incurred after DOI that the Committee seeks. Indeed, had the Commission desired to create a new category of primary election compliance costs that were "beyond winding down," it could have done so in 2003, when it considered a proposal to permit candidates to create a legal defense fund for "enforcement matters and other legal proceedings," similar to the entity that may be established by publicly funded general election candidates. *See* 68 Fed. Reg. at 47,409. It declined to do so, and explained that "a separate compliance fund is not necessary" or appropriate for primary candidates because primary candidates may use private contributions for winding down expenses in excess of the limitation when they no longer retain matching funds in their accounts. *Id.*

Therefore, we conclude that there is no basis for allowing the Committee to treat both the full amount of the winding down limitation and an additional substantial amount for qualified

campaign expenses related to the DOJ investigation as liabilities on its NOCO Statement, thereby increasing the amount of its entitlement and reducing the repayment.

C. PAYROLL EXPENSES PAID AFTER THE CANDIDATE'S DATE OF INELIGIBITY ARE NON-QUALIFIED CAMPAIGN EXPENSES

The Committee argues that $528,454 in payroll expenses were qualified campaign expenses and should have been added to the NOCO Statement because the payments were intended, in part, to compensate staff for "their work prior to" the candidate's DOI and "out-of-pocket expenses incurred during that time frame," and, in part, "for their work and expenses post-DOI to close down the campaign." Attachment 2 at 1-6. The Committee states that these payments "in every respect meet the definition of a qualified campaign expense." *Id.* at 2.

The Committee's normal pay periods for January 2008 ended on January 15, 2008 and January 30, 2008, but the Committee appears to have created an extra pay period that both began and ended on January 31, 2008 with associated payments made on February 7, 2008. This payroll involved payments totaling $761,193 to 99 staff members, and associated payroll taxes. Of this amount, there is no dispute that, as reflected in the Audit Report, $232,739 constituted qualified campaign expenses.[6] The Audit Report concluded, however, that $528,454 of these payments were non-qualified campaign expenses, and, as a result, did not include these expenses as liabilities on the NOCO Statement.

In its Request for Administrative Review, the Committee argues that $320,659 of the disputed $528,454 is attributable to lump sum payments made to staff in lieu of itemized

[6] As reflected in the Audit Report, the Committee produced documentation sufficient to verify that the $232,739 constituted staff payroll expenses incurred prior to DOI. Specifically, staffers were paid only half of their normal net salary for the pay period that ended on January 30, 2008 and were therefore owed an additional $204,322 in ordinary salary prior to DOI. In addition, five staffers were paid only a portion of their normal net salary between August 16, 2007 and January 30, 2008, and were therefore owed an additional $28,417 in ordinary salary prior to DOI.

reimbursements for lodging, fuel, and meal costs, of which $213,773 was for lump sum payments for such expenses incurred prior to DOI, and $106,886 was for lump sum payments for such expenses incurred after DOI. *See id.* at 4-5. The Committee asserts that the remaining payments at issue represent staff compensation. Specifically, the Committee argues that an unspecified portion of the disputed $528,454 was intended as a pay increase to compensate employees for additional hours worked in December 2007 and January 2008, prior to the candidate's DOI, and the remainder was intended as compensation for services rendered by staff as part of the initial week of the Committee's winding down period between January 30 and February 7, 2008. *See id.* at 2-3.[7]

As noted above, qualified campaign expenses are defined as expenses "incurred by or on behalf of a candidate or his or her authorized committee from the date the individual becomes a candidate through the last date of the candidate's eligibility," 26 U.S.C. § 9032(9); 11 C.F.R. § 9032.9, but also include winding down expenses "associated with the termination of political activity related to a candidate's seeking his or her election." 11 C.F.R. §§ 9034.4(a)(3)(i), 9034.11. Salary paid to committee staff after DOI is a winding down expense. *See id.* The Commission's regulations place the burden on a committee to prove that an expense is a qualified campaign expense, and candidates agree in writing to "obtain and furnish to the Commission any evidence it may request of qualified campaign expenses." 26 U.S.C. § 9033.1(a)(1); 11 C.F.R. § 9033.11(a); *see LaRouche's Comm. for a New Bretton Woods v. FEC*, 439 F.3d 733, 738 (D.C. Cir. 2006) (holding that the Commission was not required to find that an expense was a qualified

[7] At various other points during the audit, the Committee has asserted that the portion of the additional payroll that was intended as a "salary increase" for the period between December 23, 2007 and January 30, 2008 was $205,182, and the portion that was intended to compensate employees for winding down activities after DOI was $187,567. However, the Request for Administrative Review does not mention these amounts, and it is unclear whether the Committee is continuing to maintain that these are the amounts associated with staff compensation.

campaign expense where the committee failed to produce any document by which the Commission could either quantify or determine the reasonableness of the expense). Here, we conclude that the Committee has failed to submit adequate documentation to carry its burden.

1. Lump Sum Reimbursement Payments

The Committee submitted forms for itemized travel reimbursements that it claims establish that 73 employees received no travel stipend or reimbursements for expenses incurred by them after January 15, 2008. *See* Attachment 2 at 4. The Committee argues that the 73 employees in question incurred travel expenses, and that because their expenses are *not* included in the documents attached to its Request for Administrative Review, they must have received reimbursement for their travel expenses in a lump sum. However, the documents provided simply establish that certain Committee staffers received certain reimbursements for travel costs prior to January 15, 2008. They neither demonstrate nor permit the Commission to verify the Committee's claim that $320,659 of the extra salary payment of February 7, 2008 were lump sum payments for lodging, fuel, and meal costs that the Committee made to staff in lieu of reimbursements. The Committee failed to submit contemporaneous documentation to verify the purpose of these specific payments.

In fact, the Commission has already included every reimbursement payment associated with the submitted forms as a qualified campaign expense on the Committee's NOCO Statement. And although the Committee redacted most of the information on the submitted forms, it appears that many of these reimbursement payments were made for mileage, per diem, and travel costs incurred by staffers in January 2008. Thus, the submitted forms contradict the Committee's claim that it was not in a position to process individual expense reimbursements at the time it made the

additional payroll disbursement and therefore was required to make lump sum reimbursement payments. *See id.* at 4.

Of course, staff lodging, fuel, and meal costs associated with travel on behalf of the Committee are, when properly documented, qualified campaign expenses and, if incurred after DOI, permissible winding down expenses. The issue here is not whether the Committee's asserted rationale for the payments would constitute a qualified campaign expense – if properly documented. Instead, the question is whether the Committee has met its burden of providing adequate documentation or a verifiable basis to support its assertion that the $320,659 was paid for these purposes. On the basis of the scant evidence supplied by the Committee, we conclude that it has not.

2. Staff Compensation

a. Pre-DOI

As noted above, the Committee also claims that it gave pay increases to staff for their increased work hours between December 2007 and January 2008 rather than "monetary bonuses." The Committee does not state, however, what amount of the additional payroll is attributable to this purpose. Moreover, the Commission's regulations expressly state that bonuses paid to staff after DOI in recognition of campaign-related activities or services are considered qualified campaign expenses only if they are paid no later than 30 days after DOI *and are provided for in a written contract made prior to DOI.* 11 C.F.R. § 9034.4(a)(5). Here, while the payments were made only seven days after DOI, the Committee has acknowledged they were not provided for in a written contract made prior to DOI. And while the Committee argues otherwise, we fail to see a distinction between money paid pursuant to a decision to recognize employees for their extra hours and "extraordinary work efforts," *see* Attachment 2 at 2, and a monetary bonus.

Bonuses are generally defined as any payments that are made "in addition to or in excess of compensation that would ordinarily be given." *Black's Law Dictionary* 194 (8th ed. 1999). The Commission specifically promulgated section 9034.4(a)(5) to prevent "publicly funded campaigns [from] paying large monetary bonuses after [DOI] upon discovery of excess public funds." *See* Explanation and Justification for 11 C.F.R. § 9004.11, 68 Fed. Reg. 47,390 (Aug. 8, 2003). Here, according to the Committee, the extra payment represented an increase in addition to the salary that the staff was ordinarily paid and any reimbursements that the staffers were owed.[8] *See* Attachment 2 at 2. Moreover, these pay increases were not included in the staff's ordinary payroll prior to DOI, despite the fact that the Committee appeared to have sufficient funds to include them in the ordinary payroll.

We conclude that the Committee has failed to document that any portion of the payment was intended as a permanent increase to the staff's ordinary salary prior to DOI, and that the Committee has failed to produce a written contract made prior to DOI that provided for the monetary bonuses pursuant to 11 C.F.R. § 9034.4(a)(5). Accordingly, the Committee has failed to meet its burden of showing that these payments are qualified campaign expenses. *See* 26 U.S.C. § 9033.1(a)(1); 11 C.F.R. § 9033.11(a); *LaRouche*, 439 F.3d at 738.

b. Post-DOI

The Committee submitted several attachments that it claims demonstrate that the Committee was required to have staff available to perform winding down activities. *See*

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[8] In a footnote, the Committee notes the existence of laws in several states providing that it is unlawful for an employer to fail to pay employees "their full pay for a pay period in a timely manner." Attachment 2 at 2 n.1. However, the Committee does not specifically assert, much less provide contemporaneous documentation, demonstrating that, any employee who received compensation for these extra hours had a legal entitlement to such compensation.

Attachment 2 at 3. Again, however, the Committee does not clarify what amount of the additional payroll is attributable to this purpose.

Specifically, the Committee submitted lease agreements, four UPS shipping labels, a schedule of 42 rental cars, and a list of payments made to four rental car companies. *Id.* While these documents may help demonstrate that the Committee was required to close down state offices and return rental cars after the candidate's DOI, they do not demonstrate or allow the Commission to verify the Committee's claim that any particular amount of the extra salary payment was an additional salary payment to compensate employees for winding down activities.

While salary payments (and related benefits and payroll tax costs) for staff members who stay on after the end of the campaign to perform winding down functions are legitimate winding down expenses, in this case, the payments do not appear to have been made as part of the Committee's ordinary payroll, but rather appear to have been part of an extraordinary "extra" pay period. They also appear to have been mixed with payments for other purposes, including monetary bonuses for pre-DOI work where the bonuses were not provided for in a pre-DOI contract or other documented decision.

Finally, of the 99 employees who received a payment from the "extra" payroll, 14 received their normal pay in mid-February for the Committee's pay period covering the first two weeks of February. Given these unusual circumstances, the Committee should have produced written employment contracts or other contemporaneous documentation to verify the purpose of these specific payments. It did not.

* * *

We conclude that the Committee has failed to carry its burden of adequately documenting that any portion of the disputed $528,454 was intended as an additional salary payment to

reimburse staff for lodging, fuel, or meal costs, or to compensate employees for work performed prior to DOI or for winding down activities. *See* 26 U.S.C. § 9033.1(a)(1); 11 C.F.R. § 9033.11(a); *LaRouche*, 439 F.3d at 738.

V. CONCLUSION

The Commission determines that, within 30 days of service of this Repayment Determination After Administrative Review, John Edwards and John Edwards for President must repay $2,136,507 to the United States Treasury for matching funds received in excess of the candidate's entitlement. 26 U.S.C. § 9038(b)(1); 11 C.F.R. § 9038.2(b)(1).

ATTACHMENTS

1. Final Audit Report of the Commission dated July 29, 2011
2. Committee's Request for Administrative Review dated October 3, 2011
3. Audit Division's Review of Documentation Submitted with the Committee's Request for Administrative Review dated November 30, 2011

Final Audit Report of the Commission on John Edwards for President

January 3, 2007 - March 31, 2008

Why the Audit Was Done

Federal law requires the Commission to audit every political committee established by a candidate who receives public funds for the primary campaign.[1] The audit determines whether the candidate was entitled to all of the matching funds received, whether the campaign used the matching funds in accordance with the law, whether the candidate is entitled to additional matching funds, and whether the campaign otherwise complied with the limitations, prohibitions, and disclosure requirements of the election law.

Future Action

The Commission may initiate an enforcement action, at a later time, with respect to any of the matters discussed in this report.

About the Campaign (p. 2)

John Edwards for President is the principal campaign committee for John Edwards, a candidate for the Democratic Party's nomination for the office of President of the United States. The Committee is headquartered in Chapel Hill, North Carolina. For more information, see the chart on the Campaign Organization, p.2.

Financial Activity (p. 3)

• **Receipts**	
o Contributions From Individuals	$39,643,966
o Matching Funds Received	7,404,083
o Bank Loan	8,974,714
o Offsets to Expenditures	967,088
o Other Receipts	129,527
Total Receipts	**$ 57,119,378**
• **Disbursements**	
o Operating Expenditures	$44,405,156
o Contribution Refunds	3,720,268
o Loan Repayments and Other Disbursements	7,383,067
Total Disbursements	**$ 55,508,491**

Commission Findings (p. 4)

- Matching Funds Received in Excess of Entitlement (Finding 1)
- Misstatement of Financial Activity (Finding 2)
- Failure to Itemize Loan Repayments (Finding 3)
- Stale-Dated Checks (Finding 4)

[1] 26 U.S.C. §9038(a).

ATTACHMENT 1
PAGE 1 OF 27

Final Audit Report of the Commission on John Edwards for President

January 3, 2007 – March 31, 2008

ATTACHMENT i
PAGE 2 OF 27

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Part I
Background

Authority for Audit

This report is based on an audit of John Edwards for President (JEFP), undertaken by the Audit Division of the Federal Election Commission (the Commission) as mandated by Section 9038(a) of Title 26 of the United States Code. That section states "After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9037." Also, Section 9039(b) of the United States Code and Section 9038.1(a)(2) of the Commission's Regulations state that the Commission may conduct other examinations and audits from time to time as it deems necessary.

Scope of Audit

This audit examined:

1. The receipt of excessive contributions and loans.
2. The receipt of contributions from prohibited sources.
3. The receipt of transfers from other authorized committees.
4. The disclosure of contributions and transfers received.
5. The disclosure of disbursements, debts and obligations.
6. The recordkeeping process and completeness of records.
7. The consistency between reported figures and bank records.
8. The accuracy of the Statement of Net Outstanding Campaign Obligations.
9. The campaign's compliance with spending limitations.
10. Other campaign operations necessary to the review.

Inventory of Campaign Records

The Audit staff routinely conducts an inventory of campaign records before it begins the audit fieldwork. JEFP's records were substantially complete and the fieldwork began immediately.

Audit Hearing

JEFP declined the opportunity for an audit hearing.

Part II
Overview of Campaign

Campaign Organization

Important Dates	
• Date of Registration	January 5, 2007
• Eligibility Period	October 31, 2007 – January 30, 2008[2]
• Audit Coverage	January 3, 2007 – March 31, 2008[3]
Headquarters	Chapel Hill, North Carolina
Bank Information	
• Bank Depositories	Three
• Bank Accounts	17 Checking, 2 Investment
Treasurer	
• Treasurer When Audit Was Conducted	Julius L. Chambers
• Treasurer During Period Covered by Audit	Julius L. Chambers
Management Information	
• Attended FEC Campaign Finance Seminar	Yes
• Who Handled Accounting and Recordkeeping Tasks	Paid Staff

[2] The period during which the candidate was eligible for matching funds began on the date of certification of his matching fund eligibility and ended on the date the candidate announced his withdrawal from the campaign. See 11 CFR §9033.

[3] Limited reviews of receipts and expenditures were performed after March 31, 2008, to determine whether the candidate was eligible to receive additional matching funds.

Overview of Financial Activity
(Audited Amounts)

Cash on hand @ January 3, 2007	**$ 0**
o Contributions From Individuals	39,643,966
o Matching Funds Received	7,404,083[4]
o Bank Loan	8,974,714
o Offset to Expenditures	967,088
o Other Receipts	129,527
Total Receipts	**$57,119,378**
o Operating Expenditures	44,405,156
o Contribution Refunds	3,720,268
o Loan Repayments and Other Disbursements	7,383,067
Total Disbursements	**$55,508,491**
Cash on hand @ March 31, 2008	**$ 1,610,887**

[4] JEFP received an additional $5,478,795 in matching funds after March 31, 2008 for a total of $12,882,878. This represents 61 percent of the maximum entitlement ($21,025,000) a Presidential candidate could have received in the 2008 cycle.

Part III
Summaries

Commission Findings

Finding 1. Matching Funds Received in Excess of Entitlement

A review of JEFP's financial activity through December 31, 2008, and estimated winding down costs indicated that it received matching funds totaling $2,136,507, in excess of the Candidate's entitlement. JEFP's Statement of Net Outstanding Campaign Obligations (NOCO) understated its cash-on-hand, overstated its accounts payable and winding down expenses. In response, Counsel for JEFP (Counsel) stated that the payroll of February 7, 2008, represents a qualified campaign expense that should be included in the NOCO. Counsel also stated JEFP's overall objection to the repayment of matching funds.

The Commission approved this finding. (For more detail, see p. 6.)

Finding 2. Misstatement of Financial Activity

A comparison of JEFP's reported financial activity to its bank records revealed a material misstatement of reported cash-on-hand in calendar year 2007 through March 31, 2008. JEFP understated its December 31, 2007, cash-on-hand balance by $585,814 and understated its March 31, 2008, cash-on-hand balance by $468,676. JEFP materially complied with the Audit staff's recommendation and amended its most recently filed report to correct the cash-on-hand balance.

The Commission approved this finding. (For more detail, see p. 20.)

Finding 3. Failure to Itemize Loan Repayments

During audit fieldwork, the Audit staff identified loan repayments, totaling $4,344,469, that were not itemized. Although JEFP reported the amounts on the Detail Summary Pages and itemized them on Schedule C (Loans) and Schedule C-1 (Loans and Lines of Credit From Lending Institutions), it did not itemize them on Schedule B-P (Itemized Disbursements). JEFP complied with the Audit staff's recommendation and amended its reports to itemize the loan repayments.

The Commission approved this finding. (For more detail, see p. 22.)

Finding 4. Stale-Dated Checks

The Audit staff identified 202 stale-dated checks, totaling $267,529, and recommended that JEFP provide evidence that the checks are not outstanding or make a payment to the United States Treasury. In response, JEFP documented that certain checks were no longer stale-dated as they either had cleared the bank or were for amounts that were determined to be not owed. As a result, the remaining 128 stale-dated checks, totaling $141,808, require repayment to the United States Treasury.

The Commission approved this finding. (For more detail, see p. 23.)

Summary of Amounts Owed to the United States Treasury

• Finding 1	Matching Funds Received in Excess of Entitlement	$2,136,507
• Finding 4	Stale-Dated Checks	141,808
	Total Due U.S. Treasury	**$ 2,278,315**

Part IV
Commission Findings

Finding 1. Matching Funds Received in Excess of Entitlement

Summary

A review of JEFP's financial activity through December 31, 2008, and estimated winding down costs indicated that it received matching funds totaling $2,136,507, in excess of the Candidate's entitlement. JEFP's Statement of Net Outstanding Campaign Obligations (NOCO) understated its cash-on-hand, overstated its accounts payable and winding down expenses. In response, Counsel for JEFP (Counsel) stated that the payroll of February 7, 2008, represents a qualified campaign expense that should be included in the NOCO. Counsel also stated JEFP's overall objection to the repayment of matching funds.

The Commission approved this finding.

Legal Standard

A. Net Outstanding Campaign Obligations. Within 15 days after the candidate's date of ineligibility (see definition below), the candidate must submit a statement of "net outstanding campaign obligations." This statement must contain, among other things:

- the total of all committee assets including cash on hand, amounts owed to the committee and capital assets listed at their fair market value;
- the total of all outstanding obligations for qualified campaign expenses; and
- an estimate of necessary winding-down costs. 11 CFR §9034.5(a).

B. Date of Ineligibility. The date of ineligibility is whichever of the following dates occurs first:

- the day on which the candidate ceases to be active in more than one state;
- the 30th day following the second consecutive primary in which the candidate receives less than 10 percent of the popular vote;
- the end of the matching payment period, which is generally the day when the party nominates its candidate for the general election; or
- in the case of a candidate whose party does not make its selection at a national convention, the last day of the last national convention held by a major party in the calendar year. 11 CFR §§9032.6 and 9033.5.

