

### FEDERAL EFECTION COMMISSION

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THIS IS THE END OF MUR # 962

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#### FEDERAL ELECTION COMMISSION

WASHINGTON DT 20463

February 6, 1980

# CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear Ulrich, Pear, Barense & Eggar, P.C. 210 East Huron Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

On February 5, 1980, the Commission approved your signed conciliation agreement. A copy of the agreement is attached for your information.

We note that under General Conditions, Section III of the agreement, your client Thano Masters must comply with the terms of the agreement, i.e. submit payment of the civil penalty in the amount of \$50 to the Commission within 30 days after the Commission's approval. A check should be made payable to the U.S. Treasurer.

If you have any questions regarding this matter, please contact Miriam Aguiar at (202) 523-4060.

Charles N. Steele General Counsel

Enclosure

Conciliation Agreement

Charles this THE PART OF THE PROPERTY OF dr. dvin to four tirica, beer, sarense a legar, P.C. (1) : tal ..uro., btreet and affor, "ichi an 4d104 He: MAR 962 T. T. Lar . A sense; a, 1975, the Complesion approved your sicred C. on cili mino agree out. I comy of the agreement is oftached ter ou before ation. are that many denoral Conditions, Portion III of the was readily four client Thank Tartors must be do the with the restant the surrestant, i.e. submit payment of the civil and the first of file to the Consission within 35 came and the Co. Indian's approval. A check blood the made the the transact. or the eve any problems reserving told ratter, lease At the letter Against ht (201) 523 4070. Mincerely Charles . . . t -10 Cameryl Council 111 -1= 20 Th 34market be n to be the

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979

In the Matter of	)	
	)	MUR 962
Thano Masters	)	

#### CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. \$441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows:

- That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.
- II. That respondent has had a reasonable opportunity to ucmonstrate that no action should be taken against him in this matter.
- III. That the pertinent facts in this matter are as follows:
- A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. \$437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at Issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

Acting General Counsel

Federal Election Commission

Date

Thano Masters Respondent



#### FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 2046.C

February 6, 1980

# CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Victor Adamo Nederlander, Dodge & McCauley, P.C. 1930 Buhe Building Detroit, Michigan 48226

Re: MUR 962

Dear Mr. Adamo:

On February 5, 1980, the Commission accepted the conciliation agreements signed by your clients Mr. Gerald Faye and the Earl Greene for Congress Committee. The Commission also accepted the payment of the civil penalties in settlement of their respective violations of 2 U.S.C. § 441a. Accordingly, the Commission has closed its file on this matter.

Enclosed you will find a fully executed copy of the conciliation agreements for your files. Should you have any questions, please contact Miriam Aguiar at (202) 523-4060.

Charles N. Stee. General Counsel

#### Enclosures

Conciliation Agreements: Mr. Gerald Faye Earl Greene for Congress Committee ALL YIPTER MAIL SHEEL PRINT BENCHSTED r. Tictor Adamo issectander, Dodge & DeCauley, P.C. 100 mine onlicing - croit, ichigan Re. 1700 962 . . . Tr. Coldinari " I'de his ', 1970, the Commission accepted the prodiction agreements signed by your clients Fr. Gerald or un the fart Green for Congress Committee. The Cor allow also accepted the payment of the civil benalties i. settlement of their respective violations of 2 0.0.0. act. Asper ingly, the Commission was closed its file and Marketta . whose you will fine a fully executed copy of the to this time agreements for your files. Sould you have of a salinary 1 and contact Circum Acquiar at (201) 503-Sincerely, Courses 5. 1 Could Connect Countril / Court made Commission and the same left transmit and of there

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979

In the Matter of )

Gerald E. Faye )

#### CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. \$44la(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hareby agree as follows:

-

- That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter.
- III. That the pertinent facts in this matter are as follows:
- A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

- 2 -

- B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978.
- C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan.

THEREFORE, Respondent agrees:

- IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A).
- V. Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. \$437g(a)(6)(B).
- VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

#### GENERAL CONDITIONS

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

thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action.

entire agreement.

Acting General Counsel

Federal Election Commission

Respondent

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 441a in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter. III. That the pertinent facts in this matter are as follows:

- 2 -A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day postprimary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79. B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978. C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates. IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1). THEREFORE, Respondent agrees: V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §441a. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. \$437g(a)(6)(B). VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. General Counsel Federal Election Commission Date 14,1111 Treasurer Earl Greene for Congress Committee Respondent

#### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)		
Earl Greene for Congress Committee	)	MUR	962
Gorald E. Faye	í		
Thano Masters	)		

#### CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 4, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 962:

- Approve the signed conciliation agreements submitted by respondents Earl Greene for Congress Committee, Gerald E. Faye and Thano Masters.
- 2. Close the file.

Voting for this determination were Commissioners Aikens, Priedersdorf, Marris, McGarry, Peiche, and Tiernan.

Attest:

2-5 50

Date

mayore & Emmens

Marjorle W. Emmons Secretary to the Cormission

January 31, 1980 MEMOPANDUM TO: Mariorie W. Emmons FROM: Jane Colgrove SUBJECT: MUR 962 Please have the attached Memo to the Commission on 100 962 distributed to the Commission on a 49 hour tally hasis. Thank you.



### FEDERAL ILECTION COMMISSION

WASHINGTON DE 2000

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MEMORANDUM

TO:

The Commission

FROM:

Charles N. Steel

SUBJECT:

MUR 962 - Conciliation Agreements

DATE:

January 31, 1980

This matter concerns the making and acceptance of excessive contributions in violation of 2 U.S.C. §441a. On September 14, 1979 the Commission found reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A) and that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f). The Commission then entered into conciliation with the respondents.