C. Qualified Campaign Expense. Each of the following expenses is a qualified campaign expense.

- An expense that is:
  - incurred by or on behalf of the candidate (or his or her campaign) during the period beginning on the day the individual becomes a candidate and continuing through the last day of the candidate's eligibility under 11 CFR §9033.5;
  - made in connection with the candidate's campaign for nomination; and
  - not incurred or paid in violation of any federal law or the law of the state where the expense was incurred or paid. 11 CFR §9032.9(a).
- An expense incurred for the purpose of determining whether an individual should become a candidate, if that individual subsequently becomes a candidate, regardless of when that expense is paid. 11 CFR §9034.4(a)(2).
- An expense associated with winding down the campaign and terminating political activity. 11 CFR §9034.4(n)(3).
- Monetary bonuses paid after the date of ineligibility for committee employees and consultants, provided that they are paid in recognition of campaign related activities or services; pursuant to a written contract made before the date of ineligibility; and, no later than 30 days after the date of ineligibility. 11 CFR §9034.4(a)(5).

D. Value of Capital Assets The fair market value of capital assets is 60 percent of the total original cost of the assets when acquired. A candidate may claim a lower fair market value for a capital asset by listing the asset on the NOCO statement separately and demonstrating, through documentation, the lower fair market value. 11 CFR §9034.5(c)(1).

E. Entitlement to Matching Payments after Date of Ineligibility. If, on the date of ineligibility, a candidate has net outstanding campaign obligations as defined under 11 CFR §9034.5, that candidate may continue to receive matching payments provided that he or she still has net outstanding campaign debts on the day the matching payment is made. 11 CFR §9034.1(b).

F. Winding Down Limitation. The total amount of winding down costs that may be paid for, in whole or part, with matching funds shall not exceed the lesser of:

- 10 percent of the overall expenditures limitation pursuant to 11 CFR 9035.1: or
- 10 percent of the total of:
  - The candidate's expenditures subject to the over expenditure limitation as of the candidate's date of ineligibility; plus
  - The candidate's expenses exempt from the expenditure limitations as of the candidate's date of ineligibility. 11 CFR §9034.11(b)(1) and (2).

Facts and Analysis

A. Facts

The Audit staff prepared a Statement of Net Outstanding Campaign Obligations as of January 30, 2008, the Candidate's date of ineligibility (DOI). The Audit staff presented the audited statement that appears on the next page in the Preliminary Audit Report. This statement was based on the review of JEFP's financial activity through December 31, 2008 and included estimates for winding down costs thereafter. The Audit staff and JEFP agreed on all NOCO components except for accounts payable for qualified campaign expenses.

John Edwards for President
Statement of Net Outstanding Campaign Obligations
As of January 30, 2008
Prepared thru April 30, 2010

Assets

Primary Election Cash-in-Bank	$3,971,887		
General Election Cash-in-Bank	3,321,290		
Accounts Receivable	455,789		
Capital Assets	29,134		
Total Assets			$ 7,778,100

Liabilities

Primary Election Accounts Payable for Qualified Campaign Expenses @ 1/30/08	$2,313,509		
Refund of General Election Contributions	3,321,290		
Loan Payable @ 1/30/08	8,974,713		
Actual Winding Down Costs (1/31/08 – 4/30/10)	2,584,568		
Estimated Winding Down Costs (5/1/10 – 12/31/11)	1,423,060	[a]	
Payable to U.S. Treasury – Stale-Dated Checks	72,583		
Total Liabilities			$18,689,723
Net Outstanding Campaign Obligations (Deficit) as of January 30, 2008			($10,911,623)

Footnote to NOCO Statement:

[a] Estimated winding down costs will be compared to actual winding down costs and adjusted accordingly.

Shown below are adjustments for funds received after January 30, 2008 and through July 17, 2008.

Net Outstanding Campaign Obligations (Deficit) as of 1/30/08	($ 10,911,623)
Private Contributions Received 1/31/08 through 7/16/08	358,983
Interest Income Received 1/31/08 through 7/16/08	22,110
Matching Funds Received 1/31/08 through 7/16/08	8,825,425
Remaining entitlement as of 7/16/08	($ 1,705,105)
Matching Funds Received 7/17/08	4,057,453
Amount Received in Excess of Matching Fund Entitlement	**$ 2,352,348**

As a result, in the Preliminary Audit Report, the Audit staff concluded that JEFP was not entitled to $2,352,348 of the matching fund payment ($4,057,453) it received on July 17, 2008.

1. Cash-In-Bank

The primary difference between the NOCO presented on the previous page and those prepared by JEFP is the cash-in-bank balance. JEFP understated cash by $4.5 million. Most of the understatement of cash represented funds received for the general election during the primary election period. The understatement of assets caused the NOCO statements to show a larger deficit and matching fund entitlement than was the case. The Audit staff and JEFP agree on the cash balances contained in the NOCO statement.

2. Accounts Payable for Qualified Campaign Expenses – Payroll

Even though JEFP's accounts payable figure on its NOCO was not accurate, the Audit staff and JEFP now agree on the amount of accounts payable, except for the February 7, 2008 payroll. The Audit staff's calculation of accounts payable on the NOCO statement does not include $556,871 in payroll paid on February 7, 2008. Absent further documentation, $556,871 is considered to be a monetary bonus paid to 99 employees. As noted in the legal standards, in order to be a qualified campaign expense, monetary bonuses paid after DOI to employees in recognition of campaign-related activities or services must be paid no later than 30 days after DOI and provided for pursuant to a written contract made prior to DOI (11 CFR §9034.4(a)(5)). JEFP representatives confirmed that there were no written contracts.

JEFP paid staff twice monthly from inception through January 30, 2008. In January 2008, the payroll periods ended on January 15, 2008 and January 30, 2008. On January 31, 2008, another pay period concluded. This payroll totaled $761,193 and was paid on February 7, 2008. The amount, in effect, tripled each employee's pay for the month of January. Throughout the audit fieldwork, the Audit staff made numerous requests for an explanation and documentation of this payroll.

B. Preliminary Audit Report & Audit Division Recommendation

1. First Exit Conference

This matter was presented to JEFP at the exit conference held on February 3, 2009. The Audit staff provided its NOCO and workpapers supporting all NOCO components.

Prior to the exit conference, the Assistant Treasurer responded that the purpose of the February 7, 2008 payroll was to reimburse employees who had not been paid their entire salary due to limited funds available beginning sometime in August 2007. Although requested, JEFP provided no specific details to explain how this payroll was calculated or what employees were not paid their full salary. At the exit conference, the Audit staff made the Assistant Treasurer aware that documentation supporting this payroll had not been made available.

During the exit conference response period, the Audit staff analyzed JEFP's payroll for the period August 2007 through January 2008. The review indicated that JEFP's explanation was incorrect. Employees were paid in full from August 2007 through January 15, 2008. However, during the following pay period, which ended January 30, 2008, employees received half of their normal net pay.[5] Therefore, the Audit staff considered that portion of the February 7, 2008 payroll necessary to make up the difference in net pay plus associated employee/employer payroll taxes ($204,322) to be a qualified campaign expense and included the amount on the NOCO in accounts payable. The Audit staff considered the remaining portion of the February 7, 2008 payroll, or $156,871, a non-qualified campaign expense and not included in the NOCO payables.

Subsequently, JEFP provided a second explanation of this payroll. The Assistant Treasurer indicated that as of January 1, 2008, campaign staff worked 24 hours a day, seven days a week, with the understanding that salary would be increased for those affected. The Assistant Treasurer further indicated that JEFP did not have sufficient funds to pay the increased salary on the normal pay dates in January and that after DOI, JEFP calculated the total amount due each employee and paid the increased salary on February 7, 2008. It is JEFP's opinion that the February 7, 2008 payroll represents a qualified campaign expense, which was due at DOI and therefore should be included in the NOCO.

With respect to resources not being available during January 2008 to pay the increased salaries, JEFP records indicate its average daily cash was approximately $4.2 million for January, excluding general election contributions, which could not be used for primary expenses. Further, JEFP offered no explanation as to how the increased amount was calculated or how and when employees were notified; nor did it provide any documentation for the decision to increase salary. As a result, the Audit staff did not accept JEFP's explanation.

The Audit staff notified JEFP of its conclusion by email and gave JEFP 10 days to respond. The email explained that $556,871, representing employee net pay and employee/employer payroll taxes, would not be included in the NOCO. Counsel objected to the notification by email and demanded a second exit conference.

[5] It is not clear why this payroll was reduced. As can be seen from the NOCO statement, JEFP appears to have had funds available to meet the payroll, even setting aside the general election contributions, which could not be used for primary expenses.

2. Second Exit Conference

Although not required, a second exit conference was held on April 2, 2009.

Payroll

The Audit staff again informed JEFP that $556,871 of salary and payroll taxes were considered non-qualified campaign expenses, excludable from the NOCO. Counsel offered as a possible (third) explanation that certain staff may have traveled to state office locations in order to clean out the offices and return rental cars. However, no documentation supporting this explanation was provided. Again, the Audit staff provided JEFP an additional 10-day response period.

In response, Counsel stated that in December 2007, JEFP determined that those staying through the end of the campaign would receive a salary increase, which would be paid out as permitted by JEFP resources. JEFP intended this pay increase primarily to compensate staff for the fact that JEFP dispatched staff to many different field locations throughout the country for the January primaries and caucuses, placing them on an around-the-clock schedule. JEFP also designed the increase in pay to cover increased costs that staffers incurred because they were on the road. In addition, Counsel stated that on January 30, 2008, the date of ineligibility, JEFP had approximately 70 office and volunteer sites in several cities in various states. JEFP had deployed staff to these locations, where it was necessary to clean out and close field offices. JEFP determined that it would be more efficient to pay these individuals a finite amount instead of asking employees to turn in receipts for reimbursement. According to Counsel, this would have been a difficult accounting process, which JEFP could more efficiently manage by a lump-sum salary payment.

A few days later, JEFP provided a schedule that reflected JEFP's determination that all employees received a 31 percent increase in salary between December 23, 2007 and February 15, 2008, which was paid in one lump sum on February 7, 2008. JEFP gave examples of three different employees and how this paycheck would have been allocated between payable and winding down categories.

With respect to the accounting burden of paying travel expenses, JEFP had accounting procedures in place for handling travel reimbursements. Throughout the campaign, the staff submitted travel reimbursements. Some were included in the NOCO's accounts payable. The effect of a campaign increasing salary in lieu of paying for travel reimbursements creates additional expenses for the campaign, such as the employer's share of payroll taxes, not to mention the additional tax burden placed on employees. While it is reasonable that some staff would have been involved in the office closeout process, it is not likely that all staff, such as the chief of staff, chief financial officer or finance director, took part in this effort. The close out took place after DOI when only 14 people remained on the payroll.

Estimated Winding Down Expenses
In response, JEFP estimated it would spend a total of $2,771,004 in winding down expenses for calendar years 2009 through 2011 ($969,972 for 2009, $959,972 for 2010, $841,060 for 2011).[6] For the period January 31, 2008 through April 30, 2010, estimates were converted to actual winding down expenses. Based on JEFP's actual spending from January 2009 through April 2010, the Audit staff calculated that estimated winding down expenses for the period of May 1, 2010 through December 31, 2011, $1,423,080 may be necessary to wind down the campaign. With the exception of the adjustment for storage costs, the Audit staff's remaining estimated winding down expenses are very close to the amount calculated by JEFP.

It should be noted that throughout the post-audit period, the Audit staff consistently monitored estimated winding down expenses. Bank records and reported activity are reviewed in order to convert estimated winding down expenses to actual winding down expenses.

JEFP's Overall Objection to the Repayment of Matching Funds
JEFP argues that the combination of a shortfall in the Presidential Primary Matching Payment Account (Matching Payment Account) and the lack of a quorum in the Commission during the first half of 2008 put JEFP at a disadvantage with respect to the receipt of matching funds. JEFP argued that matchable contributions received prior to NOI should be matched regardless of whether there are qualified campaign expenses to pay, and concluded that the failure to match these contributions violates the First Amendment rights of both the candidate and those individuals who contributed to the candidate's committee.

With respect to JEFP's response, the Audit staff believes that under 26 USC §9033(c)(2), a candidate who has passed the date of ineligibility is not entitled to any further matching fund payments except to defray qualified campaign expenses incurred before the candidate became ineligible. The fact that JEFP received contributions that otherwise would be matchable does not determine whether the candidate is eligible for further payments. The intent of this section is to allow the candidates to receive matching funds after the date of ineligibility only to pay debts for qualified campaign expenses. In implementing this provision, the Commission considered both debts incurred before the date of ineligibility and necessary costs of wrapping up the campaign. It also established a procedure to monitor whether the candidate still has qualified campaign expenses to be paid prior to each post date of ineligibility payment, known as the NOCO Statement.[7] Finally, the possibility of a shortage in the Matching Payment Account is recognized and an equitable distribution calculation is specified in both 26 USC §9037(b) and 11 CFR §9037.2. That equitable distribution formula was followed.

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[6] In its 2009 estimates, JEFP included storage costs of $18,000 for the next seven years. JEFP inadvertently included this same cost in its 2010 and 2011 estimates. The necessary adjustment has been made.

[7] See 11 CFR 9034.1(b), and 9034.5

Subsequent to the date of ineligibility, campaigns are required to submit a NOCO indicating the campaign has sufficient net debt to justify additional matching funds. The last matching fund payment JEFP received was $4,057,453 on July 17, 2008. This payment was based on a NOCO filed on June 25, 2008 that reflected net debt of $4,684,340. However, as previously noted, that NOCO statement was misstated.

There is no question that the combination of the shortfall in the Matching Payment Account and the Commission's lack of a quorum delayed payments. The Commission took all steps in its power to minimize the impact on all matching fund recipients. All matching fund requests received through December of 2007 were processed and certified while the Commission still had a quorum. This allowed the Treasury Department to begin making payments as soon as funds became available without the need for further Commission action. All payments certified by the Commission before January 1, 2008 were paid as funds became available between February and April 2008. This procedure also allowed campaigns to borrow funds using the matching funds as collateral. JEFP used this avenue to borrow $8.9 million in November and December 2007, before any payments could have been made under any circumstances. Even though the Commission could not certify any payments during the first half of 2008, matching fund requests received after January 1, 2008 were processed, and the campaigns were informed of the matchable amount. Campaigns could use these amounts as collateral for loans if they desired. Finally, any additional expenses incurred by campaigns as a result of these circumstances, such as interest on loans or increased legal costs, would have been treated as qualified campaign expenses and could have resulted in an additional matching fund entitlement.

In summary, although it is true that matching fund payments were delayed during the first half of 2008, the Act and Commission's regulations are clear that in order to receive matching fund payments after the date of ineligibility, a candidate must have net outstanding campaign obligations on the date that the matching fund payments are made. JEFP does not argue that it had sufficient obligations to justify the full amount it received and agrees that it significantly understated its assets on its NOCO Statement. The fact that JEFP may have received contributions before the date of ineligibility that were not matched or that payments were delayed for reasons beyond the control of the Commission or JEFP, does not allow JEFP to receive matching fund payments after the date of ineligibility in excess of the amount of qualified campaign expenses to be paid.

Based on the above, JEFP was not entitled to $2,352,348 of the matching funds payment ($4,057,453) it received on July 17, 2008. Therefore, the Audit staff recommended that JEFP demonstrate that it did not receive matching funds in excess of its entitlement. The Preliminary Audit Report noted that absent such a demonstration, the Audit staff will recommend that the Commission make a determination that $2,352,348 in matching funds is repayable to the United States Treasury.

C. Committee Response to the Preliminary Audit Report

In response to the Preliminary Audit Report, Counsel related that there were no major discrepancies with the NOCO. Counsel continued to maintain, however, that the entire

February 7, 2008 payroll should be considered a qualified campaign expense and not as a bonus.

Counsel also restated JEFP's overall objection to repayment of Matching Funds as discussed in its exit conference response on page 13 of this report.

In addition, Counsel provided another explanation for the February 7, 2008 payroll and included a chart that categorized that portion of the payroll in dispute differently from its previous explanations.

JEFP's Breakdown of That Portion of the February 7, 2008, Payroll in Dispute:

Additional Make-up Salary	**$ 44,917**
Winding Down Expenses	
Salary January 31, 2008 through February 7, 2008	**$187,567**
Lump Sum Payment for Expenses	**$320,659**
Total	**$553,143**[8]

JEFP provided a chart that indicated it reduced the salary of six employees in 2007. Although JEFP provided no documentation to support this chart, it concluded that these six employees were owed $44,917 and that, at a minimum, this amount should be added to the $204,322 that the Audit staff recognized as permissible make-up salary.

JEFP indicated that the remaining portion of the February 7, 2008 payroll was for winding down costs, which are qualified campaign expenses. The two main components of these winding down costs were staff salaries and lump sum payments made to staff to reimburse for travel, lodging and meal expenses incurred during the month of January, and through February 7, 2008.

According to the response, staff salaries for the period of January 31, 2008 through February 7, 2008 totaled $187,567, an average $3,552 per staff. Lump sum payments for expenses totaled $320,659, an average reimbursement of $3,239 per staff.

The Audit staff reviewed JEFP's response and offers the following:

Make-up Salary - $44,917. The Audit staff conducted a review of the available payroll records for each individual listed by JEFP. The payroll records supported a reduction in pay for the six employees, totaling $44,917. However, one of the six individuals listed, (make-up salary - $16,500) was not paid on February 7, 2008. Therefore, any reduction in pay for this individual is irrelevant when discussing the February 7, 2008 payroll. This individual received a payment of $7,675 for salary on February 11, 2008 that had already been included in accounts payable on the NOCO. As a result, the Audit staff included an additional $28,417 ($44,917 - $16,500) as a qualified campaign expense on the NOCO.

[8] The amount in dispute is actually $556,871. JEFP's total is misstated by $3,728.

Winding Down Salary - $187,567 January 31, 2008, to February 7, 2008. JEFP indicated that winding down salaries for the period averaged $3,552 per employee. JEFP appears to be saying that this payroll represented salary payments for only 53 (of the 99) individuals paid on February 7, 2008 ($187,567 / $3,552). JEFP has not provided any documentation that identifies the staff members who were paid. This new explanation is inconsistent with the fact that 99 individuals were paid on February 7, 2008.

Further, if the average salary per staff member ($3,552) is incorrect and JEFP meant that all 99 individuals were paid for winding down activities during this period, it should be noted that 14 of these individuals remained on the payroll and received their normal salary for this same period on February 15, 2008 (pay period January 31, 2008 through February 14, 2008). The amount of that payroll has always been included in the NOCO as a winding down expense. The Audit staff does not accept JEFP's explanation.

Lump Sum Payment for Expenses - $320,659. JEFP claimed that all 99 individuals incurred expenses for winding down the campaign ($320,659 / $3,239). However, JEFP has not provided documentation demonstrating that all 99 individuals incurred expenses or retained any documentation supporting these expenses.

The response stated that high-level staff performed winding down duties such as organizing and archiving financial documents, contacting vendors, thanking donors and coordinating with the candidates. It is unlikely these types of activities would generate reimbursed expenses. Again, these high-level employees, 14 in total, received their normal pay covering the same period, likely for performing these same tasks. As indicated above, the amount of the February 15, 2008 payroll (January 31, through February 14, 2008) was included in the NOCO as a winding down expense. The Audit staff does not accept JEFP's explanation.

Finally, incurring salary and documented reimbursed expenses after the candidate's date of ineligibility would be considered permissible winding down expenses. Even if the Commission were to accept JEFP's explanation with respect to the amount in question ($528,454 ($556,871 - $28,417)), the NOCO statement presented on page 18 includes maximum allowable amount of winding down expenses. Including this amount would require an adjustment to the remaining estimated winding down expenses presented in that NOCO but would not affect the amount of matching funds determined to be in excess of the candidate's entitlement. JEFP would still be required to make a repayment of matching funds, totaling $2,136,507.

Specifically, based on JEFP's actual winding down expenses during the post ineligibility period, the Audit staff estimated that JEFP will spend an additional $1,216,981 in winding down expenditures and reach the winding down limit ($4,205,000) by August 31, 2012. As previously stated, should the Commission accept JEFP's position on the remaining $528,454 the Audit staff would reduce estimated winding down expenses to $688,527 ($1,216,981 - $528,454). As a result, assuming a constant level of winding down spending, JEFP would reach the winding down limit by October 2011. The repayment would remain at $2,136,507. If, however, the Commission does not accept

JEFP's explanation and JEFP spends less than the winding down estimate shown, the repayment would increase accordingly.

The Audit staff continues to believe that only $232,739 ($204,322 + $28,417) of the February 7, 2008 payroll represented a qualified campaign expense. The remaining $528,454 represented a non-qualified campaign expense.

Additional NOCO Adjustments
Based on JEFP's response to Finding 4, Stale-Dated Checks, the following components of the NOCO have been adjusted accordingly: (1) Cash-in-bank, (2) Accounts Payable for Qualified Campaign Expenses and (3) Payable to U.S. Treasury – Stale-Dated Checks.