Mr. Masters signed the conciliation agreement addressed to him and submitted it to the Commission through his attorney, Edwin Pear. Mr. Faye and the Greene Committee responded through their attorney Victor Adamo and submitted alternate conciliation agreements. Mr. Paye proposed to reduce the civil penalty from \$750 to \$100 in his agreement and the Greene Committee proposed to reduce the civil penalty from \$2,000 to \$200. As mitigating factors to support the reduction in the civil penalties, Mr. Adamo directed the Commission's attention to the following: (1) the Committee's poor financial status; (2) that the large civil penalty would impose undue hardship on the Committee; (3) that the receipt of the loans were fully disclosed to the Commission and to the public; and (4) that the violation was the "product" of a misinterpretation of contribution as defined by the Act. 1/

<sup>1/</sup> This involved a misinterpretation by respondent of \$100.4 (a)(1)(i) of the Regulations which reads that "a loan is a contribution to the extent that the obligation remains outstanding." This issue was discussed on pp. 3-4 of our General Counsel's Report of August 30, 1979 and we note that respondents in two other open MURs (982 & 1031) have made similar claims.

Page 2 Memo to The Commission Mr. Pear then submitted an additional letter to the Commission on Mr. Master's behalf in which he requested that, should the Commission accept the lower civil penalties proposed by the other respondents, the Commission proportionately reduce the civil penalty in Mr. Masters' conciliation agreement to an amount not in excess of \$100.00. The Office of General Counsel incorporated the respondents' proposals and drafted new conciliation agreements which were sent to the respondents on December 3, 1979. Mr. Faye has signed his conciliation agreement and submitted a check in the amount of \$150.00 as a civil penalty; Committee treasurer Steven J. Pinney signed the conciliation agreement on behalf of the Committee and submitted a \$400.00 check as a civil penalty; and Mr. Masters signed the alternate conciliation agreement which provides for a penalty of \$50.00. His attorney requested that he be provided with a copy of the executed agreement after it had been approved by the Commission. 2/ Recommendation Approve the signed conciliation agreements submitted by respondents Earl Greene for Congress Committee, Gerald E. Faye and Thano Masters. 2. Close the file. Attachments September 29, 1979, letter and conciliation agreement - Pear II. October 2, 1979, letter and alternative conciliation agreements - Adamo III. October 8, 1979 letter - Pear IV. December 10, 1979 letter - Adamo V. December 31, 1979, letter and conciliation agreement - Adamo December 19, 1979, letter and conciliation agreement - Adamo VII. December 10, 1979, letter and conciliation agreement - Pear 2/ We note that the penalties recommended here, when compared with the dollar amount of the violations, are within the same range as the penalties and violations in MUR 969, another §441a matter which is still in conciliation. Since the Commission recently considered the proposed penalties in MUR 969, we believe that matter could serve as some guidance here.

ATTACHMENT I GCC# 11235 LAW OFFICES ULRICH PEAR BARENSE & EGGAN, P.C. 210 EAST HURON STREET ANN ARBOR, MICHIGAN 48104 ROBERT D. ULH-CH 11: 58 SOUTH WASHINGTON COWIN L PEAR WM D BARENRE PSILANTI, MICHIGAN 45 ANDREW M EDGAN MELVIN J MUSECY TE 1313) 483-3626 September 25, 1979 Mr. William C. Oldaker Ceneral Counsel Federal Election Commission 1325 K Street N.W. Washington, D.C. 20463 Re: MUR 962 Dear Mr. Oldaker: Pursuant to your letter dated September 17, 1979, I am returning the executed Conciliation Agreement by Mr. Thano Masters. Mr. Masters is somewhat concerned by the language in the Conciliation Agreement and specifically item III C. on page 2 for the reason that Mr. Masters did not make a bank loan but merely was a guarantor on a note for a personal friend and it is not the statute which defines a loan to include a guarantor, but the Commission's regulations which is unreasonable to assume the average person even knows about. The action by Mr. Masters was merely to vouch for the credibility of Mr. Greene with the bank. Although we feel the Commission was wrong to impose a penalty on Mr. Masters in view of the facts and surrounding circumstances in this matter. Mr. Masters has determined that it is not economically feasible to further protest this matter and accordingly has executed the agreement. Please advise us when said agreement has been approved by the Commission and to whom Mr. Masters should make his check payable. Yours very truly, ULRICH PEAR BARENSE & EGGAN, P. C. Edwin L. Pear ELP:bn Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Thano Masters CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. \$44la(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). V. Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. \$437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date

William C. Oldaker General Counsel Federal Election Commission

Respondent

9: 4419 GOC# 11294 · ATTACAMENT I Sederlander Judge & Mc Gauley, AG. Attorney's and Counselors 1930 Bahl Building Vetroit, Michigan 48226 BOBLUT F NEDERLANDER TELEPHONE HORLIT F NEDERLAND JOHN F DODGET, IN PATRICK R M. CAULET VII TOR I ADAMIL FLICK H WITT DULLIT I TANNIAN October 2, 1979 Ms. Miriam Aguiar, Attorney Federal Election Commission 1325 K Street, N.W. Washington, D.C. 20463 Re: MUR 962 Earl Greene for Congress Committee Gerald E. Faye Dear Ms. Aguiar: The undersigned represents the Earl Greene For Congress Committee (horeafter "Committee") and Mr. Gerald E. Faye in connection with the investigation and conciliation procedures instituted by the Pederal Election Commission pursuant to 2 U.S.C. 437q. Mr. Thano Masters, a third party to the activities in question, is represented by separate counsel. The comments in this letter are accordingly limited to the activities of the Committee as they relate to Mr. Masters and not to the activities, if any, of Mr. Masters himself. In order to fully understand the activities of the Committee that are in issue, I believe it is necessary to briefly outline the nature of the campaign for Congress in the Second Congressional District of Michigan that resulted in 1978. In 1976 the incumbent Congressman ran for election to the U.S. Senate leaving an open seat. Both parties nominated formidable candidates and the election was vigorously contested. When the votes were finally counted, Congressman Pursell was elected by a margin of approximately 250 votes out of a total vote cast of approximately 200,000 votes. For several days after the election, the results were "too close to call" and both candidates actually conceded the race at different times, In 1979 it was generally assumed that the Democratic Party candidtate from 1976 would run again for the nomination. After making initial statements in that direction, the 1976 candidate decided not to seek the nomination. This left an unexpected

. Sederlander Vedge & Me Gauley Al. Ms. Miriam Aquiar Page 2 vacancy on the Democratic ticket which was thereafter very difficult to fill. It was then commonly believed among the district's Democrats that the voter popularity of, and the campaign committee assembled by, the 1976 candidate would be extremely difficult to duplicate. In addition, Mr. Pursell could now campaign as an incumbent Congressman with all of the benefits that arise from being an incumbent. In short, it was the Democratic Party consensus in the district that a victory in the election was quite unlikely. When no other candidate emerged, Mr. Greene, who was then and is now a member of the Ann Arbor City Council, volunteered to run to complete the Democratic Party ticket. This decision was made relatively late in time and most political volunteers who would otherwise participate in the Congressional Campaign had become affiliated with other then very ongoing and active Democratic campaigns for U.S. Senate and State elective offices. From the beginning, the Greene for Congress Committee was forced into hasty and stopgap activities. Most notablly, the Committee failed, in the time between Mr. Greene's announcement and the filing deadline, to collect sufficient petition signatures to survive a challenge before the State Board of Canvassers. The Committee was thus forced to conduct a write-in campaign to place a Democratic Party candidate on the general election ballot. With active Democrats alread committed to other campaigns, and with the generally perceived low probability of success of the Greene campaign, it was very difficult to raise funds for the election activites The election results reflected the scarcity of Democratic volunteers and dollars. Despite vigorous personal campaign efforts on the part of Mr. Greene and the work of his committee, The campaign received approximately 35% of the general election vote. Although the Committee now holds approximately \$200 in its treasury, it was able to pay off its campaign debts only through personal loans to the Committee from Mr. Greene in the amount of approximately \$8,900. These loans, which will not likely be repaid, represent a large personal committment on the part of Mr. Greene (who carns his primary income as a public school teacher) to satisfy the debts of the Committee and to avoid any stigma to the Democratic Party that would arise from a campaign that left substiantial numbers of unpaid creditors,

Sederlander Delge & Me Gunley Al. Ms. Miriam Aguiar Page 3 The loans in question were made to provide a minimum level of financing but without the knowledge on the part of any party that a violation of the Act would thereby result. This is documented by the fact that the loans were clearly reflected in the reports of the Committee and were paid back prior to their respective due dates; and, in the case of the loan from Mr. Faye, it was immediately paid back upon notice from the Commission that a loan appeared to be in violation of the Act. Any violations of the Act were a product of an innocent failure to appreciate that a loan, or loan quaranty, constituted a "contribution" under the Act. I do not intend to infer by the above facts that your enforcement of the Act should be influenced by whether a campaign is successful. Rather, I ask only that you take these facts into consideration to the extent that they reflect: a) that the alleged violations of the Act were the result of hasty decisions on the part of the Committee and were performed without any knowledge that there was a potential violation of the Act; and, b) that large civil penalties, such as those proposed in the Conciliation Agreements, would work an undue hardship in this instance. I have had the opportunity to review the proposed Concilliation Agreements with the Committee and Mr. Faye. They are generally desireous of resolving this matter through the Conciliation process and they have requested that I forward to you proposals for changes in the text of the Conciliation Agreements. I have included with this letter a copy of each Conciliation Agreement as orepared by your office with certain modifications indicated. The proposed modifications are: a) Reference to 2 U.S.C.§44la(f) has been modified to delete specific reference to subsection(f). The Committee and Mr. Fave are prepared (for the pruposes of conciliation) to acknowledge that the loans exceeded the contribution limits of the Act. However, there was not a "knowing" violation of the Act. Specific reference to subsection (f) would, in my opinion, constitute an admission that does not comport with the facts of the present case. b) Language has been added to item III.C. (Committee's Conciliation Agreement) to reflect that the loans were repaid on a timely basis. We believe this is important as it helps to indicate that the loans were not intended by the parties involved to constitute contributions as that term is commonly understood.

· Sederlander Judge to Me Country Att. Ms. Miriam Aquiar Page 4 c) The proposed civil penalty for the Committee has been reduced to \$200. This is the full amount of the Committee's treasury and, we submit, is a proper penalty in this case. The Committee remains heavily indebted to Mr. Greene and a large penalty will only increase that debt. There is no reasonable likelihood that the penalty can be raised from other sources. The civil penalty for Mr. Faye has been reduced accordingly to a proposed penalty of \$100. Mr. Faye acted without knowledge that his loan violated the contribution provisions of the Act. His loan was not made in any respect to frustrate or circumvent the Act. I hope that the proposed modifications will be acceptable to the Commission. If so, the Committee and Mr. Faye are prepared to execute the revised Conciliation Agreements and pay the civil penalties. Sincerely, NEDERLANDER, DODGE & MCCAULEY, P.C. Vitat. alano Victor T. Adamo VTA: ...VS Enclosures ec: Earl Greene Gerald Fave Steven Pinney

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. §441a(X) in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. \$437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter. III. That the pertinent facts in this matter are as follows:

GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. \$437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date William C. Oldaker General Counsel Federal Election Commission Steven J. Pinney, Treasurer Date Earl Greene for Congress Committee Respondent

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Gerald E. Faye CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. §441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. \$437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction I. over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

- 2 -On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978. C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan. THEREFORE, Respondent agrees: IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A). Respondent will pay a civil penalty in the amount of \$750 pursuant to 2 U.S.C. §437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Ecderal Election Campaign Act of 1971, as amended, 2 U.S.C. \$431, et seq. GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia.

- 3 -II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. William C. Oldaker Date General Counsel Federal Election Commission Gerald E. Faye Date Respondent.