The Audit staff revised the NOCO to include all revisions discussed above. We have also calculated actual winding down expenses through December 31, 2010 and updated the estimated winding down expenses through August 31, 2012. The revised NOCO appears on the following page.

John Edwards for President
Statement of Net Outstanding Campaign Obligations
As of January 30, 2008
Prepared thru December 31, 2010

Assets

Primary Election Cash-in-Bank	$3,968,555		
General Election Cash-in-Bank	3,321,290		
Accounts Receivable	455,789		
Capital Assets	29,134		
Total Assets			$ 7,774,768

Liabilities

Primary Election Accounts Payable for Qualified Campaign Expenses @ 1/30/08	$2,341,276		
Refund of General Election Contributions	3,321,290		
Loan Payable @ 1/30/08	8,974,713		
Actual Winding Down Costs (1/31/08 – 12/31/10)	2,988,019		
Estimated Winding Down Costs (1/1/11 – 8/31/12)	1,216,981	[a]	
Payable to U.S. Treasury – Stale-Dated Checks	59,953		
Total Liabilities			$18,902,232
Net Outstanding Campaign Obligations (Deficit) as of January 30, 2008			($11,127,464)

Footnote to NOCO Statement:

[a] Estimated winding down costs have been calculated not to exceed limitations at 11 CFR §9034.11(b).

Shown below are adjustments for funds received after January 30, 2008 through July 17, 2008.

Net Outstanding Campaign Obligations (Deficit) as of 1/30/08	($ 11,127,464)
Private Contributions Received 1/31/08 through 7/16/08	358,983
Interest Income Received 1/31/08 through 7/16/08	22,110
Matching Funds Received 1/31/08 through 7/16/08	8,825,425
Remaining entitlement as of 7/16/08	($ 1,920,946)
Matching Funds Received 7/17/08	4,057,453
Amount Received in Excess of Matching Fund Entitlement	**$ 2,136,507**

D. Draft Final Audit Report
The Draft Final Audit Report concluded that JEFP received $2,136,507 in excess of the Candidate's entitlement and should make a repayment of the amount to the United States Treasury.

E. Committee Response to the Draft Final Audit Report
In response to the Draft Final Audit report, Counsel for JEFP (Counsel) restated many of the same arguments made previously with respect to the February 7, 2008 payroll and to JEFP's overall objection to the repayment of matching funds. In addition to these arguments, Counsel stated that the portion of the February 7, 2008 payroll in question ($528,454) should be treated as a "pre-DOI [date of ineligibility] qualified campaign expense" for the following reasons:[9]

- To compensate staff for overtime and extra hours worked during January 2008.
- To compensate staff for remaining with the campaign after DOI to perform functions relating to closing out campaign offices.
- To compensate staff for extra expenses they may have incurred, including assisting in the closeout of the campaign.

Counsel continued that the final payroll was to compensate staff for their work prior to DOI and to deal with obligations (leased office space, rental cars, leased equipment, etc.) that were undertaken by the campaign prior to DOI. As such, according to Counsel, the final payroll amount that the Audit Division is challenging is a qualified campaign expense because the expenditure (1) occurred within several days of the end of the campaign, (2) was driven by conditions and obligations in existence prior to DOI, and (3) should be treated on the same basis as other pre-DOI expenditures. Counsel also stated that "the final payroll was intended to deal with a variety of issues, including all of the explanations enumerated in the DFAR."

In addition, the response addresses a matter not discussed in detail in any response received previously received from JEFP. Counsel stated:

> "Since JEFP filed its Response to the Preliminary Audit Report in December 2010, JEFP has become involved in providing extensive information to the Department of Justice. Although the Committee is not under investigation, it has been necessary for JEFP to incur unanticipated expenses, including additional staff and legal costs. These costs do not fall within the ambit of typical 'winding down' costs because they are not incurred for a Commission audit or compliance with public financing laws. Rather, these costs are actually qualified campaign expenses that are beyond winding down costs. Because the Committee's efforts have been more extensive than anticipated, and have required a large financial

[9] In response to the Preliminary Audit Report, Counsel argued that this amount represented a winding down expense and identified an amount that represented staff salaries covering the period January 31, 2008, to February 7, 2008, as well as an amount that represented a lump-sum payment for expenses.

commitment, JEFP might exceed the limit on winding down costs. (11 C.F.R. §9034.11.) Therefore, JEFP is seeking a determination from the Commission that the Committee may re-allocate those costs as qualified campaign expenses. In the alternative, the Committee requests that the Commission determine that, due to unforeseen circumstances, these expenses be excluded from winding down costs for the purposes of the 10% limit on such costs."

Finally, Counsel stated that the Statement of Net Outstanding Campaign Obligations (NOCO) as it appeared in the Draft Final Audit Report (DFAR) values JEFP's capital assets at $29,134 but that this valuation is not an accurate reflection of the current value of the assets. Counsel notes that the DFAR reflects valuation of assets from 2008. Since that date, the value of these assets has declined dramatically. The response explains that electronic items substantially decreased in value with age and several of these items are no longer functional. Therefore, the value of capital assets for NOCO purposes should be reduced to $1,775, the current value of these assets. Counsel also indicated that it will provide additional documentation.

Commission Conclusion

On July 21, 2011, the Commission considered the Audit Division Recommendation Memorandum in which the Audit Division recommended that the Commission determine that JEFP received $2,136,507 in matching funds in excess of the Candidate's entitlement and must repay that amount to the United States Treasury.

The Commission approved the Audit staff's recommendation.

Finding 2. Misstatement of Financial Activity

Summary

A comparison of JEFP's reported financial activity to its bank records revealed a material misstatement of reported cash-on-hand in calendar year 2007 through March 31, 2008. JEFP understated its December 31, 2007, cash-on-hand balance by $585,814 and understated its March 31, 2008, cash-on-hand balance by $468,676. JEFP materially complied with the Audit staff's recommendation and amended its most recently filed report to correct the cash-on-hand balance.

The Commission approved this finding.

Legal Standard

Contents of Reports. Each report must disclose:

- the amount of cash-on-hand at the beginning and end of the reporting period;
- the total amount of receipts for the reporting period and for the election cycle;
- the total amount of disbursements for the reporting period and for the election cycle; and
- certain transactions that require itemization on Schedule A (Itemized Receipts) or Schedule B (Itemized Disbursements). 2 U.S.C. §434(b)(1), (2), (3), (4), and (5).

Facts and Analysis

A. Facts

During fieldwork, a comparison of JEFP's reported financial activity to its bank records revealed a material misstatement of reported cash-on-hand for calendar year 2007 through March 31, 2008. The ending cash-on-hand balance for calendar year 2007 was understated by $585,814 and the ending cash-on-hand balance as of March 31, 2008 was understated by $468,676.

B. Preliminary Audit Report & Audit Division Recommendation

The misstatement of cash-on-hand was primarily due to two factors. First, JEFP understated unitemized receipts, most of which represented small credit card transactions. This was due to a contribution processing software malfunction. JEFP was unaware of this problem until the audit fieldwork. Second, certain disbursements, although initially reported, were inadvertently voided and missing from the amended reports.

This matter was discussed at the exit conference. The Audit staff provided JEFP representatives copies of the Audit staff's bank reconciliations and JEFP indicated a willingness to correct the misstated cash-on-hand figures.

The Audit staff recommended that JEFP amend its most recently filed report to correct the cash-on-hand balance, with an explanation that the change resulted from a prior period audit adjustment. It was also recommended that JEFP reconcile the cash balance of its most recent report to identify any subsequent discrepancies that may have affected the adjustments recommended by the Audit staff.

C. Committee Response to the Preliminary Audit Report

In response, JEFP amended its reports and reiterated that the misstatements were the result of an anomaly in the software used by JEFP.

D. Draft Final Audit Report

In the Draft Final Audit Report, the Audit staff acknowledged that JEFP amended its reports to correct the misstatements.

Commission Conclusion

On July 21, 2011, the Commission considered the Audit Division Recommendation Memorandum in which the Audit Division recommended that the Commission adopt a finding that JEFP understated its ending cash-on-hand balance.

The Commission approved the Audit staff's recommendation.

Finding 3. Failure to Itemize Loan Repayments

Summary

During audit fieldwork, the Audit staff identified loan repayments, totaling $4,344,469, that were not itemized. Although JEFP reported the amounts on the Detail Summary Pages and itemized them on Schedule C (Loans) and Schedule C-1 (Loans and Lines of Credit From Lending Institutions), it did not itemize them on Schedule B-P (Itemized Disbursements). JEFP complied with the Audit staff's recommendation and amended its reports to itemize the loan repayments.

The Commission approved this finding.

Legal Standard

When to itemize. When a loan repayment is made to any person in any amount, the committee must report the:

name and address of the payee; and
date and amount of payment. 2 U.S.C. §434(b)(5)(D) and 11 CFR §104.3(b)(4)(iii).

Facts and Analysis

A. Facts

During fieldwork, the Audit staff identified loan repayments, totaling $4,344,469, which JEFP did not itemize. Although JEFP included the aggregate amount of these payments on the Detailed Summary Pages, it failed to provide supporting Schedules B-P, itemizing the payments.

B. Preliminary Audit Report & Audit Division Recommendation

This matter was discussed at the audit conference. There was no obvious reason why the loan repayments were not itemized, but a JEFP representative agreed to amend the committee's reports as necessary.

The Audit staff recommended that JEFP file amended reports itemizing the loan repayments on Schedule B-P, line 27(b).

C. Committee Response to the Preliminary Audit Report

In response, JEFP filed amended reports itemizing the loan repayments.

D. Draft Final Audit Report

In the Draft Final Audit Report, the Audit staff acknowledged that JEFP amended its reports to itemize the loan repayments.

Commission Conclusion
On July 21, 2011, the Commission considered the Audit Division Recommendation Memorandum in which the Audit Division recommended that the Commission adopt a finding that JEFP failed to itemize loan repayments, totaling $4,344,469, on Schedule B-P (Itemized Disbursements).

The Commission approved the Audit staff's recommendation.

Finding 4. Stale-Dated Checks

Summary
The Audit staff identified 202 stale-dated checks, totaling $267,529, and recommended that JEFP provide evidence that the checks are not outstanding or make a payment to the United States Treasury. In response, JEFP documented that certain checks were no longer stale-dated as they either had cleared the bank or were for amounts that were determined to be not owed. As a result, the remaining 128 stale-dated checks, totaling $141,808, require repayment to the United States Treasury.

The Commission approved this finding.

Legal Standard
Handling Stale-Dated (Uncashed) Checks. If a committee has issued checks that the payees (creditors or contributors) have not cashed, the committee must notify the Commission of its efforts to locate the payees and encourage them to cash the outstanding checks. The committee must also submit a check payable to the United States Treasury for the total amount of the outstanding checks. 11 CFR §9038.6.

Facts and Analysis

A. Facts
During fieldwork, the Audit staff identified 202 stale-dated checks, totaling $267,529. The checks were dated between February 22, 2007 and May 21, 2008 and had not cleared the bank as of February 28, 2010. A majority of the stale-dated checks represented refunds of general election contributions.

B. Preliminary Audit Report & Audit Division Recommendation
This matter was discussed at the exit conference during which the Audit staff provided JEFP representatives with a schedule of the stale-dated checks. In response, JEFP indicated that it contacted a number of individuals/vendors and reissued $114,481 in stale-dated checks but did not provide the check numbers of the reissued checks. Without the check numbers, the Audit staff could not determine whether any of the reissued checks had cleared the bank.

In the Preliminary Audit report, the Audit staff recommended that JEFP provide evidence that:

- the $114,481 in reissued checks have cleared the bank by providing copies of the front and back of the negotiated checks along with bank statements; and

- the remaining stale-dated checks, totaling $153,048 ($267,529 - $114,481) had either been reissued and cleared JEFP's bank or had been voided because no obligation exists.

Absent such evidence, the Audit staff recommended that JEFP pay $267,529 to the United States Treasury.

C. Committee Response to the Preliminary Audit Report
In its response, JEFP stated that 83 checks, totaling $138,871, should be removed from the stale-dated check list and provided documentation in support of its position.

Based on a review of JEFP's response and the documentation presented, the Audit staff identified that 74 checks, totaling $125,721, were no longer stale-dated. For the remaining stale-dated checks, JEFP did not provide sufficient documentation to support its position that no obligation existed or that the checks had cleared the bank as of December 31, 2010. Therefore, JEFP is required to pay the United States Treasury for the remaining 128 stale-dated checks, totaling $141,808.

D. Draft Final Audit Report
The Draft Final Audit Report concluded that JEFP was required to pay the United States Treasury for 128 stale-dated checks, totaling $141,808.

Commission Conclusion
On July 21, 2011, the Commission considered the Audit Division Recommendation Memorandum in which the Audit Division recommended that the Commission find that JEFP should pay $141,808 to the United States Treasury.

The Commission approved the Audit staff's recommendation.

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REQUEST FOR ADMINISTRATIVE REVIEW OF REPAYMENT DETERMINATION IN FINAL AUDIT REPORT REGARDING JOHN EDWRDS FOR PRESIDENT

The John Edwards for President Committee seeks administrative review under 11 C.F.R. §9038.2(c)(2) of the Commission's repayment determination in its Final Audit Report regarding the John Edwards for President Committee 2008 Presidential primary campaign ("JEFP"). The Commission issued its Final Audit Report ("FAR") on July 29, 2011, concluding that the Committee is required to make a repayment of $2,136,507 for matching funds received in excess of entitlement. Based on the reasons outlined below, JEFP disputes the Commission's determination regarding the amount the Committee should be required to repay to the U.S. Treasury. JEFP requests a hearing as part of this administrative review process on all repayment issues presented herein under 11 C.F.R. §9038.2(c)(2)(ii).

The Commission should reduce the amount of its repayment determination for the following reasons:

- The Commission has incorrectly categorized $528,454 of JEFP's final payroll as a non-qualified campaign expense when in fact that amount was paid to staff to compensate them for services rendered during the campaign and to reimburse them for expenses incurred while rendering those services;
- The Commission has incorrectly concluded that JEFP received matching funds in excess of entitlement, given that matching fund payments to the Committee were delayed because of a series of unprecedented and extraordinary events that occurred during the 2008 campaign, including the Commission's lack of a quorum for the first six months of that year; and
- The Commission should determine that expenses incurred by JEFP in connection with a criminal proceeding regarding allegations of excessive campaign contributions are qualified campaign expenses (beyond winding down costs).

1. Final Payroll

The Commission in its Final Audit Report has incorrectly categorized $528,454 of JEFP's final payroll as a non-qualified campaign expense. The final payroll amount compensated staff in part for their work prior to the date of ineligibility ("DOI") and out-of-

pocket expenses incurred during that time frame, and in part for their work and expenses post-DOI to close down the campaign. Driven by conditions and obligations in existence prior to DOI, the disputed payroll expenditure occurred within days of the end of the campaign and in every respect meets the definition of a qualified campaign expense. As such, the final payroll is actually a qualified campaign expense.

There has never been any suggestion in any audit document from the Commission or its staff that the final payroll expenditure was made for any purpose other than a valid purpose in connection with the campaign. Despite this fact, the Commission has determined that no portion of that payroll, not even salary payments to staff for closing down campaign operations, meets the standard of a qualified campaign expense. This decision is totally arbitrary and serves no rational purpose. Further the determination that the final payroll is a non-qualified campaign expense inflates the repayment amount stated in the Final Audit Report.

As stated in previous Responses filed with the Commission, this amount was paid to staff to compensate them for the following:

a. Additional work hours required of staff pre-DOI during December 2007 and January 2008;
b. Staff work performed in closing down campaign sites, including return of rental equipment and vehicles post-DOI or archiving and preserving records; and
c. Payments to staff for expenses incurred for lodging, meals, and transportation in connection with their work for the campaign

a. Additional work hours required of staff pre-DOI during December, 2007 and January, 2008;

The final payroll check issued to staff was in part to compensate employees for the extensive number of hours they worked in December 2007 and January 2008. In the lead-up to the Iowa caucuses and the early primary states, JEFP can show that staffers were working far more than the normal work week. In fact, JEFP staffers averaged 100 hour work weeks during this time frame and routinely worked weekends and holidays. (See Attachment 1.) Moreover, employees received only 50% of the pay owed them on January 30, 2008.

There is absolutely nothing in FEC regulations that bars JEFP from paying staffers an increased amount retroactively for extra hours worked in a previous pay periods, nor is there any regulation that bars JEFP from paying employees more than the half pay they were shorted on the January 30 payroll to make up for the fact that employees were forced to wait for compensation that was due them on that date. Most of these staffers were low level employees, compensated at a minimal rate. JEFP had the right and ability to give them a retroactive pay increase for the payroll which was not paid in full on the date it was owed, as well as for any previous payroll period in which staff put in an extraordinary work effort.[1]

[1] Note that in certain states it is a violation of law for an employer to fail to pay employees their full pay for a pay period in a timely manner. See for example, New Hampshire Statutes, §275:43-b, and Iowa Division of Labor

b. Staff work required to close out the campaign:

The final payroll check issued to staff was in part to compensate them for their work in closing down the campaign. There is ample evidence to demonstrate the situation that confronted JEFP on DOI. As of that date, the committee had 32 offices in place in 4 states (Iowa, New Hampshire, Nevada and South Carolina) and the District of Columbia, plus a campaign headquarters facility in North Carolina. (See Attachment 2.) In addition to 261 rented computers and related equipment (laptops, desktops, monitors and printers), the Committee had other rented office, phone and technical equipment, as well as equipment that the Committee owned. For example, there were approximately 30 copiers that had to be returned either to a vendor or to campaign headquarters for further disposal, as well as 354 mobile phones and blackberries. (See Attachment 3 showing a sampling of shipping labels and invoices for items that were shipped to headquarters after DOI.) Finally, there were 47 rental vehicles outstanding that had to be returned to rental car companies. (See Attachments 4 and 5.) Thus, at DOI, JEFP staff was faced with the rather complicated scenario of closing down operations at many sites in multiple locations. JEFP can demonstrate that Staff closed all offices and event sites, returned rented equipment and rented vehicles, and processed materials and equipment owned by JEFP. This work occurred through February 7, 2008, after which date, JEFP retained a small number of staffers to complete winddown tasks.[2]

The Commission in the FAR determined that no portion of the staff salary payments made by JEFP to perform these tasks could be treated as qualified campaign expenses. This is patently unfair as it was imperative that the Committee have staff available to perform these tasks in order to close the campaign in a professional and responsible manner. This determination has no rational basis. Moreover, this conclusion directly contravenes the Commission's Financial Control and Compliance Manual, which specifically outlines close out procedures for publicly financed Presidential campaigns, including the need for committee personnel in order to close out offices at the state and national level, as well as to dispose of assets. The Manual further advises committees to recognize the importance of preserving complete records of activity when closing down offices. Thus, while the Commission's own Manual governing Presidential primary campaigns that receive public financing emphasizes the importance of staffing for closeout procedures, the Commission in this Audit is not treating any of the amounts spent by JEFP for staff to close out the campaign as a qualified campaign expense. (See Federal Election Commission Financial Control and Compliance Manual, Chapter X, at 181-183.[3])

Wage FAQs which state that an employer can be held liable to an employee for the cost of bounced checks resulting from an employer's failure to timely pay. (http://www.iowaworkforce.org/labor/wagefaqs.pdf).

[2] JEFP email system was in operation until February 8, 2008 to allow for efficient operation of the close down process.

[3] Regulations governing general election public financing provisions recognize that post-DOI staff salaries are qualified campaign expenses. See 2 U.S.C.§§9002(12), 9004(c)(1) and 11 C.F.R. §§9002.11(a)(2) 9002.12. There is no rational basis for treating primary campaigns differently.

c. **Expenses incurred out-of-pocket by staff for lodging, meals, and transportation:**

Expenses incurred by staff fall into two categories: those incurred pre-DOI but not submitted for reimbursement as of DOI, and those incurred in the process of closing down campaign activity. Generally, JEFP chose to make lump sum payments to staff to cover expenses incurred in the last weeks of the campaign. There is nothing in Commission regulations which bars lump sum payments to staff to pay them for expenses and at the end of the campaign. JEFP opted for this approach as it was the most expeditious way of handling those payments, both for staff and the Committee. The payment to staff for expenses incurred is a valid campaign expense, yet the Commission has concluded that the entire final payroll amount is non-qualified and hence no amount paid to staff for expenses incurred is a qualified campaign expense. This result is unwarranted.

i. **Expenses incurred pre-DOI but not submitted for reimbursement as of DOI**

When the campaign ended on January 30, 2008, the majority of the staff had not yet submitted their expense reimbursement requests to the campaign for expenses incurred after January 15, 2008. JEFP has reviewed its reimbursement records and found that 73 employees received no travel stipend or reimbursements for expenses incurred by them after January 15, 2008. (See Attachments 6 and 7.) These staffers were paid nothing by JEFP for out-of-pocket expenses incurred for lodging, meals or transportation costs after Jan 15, 2008. Since most were working in locations other then their home offices, their daily living expenses skyrocketed during this time frame and required substantial reimbursement for these out-of-pocket expenses. The final payroll amount received by these staffers included an amount to cover these pre-DOI expenses. JEFP opted for paying staffers this lump sum amount in essence as a stipend because it was far more efficient than processing cumbersome reimbursement requests which would have required significant accounting staff time and would have resulted in a delay in payment to staffers. JEFP recognized that staffers would be dispersing as they found other employment and the most equitable approach was to provide them a stipend to pay for expenses incurred in January prior to DOI. Similarly, the Committee was not in a position to process individual expense reimbursements, including tracking down employees to obtain information from them.