\$1 4465 ACAMENT III LAW OFFICES ULRICH PEAR BARENSE & EGGAN, P.C. 214 END THE HOLDE 16111 BUIBS HALLING HCHIA ANA HOBERT D BERICH FLIWIN . PEAR WHE IT HARENDE ABLIBET IN M. ELEVEAN MELL & CO. MILLS BURGETT HE ARA-July Ms. Miriam Aguiar, Attorney Federal Election Commission 1325 K Street, W.W. Washington, D.C. 20463 Re: MIR 962 Thano Masters Dear Ms. Aguiar: The undersigned represents Thano Misters in connection with the investigation of the Earl Greene for Congress Committee in the above referenced matter. In response to my telephone conversation with you on October 5, 1979, I am submitting the following which we request be considered by the commission. As you are aware, on September 25, 1979 I returned an executed Concillation Agreement proposed by your office along with a letter explaining that Mr. Masters did not really agree with your proposed agreement but did not wish to incur additional expense in litigation and in the hope of resolving this matter expeditiously had reluctantly agreed to the proposed Convillation Agreement. Subsequently, I received a copy of a letter from the Earl Greene for Congress Cormittee dated October 2, 1979, which appeared to me to infer that the Committee had discussed this matter with you and had made a proposed nominal settlerent which you were point to take to the commission. In view of the fact that the review of this whole matter clearly shows there was no intent by any of the parties to violate any portions of the law and all of the actions of the participants were fally decimanted and properly filed with the appropriate authorities, to sould consecute to present that if the consission consents to the proposed agreement with Mr. erecte and Mr. Paye, then the commission also make the same appropriate reduction in the fine to Mr. Masters to an amount not to exceed \$100.00. We trust you will find the above proposal both fair and equitable under the circumstances and consistent with the spirit of the law. Your consideration is most appreciated. Yours very truly, TERSON PUAR PARITIES & TOTAN, P. C. C1 : 2 H 11100 B. FLP: bn

ATTACHMENT IV Nederlander Tody & Me Gunley . PO CONSTRUCTION Morney's and Counsilors 1930 Bull Building 19 DEC 12 MI 12: 15 ONE HOMED + NEOFRI ANDER 10MM + HOMBE, 20 10A1M + H MCCAMET VICTOR + ADAMO LLEFE + W-1T PRILIP + LANNIAN Tetreit, Michigan 48226 December 10, 1979 Mr. Charles N. Steele St E32. Acting General Counsel Federal Election Committee Washington, D.C. 20463 Re: MUR 962 Dear Mr. Steele: Thank you for your letter of December 3, 1979, and revised proposed Conciliation Agreement in the above file. I have forwarded your letter and the revised Conciliation Agreements to the respective parties. I assume that we will be returning to you, signed copies within the next week. Very truly yours, Nederlander, Dodge & McCauley, P.C. Victor T. adono Victor T. Adamo VTA; psm 19 DEC 13 P1: 09 12.... 129

ATTACHMENT # GUCH . Sederlander Judge & Melindey, All. Altermys and Counselors Jetroit . Michigan 48226 3 J. 3 in Levelling HOBERT E NEDERLANDER
JOHN F DODGE, JR.
PATRICK B MCCAULET
VICTOR T ADAMO
ELLEN H WITT
FILLEN O TANNIAN
HONALD & MUSTO December 31, 1979 2:55 Federal Election Commission Washington, D.C. 20463 Attention: Mr. Charles N. Steele Re: In the Matter of Gerald E. Faye MUR 962 Dear Mr. Steele: I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by Mr. Gerald E. Faye. Also enclosed is a check from the Committee in the amount of One Hundred and Fifty (\$150.00) Dollars which represents the full amount of the civil penalty assessed in this matter. I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed. Very truly yours, Nederlander, Dodge & McCauley, P.C. Vista T. ado ~ Victor T. Adamo VIA: psm encls. 10 TW 3 61:31 -)

In the Matter of ) MUR 962

Gerald E. Faye ) MUR 962

CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. §441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. \$437g(a)(5)(A), do horeby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter.
- III. That the pertinent facts in this matter are as follows:
- A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

- 2 -On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978. C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan. THEREFORE, Respondent agrees: IV. Respondent's aggregate contributions of \$100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A). V. Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. §437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS The Commission, on the request of anyons tiling a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia.

It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Charles N. Steele Date General Counsel Federal Election Commission Ala 26 19/7 Respondent

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ATTACHMENT II 11938 - Sederlander Dely & Mc Gunley . P. C. Alterneys and Counselers 1930 Hahl Building . 5 0EC 28 11 0:34 ROBERT E NEDENLANDER HODERT E NEITHEAN ADDRESS TO DONNEY DONNEY CALLEY WITTON TO ASSESS THE ELLEN IN WITTEN HONALD OF MONTHS AND ADDRESS TO MONTHS AND AD TELEPHONE (3:3) 965 3000 Telret Michigan 48226 December 19, 1979 Federal Election Commission Washington, D.C. 20463 Attention: Mr. Charles N. Steele Dar Mr. Steele: I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by the Treasurer of the Committee. Also enclosed is a check from the Committee in the amount of Four Hundred (\$400.00) Dollars which represents the full amount of the civil penalty assessed in this matter. I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed. Mr. Gerald Faye has indicated to me that he will also accept his Concilation Agreement although he has not returned copies to me as of this date. I expect to be forwarding his Conciliation Agreement to you within the next week. Very truly yours, Nederlander, Dodge & McCauley, P.C. Tuefa T. adan Victor T. Adamo VIA: psm encls. 10:118 95030 8

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 441a in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction I. over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter. III. That the pertinent facts in this matter are as follows:

3 -GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date Charles N. Steele General Counsel Federal Election Commission Dicimber 14, 1979 Steven J. Pinney, Treasurer Earl Greene for Congress Committee Respondent

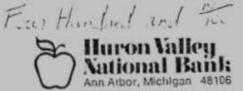
EARL GREENEFOR CONGRESS 126 PACKARD ST., APR. 3 PR. 662-5962 ANN ARROW. MOR. 18961 No. 145

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FELLER ELECTION LAW OFFICES Comment. ULRICH PEAR BARENSE & EGGAN, RC. PID EAST HURON SINEFT ANN ARBOR, MICHIGAN 48104 WINNERS IN IN MICH 1/9 DEC 12 FIL 12: 16. ----213 965 4441 -3131 4#3-36.Fr MELLIN . MINIMESPETS December 10, 1979 Mr. Charles N. Steele Acting General Counsel Federal Election Commission Washington, D.C. 20463 Re: MUR 962 Dear Mr. Steele: Fnclosed herewith please find the executed Conciliation Agreement approved by Mr. Masters in the above matter pursuant to your letter dated December 3, 1979. Both Mr. Masters and myself appreciate your review of this matter and the reduction in the proposed civil penalty. As previously pointed out, there was no intent by Mr. Masters to violate any provisions of the Act or to frustrate or 02 circumvent the intent of the Act. Please provide the undersigned with an executed copy of the agreement after it has been approved by the Commission and advise us where and to whom Mr. Masters' check should be sent. Thank you again for your kind consideration and cooperation. Yours very truly, ULRICH PEAR BARENSE & EGGAN, P. C. Edwin L. Pear ELP:bn Enclosure 3 DEC 15 61:03

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Thano Masters CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. §441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a) (5) (A), do hereby agree as follows: That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The Loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. §437g(a)(6)(B). VI. Respondent will not undertake any activity which CC is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date Charles N. Steele General Counsel Federal Election Commission Date Respondent

11990 14 1 11 Nederlander Tody & Holmaley . Pl, Mornings and Counselers 1930 Bull Bulling 2 5 3 11 12 cm 200 I WHAT I STUTHCASCES December 31, 1979 Part de Federal Election Commission Washington, D.C. 20463 Attention: Mr. Charles N. Steele Re: In the Matter of Gorald E. Faye MUR 962 Dear Mr. Steele: I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by Mr. Gerald E. Faye. œ Also enclosed is a check from the Committee in the amount of One Hundred and Fifty (\$150.00) Dollars which represents the full amount of the civil penalty assessed in this matter. I request that you return one of these copies to me when it has been signed by the Federal Election Commission. A return envelope is enclosed. Very truly yours, Nederlander, Dodge & McCauley, P.C. Tion Tado = Victor T. Adamo VIA: psm encls. 11:13 61:31

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Federal Election Commission

Washington, D.C. 20461

Attention: Mr. Charles N. Stoole

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Attention: Mr. Victor T. Adges

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1930 Bull Bulling S DEC 2 7 5 54
Velvet Michigan 48226 to the set I be to Fire and I to 313) 965 300 December 19, 1979 Federal Election Commission Washington, D.C. 20463 Attention: Mr. Charles N. Stoele Dear Mr. Steele: I am returning to you, two copies of the Conciliation Agreement in the matter of Earl Greene for Congress Committee signed by the Treasurer of the Committee. Also enclosed is a check from the Committee in the amount of Four Hundred (\$400.00) Dollars which represents the full amount of the civil penalty assessed in this matter. I request that you return one of these copies to me when it has been C: signed by the Federal Election Commission. A return envelope is enclosed. Mr. Cerald Faye has indicated to me that he will also accept his Concilation Agreement although he has not returned copies to me as of this date. expect to be forwarding his Conciliation Agreement to you within the next week. Very truly yours, Nederlander, Dodge & McCauley, P.C. Tuckn T. aden a Victor T. Adamo VIA: DSM encls. 10:118 85030 8

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 44la in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter. III. That the pertinent facts in this matter are as follows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day postprimary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79. B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978. C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates. IV. Respondent acknowledges that the loans described in III (A) and (B) are contributions under 2 U.S.C. §431(e)(1). THEREFORE, Respondent agrees: That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. §441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §44la. VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. §437g(a)(6)(B). VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

3 -GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements

Charles N. Steele

Respondent

Acting General Counsel

Federal Election Commission

Steven J. Finney, Treasurer

Earl Greene for Congress Committee

contained in this Agreement and to so notify the Commission.

IV. This Agreement is executed in full satisfaction

of all issues raised in this compliance action.

I.

Date

Date 19, 17/1

EARL GREENS FOR CONGRESS 426 PACKARD ST., APT. 3 PH. 662-5962 388 ABROR. 3000. 15101 No. 145

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Steen J. Pinney

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# First Class Mail

NEDERLANDER, DODGE & MCCAULEY, P.C.
ATTORNEYS AND COUNSELORS
1930 BUHL BUILDING
DETROIT, MICHIGAN 48226

O: FEDERAL EL

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Attention: Mr. Charles N. Steele

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LAW OFFICES ULRICH PEAR BARENSE & EGGAN. P.C. 212 EAGT HERON STREET ANN ARBOR MICHIGAN 481U4 ur unn andt December 10. 1979 11 24 Mr. Charles N. Steele Acting General Counsel Federal Flection Commission Vashington, D.C. 20463 Re: MI'R 962 Dear Mr. Steele: 17 Factored herewith please find the executed Conciliation Agreement approved by Mr. Masters in the above matter pursuant to your letter dated December 3, 1979. Both Mr. Masters and myself appreciate your review of this matter and the reduction in the proposed civil penalty. As previously pointed out, there was no intent by Mr. Masters to violate any provisions of the Act or to frustrate or circumvent the intent of the Act. Please provide the undersigned with an executed copy of the agreement after it has been approved by the Commission and advise us where and to whom Mr. Masters' check should be sent. Thank you main for your kind consideration and cooperation. Yours very truly, ULPICE PEAR EAPTHST & ECGAN, P. C. -1 . Edvin 1. Pear Mar : bm Unclosure. 60:12 21:03

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Mr. Charles N. Steele Acting General Counsel Federal Election Commission Washington, D.C. 20463



Sederlander Dely & Holing Pli . S. W. N. Morneys and bunseless 1930 Bull Buchling 19 DEC 12 TH 12 LLS BURERS E NEDERLANDER Telred Michigan 48226 TOTAL OF THE STATE December 10, 1979 Mr. Charles N. Steele Acting General Counsel Federal Election Committee Washington, D.C. 20463 Re: MUR 962 Dear Mr. Steele: Thank you for your letter of December 3, 1979, and revised proposed Conciliation Agreement in the above file. I have forwarded your letter and the revised Conciliation Agreements to the respective 5 parties. I assume that we will be returning to you, signed copies within the next week. Very truly yours, Nederlander, Dodge & McCauley, P.C. Victor T. adone Victor T. Adamo VTA; psm 3 DEC: 15 61: 03 12