There is nothing in Commission regulations which bars payment of travel, lodging and meal stipends to staff for expenses in lieu of reimbursements based on receipts. Moreover, at the post-DOI stage of the campaign, this was the approach JEFP deemed to be most expedient under the circumstances. Denying the campaign the ability to treat any amount of these payments to staff for pre-DOI out of pocket expenses as qualified campaign expenses produces an arbitrary result. JEFP has calculated that $213,773 of the final payroll was payment to employees for expenses incurred pre-DOI.

ii. **Expenses incurred post-DOI in the process of closing down campaign**

As stated above, at DOI JEFP staff was required to shut down the campaign, a somewhat complicated process given the technological equipment and number of sites involved. The Committee needed to efficiently pay these staffers for post-DOI out-of-pocket expenses for two reasons: JEFP needed to complete an orderly and timely shut down of all operations and offices, and JEFP was obligated to pay for its employees to return to their home offices.

At DOI, many of these staffers were deployed to locations other than their home offices in states where events related to the February 5 primaries were scheduled. Attachment 9 shows that at DOI there were 20 such events scheduled or events that occurred the day prior to DOI and were in the process of being dismantled. As of DOI, staffers were already on the ground, many with rental cars, at these event locations. (Attachment 4 shows cars rented by staff in connection to these events.) Before staffers could return to their home offices, they were required to close down and cancel the event. This could include physically dismantling sites (removal of chairs, staging, AV equipment, sound equipment, etc.), scheduling a walk through with owners of event sites, and other tasks associated with cancellation. Even though these events were scheduled after DOI, arrangements, commitments and on-site preparations for them were made pre-DOI.

JEFP opted for paying staffers this lump sum payment in the nature of a stipend because it was far more expeditious at that stage of the campaign than processing cumbersome reimbursement requests which would have resulted in a delay in payment to staffers. Recognizing that these staffers were absolutely essential to avoiding default with rental properties, rental car companies and other vendors, JEFP believed that the Committee was in a far better position to encourage staffers to remain with the campaign long enough to close it down if employees knew that they would receive a lump sum payment rather than going through a cumbersome reimbursement process. It is important to consider the political environment at the end of January 2008. The race for the Democratic nominee for President continued at a frenetic pace, with two large campaigns potentially interested in hiring experienced campaign staffers. JEFP needed to provide the fastest payment process possible to ensure these staffers completed their responsibilities in closing down campaign operations and offices.

Further, JEFP was responsible for paying travel costs to return these employees to their home office locations, where many had rental housing, furniture, personal vehicles, etc. Of the employees who were paid in the final payroll, as of DOI, 64 were in a location other than their home base office location. (See Attachment 8.) For instance, 23 were in states that held primaries or caucuses after January 8, 2008, but needed to travel to their home offices in Iowa. In addition, once at their home office locations, staffers were responsible for properly closing those sites down.

JEFP not only required these staffers to assist in shutting down the campaign, but also recognized its obligation to ensure that these staffers had the means to return to their respective home offices. These employees, who were generally low paid staff, had already received only half their January 30, 2008 pay and were suddenly out of employment. JEFP has calculated that $106,886 of the final payroll was payment to employees for expenses incurred pre-DOI.

The method by which JEFP reimbursed its employees served both interests – retaining the help of its staff and providing the means for these staffers to return to their homes. There is no rational basis for treating amounts paid by JEFP to staffers for these expenses as non-qualified campaign expenses.

2. Excess Entitlement Issues

a. Repayment for excess entitlement

The Commission in its Final Audit Report has incorrectly determined that JEFP received $2,136,507 in excess of its entitlement. This conclusion is not supported by applicable statutory provisions and would lead to an inequitable result with regard to JEFP.

Under statutory provisions, public fund payments made prior to a candidate's DOI are based on submission of qualifying contributions that are matched dollar for dollar, up to $250. 26 U.S.C. §9034. However, where the candidate does not receive payment until after DOI, FEC regulations adopt a very different standard, premising a candidate's entitlement to public funds on the status of his or her net outstanding campaign obligations at the time of payment of those funds. (11 C.F.R. §9034.1(b)). Hence, the Commission has determined that JEFP should be required to repay any amounts not necessary to defray qualified campaign expenses. This in essence denies JEFP its full matching fund entitlement. The Commission has compounded the unfairness of this denial of matching funds by also concluding that over $500,000 of JEFP valid campaign expenditures for payroll were not qualified campaign expenses.

The Commission's repayment conclusion is essentially based on the timing of matching fund payments to JEFP. This timing was driven by a combination of two unprecedented and extraordinary events that occurred in 2008. First, there was a shortfall in the Presidential Election Campaign Fund, and candidates could not receive payment of public funds to which they were entitled. JEFP made a total of four Submissions to the FEC for matching funds (11/1/07; 12/3/07; 1/2/08 and 2/1/08).[4] JEFP should have received its first public fund payment in early January, 2008, in the amount of $8.8 million, but this did not occur due to a shortfall in the Presidential Election Campaign Fund. Payments to JEFP were delayed until after DOI on January 30, 2008.

Second, the FEC was essentially out of business for the first seven months of 2008 because appointments to the Commission were stalled in the Senate confirmation process. Due to this lack of a quorum, the Commission had no legal authority to take any official action, which meant that submissions for matching funds could not be certified between January 1, 2008 and July 17, 2008.

The combination of these unforeseen events had a severe impact on the finances of the campaign. As a result of the shortfall in the Fund, payment of public funds to JEFP was delayed

[4] Because FEC procedures prevented the Committee from submitting its January 2008 contributions for matching until February 2, 2008, the last of JEFP's four submissions occurred three days after the campaign ended.

so that the Committee did not receive its first matching fund payment until February 14, 2008, which was after DOI, and that payment was a small fraction (approximately 10%) of the amount to which it was entitled.[5] Moreover, contributions received by JEFP in December 2007 and January 2008 were not certified for matching until several months later, on July 17, 2008, when the Commission quorum was restored.

Normally, campaign committees are able to deal with a shortfall in the Fund by obtaining bank loans based on FEC certification of matching fund submissions. However, because the Commission was out of business, JEFP's bank curtailed the amount that the Committee could borrow on the basis of submissions certified by the Commission before it ceased operations. Indeed, due to the conditions present in early 2008, JEFP's bank refused to lend the committee any more than 70% of its entitlement, 20% less than the 90% financing that would have been available had the Commission been in existence. The net result in funding meant that the Committee had $1.5 million less for operating expenses in January 2008. The Commission should not administer the public financing system in this way as it results in inequitable treatment of candidates, with entitlement to public funds based on the timing of payment of those funds.

Apart from the basic unfairness of such an approach, the Commission's literal application of the language of its regulations premising entitlement on the timing of payment of public funds is wrong under the conditions that existed in 2008. The Commission's regulations were written with the expectation that the Commission would be a functioning agency that could approve certifications in a timely fashion. This was far from the case in the first half of 2008. Indeed, the Final Audit Report adopted by the Commission contains the admission: "There is no question that the combination of the shortfall in the Matching Payment Account and the Commission's lack of a quorum delayed payments." (Final Audit Report at 14.) This rigid, literal interpretation of the regulations is inconsistent with the dollar for dollar entitlement established under the statute, especially in 2008. Matching all contributions received by a candidate prior to the date of ineligibility is not only mandated by the statutory provisions but it is the only equitable approach under the circumstances extant in early 2008 when two totally unforeseen events occurred simultaneously. These circumstances were totally outside the control of the Committee and they severely curtailed the ability of the campaign to continue because JEFP was unable to borrow anything near its full entitlement.

Statutory provisions at 26 U.S.C. §9033(c)(2) are cited in the Final Audit Report as a basis for concluding that after DOI a candidate may receive matching funds only to the extent that campaign obligations exceed private contributions. (Final Audit Report, p. 13.) However, this statutory language does not support such a conclusion. In fact, the statute does nothing to affect the matchability of contributions received before a candidate's DOI – instead, this provision extends the right of candidates to receive funds **after** ineligibility.[6] Yet, inexplicably

[5] This payment was based on JEFP's 11/1/07 Submission.

[6] Indeed, the statement in the FAR regarding Section 9033(c)(2) distorts the actual statutory language. The FAR states: "Under 26 USC §9033(c)(2), a candidate who has passed the date of ineligibility is **not entitled to any further matching fund payments, except to defray qualified** campaign expenses incurred before the candidate became ineligible." (FAR at 13) (*emphasis added*). In fact, the statute does not state that a candidate is not entitled

the Final Audit Report uses this provision as support to deny matching funds to a candidate, interpreting the statutory language in a way that completely undermines the plain language of the statute. Under the approach adopted by the Commission in the Final Audit Report, valid contributions received while the candidate was active and eligible will not be matched.

b. Qualified Campaign Expense Issue Regarding Costs Incurred in Connection with Criminal Investigation and Indictment

As stated in earlier Responses filed with the Commission, JEFP is involved in an extensive investigation and proceedings by the Department of Justice.[7] Due to this investigation, it has been necessary for JEFP to incur substantial and unanticipated expenses for its own representation in this matter, including additional staff, equipment and legal costs.[8] Moreover, the Committee anticipates that it will incur extensive costs in future months as the Justice Department proceedings continue through trial, which could be followed by an appeals process.

None of these committee expenditures fall within the ambit of typical "winding down" costs as defined in the regulations because they are not incurred for a Commission audit, or for compliance with public financing laws. Rather, these costs are essentially qualified campaign expenses that go beyond winding down costs. Inasmuch as the Justice Department prosecution goes to the question of what contributions JEFP received, the proceedings clearly relate to a core activity of the Committee.

Therefore, JEFP is seeking a determination from the Commission that the Committee may re-allocate those costs it has already incurred and anticipates incurring as a result of criminal proceedings as qualified campaign expenses. In the alternative, the Committee requests that the Commission determine that, due to the unforeseen circumstances, the costs of dealing with the Justice Department investigation will be excluded from winding down costs for the purposes of the 10% cap on winding down costs. (11 C.F.R. §9034.11.)

The Committee has incurred and anticipates incurring approximately $925,000 in connection with the criminal investigation related to the campaign. This amount consists of costs incurred to date, plus an estimate of anticipated costs through completion of the criminal matter. The costs incurred to date total approximately $425,000. This amount consists of legal fees of approximately $320,000 in addition to approximately $86,000 in costs incurred for equipment, staffing and related expenses ($21,800.97 for new computer equipment and software to secure JEFP server; $37,305.43 for IT services related to above; $ 27,232.45 in costs for additional staffing and services; and approximately $18,000 in expenses incurred in connection with

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to any further payments, but rather states that an ineligible candidate "...**shall** be eligible to continue to receive payments...." 26 USC §9033(c)(2) (*emphasis added.*).

[7] See Response of John Edwards for President to Exit Conference Preliminary Audit Findings (February 20, 2009), at 4; and Response of John Edwards for President to Draft Final Audit Report, at 6.

[8] None of these expenses are in connection with Senator Edwards legal defense related to criminal charges, but instead relate solely to Committee representation.

representation, including travel, lodging and related expenses). (JEFP can provide additional backup information, upon request of the Commission.) As to future costs, JEFP anticipates that it will require legal representation for several months with regard to the scheduled criminal trial to begin in the near future. In addition, post trial appeals are anticipated. It is very difficult to estimate costs, but it is anticipated that this will require a minimum amount of $500,000.

Submitted:
October 3, 2011

Prepared by:
Lyn Utrecht
Eric F. Kleinfeld
Patricia A. Fiori
Karen A. Zeglis

ATTACHMENT 1

First Name	Last Name	1/6 Earliest	1/6 Latest	1/7 Earliest	1/7 Latest	1/8 Earliest	1/8 Latest	1/9 Earliest	1/9 Latest	1/10 Earliest	1/10 Latest
Wally	Adeyemo	15:45	23:47	1:57	23:36	0:04	23:43	0:52	22:31	9:26	20:16
Chris	Chafe	16:23	1/7/11 0:35	8:04	23:25	4:55	23:55	0:11	21:57	10:22	22:29
Matt	Giobbi	16:29	22:26	7:47	23:38	9:24	1/9/11 0:51	8:48	1/10/11 0:14	9:37	23:48
Karine	Jean-Pierre	15:39	23:40	8:10	1/8/11 0:03	8:24	23:49	6:06	23:45	8:01	22:34
Mark	Kornblau	16:08	1/7/11 0:24	7:41	23:33	6:16	23:31	7:32	22:20	7:56	1/11/11 0:44
Elizabeth	Lucas	16:25	1/7/11 1:05	9:59	2:37	5:02	22:46	15:05	20:51	11:09	22:48
Brian	Mixer	16:16	1/7/11 0:06	9:24	23:51	8:48	23:49	6:49	22:48	9:44	20:20
Elizabeth	Pavle	16:16	22:45	10:36	22:34	9:08	19:49	7:14	19:12	10:48	22:19
Anisa	Somani	N/A	N/A	9:45	23:44	9:47	1/9/11 0:07	9:46	23:54	10:28	1/11/11 0:08
Audrey	Waters	15:39	23:51	8:23	23:54	5:14	1/9/11 1:26	8:12	23:15	9:22	22:36

First Name	Last Name	1/11 Earliest	1/11 Latest	1/12 Earliest	1/12 Latest	1/13 Earliest	1/13 Latest	TTL
Wally	Adeyemo	11:36	22:28	0:51	15:02	7:43	15:06	118.25
Chris	Chafe	9:21	21:10	8:52	21:19	1:42	15:29	114.48
Matt	Giobbi	9:43	1/12/11 0:04	8:38	23:19	9:32	15:35	101.95
Karine	Jean-Pierre	8:31	23:34	8:24	22:09	12:14	15:26	103.52
Mark	Kornblau	7:39	22:33	8:13	22:16	8:02	15:37	109.52
Elizabeth	Lucas	10:22	23:45	9:52	22:58	13:18	15:07	95.00
Brian	Mixer	8:52	21:20	11:03	1/13/11 0:52	12:09	15:06	93.12
Elizabeth	Pavle	10:00	21:14	11:07	18:13	13:19	14:11	71.82
Anisa	Somani	9:36	23:01	10:17	21:57	11:41	15:38	85.15
Audrey	Waters	9:22	23:17	10:08	22:01	9:57	15:00	103.05
						AVG/wk/pp		**99.59**
						Avg/day/pp		**14.23**

ATTACHMENT 2

Offices with active leases:

Iowa	15 offices with leases expiring on 1/31/08 or later
South Carolina:	1 office with lease expiring on 01/30/08
New Hampshire:	13 offices with leases expiring on 01/31/08 or later
Nevada:	2 offices with leases expiring on 01/31/08
Washington, DC	1 office with lease expiring on 1/31/08
North Carolina	HQ
	33 Offices

Business Lease – Dayton Road Development

THIS LEASE AGREEMENT, executed in duplicate, made and entered into this 14th Day of May, 2007 by and between Dayton Road Development (hereinafter referred to as Landlord) whose address for the purpose of this lease is 413 Kellogg, Ames, IA 50010 and John Edwards Presidential Campaign (hereinafter referred to as "Tenant") whose address for the purpose of this lease is 103 E. 6th, Ames, IA 50010, WITNESSETH THAT:

1. **PREMISES AND TERM**. The Landlord, in consideration of the rents herein reserved and of the agreements and conditions herein contained, on the part of the Tenant to be kept and performed, leases unto the Tenant and Tenant hereby rents and leases from Landlord according to the terms and provisions herein, the following described property, situated in Story County, Iowa, to-wit:

   Approximately **804** rentable square feet located at **Park Plaza Professional Office Building Suite #100,** 103 E. 6th Street, Ames, IA 50010.

   For a term of EIGHT MONTHS, commencing midnight of the day previous to the first day of the lease term, which shall be on the **1st day of June 2007** and ending midnight on the last day of the lease term, which shall be on the **31st day of January 2008 (then month-to-month with each party giving 30-day notice)** upon the condition that the Tenant pays rent therefore and otherwise performs as in this lease provided.

2. **RENTAL.** Tenant agrees to pay Landlord monthly rental for said term, as follows:
   Year One $800.00 per month
   The first rent payment shall be due **June 1, 2007** and subsequent payments on the 1st day of each month thereafter during the term of the lease. All sums shall be paid at the address of Landlord as above designated or at such other place as the Landlord may, from time to time, previously designate in writing. Delinquent payments shall draw interest from the due date of 15% per annum payable annually.

3. **USE AND PREMISES.** Tenant covenants and agrees during the term of this lease to use and to occupy on a limited basis the leased premises only as office space and not to permit the same to be used for any unlawful purpose or on any fulltime-continuing basis, as prescribed by the Fire Code of the City of Ames.

4. **USE OF COMMON AREA.** Tenant shall, together with other tenants, have the right to the use and enjoyment of the common areas of the building. Limited food and beverages shall be consumed in any common areas.

5. **CARE AND MAINTENANCE OF PREMISES.** (a) Tenant takes said premises in their present condition and any remodeling or redecorating shall be at Tenant's expense. (b) Landlord will keep the external part of the building and common areas in good repair. Landlord will repair and replace furnace, air-conditioner, water heater, existing wiring and plumbing as needed.

6. **UTILITIES AND SERVICES.** Landlord agrees to pay water, gas, heating, air-conditioning, electricity, and sewage rentals involving in the leased premises. Tenant shall provide his own telephone service. Tenant further agrees to provide his own janitor service. Landlord shall provide all structural maintenance of facility.

7. **IMPROVEMENTS.** Tenant will accept the premises in their present form. Any additional modifications on said premises will be done by Tenant with Landlord's approval and at Tenant's expense and in compliance with applicable statutes and ordinances. Tenant shall keep the demised premises free from any liens arising out of any work performed, materials furnished or services rendered for Tenants. Tenant may, at the expiration of the term of this lease or any renewal thereof, if Tenant is not in default hereunder, remove any fixtures or equipment which Tenant has installed in the leased premises providing Tenant repairs any and all damage caused by removal. Plumbing and electrical is to be properly taped and holes covered and walls restored to blend in color with surrounding walls.

LEASE AGREEMENT

THIS INDENTURE OF LEASE made and entered into at Warrensville Heights, Ohio, this _____ day of _____, 2007, by and between GMS MANAGEMENT CO., INC. OF IOWA (hereinafter called "LANDLORD"), whose mailing address is 4645 Richmond Road, #101, Warrensville Heights, Ohio 44128, and JOHN EDWARDS FOR PRESIDENT, a North Carolina corporation (hereinafter called "TENANT"), whose mailing address is 410 Market Street, Suite 400, Chapel Hill, North Carolina 27516.

SUMMARY OF LEASE TERMS:

Premises:	Unit No. 39
Address:	2700 Mt. Pleasant Street, Burlington, Iowa
Shopping Center:	Fairway Shopping Center Burlington, Des Moines County, Iowa
Square Footage:	882 sq. ft., being 21 x 42
Initial Term:	Eight (8) months, month-by-month thereafter
Option(s):	None
Rental Commencement Date:	June 1, 2007

Fixed Minimum Rent –

Initial Term:	$500.00 per month
Month-by-Month:	Through May 31, 2008, $500.00 per month, increased to $650.00 per month effective June 1,2008.