Sedectander Ledge & Het weeten Tt. Pric Sould Huckling

Webert Melugan 4829



Mr. Charles M. Steele Continu General Counsel Federal Election Committee Washington, D.C. 2046 &



MEMORANDUM TO: CHARLES STEELE

FROM:

MARJORIE W. EMMONS / MARGARET CHANEY

DATE:

DECEMBER 3, 1979

SUBJECT:

MUR 962 - Interim Conciliation Report dated 11-30-79; Received in OCS

11-30-79, 10:19

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 2:00, Friday, November 30, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

November 30, 1979 MIMORALBUM To: Marjorie W. Lamons FROM: Llissa T. Carr SUBJECT: MUR 962 Pleasehhave the attached Interim Concil Report on MUR 962 distributed to the Commission. Thank you.

### BEFORE THE FEDERAL ELECTION COMMISSION

: 19

In the Matter of )

Earl Green for Congress )

Committee ) MUR 962

Gerald E. Faye )

Thano Masters )

# INTERIM CONCILIATION REPORT

This matter concerns the making and acceptance of excessive contributions in violation of 2 U.S.C. § 441a. Respondents have submitted counter-proposed conciliation agreements through their respective counsels. The Office of General Counsel incorporated a number of the respondents' suggestions in alternate proposed conciliation agreements which have been mailed to the respondents. We have requested that each respondent submit their response to the newly proposed agreements within 15 days of receipt.

30 Dosculor 1979

Acting General Counsel



### FEDERAL ELECTION COMMISSION

WASHINGTON DIC 20464

December 3, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear, Attorney Ulrich, Pear, Barense and Eggan, P.C. 210 East Huron Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

This letter is to confirm the Commission's receipt of your signed conciliation agreement and subsequent letter requesting that the Commission reduce the amount of the civil penalty provision. The Office of General Counsel has incorporated your suggestions and has amended the conciliation agreement proposing a civil penalty in the amount of \$50.00, which this office is prepared to recommend to the Commission. We have enclosed the agreement herewith which we submit for your signature.

I am still hopeful that this matter can be settled through a conciliation agreement. Should you have any further questions, please call Miriam Aguiar at (202) 523-4060. You should respond to the Commission's proposal within ten (10) days of receipt of this notification.

Sincerely,

Charles N. Steel

Acting General Counsel

Enclosure Conciliation Agreement

# BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979

In the Matter of	)	
	)	MUR 962
Thano Masters	)	

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C

# CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. \$441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Musters, having duly entered into conciliation pursuant to 2 U.S.C. 5437g(a)(5)(A), do hereby agree as follows:

- That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against nim in this matter.
- III. That the pertinent facts in this matter are as follows:
- A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

2 -B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the quarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). Respondent will pay a civil penalty in the amount of \$50 pursuant to 2 U.S.C. §437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 5431, et seq. GENERAL CONDITIONS 1. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become difective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

- 3 -III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Charles N. Steele Date Acting General Counsel Federal Election Commission Date Thano Masters Respondent

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## FEDERAL ELECTION COMMISSION

W VORES, TON DT 20464

December 3, 1979

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Victor Adamo Nederlander, Dodge & McCauley, P.C. 1930 Buhl Building Detroit, Michigan 48226

Re: MUR 962

Dear Mr. Adamo:

This letter is to confirm the Commission's receipt of your proposed conciliation agreements on behalf of Mr. Gerald Paye and the Earl Greene for Congress Committee. The Office of General Counsel has incorporated a number of your suggested changes and has amended the conciliation agreements which this office is prepared to recommend to the Commission.

As to the conciliation agreement naming Mr. Faye as respondent, this office proposes a civil penalty in the amount of \$150. As to the conciliation agreement naming the Earl Greene for Congress Committee as respondent, this office has: (a) replaced 2 U.S.C. \$441a(f) with 2 U.S.C. \$441a; (b) changed III C to read: "That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dates"; (c) proposed a civil penalty in the amount of \$400. We have enclosed the agreements herewith which we submit for your signature.

I am still hopeful that this matter can be settled through a conciliation agreement. Should you have any questions, please call Miriam Aguiar at (202) 523-4060. You should respond to the Commission's proposal within 10 days of receipt of this notification.

. Sincerely,

Charles N. Steele

Acting General Counsel

Enclosure Conciliation Agreements

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Gerald E. Faye CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. \$441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. \$437q(a)(5)(A), do hereby agree as follows: 1. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978. C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan. THEREFORE, Respondent agrees: IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A). Respondent will pay a civil penalty in the amount of \$150 pursuant to 2 U.S.C. 5437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. \$431, et seq. GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. \$437q(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia.

- 3 -II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date Charles N. Steele Acting General Counsel Pederal Election Commission Gerald E. Faye Date Respondent

BEFORE THE FEDERAL ELECTION COMMISSION November 27, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. § 441a in connection with its acceptance of \$5,100 in contributions from Mr. Gorald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. \$437g(a)(5)(A), do hereby agree as follows: I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter. III. That the pertinent facts in this matter are as tollows:

A. On August 7, 1978, Respondent accepted a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company, which was secured by a guaranty bond of Mr. Thano Masters. Respondent disclosed the receipt thereof on its 30 day postprimary report, and noted that the loan was due to be paid on November 6, 1978, with accrued interest of \$74.79. B. On August 28, 1978, Respondent accepted a 90 day personal, interest free \$5,000 loan from Mr. Gerald E. Faye. The loan was due to be repaid on November 28, 1978. In addition, Respondent had accepted a \$100 contribution from Mr. Faye on August 9, 1978. C. That Respondent repaid the \$5,000 loan in full on October 27, 1978 and repaid the \$3,000 loan in full with \$74.79 interest on November 6, 1978, both on or before the respective due dites. IV. Respondent acknowledges that the loans described in III(A) and (B) are contributions under 2 U.S.C. §431(e)(1). THEREFORE, Respondent agrees: V. That by accepting the \$3,000 and \$5,000 loans which were in excess of the \$1,000 2 U.S.C. 5441a(a)(1)(A) limitation, Respondent violated 2 U.S.C. §44la. VI. Respondent will pay a civil penalty in the amount of \$400 pursuant to 2 U.S.C. \$437g(a)(6)(B). VII. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 5431, et seq.