Security Deposit:	$2,000.00

Additional Rent –

Common Area Maintenance:	None, included in the Fixed Minimum Rent
Real Estate Taxes:	None, included in the Fixed Minimum Rent
Insurance:	None, included in the Fixed Minimum Rent
Promotional Dues:	None

Listing of Exhibits:

Exhibit "A"	Plot Plan of the Shopping Center
Exhibit "B"	Work to be performed by Landlord (NONE – Tenant taking "as is")
Exhibit "C"	Sign Criteria
Exhibit "D"	Work to be performed by Tenant

Guarantor:	None

Preparer Information ROBERT A. FASBENDER-215 WEST 4th St.-CARROLL, IOWA #51401
Individual's Name Street Address City Fax and Phone 1-712792-3118

SPACE ABOVE THIS LINE FOR RECORDER

LEASE—TOWN PROPERTY

This Article of Agreement, Made and entered into this FIRST day of JUNE 20 07, by and between Robert Fasbender-Agent & Manager for : THOMAS PLAZA & LESSOR of CARROLL County, Party of the first part, and JOHN EDWARDS for PRESIDENT" CAMPAIGN-LESSEE -Chapel Hill, NC. #410 Market St. Suite #400 #27516 county Seth Lessee's & Renters & party of the second part, witnesseth:

That the party of the first part, in consideration of the agreements and covenants hereinafter made by the party of the second part, has this day leased unto the party of the second part the following described premises situated in the County of Carroll and State of Iowa, to-wit: That the party of the first part, in consideration of the agreements and covenants herinafter made by the party of the second part, has this day leased unto the party of the second part the following described premises situated in the County of Carroll and State of Iowa, to-wit: A portion of Thomas Plaza, Carroll, Iowa, located at #217 West 4th Street, consisting of approximately 666 square feet of space in Carroll, Iowa.

Together with all the buildings and improvements on the same for the term of EIGHT (8) MONTHS from the 1st day of JUNE 2007, to the 31st day of JANUARY 2008, for the sum of $260 (THREE HUNDRED-SIXTY Dollars per month(for eight months DOLLARS per month, payable on the first day of each month, in advance, to the office of Manager Robert Fasbender Manager Robert Fasbender Michael's Shoes(Thomas Plaza) Carroll, #51401 (Over)

(#) AND IT IS FURTHER AGREED: That if any rent shall be due and unpaid or if default be made in any of the agreements herein contained, it shall then be lawful for the party of the first part to re-enter the said premises, and the parties of the second part agree to vacate said premises without notice, and if proceeding to bring action at law to recover rent, to pay a reasonable attorney's fee. Lessor will eliminate any and all remodeling with Lessee in rented space. Lessee shall pay for the cost of all utilities, including heat, lights, telephone, and air conditioning. Lessee shall pay the cost of water. Lessor shall maintain and repair the exterior and roof of the building and all sidewalks adjacent thereto. All maintenance and service work completed in the area of the Lessee's space will be completed with the consent of Thomas Plaza agent Robert Fasbender. Lessee agrees that any remodeling or changing of a permanent nature of this area will be completed only with the consent of Thomas Plaza agent Robert Fasbender.

And the said parties of the second part further agree to pay the party of the first part the rent as above specified, except when said premises are untenable by reason of fire, from any other cause than carelessness of the parties of the second part, or persons of their family, or their employ, or by superior force or inevitable necessity.

And the said parties of the second part covenant that they will use said premises as a CAMPAIGN OFFICE

and for no other purpose whatsoever, and that tenants especially will not let said premises or permit same to be used for any unlawful business or purpose whatsoever; that tenants will not sell, assign, underlet or relinquish said premises without the written consent of the lessor, under penalty of forfeiture of all tenant's rights under this lease, at the election of the party of the first part; and that they will use all due care and diligence in passing said property, with buildings, gates, fences, vines, shrubbery, etc., from damage by fire and the depredations of animals, will pay all water rents and charges for gas or electric light that shall become due thereon during this lease; that tenants will not permit any noise or nuisance whatever on said premises to the disturbance of other tenants, or do or permit anything on or about said premises which will increase the rate of insurance; that the lessor and its agents may enter at any time to view same for any necessary purpose. The lessee further agrees that he will in all respects comply with the city ordinance and requirements of the health authorities and particularly as to keeping said premises and the streets and alleys adjacent thereto, free and clear of all filth, refuse and obstruction and the steps and sidewalks free from snow and ice; that they will keep the buildings, glass, gates, fences, etc., in good repair as the same now are or may be placed at any time by the lessor, or as often as the same may require it. Damage by superior force, inevitable necessity or the filth and wear caused from carelessness of the lessee, or persons of their family, or in their employ, excepted, and in the execution of this lease, or upon a breach of said tenant of any of the covenants herein contained, tenants will without further notice of any kind, quit and surrender the possession and occupancy of said premises in the great condition as reasonable use and natural wear and decay thereof will permit, damage by the aforesaid, superior force or inevitable necessity excepted.

And that the said party of the second part hereby gives the said party of the first part a first lien on any and all property of the said tenant party hereto, now on said premises to be confiscated, the value of which is equal to the amount of said rent, for all sums due or to become due by virtue of this lease.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names on the date above written.

Robert A. Fasbender Lessee + Agent for Thomas Family Trust

JOHN EDWARDS FOR PRESIDENT-LESSEE
410 MARKET ST. SUITE 400

Thomas Plaza Agent-ROBERT FASBENDER and LESSOR "for" JAY THOMAS-OWNER.

ATTACHMENT 2
PAGE 17 OF 166

THE IOWA STATE BAR ASSOCIATION
Official Form No. 165

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

LEASE- BUSINESS PROPERTY- SHORT FORM

THIS AGREEMENT, made and entered into on this 2nd day of April, 2007, by and between Nielsen Building Investments, L.C. ("Landlord"), whose address, for the purpose of this lease, is: 101 1st Street SE (Street and Number) Cedar Rapids (City) IA (State) 52401 (Zip Code) and John Edwards for President ("Tenant"), whose address for the purpose of this lease is: 116 3rd Ave SE, Ste 430 (Street and Number) Cedar Rapids (City) IA (State) 52401 (Zip Code)

The Parties agree as follows:

1. PREMISES AND TERM. Landlord leases to Tenant the following real estate, situated in Linn County, Iowa:

PREMISES: 116 3rd Avenue SE, Ste. 430 approximately 1,475 sq.ft. * See item #12

TERM: April 15, 2007 – January 31, 2008

together with all improvements thereon, and all rights easements and appurtenances thereto belonging, for a term beginning on the 15th day of April, 2007, upon the condition that Tenant performs as provided in this lease.

2. RENT. Tenant agrees to pay to Landlord as rent $ 800.00 - *See item #12 per month, in advance commencing on the 1st day of May, 2007 and on the 1st day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. Tenant shall also pay:

Pro-rated April rent of $500.00 and Security deposit of $500.00

All rents shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at 5 % per annum.

3. POSSESSION. Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.

4. USE. Tenant shall use the premises only for Office space/campaign headquarters.

5. CARE AND MAINTENANCE. (a) Tenant takes the premises as is, except as herein provided.
(b) Landlord shall keep the following in good repair: (STRIKE THOSE NOT APPLICABLE) (roof) (exterior walls) (foundation) (sewer) (plumbing) (heating) (wiring) (air conditioning) (plate glass) (windows and window glass) ~~(parking area)~~ (sidewalks) (exterior decorating) ~~(interior decorating)~~

except when the same are occasioned by the misuse or negligence of Tenant, its agents, employees or invitees. Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.

Jack E. Ruesch

John

JEFF
Markup
5/18/07

LEASE - BUSINESS PROPERTY - SHORT FORM

THIS AGREEMENT, made and entered into this 15th day of May, 2007, by and between Nelson Group, LLC ("Landlord"), whose address, for the purpose of this lease, is 3418 W. Broadway, Council Bluffs, IA 51501, and Edwards for President, A North Carolina non-profit corporation ("Tenant"), whose address for the purpose of this lease is 410 Market Street Suite 400 Chapel Hill, NC 27516.

The parties agree as follows:

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate, situated in Pottawattamie County, Iowa:

The middle approximately 1000 square feet of the building locally known as 8 N. 34th Street/3400 W. Broadway, legally described at Lot 15 in Block 15, Ferry Addition to the City of Council Bluffs, Iowa ;

together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the 15th day of May, 2007, and ending on the 31st day of January, 2008, upon the condition that Tenant performs as provided in this lease.

2. **RENT.** Tenant agrees to pay Landlord as rent $ 700.00 per month, in advance commencing on the 15th day of May, 2007, and on the 1st day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. Tenant shall also pay: all telephone and internet charges and shall also pay the charges of installation of such utilities. Tenant shall pay all charges for gas and electricity for those months extending beyond the initial term of the lease as additional rent as consideration for extending the lease on a month to month basis.

All sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at 5 % per annum.

3. **POSSESSION.** Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease.

4. **USE.** Tenant shall use the premises only for general business purposes/political campaign purposes .

5. **CARE AND MAINTENANCE.**

(a) Tenant takes the premises as is, except as herein provided.

(b) Landlord shall keep the following in good repair: roof, exterior walls, foundation, sewer, plumbing, heating, wiring, air conditioning, plate glass, windows and window glass, parking area, driveways, sidewalks, exterior decorating. Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.

THE IOWA STATE BAR ASSOCIATION Official Form No. 104 | Thomas L. Wine. | FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

LEASE - BUSINESS PROPERTY

THIS LEASE AGREEMENT, is entered into this 7TH day of MAY - 2007 by

J. McPAULI LLC

("Landlord") whose address for the purpose of this lease is
PO Box 114 Bloomingdale, IL. 60108 and
(Street and Number) (City) (State) (Zip Code)

JOHN EDWARDS FOR PRESIDENT

("Tenant") whose address for the purpose of this lease is
410 MARKET STREET, SUITE 400 Chapla Hill, N.C. 27516
(Street and Number) (City) (State) (Zip Code)

1. PREMISES AND TERM. The Landlord, in consideration of the rents, agreements and conditions herein contained, leases to Tenant and Tenant leases from Landlord, according to the terms and provisions of this lease, the following described "premises", situated in SCOTT County, Iowa:

OFFICE SUITE , 1225 EAST RIVER DRIVE, DAVENPORT IOWA, COMMONLY KNOWN AS ONE RIVER PLACE TOGETHER WITH ADJACENT COMMON HALLWAY AREAS AND COMMON AREA PARKING

with the improvements thereon, and all rights, easements and appurtenances, which, more particularly, includes the space and premises as may be shown on "Exhibit A," if attached, for a term of APROX 10 MO commencing at midnight of the day previous to the first day of the lease term, which shall be on the 7 day of MAY 2007 and ending at midnight on the last day of the lease term, which shall be on the 31 day of JANUARY 2008, upon the condition that the Tenant pays rent thereof, and otherwise performs as in this lease provided.

2. RENTAL. Tenant agrees to pay to Landlord as rental for said term, as follows: * 1ST MO RENT PRORATED $26.07 PER DAY
* $ 837.00 per month, in advance, the first rent payment beginning due upon (a) the execution of this lease; or (b) the ____ day of _____, _____, and the same amount, per month, in advance, on the 1ST day of each month thereafter, during the term of this lease.

In addition to the above monthly rental Tenant shall also pay:

N/A

All sums shall be paid at the address of Landlord, as above designated, or at such other place as the Landlord may, from time to time, designate in writing.

Delinquent payments shall draw interest at 9 % per annum from the due date, until paid.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made this 6 day of FEBRUARY, 2007, by and between Principal Life Insurance Company, whose address for the purpose of this lease shall be 711 High Street, Des Moines, IA 50392 (the "Landlord"), and John Edwards for President, whose address for the purpose of this lease shall be 712 East 2nd Street, Des Moines, Iowa (the "Tenant").

IT IS AGREED AS FOLLOWS:

1. DEMISE.

Landlord does hereby lease to Tenant and Tenant hereby rents certain space described as: 6,785 square feet of net rentable area located at 712 East 2nd Street, Des Moines, Iowa, on the first and second floors as shown on the site plans attached hereto and marked Exhibit "A" (the "Premises").

Improvements. Tenant agrees to take space in its "as is" condition.

2. TERM.

The term of this Lease shall be for a period of twelve (12) months, commencing on the 1st day of February, 2007, and ending at midnight on January 31, 2008 (the "Lease Term"). Notwithstanding said commencement date, if for any reason Landlord cannot deliver possession of the Premises to the Tenant on said date, Landlord shall not be subject to any liability therefore, nor shall such failure affect the validity of the Lease or the obligations of the Tenant hereunder or extend the Lease Term hereof, but in such case Tenant shall not be obligated to pay Rent until possession of the Premises is tendered to Tenant. In the event that the delay of delivery of possession results from Tenant's failure to perform work for which Tenant is responsible, or fails to furnish the plans and specifications as provided above, or fails to make timely selections of materials, color choices or other matters for which Tenant is responsible, the rent shall, nonetheless, commence on the commencement date stated above. If Tenant occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof and shall not advance the termination date, and Tenant shall pay rent for such period at the initial monthly rate set forth below.

3. RENT.

(A) Rent. Tenant shall pay for the use and occupancy of the Premises a base rental sum of $1.95 per square foot/year, in the annual amount of $13,230.75, payable in equal monthly installments in the amount of $1,102.56 (the "Rent") on the first day of each month in advance without demand during the Lease Term. Rent of any period during the Lease Term hereof which is less than one month shall be a pro-rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein or to such other persons or at such other places as Landlord may designate in writing.

(B) Place of Payment. All such rentals shall be made payable to Principal Life Insurance Company and mailed to Landlord at the following address:

LEASE - BUSINESS PROPERTY - SHORT FORM

This agreement, made and entered into on this *1st day of MAY 2007*, by and between *Uncommon Kitchens* (Landlord), whose address, for the purposes of this lease is *1179 Iowa Street, Dubuque, Iowa, 52001*; and *John Edwards for President* (Tenant), whose address for the purposes of this lease is: *410 Market Street, Suite 400, Chapel Hill, NC, 27516*.

The parties agree as follows;

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate, situated in Dubuque County, Iowa: *1169 Iowa Street, Dubuque, Iowa, 52001*; together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the *1st day of MAY 2007*, and ending on the *31st Day of JANUARY 2008*, and any subsequent month to month rental upon the condition that Tenant performs as provided in this lease.
2. **RENT.** Tenant agrees to pay Landlord as rent, *$525.00* per month, in advance, commencing on *the 1st day of MAY 2007*, and on the *1st* day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. Tenant shall also pay: *Security Deposit of $525.00 upon signing lease*. All sums shall be paid at the address of the Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at *10% per month or $10 per day* (whichever is greater).
3. **POSSESSION.** Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.
4. **USE.** Tenant shall use the premises only for *Presidential Campaign*.
5. **CARE AND MAINTENANCE.**
   a. Tenant takes the premises, as is, except as herein provided.
   b. Landlord shall keep the following in good repair roof, exterior walls, foundation, sewer, plumbing, heating, wiring, air conditioning, plate glass, windows and windows glass, parking area, driveways, sidewalks, exterior decorating, interior decorating, and *OTHER ITEMS*, except when the same are occasioned by the misuse or negligence of Tenant, its agents, employees or invitees. Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.
   c. Tenant shall maintain the premises in a reasonable safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (b) above, shall make all repairs, replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDERED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANT'S USE OF THE PREMISES. Tenant shall make no

121—CITY LEASE Huffman and Fellon & Wolf, Walton, Nv. 89451

This Agreement, Made and entered into this 25th day of May 2007 by and between John Daniel, 1114 Central Ave, Fort Dodge, Iowa 50501 of the County of Webster and State of Iowa hereinafter referred to as the first party, and John Edwards for President hereinafter referred to as the second party (whether one or more in number).

WITNESSETH, That the said party of the first part has this day leased unto the party of the second part the following described premises, to wit:

519 Central Ave. Fort Dodge, Iowa 50501.

Together with all buildings and improvements, on the same for the term of from the 1st day of June 2007, to the 31st day of January 2008, for the sum of $350 DOLLARS payable at the rate of $ 350 per month, with the first payment to be paid on the 2nd day of June 2007 and the balance payable $ 350 on the 1st day of each month, in advance, at the office of John Daniel, 1114 Central Ave. Fort Dodge, IA 50501

AND IT IS FURTHER AGREED, That if any rent shall be due and unpaid or if default be made in any of the covenants herein contained, the said party of the first part may exercise any and all rights provided by law.

Further agreed that the tenant shall pay for all utilities (gas, electricity, & water). A $500 security deposit is also required. After Jan. 31st 2008 the committee may continue to rent on a 30 day notice agreement.

And the said party of the second part further agrees to pay the party of the first part the rent as above specified.

Second party covenants that he, she or they will use said premises as a Political Office and for no other purpose whatever, and that he, she or they especially will not let said premises or permit same to be used for any unlawful business or purpose whatsoever; that he, she or they will not sell, assign, underlet or relinquish said premises without the written consent of the lessor, under penalty of forfeiture of all his, her or their rights under this lease, at the election of the party of the first part and that he, she or they will use all due care and diligence in guarding said property, with buildings, gates, fences, vines, shrubbery, etc., from damage by fire and the depredations of animals, will pay all water rent and charges for gas or electric light that shall become due thereon during this lease; that he, she or they will not permit any noise or nuisance whatever on said premises to the disturbance of other tenants or do or permit anything on or about said premises which will increase the rate of insurance. The lessee further agrees that he will in all respects comply with the city ordinance and requirements of the health authorities and particularly as to keeping said premises and the streets and alleys adjacent thereto, free and clear from all filth, refuse and obstruction and the steps and sidewalks free from snow and ice; that he, she or they will keep the buildings, gates, fences, etc., in good repair as the same now are or may be placed at any time by the lessor, or as often as the same may require it, damage by superior force, inevitable necessity or fire from any other cause than carelessness of the second party, or persons of his, her or their families, or in his, her or their employ, excepted, and at the expiration of this lease, or upon a breach by said second party of any of the covenants herein contained he, she or they will quit and surrender the possession and occupancy of said premises in as good condition as reasonable use and natural wear and decay thereof will permit, damage by fire as afore said, superior force or inevitable necessity excepted.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names on the date above written.

Insert Rider A

In Presence of

(SEAL)
(SEAL)
(SEAL)
5-31-07 (SEAL)

Andy Zabel
Melanie 515-258-0766

Two license Agreement incorporates initialed changes and shall not take effect until all such changes have been initialed by all parties.

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective June 1, 2007 [Date], by and between [illegible] [Landlord] ("Landlord") and [illegible] [Tenant] ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 6021 N. Jefferson St. Indianapolis [Address of Building] and legally described as follows (the "Building"):

[Legal Description of Building]

Landlord makes available for lease a portion of the Building designated as 6021 N. Jefferson [Suite or Other Number of Leased Building] (the "Leased Premises").

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Term.

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning June 1, 2007 [Start Date] and ending June 31, 2008 [End Date]. Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant shall make no other claim against Landlord for any such delay.

B. Tenant may renew the Lease for one extended term of N/A [Renewal Term]. Tenant shall exercise such renewal option, if at all, by giving written notice to Landlord not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

2. Rental.

A. Tenant shall pay to Landlord during the Initial Term rental of _____ ~~[Annual Rent] per~~ year, payable in installments of 800.00 [Monthly Rental Amount] per month. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at 508 E. Pleasant Ave Indianapolis Indiana 50125 [Landlord's Designated Payment Address] or at such other place designated by written notice from Landlord or Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. Tenant shall also pay to Landlord a "Security Deposit" in the amount of 800.00 [Security Deposit].

B. The rental for any renewal lease term, if created as permitted under this Lease, shall be N/A [Annual Rent in Renewal Term] per year payable in installments of N/A [Monthly Rental Amount] per month.

3. Use

Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

GATEWAY SOUTH LEASE - BUSINESS PROPERTY

THIS LEASE AGREEMENT, executed in duplicate, made and entered into this 11th day of May, 2007, by and between **Apartments Downtown**, LANDLORD, whose address for the purpose of this lease is **414 East Market Street, Iowa City, IA 52245** and John Edwards for President TENANT, whose address for the purpose of this lease 410 Market St Ste 400 Chapel Hill, NC 27516

WITNESSETH THAT:

1. PREMISES AND TERM. The Landlord, in consideration of the rents herein reserved and of the agreements and conditions herein contained, on the part of the Tenant to be kept and performed, leases unto the Tenant and Tenant hereby rents and leases from Landlord, according to the terms and provisions herein, the following described real estate, situated in Johnson County, Iowa, to wit:

A portion of the first floor of a commercial building located at 213 E. Burlington St., Iowa City, Iowa. Leased area consists of approximately 615+ square feet, inclusive of common area. The postal mailing address of the leased premises is:
213 E. Burlington St.
Iowa City, Iowa 52240

with the improvements thereon and all rights, easements and appurtenances thereto belonging, which, more particularly, includes the space and premises as may be shown on "Exhibit A," if and may be attached hereto, for a term of nine (9) months, commencing at midnight on the day previous to the first day of the lease term, which shall be on the 11th day of May, 2007, and ending at noon on the last day of the lease term, which shall be on the 31 day of January, 2008, upon the condition that the Tenant pays rent therefore, and otherwise performs as in this lease provided.

2. RENTAL. Tenant agrees to pay to Landlord as rental for said term, as follows: May 11, 2007 – August 31, 2007 at $675.00, September 1, 2007 - January 31, 2008 at $775.00, per month (plus all utilities), in advance, the first rent payment becoming due upon execution of the lease, with a check postdated for the first day of lease term, and the same amount, per month, in advance, on the first (1st) day of each month thereafter, during the term of this lease. May 2007 rent should be paid directly to MVED, the previous tenant, as it has already been paid by them.

In addition to the above monthly rental Tenant shall also pay:

-Monthly Gas and Electricity bills. Tenant must have Gas and Electric placed into their names at Mid America Energy at all times.

-Monthly Water and Sewer bills. Tenant must have Water and Sewer placed into their names at the City of Iowa City at all times.

All sums shall be paid at the address of the Landlord, as above designated, or at such other place in Iowa, as the Landlord may, from time to time, previously designate in writing. Only 1 check per month will be accepted without penalties being assessed.

Delinquent payments shall incur a $10.00 as of the 2nd of the month, and an additional $10.00 each day thereafter.

3. POSSESSION. Tenant shall be entitled to possession on the first day of the term of this lease, and shall yield possession to the Landlord at the time and date of the close of this lease term, except as herein otherwise expressly provided. Should Landlord be unable to give possession on said date, Tenant's only damages shall be rebating of the pro rata rental.

4. USE OF PREMISES. Tenant covenants and agrees during the term of this lease to use and to occupy the leased premises only for a business office. For restrictions on such use, see paragraphs 6 (c), 8(d) and 11 (d) below.

5. QUIET ENJOYMENT. Landlord covenants that its estate in said premises is fee simple; and that the Tenant on paying the rent herein reserved and performing all the arrangements by the Tenant to be performed as provided in this lease, shall and may peaceably have, hold and enjoy the demised premises for the term of the lease from molestation, eviction or disturbance by the Landlord or any other persons or legal entity whatsoever. (But see paragraph 14, below.)

Landlord, shall have the right to mortgage all of it's right, title, interest in said premises at any time without notice, subject to this lease.

Post-it® Fax Note 7671	Date 5-31-07	# of pages ▶ 5
To MELANIE	From CRAIG SCHULTING	
Co./Dept. J.E. CAMPAIGN	Co. SCHULTING R.E.	
Phone # 515-883-7804	Phone # 641-423-0898	
Fax # 515-288-9015	Fax # 641-423-8957	

002
P.1
TO:15152889015
Post-it® Fax Note 7671 Date 5-17-07 # of pages ▶ 3
MELANIE From CRAIG SCHULTING
Co./Dept. J.E. CAMPAIGN Co. SCHULTING R.E.
Phone # 515-288-0766 Phone # 641-423-0898
Fax # 515-288-9015 Fax # 641-423-8957

Commercial Leas

This lease is made between SCHULTING REAL ESTATE LLC of MASON CITY IOWA 50401-124 N. FEDERAL herein called Lessor, and JOHN EDWARDS CAMPAIGN of _____ herein called Lessee. Lessee hereby offers to lease from Lessor the premises situated in the City of MASON CITY, County of CERRO GORDO State of IOWA described as 2ND AVE - 6-01-07 THROUGH 122 N. FEDERAL FROM 7-01-07 THROUGH 1-31-08

upon the following TERMS and CONDITIONS:

1. **Term and Rent.** Lessor demises the above premises for a term of 8 1/2 years, commencing JUNE 1ST 2007, and terminating on JANUARY 31ST, 2008, or sooner as provided herein at the annual rental of [redacted] Dollars ($ [redacted]) payable in equal installments in advance on the first day of each month for that month's rental, during the term of this lease. All rental payments shall be made to Lessor, at the address specified above. FOUR THOUSAND DOLLARS AND 00/100 ($4,000) CWS
2. **Use.** Lessee shall use and occupy the premises for CAMPAIGN PURPOSES. The premises shall be used for no other purpose. Lessor represents that the premises may lawfully be used for such purpose. Lessee shall not use the premises for the purposes of storing, manufacturing or selling any explosives, flammables, or other inherently dangerous substance, chemical, thing, or device.
3. ~~**Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises and shall surrender the same, at termination hereof, in the same condition as received, normal wear and tear excepted. Lessee shall be responsible for all repairs required, excepting the roof, exterior walls, structural foundations, and:~~
~~NO UTILITY COST MONTH OF JUNE~~
~~MUST PAY UTILITIES FROM 7-01-07 THROUGH 1-31-08~~
~~REPLACE 93 WITH~~
~~DATE 8.1~~
~~which shall be maintained by Lessor. Lessee shall also maintain in good condition such portions adjacent to the premises, such as sidewalks, driveways, lawns and shrubbery, which would otherwise be required to be maintained by Lessor.~~
4. **Alterations.** Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements in, to or about the premises.
5. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.
6. **Assignment and Subletting.** Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease. INSERT RIDER 6.1 CWS
7. **Utilities.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services. In the event that any utility or service provided to the premises is not separately metered, Lessor shall pay the amount due and separately invoice Lessee for Lessee's pro rata share of the charges. Tenant shall pay such amounts within fifteen (15) days of invoice. Lessee acknowledges that the leased premises are designed to provide standard office use electrical facilities and standard office lighting. Lessee shall not use any equipment or devices that utilize unusual electrical energy or that may, in Lessor's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.
8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to

THE IOWA STATE BAR ASSOCIATION Official Form No. 151 | ISBA / DOSCO | FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

DWELLING UNIT RENTAL AGREEMENT

IT IS AGREED by and between 5-18-07

DNR Properties

Landlord, and

John Edwards for President Campaign

Tenant:

That Landlord hereby lets to Tenant, and Tenant hereby leases from Landlord, the following described premises situated in Winnebago County, Iowa, to-wit:

609 Church St. Office A & B

hereinafter referred to as the "dwelling unit", in consideration of the mutual promises of the parties herein, and upon the following terms, provisions and conditions:

1. TERM. The duration of this Rental Agreement shall be from the 1st day of June 2007 and including the 30th day of JAN 2008.

2. RENT. Tenant agrees to pay to Landlord, as rental for said term, as follows: 350.00 per month, in advance, the first rent payment becoming due upon

(Strike one) the execution of this Rental Agreement, or

~~Other: fill in the _____ day of _____, 19__~~

and the same amount each month, in advance, on the _____ day of each month thereafter during the term of this Rental Agreement, with interest on all delinquent rent at 9 ___ per annum. $10.00 per day Not to Exceed $40.00

All sums shall be paid to the Landlord at 545 N. Weller St. Mason City IA 50401 or at such other place as Landlord may, from time to time, direct.

3. DEPOSIT SECURITY. At the time of execution of this Rental Agreement, Tenant shall pay to Landlord in trust the sum of $ 350.00 (not to exceed two months' rent) to be held and disbursed as a rental deposit pursuant to the provisions of the Iowa Uniform Residential Landlord and Tenant Act).

4. USE-ABSENCES. Unless otherwise agreed in writing, Tenant shall occupy and use the above-described property as a dwelling unit. Tenant shall notify Landlord of any anticipated extended absence from the premises not later than the first day of the extended absence.

5. UTILITIES. Utilities shall be furnished and paid for by the party indicated on the following chart:

	Landlord	Tenant
Electricity		✓
Gas	✓	[redacted]
Water	✓	[redacted]
Garbage	✓	[redacted]
Trash Removal		[redacted] dumpster w/ rest of Bldg
Other		✓

6. UTILITY RATES. Tenant hereby acknowledges that Landlord, or the person authorized to enter into this Rental Agreement on Landlord's behalf, has heretofore fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay, other than those to be paid by Tenant directly to the utility company furnishing service.

7. MANAGER. Merritt Pair whose address is 545 N. Weller, Mason City IA 50401 is the person designated by Landlord to manage the premises (and to receive and receipt for all notices and demands upon the owner of the premises).

8. MAINTENANCE BY LANDLORD. Landlord shall:

(a) Comply with the requirements of applicable building and housing codes materially affecting health and safety.

(b) Make all repairs and do whatever is necessary to put and keep the dwelling unit in a fit and habitable condition.

(c) Keep all common areas of the premises in a clean and safe condition, but Landlord shall not be liable for any injury caused by any objects or materials which belong to, or which may have been placed by, a tenant in the common areas of the premises used by Tenant.

(d) Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, airconditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by Landlord.

(e) Provide and maintain appropriate receptacles and conveniences, accessible to Tenant, for the central collection and removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of the dwelling unit, and arrange for their removal.

ATTACHMENT 2
PAGE 27 OF 166

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT, is made this 12 day of April, 2007, by and between **Block 70 Retail Partnership**, a Minnesota general partnership (hereinafter called "Owner") and **John Edwards for President**, (hereinafter called "Licensee").

R E C I T A L S:

A. Owner is the owner of the Terra Centre in Sioux City, Iowa (the "Shopping Center").

B. Owner desires to lease to Licensee and Licensee desires to lease from Owner premises, identified as bay #11 consisting of approximately 752 square feet, in the Shopping Center, as outlined in red upon Exhibit "A" attached hereto (the "Leased Premises"), upon such terms and conditions as may be mutually agreeable to Owner and Licensee.

C. Owner is willing to grant Licensee a revocable license to occupy and use the License Area, in accordance with the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Grant of License**. Subject to the terms and conditions hereof, Owner hereby grants Licensee a revocable license to occupy and use the License Area for the purpose of the operation of a campaign committee for Johns Edwards on behalf of the Democratic Party. The term of the License granted hereunder shall commence upon the earlier to occur: (i) April 15, 2007, or (ii) three days after the date hereof when Licensee has delivered to Owner a certificate of insurance as described in Section 5 hereof, and said License shall expire on April 15, 2008. Owner hereby also grants Licensee, for the duration of this License, a nonexclusive, revocable license to use the driveways and parking areas of the Shopping Center in common with the other tenants, licensees, and invitees of the Shopping Center, for purposes of gaining access to the License Area and parking motor vehicles while conducting business in the License Area. Licensee shall abide by Owner's rules and regulations regarding the use of such drive-ways and parking areas.

2. **License Fees**. Licensee shall be obligated to pay Owner a security deposit in the amount of Six Hundred Sixty and no/100 Dollars($660.00)due upon the execution of this License Agreement for the License granted hereunder ("Security Deposit"), as well as first month's advanced rent in the amount of Five Hundred One and 33/100 Dollars($501.33) due upon the execution of this License Agreement. Licensee is required to pay monthly gross rent in the amount of Five Hundred One and 33/100 Dollars($501.33) due on the first of each calendar month thereafter.

LEASE-BUSINESS PROPERTY – SHORT FORM

Insert Rider 21

RIDER 2.1:

The term of this lease shall be from April 1, 2007 through January 31, 2008.

Tenant shall pay Landlord $1,400 upon execution of this lease, such sum representing payment of rent for April 2007 ($700) and rent for January 2008 ($700). Thereafter, for May 2007 through December 2007, Tenant shall pay Landlord monthly rent of $700, due on the first day of each month, so that Tenant's total payments under this lease shall equal $7,000. Tenant may extend lease after January 2008, but is not obligated to do so.

C. H.

OFFICE LEASE

THIS LEASE made and entered into this _____ day of _____ 2007 by and between Bryan Bluestein, hereinafter called "Landlord", and John Edwards for President, hereinafter called "Tenant".

WITNESSETH

In consideration of the covenants and agreements of the respective parties herein contained, the parties hereto, for themselves, their heirs, successors, distributes, administrators, legal representatives, do hereby agree as follows:

A- DEMISED PREMISES:

Landlord by these presents does hereby demise and let unto Tenant, and Tenant hereby leases and hires for Landlord, for the term and upon rental, covenants and agreements herein set forth those certain premises located in the State of South Carolina, County of Richland, City of Columbia, located at 1634 Taylor Street and more specifically described as follows:

Single story office building located 1634 Taylor Street- consisting of 2100 square feet of office space and storage containing 5 offices, reception area, conference room, kitchen and two bathrooms.

Fifteen to Eighteen parking spaces at sight are included in the lease. Landlord specifically withholds ten parking spaces in the back of the parking area for the exclusive use by other lessees during normal working hours.

B-TERM AND DELIVERY OF PREMISES:

TO HAVE AND TO HOLD said premises unto Tenant for a term beginning on the 15th day of April 2007 and ending on the 30 th day of January 2008. This lease term shall automatically renew on a month to month basis until notice is given by either party at least thirty (30) days prior to the expiration of this term.

C- COVENANTS AND CONDITIONS OF LEASE:

[illegible] the following covenants and conditions which are expressly agreed to by Landlord and Tenant:

AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only March 29, 2007, is made by and between Wasir Enterprises II ("Lessor") and John Edwards For President, a North Carolina Corporation ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 4160 S. Pecos Rd., Suites 10 & 11, located in the City of Las Vegas, County of Clark, State of NV, with zip code 89120, as outlined on Exhibit ____ attached hereto ("Premises") and generally described as (describe briefly the nature of the Premises): Approximately 3,127 rentable square feet of office space as part of a larger, multi-tenant office building.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: Twelve (12) unreserved vehicle parking spaces. (See also Paragraph 2.6)

1.3 Term: Zero years and Ten months ("Original Term") commencing April 1, 2007 ("Commencement Date") and ending January 31, 2008 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: Not Applicable ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: $ 4,000.00 per month ("Base Rent"), payable on the First day of each month commencing April 1, 2007. (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

1.6 Lessee's Share of Common Area Operating Expenses: Included percent (Included %) ("Lessee's Share"). Lessee's Share has been calculated by dividing the approximate square footage of the Premises by the approximate square footage of the Project. In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: $ 4,000.00 for the period 4/1/07 - 4/30/07.

(b) Common Area Operating Expenses: $ Included for the period Included.

(c) Security Deposit: $ 4,000.00 ("Security Deposit"). (See also Paragraph 5)

(d) Other: $ Not Applicable for Not Applicable.

(e) Total Due Upon Execution of this Lease: $ 8,000.00.

1.8 Agreed Use: Presidential campaign offices. (See also Paragraph 6)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)

1.10 Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

☑ Millennium Commercial Real estate Services represents Lessor exclusively ("Lessor's Broker");

☑ Realty One Group represents Lessee exclusively ("Lessee's Broker"); or

☐ ____ represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of Sep. Agmt. or ******* % of the total Base Rent for the brokerage services rendered by the Brokers).

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by Not Applicable ("Guarantor"). (See also Paragraph 37)

1.12 Attachments. Attached hereto are the following, all of which constitute a part of this Lease:

☐ an Addendum consisting of Paragraphs N/A through N/A;

☐ a site plan depicting the Premises;

☐ a site plan depicting the Project;

☑ a current set of the Rules and Regulations for the Project;

☐ a current set of the Rules and Regulations adopted by the owners' association;

INITIALS

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ATTACHMENT 2

PAGE 22 OF 66

INITIALS

OFFICE LEASE (MODIFIED GROSS)

1. **PARTIES AND APPLICATION OF LEASE.** This Office Lease (Lease), dated for reference purpose only, June 1, 2007, is made by and between 700 Smithridge Drive, LLC a limited liability company qualified to do business in the state of Nevada herein called Landlord, and John Edwards for President (JEFP), herein called Tenant.

2. **PREMISES.** Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain commercial space, herein called Premises (which is depicted in Exhibit "A" hereto and incorporated herein), having an area of One Thousand Four Hundred and Sixty-six square feet (1,466 sq. ft.) and the address of 700 Smithridge Drive (the building improvements at such address to be referred to herein as the "Building"), Suite 101, Reno, Nevada 89502. The term "Property" as used in this Lease shall mean the real property and improvements more particularly described in Exhibit "B" hereto and incorporated herein. The foregoing approximation of square footage in the Premises represents only a good faith estimate. Even though it may later be determined that the Premises contains more or less actual square footage, neither the rent nor Tenant's percentage of Direct Expenses set forth in Article 7 below shall increase or decrease as a result of such recalculation; provided, however, that if within ninety (90) days after the Commencement Date Tenant delivers a square footage calculation prepared and certified by an architect licensed in Nevada demonstrating that the square footage identified herein is off by greater than ten percent (10%), then so long as the certification is accurate, the terms and conditions of this Lease relating to the square footage of this Lease shall be adjusted to reflect the accurate square footage of the Premises from that time forward. This Lease is subject to the terms, covenants, and conditions herein set forth and the Tenant covenants as a material part of the consideration of this Lease to keep and perform each and all of said terms, covenants, and conditions.

3. **TERM.** The term of this Lease shall be for 8 months, commencing upon the earlier of (i) actual possession of the Premises, or (ii) June 18, 2007 or Tenant shall pay its pro rata rent based on occupancy (said earlier date being referred to as the "Commencement Date"), and shall expire on January 31, 2008 unless terminated earlier hereunder.

4. **POSSESSION.**

4a. If the Landlord for any reason whatsoever cannot deliver possession of said Premises to the Tenant on or before the first day of the term, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, nor shall the expiration date of the above term be in any way extended; but in that event, all rent shall be abated during the period between the Commencement Date and the time when Landlord delivers possession.

4b. In the event that Landlord shall permit Tenant to occupy the Premises prior to the Commencement Date such occupancy shall be subject to all the provisions of this Lease, including without limitation, the obligation to pay rent. Said early possession shall not advance the termination date hereinabove provided.

5. **RENT.** The total aggregate base rent commitment for the Premises, not including any operating expenses, adjustments to operating expenses, services and utilities, janitorial costs and expenses or other financial obligations of Tenant under this Lease, shall be $**Fourteen Thousand Fifty-Seven and and 47/100 dollars ($14,057.47) **, which Tenant agrees shall be payable to Landlord, without prior notice or demand unless otherwise provided in this Lease, in the amount of One Thousand Eight Hundred Ninety-One and 14//100 dollars ($1,891.14) on or before the first day of the first full calendar month of the term hereof and a like sum on or before the first day of each and every successive calendar month thereafter during the term hereof, except that the first month's rent shall be paid upon the execution hereof. Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein, based upon a thirty (30) day month. Said rent shall be paid to Landlord, without deduction or offset in lawful money of the United States of America, which shall be legal tender at the time of payment, at 700 Smithridge Drive, LLC a limited liability company qualified to do business in Nevada, 550 West Plumb Lane, Suite B-434, Reno, NV 89509 or to such other person or at such other place as Landlord may from time to time designate in writing. Generally speaking and as more particularly expressed throughout this Lease, Landlord and Tenant agree to a Modified Gross Lease whereby Tenant must pay for: (a) the base rent identified in this Article 5, payable monthly; (b) operating expense adjustments as provided in Article XVI; (c) services and utilities and janitorial costs and expenses as provided in Article XVII; and (d) any and all other monetary obligations of Tenant as provided under this Lease. Landlord agrees to provide Tenant, within a reasonable time after Tenant's request, with written invoices for rent, operating expenses (to the extent Landlord is billed) and operating expense adjustments.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT made this 29 day of June 2007 is entered into by and between Garvey Schubert Barer, a partnership of professional corporations (hereinafter "Sublandlord"), and John Edwards Campaign ("Subtenant").

WITNESSETH:

WHEREAS, Sublandlord occupies space in the Flour Mill Complex at 1000 Potomac Street N.W., Washington, D.C. pursuant to a lease dated May 30, 1996 between Solet, LLC as landlord and Garvey, Schubert & Barer as tenant, as amended in the First Amendment to the lease, dated November 28, 2000, and the Second Amendment to the lease, dated September 27, 2004 (the lease and the two amendments thereto are hereinafter collectively referred to as "the Lease");

WHEREAS, Sublandlord now desires to sublease to Subtenant, and Subtenant wishes to sublease from Sublandlord, a portion of the office space subject to the Lease, in accordance with the terms hereof; and

WHEREAS, the Sublandlord and the Subtenant desire to set forth their understandings with respect to the terms of the Sublease as more particularly described herein (hereafter "the Sublease Agreement").

NOW THEREFORE, the parties hereto agree as follows:

1. **SUBLEASE**

Sublandlord agrees to sublease to Subtenant, and Subtenant agrees to sublease from Sublandlord, one unfurnished office in a portion of the space Sublandlord leases on the Second Floor of the Pioneer Building in the Flour Mill complex, as marked with diagonal lines on the floor plan attached to this Sublease Agreement as Exhibit A (hereinafter the "Subleased Premises") and known as "Office 229." Subtenant agrees to sublease the Subleased Premises in accordance with all the terms and conditions contained in the Lease, except as otherwise specifically provided for herein. The terms and conditions of the Lease are hereby incorporated herein as the terms and conditions of this Sublease Agreement, with each reference to Landlord and Tenant in such Lease to be deemed to refer to Sublandlord and Subtenant.