3 -GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. If. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Charles N. Steele Date Acting General Counsel Federal Election Commission Date Steven J. Pinney, Treasurer Earl Greene for Congress Committee Respondent

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Ms. Miriam Agular, Attorney Federal Flection Cormission 1325 F Street, M.V. Vashington, P.C. 20467



# FEDERAL ELECTION COMMISSION

MARKARITAN MARKARATA

MEMORANDUM TO:

CHARLES STEELE

FROM:

MARJORIE W. EMMONS/MARGARET CHANEY

DATE:

OCTOBER 11, 1979

SUBJECT:

MUR 962 - Interim Conciliation Report dated 10-4-79; Signed by GC

10-10-79; Received in OCS

10-10-79, 11:11

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4:00, October 10, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

October 10, 1979 MEMORANDUM TO: Marge Emmons Jane Colgrove FROM: SBBJECT: MUR 962 Please have the attached Interim Conciliation Report .0 on MUR 962 distributed to the Commission on a 24 hour tally basis. Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION October 4, 1979

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In the Matter of

Earl Greene for Congress
Committee
Gerald E. Faye
Thano Masters

MUR 962

# INTERIM CONCILIATION REPORT

This matter concerns the making and receipt of excessive contributions in violation of 2 U.S.C. §44la. On September 14, 1979 the Commission found reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §44la(a) (1) (A) and that the Earl Greene for Congress Committee violated 2 U.S.C. §44la(f). Letters of notification were mailed on September 17, 1979. Mr. Masters has responded by letter through his attorney, Mr. Edwin Pear. Mr. Victor Adamo, attorney for both the Greene Committee and Mr. Faye contacted the Commission on September 28, 1979. He stated that his clients were prepared to conciliate and would formally contact the Commission within a week. A full report will be submitted to the Commission upon receipt and review of Mr. Adamo's response.

10/10/14

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William C. Oldaker General Counsel

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C: 4419 Sederlander Judge & Melmuly, Pli 102 JUZ Mornings and Counselers 1931 Bull Bulling Letreit Michigan 48226 BOBLO" ! NEDER ANDER TELEPHONE HONN & BODGE HE PATHILL B ME CAULTY VILLOW I ADAMO LITTON I ADAMO LITTON I TANNIAN 12131 965-3001 October 2, 1979 10 11 - - 7 1d Ms. Miriam Aquiar, Attorney Pederal Election Commission 1325 K Street, N.W. Washington, D.C. 20463 MUR 962 Re: Earl Greene for Congress Committee Gerald E. Faye Dear Ms. Aquiar: The undersigned represents the Earl Greene for Congress Committee (hereafter "Committee") and Mr. Gerald E. Faye in connection with the investigation and conciliation procedures instituted by the Federal Election Commission pursuant to 2 U.S.C. 437g. Mr. Thano Masters, a third party to the activities in question, is represented by separate counsel. The comments in this letter are accordingly limited to the activities of the Committee as they relate to Mr. Masters and not to the activities, if any, of Mr. Masters himself. In order to fully understand the activities of the Committee that are in issue, I believe it is necessary to briefly outline the nature of the campaign for Congress in the Second Congressional District of Michigan that resulted in 1978. In 1976 the incumbent Congressman ran for election to the U.S. Senate leaving an open seat. Both parties nominated formidable candidates and the election was vigorously contested. When the votes were finally counted, Congressman Pursell was elected by a margin of approximately 250 votes out of a total vote cast of approximately 200,000 votes. For several days after the election, the results were "too close to call" and both candidates actually conceded the race at different times. In 1978 it was generally assumed that the Democratic Party candidtate from 1976 would run again for the nomination. After making initial statements in that direction, the 1976 candidate decided not to seek the nomination. This left an unexpected

. Sederlander Ledge & Me Ganley Al. Ms. Miriam Aquiar Page 2 vacancy on the Democratic ticket which was thereafter very difficult to fill. It was then commonly believed among the district's Democrats that the voter popularity of, and the campaign committee assembled by, the 1976 candidate would be extremely difficult to duplicate. In addition, Mr. Pursell could now campaign as an incumbent Congressman with all of the benefits that arise from being an incumbent. In short, it was the Democratic Party consensus in the district that a victory in the election was quite unlikely. When no other candidate emerged, Mr. Greene, who was then and is now a member of the Ann Arbor City Council, volunteered to run to complete the Democratic Party ticket. This decision was made relatively late in time and most political volunteers who would otherwise participate in the Congressional Campaign had become affiliated with other then very ongoing and active Democratic campaigns for U.S. Senato and State elective offices. From the beginning, the Greene for Congress Committee was forced into hasty and stopgap activities. Most notablly, the Committee failed, in the time between Mr. Greene's announcement and the filing deadline, to collect sufficient petition signatures to survive a challenge before the State Board of Canvassers. The Committee was thus forced to conduct a write-in campaign to place a Democratic Party candidate on the general election ballot. With active Democrats alread committed to other campaigns, and with the generally perceived low probability of success of the Greene campaign, it was very difficult to raise funds for the election activites The election results reflected the scarcity of Democratic volunteers and dollars. Despite vigorous personal campaign efforts on the part of Mr. Greene and the work of his committee, the campaign received approximately 35% of the general election vote. Although the Committee now holds approximately \$200 in its treasury, it was able to pay off its campaign debts only through personal loans to the Committee from Mr. Greene in the amount of approximately \$8,000. These loans, which will not likely be repaid, represent a large personal committment on the part of Mr. Greene (who earns his primary income as a public school teacher) to satisfy the debts of the Committee and to avoid any stigma to the Democratic Party that would arise from a campaign that left substiantial numbers of unpaid creditors.