2. TERM

The term of the Sublease shall be for a period commencing on July 1, 2007 (hereinafter the "Commencement Date"), and terminating on June 31, 2008 (hereinafter the "Termination Date"). The term thereafter shall automatically be extended on a month-to-month basis unless on or before May 1, 2008 either party notifies the other party in writing that it does not agree to any extension of the Termination Date. In the event that the Sublease is extended on a month to month basis, Sublandlord and Subtenant must provide at least 60-day notice prior to the date on which either exercises its option to terminate such month-to-month lease, or to amend any of the other terms of the month-to-month lease. During any extension on a month-to-month basis, the terms and conditions of this Sublease Agreement except for the Termination Date shall continue to apply in full.

3. RENT

(a) Subtenant agrees to pay to Sublandlord a total Rent during the term of the Sublease of $15,000.

(b) The Rent shall be paid in Twelve (12) Monthly Payments of $1,250 each. The Monthly Payment shall be due and payable on or before the first day of each month during the term of the Sublease, except as provided in Section 3(c). Upon notice by Sublandlord, Subtenant shall also include as part of the Monthly Payment next due any charges incurred under Section 4 of this Sublease Agreement, and any additional fees Landlord has charged for any specific services or privileges actually provided at Subtenant's request to Sublandlord or to Subtenant, including, without limitation, after-hour, weekend, or holiday HVAC.

(c) Subtenant shall pay to the Sublandlord a total of $2,500 concurrently with the execution of this Sublease. Of this amount, $1,250 shall be applied to the first month of the Sublease, and the remnining amount shall be held as security. Within thirty days after the expiration of the term hereof, and any extension of the sublease on a month to month basis, the Sublandlord (provided that the Subtenant is not in default under the terms hereof) shall refund the security deposit to the Subtenant, less such portion thereof as the Sublandlord shall have applied to make good any default by the Subtenant with respect to any of the Subtenant's obligations, covenants, conditions, or agreements under this Sublease, which default Subtenant has not cured pursuant to Subsection 20.1 of the Lease. Landlord shall have no obligations or liabilities with regard to the foregoing

Rental Agreement

Terms: Terms of the agreement shall be _____ year ___7___ months; beginning on ___July 1, 2007___ and ending on ___January 31, 2008_____. This agreement will automatically extend under the same terms and conditions contained herein, excepting any changes in the monthly rental amount. The Landlord or Agent will provide the Tenant with thirty (30) days written notice of any change in rent. Any other agreements in the terms are noted as follows:_____

_____

_____

Termination: The agreement may be terminated by either party after the full term of the agreement by giving the other party at least on full month's (30 days) written notice.

Rental Payment: Rent is due by the 4th day of each month unless prior arrangements have been made. (Noted below) Rental payments must be made directly to the office of Home Sweet Apts. & Realty, Inc., 92 Main St., Berlin, NH 03570. (Unless noted below) Any rental payments **not** received by the due date will be deemed "late" and subject to a **$15.00 late charge**. There will be an additional charge of $15.00 per week for each week thereafter that the rent remains unpaid. All late charges must be included with her rent due. If the payment is not received with the late payment charge, the Tenant's account will remain in "default" and late charges will continue to be added. If the rent is not paid in full by the 10th of each month, the Tenant may be placed under eviction. The Tenant agrees to be responsible for any and all expenses incurred, including reasonable attorney fees, agent fees and court costs due to said eviction.

Any other Arrangement_____

_____

Returned Checks: The Tenant agrees to pay a **$25.00** fee as damages for each dishonored check presented for payment. If **two (2)** or more checks are returned, all future rental payments shall be in the form of cash, certified check or money order.

Security Deposit: A security deposit in the amount of $___500.00___ and to be paid by_____July 1st, 2007____. The security deposit will be applied to damages and/or unpaid rent upon tenant vacating the unit. If damages and/or unpaid rent exceed the amount of the security deposit, the Tenant agrees to pay such excess charges. If the Tenant fully complies with all terms and conditions of the agreement, the security deposit will be returned to the tenant within 30 days after the date Tenant delivers possession of the leased unit. The security deposit cannot be used as final rent payment. The Tenant agrees to forfeit the security deposit if the premise is vacated prior to the period specified on this rental agreement.

LEASE

THIS LEASE AGREEMENT (this "**Lease**") is entered into as of June 13, 2007, between COCHECO PARK ASSOCIATES, a Massachusetts limited partnership ("**Landlord**"), and John Edwards For President. ("**Tenant**").

1. **Premises and Commencement**.

(a) **Lease Grant**. Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the area (the "**Premises**") described on the plan attached as Exhibit A, being part of the retail area (the "**Commercial Space**") situated on the first floor of each of the buildings (collectively, the "**Buildings**") located on the property described in Exhibit B. The term "**Property**" shall mean the property described in Exhibit B, together with the improvements thereon and such additions and other changes as Landlord may, from time to time, designate as being included within the Property.

(b) **Acceptance of Premises**. Except as set forth in Section 1(c) below, the Premises are being leased to Tenant in their "AS-IS" condition. Tenant shall accept possession of the Premises upon the Commencement Date.

(c) **Commencement**. The parties agree that the Lease "**Commencement Date**" shall be July 1, 2007 despite the execution of the Lease on the date noted above.

(d) **Area of Premises**. The area of the premises are approximately 1,200 square feet in the Cocheco Park Apartments building (the "**Building**") located at 40 Chestnut Street, Dover, New Hampshire.

~~(e) Proportionate Share. "Proportionate Share" shall be _____%, which is the percentage obtained by dividing the number of rentable square feet of area in the Premises by _____, which is stipulated to be the number of rentable square feet of Commercial Space in the Buildings.~~

M

2. **Term**. The term of this Lease shall be seven (7) months and 0 Days, commencing on the Commencement Date (the "**Term**"). If the Commencement Date is not the first day of a calendar month, then the Term shall be extended by the number of days between the Commencement Date and the first day of the next month. Provided no Event of Default exists and Tenant is occupying the entire Premises at the time of such election, Tenant may renew this Lease for an additional period by delivering written notice of the exercise thereof to Landlord not later than 90 days before the expiration of the Term. The Base Rent payable for the initial term be: $6,650 for July 1, 2007 – January 31, 2008. Tenant may terminate this lease by giving the landlord thirty (30) days advance notice from the first day of any month after completing a minimum three (3) months of occupancy.

3. **Rent**.

Base Rent. "**Base Rent**" (herein so called) shall be the following amount for the following period of time:

5/19/2007

Dear Mrs. Ethel DiNitto,

This letter is to serve as an agreement between Mrs. Ethel DiNitto and Edwards for President in regards to renting the property located at 12 N. Main Street, Concord, NH 03301.

- Edwards for President has agreed to lease the office space from June 1st, 2007 to January 31st 2008.
- On the first of each month Edwards for President will pay Mrs. Ethel DiNitto $1,544.16 for rent and garbage pick up. The payment will be made to 114 N. State Street, Concord, NH 03301.
- Edwards for President will pay for all utilities associated with the rented space, and switch the utilities to Edwards for President before it occupies the property.
- Edwards for President will maintain insurance on its own personal property items, such as computer equipment, furnishings, etc, as well .
- Edwards for President will be liable for windows if they break during the time the building is leased.
- Edwards for President will notify the lessee before any radical changes are made to the property.
- Edwards for President will return the property in the condition that it was in when the lease begins.

Mrs. Ethel DiNitto Date 5/23/07

Edwards for President Date

LEASE

This LEASE is made this 27 day of June, 2007 by and between Derry Depot Square Holdings, LLC (Landlord) c/o DEDC 20 East Broadway Derry, NH 03038, and John Edwards for President, Inc. a North Carolina Corporation, of 410 market Street Suite 400, Chapel Hill NC 27516. Tenant desires to lease the premises containing approximately 728 square feet of space, known as unit 18 (hereinafter referred to as the "Leased Premises"), and which premises are located in the Depot Square Building, located at 6 West Broadway, Derry, NH

Amount Due from Tenant on or before signing of the lease:

Total Rent 7/1/07 – 8/31/07	$	1,650.00
Security Deposit	$	1,650.00
Total due	$	3,300.00

Total amount due **must be paid in the form of collectible funds**, and made payable to Grubb & Ellis/Coldstream, 170 So. River Rd. Bedford, NH 03110

IT IS THEREFORE AGREED AS FOLLOWS:

1. Term. The initial term of this Lease is for a period of Seven (7) Months commencing on July 1, 2007 and ending on January 31, 2008, unless sooner terminated as provided herein.

2. Base Rent

   A. Tenant shall pay base rent as follows:

TIME PERIOD	ANNUAL BASE RENT	MONTHLY AMOUNT
One Year	$7,221.72	$607.91

   B. If Tenant does not pay base rent, supplemental and additional rent (see paragraph 3) or other fees and charges when due pursuant to the terms of the Lease, then Landlord, in its sole discretion, may charge, in addition to any other remedies it may have, a late charge for each month or part thereof that Tenant fails to pay the amount due after the due date. The late charge shall be five percent (5%) of the amount unpaid.

3. Additional Rent-Taxes, Maintenance of Common Areas-Tenant Contribution

   A. In addition to base rent, and as noted in paragraph 3B contained herein, Tenant shall pay to Landlord Tenant's proportionate share of the cost incurred by the Landlord in maintaining the Leased Premises, and such costs are herein referred to as "Additional Rent". All costs and expenses of every kind and nature paid or incurred by Landlord on account of operating, equipping, lighting, repairing, replacing and maintaining all common areas, sidewalks, enclosed portions of the building, real estate taxes, and all other common areas shall be prorated, and Tenant shall share therein. Such costs and expenses shall likewise include (but shall not be limited to) premiums for liability, property damage, fire, and all other insurance carried with respect to the Building and personal property taxes and assessments. Real estate taxes and Additional Rent shall not include any franchise, estate, inheritance, succession, capital levy or transfer tax of Landlord or any income tax of Landlord or any interest or penalties assessed with respect to any real estate taxes arising solely from Landlord's failure to timely pay the same and not attributable in any way to the failure of Tenant to punctually pay its proportionate share thereof.

   B. Tenant's Additional Rent shall be paid in monthly installments, in the amount estimated by Landlord, on the first day of each and every calendar month, in advance. As of the date of this lease, Landlord's good faith

Initials

Initials

LEASE

Lease Agreement made this 29 day of [illegible], 2007, between S.S. Baker's Realty Co., LLC, a New Hampshire limited liability company with an address of 441 Main Street, Keene, New Hampshire 03431 (hereinafter referred to as "Landlord") and John Edwards for President, a North Carolina based corporation with an address of 410 Market Street, Suite 400, Chapel Hill, NC 27516 (hereinafter referred to as "Tenant").

1. *Leased Premises.* In consideration of the mutual agreements in this Lease, Landlord leases to Tenant a portion of Landlord's building (the "Building") located at 428 Main Street, Keene, New Hampshire, consisting of approximately 596 square feet, being the second floor area in the back (east) portion of the Building, and referred to as the "Leased Premises." The approximate location of the Leased Premises is shown on the attached plan labeled Exhibit A. Included with the Leased Premises are rights, in common with Landlord and other tenants, for: driveway access to the Building, common parking in the parking area, common doorways into the Building, including a handicap access, common hallways adjacent to the Leased Premises, one stairway access to the Leased Premises, and use of one common bathroom, all as designated on Exhibit A. In addition, Landlord shall make available Landlord's conference room on the first floor of the Building for occasional use by visitors of Tenant who are unable to access the second floor of the Building.

2. *Term of Lease.* This Lease shall begin on 7/1, 2007, and shall end January 31, 2008 (the "Lease Term").

3. *Rent.* Tenant shall pay rent for the Lease Term in the amount of $4900. Rent is payable in cash or other good funds acceptable to Landlord in equal installments of $700.00 per month, payable in advance on the first day of each and every month during the Lease term, without notice. Rent shall shall be prorated for the remaining days of the month for the first month of the Lease Term. Rent shall be paid to Landlord at the address listed above, or at any other place designated by Landlord. If Tenant fails to pay the rent in full within two days after its due date, Tenant shall pay a late charge of $25.00 plus $5.00 for each additional day that the rent continues to be unpaid.

4. *Security Deposit.* Upon signing this Lease, Tenant shall pay $700.00 as a security deposit, prior to commencement of occupancy, which shall insure the performance of Tenant's obligations. Tenant may not apply the security deposit, nor any portion thereof, to the any rent due, including the last month's rent of the Lease Term. Landlord may, but is not obligated, to apply portions or all of the deposit on account of Tenant's rent or other obligations. If charges made upon termination of tenancy exceed the remaining security deposit, Tenant shall remain liable for excess charges. If any portion of the security deposit is applied to obligations of Tenant at any time during the tenancy, Tenant shall, upon 5 days written notice, reinstate the full amount of the security deposit.

5. *Use of Leased Premises.* The Leased Premises shall be used as an office.

6. *Taxes.* Landlord shall be responsible for the timely payment of the real estate

LACONIA PLEASANT STREET ASSOCIATES
COMMERCIAL LEASE

MADE this 21st day of June, 2007, between Dwight Barton dba Laconia Pleasant Street Associates, 206 Fair Street Laconia, New Hampshire, 03246, (hereinafter called the Lessor which expression shall include its heirs or assigns where the context so admits) of the one part, and John Edwards for President (hereinafter called the Lessee which expression shall include their executors, administrators and assigns where the context so admits) of the other part,

WITNESSETH, That in consideration of the rent and covenants herein reserved and contained on the part of the Lessee to be paid, performed and observed, Lessor does hereby demise and lease unto the Lessee the store together with the basement thereunder, located and known as 624 Main Street, Laconia, N.H. 03246. Said premises are to be used by the Lessee for the conduct of a campaign office.

To have and to hold said premises for the term of 7 months beginning on July 1, 2007 and ending January 31, 2008, and paying therefore the following rent, payable monthly on or before the first day of each month as follows:

First Year: $795.00 per month for a total annual amount of $5,565.00 (Five Thousand Five Hundred Sixty Five dollars).

A late fee of $25.00 plus $3.00 per day will be assessed on any rent not paid before the 5th day of each month.

A Security Deposit has been received in the amount of $695.00, which may not be applied to rent. All security deposits will be returned at the end of this lease, within 10 days upon inspection of the premises provided there is no damage to the property. The Landlord has the right to deduct any and all damage so caused by the Tenant from the Security Deposit being held. Upon renewal of this lease the Security Deposit shall remain with the Lessor until such time as the Tenant has vacated the property.

The Lessee does hereby covenant with the Lessor that the Lessee during the said term and for such future time as they shall hold the said premises or any part thereof, will pay unto the Lessor the said rent at the times and in the manner aforesaid (except as hereinafter provided), and will keep the said premises in good repair, order and condition. Upon vacating the Lessee agrees to return the premises in the same condition or better, damage by fire or other unavoidable casualty only excepted.

LEASE

This Lease is made on this 8 day of August, 2007, by and between MASCOMA RIVERMILL PROPERTIES, LLC, a New Hampshire limited liability company with a principal place of business in Lebanon, New Hampshire and MASCOMA RIVERMILL ENTERPRISES, LLC, a New Hampshire limited liability company with a principal place of business in Lebanon, New Hampshire (collectively referred to as "Landlord") and JOHN EDWARDS FOR PRESIDENT of Chapel Hill, North Carolina ("Tenant").

Article I. BASIC PROVISIONS.

Premises Address:	Rivermill Commercial Center 85 Mechanic Street Lebanon, NH 03766
Initial Term:	August 6, 2007 to January 31, 2008
Extended Term:	No option(s)
Landlord's Address:	Mascoma Rivermill Properties, LLC Mascoma Rivermill Enterprises, LLC c/o Mascoma Rivermill Management, LLC 85 Mechanic Street, Suite 140 Lebanon, NH 03766
Tenant's Address:	John Edwards for President 410 Market Street, Suite 400 Chapel Hill, NC 27516

Article II. LEASE OF PREMISES.

Section 2.1 PREMISES.

In consideration of the mutual covenants and agreements contained herein, Landlord hereby leases to Tenant certain premises, together with all appurtenances and rights granted with respect to certain common facilities, which premises are described as follows:

(a) Approximately 1,145 square feet of space to be used for a campaign office, which space is designated as approximately ½ of Unit " B3-2" on Exhibit A attached hereto.

Lease Dated as of March 15, 2007

Article 1

Reference Data

1.1 Subjects Referred To:

Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Section:

Landlord:	Red Oak of the Opera, LLC and 40 West Broadway Trust
Managing Agent:	Red Oak Property Management, Inc. 289 Pine Street Manchester, NH 03103 (603) 668-8282
Landlord's Notice Address:	C/o Red Oak Property Management, Inc. 289 Pine Street Manchester, NH 03103
Tenant:	John Edwards for President
Tenant's Notice Address:	
Building Address:	18-72 Hanover Street Manchester, NH 03101-2230
Premises Address:	66 Hanover Street Suite 103C, Suite 166C and 202C Manchester, NH 03101
Commencement Date:	March 15, 2007
Expiration Date:	February 28, 2008
Rentable Floor Area of Tenant's Space:	1200 square feet (Lower Level) 3142 square feet (1st Floor) 1589 square feet (2nd Floor)
Rentable Floor Area of the Building:	91,971 square feet

LEASE AGREEMENT 85 WEST PEARL ST.

This is a lease dated June 1, 2007 between James Walker and Vivian Walker (Lessors) of 99 West Pearl St. Nashua, N.H. dba as Walker Rentals , and (Lessee)

1) The Lessors lease to the said Lessee and the lessee accepts the Lease from the lessors of certain premises, known and designated as 85 West Pearl St. Nashua N.H. for the term of six months from June 1, 2007 to January 31, 2008 at the monthly rental of $1300.00, which will be paid in advance on the first day of each month during said term. At the inception of this lease the Lessee shall pay the Lessors a $1300 security deposit which may be used for the last month's rent providing the premises are left in a condition satisfactory to the Lessors.

2) The term "Premises" shall refer to a portion of the Lessors building at 83-85 West Pearl St. Nashua, N.H. said portion being the existing ground level store, on the west side of the building, known as 85 West Pearl St.

3) The Lessee may make such repairs, alterations, and improvements to the premises as it may deem appropriate to accommodate the uses it desires to make of the premises ,providing that such repairs, alteration, improvements or other actions do not compromise the structural integrity of the building, or the life and safety of other tenants. The Lessee shall advise the Lessor before undertaking any such repairs, alterations, or improvements.
At the termination of occupancy and the lease, the Lessee may remove fixtures and equipment it has placed on the premises provided no undue harm or damage is done to the premises.

4) The Lessors shall be responsible for major structural repairs and modifications reasonably necessary to maintain the building in good and usable condition. The Lessor shall be responsible, except as specified herein, for exterior maintenance required to maintain a reasonably neat and orderly appearance for the premises.

5) The Lessee shall cause, at its own expense, snow to b removed from the sidewalk in front of the store and whatever portion of the private alleyway it is agreed that it may use. The Lessee shall maintain signs, awnings, and other items installed by the Lessee in a reasonably neat and orderly manner. The Lessee shall be responsible for replacement of broken glass in its storefront and entrance door. The Lessee shall maintain its premises so as not to create or allow any fire or health or other undue hazard to exist. .

6) The Lessors shall heat but not air-condition the premises. The Lessors shall furnish hot and cold water in reasonable quantities, but not for the processing of goods or materials. Any waste, rubbish or hazardous waste generated by the Lessee shall be the responsibility of the Lessee. The Lessee shall be responsible for its own utility bills such as electricity, telephone, cable or other similar utilities. .

RIVER RUN COMPANY, INC.
COMMERCIAL LEASE

This Lease is entered into this ____th day of October 2007 by and between RIVER RUN COMPANY, INC. (hereinafter RRCO), a New Hampshire corporation created under the laws of the State of N. H. and having its principal place of business at 2760 Main Street, P O Box 826, North Conway, County of Carroll, State of N. H. (hereinafter called "Lessor") and John Edwards for President, a North Carolina Non Profit Corporation, doing business at Norcross Place , 2686 Main Street, North Conway, County of Carroll, State of N. H. 03860 (hereinafter called "Lessee").

1. DESCRIPTION OF PREMISES. The Lessor hereby agrees to lease to the Lessee, and the Lessee hereby agrees to accept, subject to the terms and conditions hereinafter set forth the following premises: the portion of Lessor's premises described as Space #5, approximately 400 sq.ft. of the lower level, eastern space of the above said premises. (Hereinafter refereed to as "Leased Premises")

2. TERM. The term of this lease shall be for three (3) months commencing November 1, 2007 through January 31, 2008. The terms of this lease are to be held confidential, by both parties.

3. OPTION TO RENEW. There shall be an OPTION to renew this lease for an additional term, upon similar terms and conditions to be determined at that time. Lessee shall notify Lessor in writing prior to the termination of the present lease term, of Lessee's intention for renewal.

FINANCIAL TERMS & CONDITIONS:

4. PAYMENT OF RENT AND ADJUSTMENTS:

A. PAYMENT OF RENT. Monthly rental payments are due and payable on or before the first of the month in advance.

B. RENT PAYABLE TO: River Run Company, Inc., P O Box 826, N. Conway, N.H. 03860 or the Eastern Slope Inn Front Desk. Rents are preferably paid by check or money order and mailed to RRCO.

C. RENT AMOUNT: Monthly Rent $445.00/ month*

D. PAYMENTS REQUIRED PRIOR TO POSSESSION OF PREMISES BY LESSEE:

Security Deposit	$ 1,100.00
November Rent	$ 445.00
November CAM	$ 130.00
NET AMOUNT DUE	$ 1,675.00

E. PROMPT PAYMENT DISCOUNT – You will be entitled to a Prompt Payment Discount of $25.00* if your payment of rent and the other payments due from Lessee (including those defined in Paragraph #7 of this lease) are actually received by RRCO on or before the 1st of the month (or the 1st business day following, if the 1st falls on a weekend) in which payment is due.

F. LATE FEES & FINANCE CHARGES – If we fail to receive your monthly rent installment within five (5) days of the due date, you will be charged a late payment charge of $25.00 per occurrence. In addition Lessee accounts 30 days or more past due will be assessed a finance charge of 1.5% per month on the account balance past due. No demand for rent, either written or oral, is required. Failure to receive rental payments on the date the same is due shall constitute a breach of this agreement and eviction proceedings may be immediately commenced as stated in Section #16. Acceptance of a rental payment later than the due date shall not constitute a waiver of this paragraph.

G. RETURNED CHECK FEE - Lessee will be assessed a $25.00 charge for each occurrence of a Lessee check which is returned by the bank due to insufficient funds.

Letter of Intent to Sub-Lease

Date: June 7, 2007

This letter shall serve as a mutual non-binding letter of intent by and between the below named Sub-Landlord and Sub-Tenant regarding the lease of the property described below under the following terms and conditions:

Sub-Landlord: Residential Mortgage Services, Inc.

Sub-Tenant: John Edwards for President

Property Address: Parade Office Mall, Hanover Street, Portsmouth NH

Property Description: Office space

Initial Lease Term: 8 months ending 01/31/08

Options To Renews: no

Lease Rate: $2000 per month, electricity and phone

Rent/Lease Commencement:: As soon as possible in June

Occupancy Date: above

Delivery of Premises: as is condition with use of all furniture included

Utilities: To be paid as noted in lease agreement

Security Deposit: 2 months or $4000

The purpose of this non-binding letter of intent is to outline the general business terms and conditions under which both parties will be willing to go forward in an orderly manner to consummate the proposed lease agreement.

This response is confidential and for discussion purposes only and is not warranted as to its accuracy or completeness. It is subject to the negotiation and execution of a mutually acceptable Lease.

P:/Kane Templates/LOI Lease 2001

COMMERCIAL LEASE AGREEMENT

Lease made the 28 th day of December 2007, by and between **One Wakefield Realty Trust** of 134 East Howard Street, Quincy, MA 02169 hereinafter referred to as "Lessor", and **John Edwards For President** of 410 Market Street, Suite 400, Chapel Hill, NC 27516 hereinafter referred to as "Lessee".

WITNESSETH

That the Lessor, for and in consideration and upon the terms, conditions, and provisions hereinafter set forth, does hereby agree to lease to the Lessee, its successors, heirs, and assigns, the following described premises: 1,440+/- square feet of office space located on the second floor of One Wakefield Street, Suite 225, Rochester, New Hampshire.

1. TERM. The term of this lease shall be for One (1) Month, beginning on January 1, 2008 and ending on January 31, 2008 (the "lease term"). If the Lessee has not vacated the leased premises at the close of the lease, it shall be considered a holdover tenant and shall serve at the will of the Lessor with the monthly rental rate increased by twenty percent (20%) over the previous month's payment. As such, Lessee shall be governed by the same terms and obligations as set forth herein.

2. RENT. The Lessee agrees to pay to the Lessor as rent for the leased premises:

1/1/08 to 1/31/08	$850.00/monthly

3. IMPROVEMENTS BY LESSOR. Lessor shall lease the premises in "as is" condition.

4. ACCESS. Lessor shall have access to the demised premises at all times in the event of an emergency. Lessee shall not change locks without prior notice to Lessor. Should Lessee install a security system monitoring the leased premises, Lessor shall be given an entry number so that emergency access can be gained.

5. LIENS. Lessee shall keep all of the leased premises and Lessor free and clear of mechanics', materialmen's and other liens in connection with work and/or labor done or services provided to the leased premises by Lessee.

STANDARD LEASE AGREEMENT

LEASE, made this 10th day of December, 2007

Between Bruce Hunter, hereinafter called the Landlord

And John Edwards & Company, hereinafter called the Tenant.

WITNESSETH: That the Landlord hereby lets to the Tenant, and the Tenant hereby hires from the Landlord, a certain Office #2, with the appurtenances, situated at 6 School Street, Peterborough NH.
TO HAVE AND TO HOLD the same to the said Tenant for the term of twelve months from the 10th day of December, 2007 to the 10th day of February, 2008 the Tenant paying rent therefore as hereinafter provided. And the Landlord covenants with the Tenant that he may occupy the premises during the term aforesaid, peaceably, and free of all lawful of any other person.

TWO

AND THE SAID TENANT covenants with the said Landlord that he will pay the said Landlord One Thousand Dollars ($1000.00) as the Total rent of said premises to be paid in One payments of One Thousand Dollars ($1000.00) each on the 10th day of each month in advance. SECURITY DEPOSIT to be held by Landlord in amount of Five Hundred Dollars ($500.00) due upon signing.

AND THE SAID TENANT further covenants with said Landlord that he will not make nor suffer any waste upon the premises, that he will not lease nor underlet, nor permit any other person or persons to occupy the same, nor carry on therein in any offensive trade or business, nor make or suffer to be made any alterations therein, except with the consent in writing of the Landlord; that he will not do any act or transact any business by which the insurance on said buildings may be affected; and that the Landlord may enter to view and make improvements, and to expel the Tenant if he shall fail to pay the rent or perform any of the covenants aforesaid or shall breach any of the conditions hereinafter stipulated and also he will peaceably quit and deliver up the premises to the Landlord at the termination of this lease in as good order and condition, reasonable and careful wear thereof, and unavoidable casualties excepted, as the same are now or may be put into the Landlord.

INSURANCE: The Tenant shall furnish the Landlord a certificate of Liability Insurance acceptable to the Landlord for bodily injury and property damage. Such certificate shall contain a 15 day cancellation notice.

THIS LEASE is also made subject to the following conditions:
Landlord shall pay electric and heat for this office.
Landlord shall pay for the cleaning services.
Landlord shall pay taxes for this portion of the building.

AND PROVIDED ALSO, that in case the premises or any part thereof during the term of said lease, be destroyed or damaged by fire or other unavoidable casualty, so that the same shall be thereby rendered unfit for use and habitation, then, and in such event, the rent hereinbefore reserved, or a just and proportional part thereof, according to the nature and extent of the injuries sustained, shall be suspended or abated until the said premises shall have been put in proper condition for use and habitation by the said Landlord or these presents shall thereby be determined and ended at the election of the said Landlord or his legal representative.

IT IS UNDERSTOOD AND AGREED, that the property herein described has been inspected by the Tenant or the Tenant's duly authorized agent, that this lease and any renewal thereof was brought about by W. B. HUNTER REALTY of Peterborough, New Hampshire for the convenience of the Landlord and Tenant, and that W. B. Hunter Realty have made and hereby make no covenants or warranties as to the condition of the premises and assume no liability whatsoever in connection with this lease. Should the Tenant purchase the above described property from the Landlord within eighteen months from the date of this lease or any renewal thereof W. B. HUNTER REALTY are to be protected at regular commission rates as having brought the sale.

IN WITNESS WHEREOF, the parties have hereunto interchangeably set their hands and seals the day and year first herein written.

Signed, sealed, and delivered in the presence of:

Lillian Bruce Hunter — Landlord

CFO
For John Edwards Jr. President — Tenant

ATTACHMENT 3

UPS Internet Shipping: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

2. **Fold the printed label at the dotted line.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. **GETTING YOUR SHIPMENT TO UPS**
   Customers without a Daily Pickup
   - Schedule a same day or future day Pickup to have a UPS driver pickup all of your Internet Shipping packages.
   - Hand the package to any UPS driver in your area.
   - Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services℠ (including via Ground) are accepted at Drop Boxes.
   - To find the location nearest you, please visit the 'Find Locations' Quick link at ups.com.

   Customers with a Daily Pickup
   - Your driver will pickup your shipment(s) as usual.

FOLD HERE

ED NILES
WALLY ADEYEMO
124 YORK ST
NEW HAVEN CT 06511

30 LBS 1 OF 1

DWT:12,10,8

SHIP TO:
ED NILES
919-636-3131
JOHN EDWARDS FOR PRESIDENT
STE 400
410 MARKET ST
CHAPEL HILL NC 27516-4061

NC 275 4-01

UPS GROUND
TRACKING #: [redacted]

BILLING: P/P

TM

ATTACHMENT 2
PAGE 50 OF 166

UPS Internet Shipping: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

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   - Hand the package to any UPS driver in your area.
   - Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services℠ (including via Ground) are accepted at Drop Boxes.
   - To find the location nearest you, please visit the 'Find Locations' Quick link at ups.com.

   Customers with a Daily Pickup
   - Your driver will pickup your shipment(s) as usual.

FOLD HERE

ED NILES
UPS STORE
1939 WENTZVILLE PKWY
WENTZVILLE MO 63385

50 LBS 1 OF 1

DWT:21,21,21

SHIP TO:
ED NILES
919-636-3131
JOHN EDWARDS FOR PRESIDENT
STE 400
410 MARKET ST
CHAPEL HILL NC 27516-4061

NC 275 4-01

UPS GROUND

TRACKING #:

BILLING: P/P

TM

UPS Internet Shipping: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

2. **Fold the printed label at the dotted line.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. **GETTING YOUR SHIPMENT TO UPS**
   Customers without a Daily Pickup
   - Schedule a same day or future day Pickup to have a UPS driver pickup all of your Internet Shipping packages.
   - Hand the package to any UPS driver in your area.
   - Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services℠ (including via Ground) are accepted at Drop Boxes.
   - To find the location nearest you, please visit the 'Find Locations' Quick link at ups.com.

   Customers with a Daily Pickup
   - Your driver will pickup your shipment(s) as usual.

FOLD HERE

ED NILES
JOHN EDWARDS FOR PRESIDENT
895 BROADWAY
NEW YORK NY 10003

30 LBS

1 OF 2

DWT:24,18,12

SHIP TO:
ED NILES
919-636-3131
JOHN EDWARDS FOR PRESIDENT
STE 400
410 MARKET ST
CHAPEL HILL NC 27516-4061

NC 275 4-01

UPS GROUND
TRACKING #:

BILLING: P/P

ATTACHMENT 2
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[redacted] Close Window

Transaction Detail

Transaction Date:	02/17/2008
Transaction Description:	UPS* [redacted] 800-811-1648 GA SHIPPING SVC DATE 02/05/08 TRK# [redacted]
Charge:	$131.26
Merchant Address:	UNITED PARCEL SERVICE 1620 VALWOOD PKWY STE 115 CARROLLTON TX 75006-8321 USA
Merchant Type:	COURIER SERVICE
Doing Business As:	UPS CCPP-US

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ATTACHMENT 4

Vendor	City	State	Rate	Notes
National	Birmingham	AL	269.07	Staff
National	Burbank	CA	184.17	Staff
Enterprise	Atlanta	GA	126.16	Staff/Press
National	Atlanta	GA	425.12	Staff/Lead
National	Atlanta	GA	425.12	Staff
Enterprise	Atlanta	GA	122.45	Staff/Lead
Enterprise	Atlanta	GA	122.49	Staff
Enterprise	Atlanta	GA	126.16	Staff/Press
National	New Orleans	LA	126.39	Staff
National	New Orleans	LA	284.39	Staff
National	New Orleans	LA	107.43	Staff/Press
National	New Orleans	LA	202.22	Staff
National	New Orleans	LA	107.43	Staff
National	New Orleans	LA	107.43	Staff/Press
National	Minneapolis	MN	789.56	Staff
National	Minneapolis	MN	181.5	Staff/Lead
National	Minneapolis	MN	181.5	Staff/Press
National	Minneapolis	MN	181.5	Staff/Press
National	Minneapolis	MN	181.5	Staff
Enterprise	Columbia	MO	84.48	Staff/Press
Enterprise	Columbia	MO	84.48	Staff/Press
Enterprise	Columbia	MO	84.48	Staff
Enterprise	Columbia	MO	84.48	Staff/Lead
National	Springfield	MO	605.53	Staff
Avis	Springfield	MO	96.49	Staff/Lead
Avis	Springfield	MO	133.26	Staff/Press
National	Springfield	MO	100.88	Staff
Avis	Springfield	MO	164.77	Staff
National	Fargo	ND	218.25	Staff
Avis	Fargo	ND	460.53	Staff
National	Tulsa	OK	86.83	Staff/Lead
National	Tulsa	OK	86.83	Staff/Press
National	Tulsa	OK	173.66	Staff/Press
National	Tulsa	OK	173.66	Staff
National	Atlanta	SC	464.24	Staff
Hertz	Columbia	SC	84.55	Staff
National	Chattanooga	TN	132.14	Staff/Lead
National	Chattanooga	TN	132.14	Staff
National	Nashville	TN	97.54	Staff/Lead
National	Nashville	TN	128.46	Staff/Press
National	Nashville	TN	97.54	Staff
National	Nashville	TN	97.54	Staff

42 cars

Transaction Date	Name	Federal Amount	FEC Purpose of Disb. No.
2/4/08	Avis Budget Group, LLC	4,592.32	AUTORENT
2/4/08	Enterprise Rent-A-Car	28,403.50	AUTORENT
2/4/08	Hertz Rent A Car	22,128.28	AUTORENT
2/4/08	National Car Rental	6,724.58	AUTORENT
		61,848.68	

ATTACHMENT 5

Vendor	City	State	Rate	Notes
National	Myrtle Beach	SC	1331.03	
National	Charleston	SC	1011.73	
National	Raleigh	NC	323.84	
National	Raleigh	NC	66.56	
National	Stamford	CT	35.06	

ATTACHMENT 6

John Edwards for President

Vendor No: V-01864
Rania Batrice

Check No: 10890

February 1, 2008

Reference	Invoice Date	Invoice Description	Net Amount Paid
01/31/08 REIMBURSE	01/31/08	Travel Reimbursement	359.86
		Total:	359.86

John Edwards for President
410 Market Street
Chapel Hill, NC 27516

BB&T - Operating
8200 Greensboro Drive
McLean VA 22102

Check Amt: 359.86
Check Date: February 1, 2008
Check No: 10890

Pay **** THREE HUNDRED FIFTY NINE AND 86/100

To the order of: Rania Batrice
[redacted]

*** COPY ***

VersaCheck Form 1001 Prestige

Rev 3.1

ATTACHMENT 2
PAGE 60 OF 166

6475

John Edwards For President Reimbursement Form TRAVEL EXPENSES ONLY

Name:	Rania Batrice	Date Submitted:	31-Jan

Trip Dates/City/Role (where applicable): [redacted]

Mailing Address and Phone: [redacted]

Item #	Expense Date	Start Stop Point	Miles	Purpose (Mileage, JRE/EE Food, Lodging etc.)	Total
1	1-31	[redacted]	[redacted]	[redacted]	$299.86
2	1-31	[redacted]			$60.00
3					$0.00
4					$0.00
5					$0.00
6					$0.00
7					$0.00
8					$0.00
9					$0.00
4					$0.00
10					$0.00
Staff Signature:			Approved By:	Total	$359.86

Total assumes $3.00 / gallon and 25 MPG.

Please return form with all receipt documentation to:
John Edwards for President, ATTN: Jay Petterson, 410 Market Street, Suite 400, Chapel Hill, NC 27516

John Edwards for President

Vendor No : V-00595
Peter Bondi

Check No : 10675

January 16, 2008

Reference	Invoice Date	Invoice Description	Net Amount Paid
011008	01/11/08	travel reimbursement	231.71
011408	01/14/08	travel reimbursement	117.08
		Total:	348.79

John Edwards for President
410 Market Street
Chapel Hill, NC 27516

BB&T - Operating
8200 Greensboro Drive
McLean VA 22102

Check Amt: 348.79
Check Date: January 16, 2008
Check No: 10675

Pay **** THREE HUNDRED FORTY EIGHT AND 79/100

To the order of : Peter Bondi
[redacted]

*** COPY ***

VersaCheck Form 1001 Prestige

Rev. 31

ATTACHMENT 2
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John Edwards for President-New Hampshire

Mileage Reimbursement

Name: Peter Bondi

Region: HQ

Mailing Address: [redacted]

Approval by Beth Leonard: RAL 1/16

Date: 1/2/08

Date	Purpose	From	To	Total Miles	Total
11/20/07	[redacted]	[redacted]	[redacted]	[redacted]	$11.60
11/20/07	[redacted]	[redacted]	[redacted]	[redacted]	$11.60
11/26/07	[redacted]	[redacted]	[redacted]	[redacted]	$6.38
11/26/07	[redacted]	[redacted]	[redacted]	[redacted]	$6.38
12/19/07	[redacted]	[redacted]	[redacted]	[redacted]	$5.80
12/19/07	[redacted]	[redacted]	[redacted]	[redacted]	$5.80
12/22/07	[redacted]	[redacted]	[redacted]	[redacted]	$5.80
12/22/07	[redacted]	[redacted]	[redacted]	[redacted]	$5.80
12/23/07	[redacted]	[redacted]	[redacted]	[redacted]	$22.33
12/23/07	[redacted]	[redacted]	[redacted]	[redacted]	$22.33
11/10/07	[redacted]	[redacted]	[redacted]	[redacted]	$43.50
11/11/07	[redacted]	[redacted]	[redacted]	[redacted]	$39.73
11/12/07	[redacted]	[redacted]	[redacted]	[redacted]	$22.33
11/12/07	[redacted]	[redacted]	[redacted]	[redacted]	$22.33
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
			Totals:	[redacted]	$231.71

ATTACHMENT 2
PAGE 63 OF 166

060816

John Edwards For President Reimbursement Form TRAVEL EXPENSES ONLY

Name:	PETER BONDI	Date Submitted:	1/14/2008

Trip Dates/City/Role (where applicable): [redacted]

Mailing Address and Phone: [redacted]

Item #	Expense Date	Vendor Name	Vendor City & State	Purpose (Mileage, JRE/EE Food, Lodging etc.)	Total
1	1/10/08	[redacted]	[redacted]	[redacted]	$36.68
2	1/10/08	[redacted]	[redacted]	[redacted]	$48.20
3	1/13/08	[redacted]	[redacted]	[redacted]	$32.20
4					$0.00
5					$0.00
6					$0.00
7					$0.00
8					$0.00
9					$0.00
4					$0.00
10					$0.00
Staff Signature:			Approved By:	Total	$117.08

Please return form with all receipt documentation to:
John Edwards for President, ATTN: Jay Petterson, 410 Market Street, Suite 400, Chapel Hill, NC 27516

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06158

John Edwards for President

Vendor No : V-02283
Christina Hadley

Check No : 10823

February 1, 2008

Reference	Invoice Date	Invoice Description	Net Amount Paid
012808	01/28/08	travel reimbursement	40.55
		Total:	40.55

John Edwards for President
410 Market Street
Chapel Hill, NC 27516

BB&T - Operating
8200 Greensboro Drive
McLean VA 22102

Check Amt: 40.55
Check Date: February 1, 2008
Check No: 10823

Pay **** FORTY AND 55/100

To the order of : Christina Hadley
[redacted]

*** COPY ***

VersaCheck Form 1001 Prestige

Rev 3.1

ATTACHMENT 2
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