Sederlander Vely & Melanley Al. Ms. Miriam Aguiar Page 3 The loans in question were made to provide a minimum level of financing but without the knowledge on the part of any party that a violation of the Act would thereby result. documented by the fact that the loans were clearly reflected in the reports of the Committee and were paid back prior to their respective due dates; and, in the case of the loan from Mr. Faye, it was immediately paid back upon notice from the Commission that a loan appeared to be in violation of the Act. Any violations of the Act were a product of an innocent failure to appreciate that a loan, or loan quaranty, constituted a "contribution" under the Act. I do not intend to infer by the above facts that your enforcement of the Act should be influenced by whether a campaign is successful. Rather, I ask only that you take these facts into consideration to the extent that they reflect: a) that the alleged violations of the Act were the result of hasty decisions on the part of the Committee and were performed without any knowledge that there was a potential violation of the Act; and, b) that large civil penalties, such as those proposed in the Conciliation Agreements, would work an undue hardship in this instance. I have had the opportunity to review the proposed Concilliation Agreements with the Committee and Mr. Faye. They are generally desireous of resolving this matter through the Conciliation process and they have requested that I forward to you proposals for changes in the text of the Conciliation Agreements. I have included with this letter a copy of each Conciliation Agreement as prepared by your office with certain modifications indicated. The proposed modifications are: Reference to 2 U.S.C.§441a(f) has been modified to delete specific reference to subsection(f). The Committee and Mr. Faye are prepared (for the pruposes of conciliation) to acknowledge that the loans exceeded the contribution limits of the Act. However, there was not a "knowing" violation of the Act. Specific reference to subsection (f) would, in my opinion, constitute an admission that does not comport with the facts of the present case. Language has been added to item III.C. (Committee's Conciliation Agreement) to reflect that the loans were repaid on a timely basis. We believe this is important as it helps to indicate that the loans were not intended by the parties involved to constitute contributions as that term is commonly understood.

Nederlander Ledge & Mc Country At. Ms. Miriam Aguiar Page 4 c) The proposed civil penalty for the Committee has been reduced to \$200. This is the full amount of the Committee's treasury and, we submit, is a proper penalty in this case. The Committee remains heavily indebted to Mr. Greene and a large penalty will only increase that debt. There is no reasonable likelihood that the penalty can be raised from other sources. The civil penalty for Mr. Faye has been reduced accordingly to a proposed penalty of \$100. Mr. Faye acted without knowledge that his loan violated the contribution provisions of the Act. His loan was not made in any respect to frustrate or circumvent the Act. I hope that the proposed modifications will be acceptable to the Commission. If so, the Committee and Mr. Faye are prepared to execute the revised Conciliation Agreements and pay the civil penalties. Sincerely, NEDERLANDER, DODGE & McCAULEY, P.C. Victor T. ada Victor T. Adamo VTA: evs Enclosures ce: Earl Groome Gerald Fave Steven Pinney

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979

In the Matter of	)
	) MUR 962
Earl Greene for Congress	)
Committee	)

### CONCILIATION AGREEMENT

This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. \$441a in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters.

NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. \$437g(a)(5)(A), do hereby agree as follows:

- That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against it in this matter.
- III. That the pertinent facts in this matter are as follows:

GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. \$437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. William C. Oldaker Date General Counsel Federal Election Commission Steven J. Pinney, Treasurer Date Earl Greene for Congress Committee Respondent

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Cerald E. Faye CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. §441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction I. over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

- 2 -On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978. C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan. THEREFORE, Respondent agrees: IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. \$441(a)(1)(A). Respondent will pay a civil penalty in the amount V. of \$750 pursuant to 2 U.S.C. \$4379(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. \$431, et seq. GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia.

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Ms. Miriam Aquiar, Attorney Federal Election Commission 1325 K Street, N.W. Washington, D. C. 20463

GC# 11235 LAW OFFICES ULRICH PEAR BARENSE & EGGAN. P.C. 200 FAST OF RES STREET ANN ARBOR MICHIGAN 48104 10 25 107 14 17 26 N 1 1 1 1 10 01 045 0441. ... post in secure of 0.74. 467 de 11 1 1 . . A.74. ---- ANTY, MIL HOURN ANTA et a. 419 7 . 10 . 0 September 25, 1979 Mr. William C. Oldaker Ceneral Counsel Federal Election Commission 1325 K Street N.W. Washington, D.C. 20463 Re: MUR 962 Dear Mr. Oldaker: Pursuant to your letter dated September 17, 1979, I am returning the executed Conciliation Agreement by Mr. Thano Masters. Mr. Masters is somewhat concerned by the language in the Conciliation Agreement and specifically item III C. on page 2 for the reason that Mr. Masters did not make a bank loan but merely was a guarantor on a note for a personal friend and it is not the statute which defines a loan to include a guarantor, but the Comwission's regulations which is unreasonable to assume the average person even known about. The action by Mr. Mastern was merely to youch for the credibility of Mr. Creene with the bank. Although we feel the Commission was wrong to impose a penalty on Mr. Masters in view of the facts and surrounding circumstances in this matter, Mr. Masters has determined that it is not economically feasible to further protest this matter and ne ording's has executed the agreement. Please advise up when said agreement has been approved by the Commission and to whom Mr. Masters should make his check payable. Yours very truly, ULRICH PEAR BAREEST & ECGAN, P. C. Edwin I. Pear 14.Paber in . osure

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Thano Masters CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. \$441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction I. over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the guarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). V. Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. \$437q(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437q(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date William C. Oldaker General Counsel Federal Election Commission mastell. Respondent

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Mr. William C. Oldaker General Counsel Federal Election Commission 1325 K Street N.W. Washington, D.C. 20463



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# FEDERAL ELECTION COMMISSION

B25 K STREET NW WASHINGTON DT 2046 F

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

September 17, 1979

Mr. Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105

Re: MUR 962

Dear Mr. Faye:

On September 13 , 1979, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 28, 1978 you extended a \$5,000 personal loan to the Greene for Congress Committee in connection with the general election. This was in addition to your \$100 contribution to the Committee on August 9, 1978. Loans are considered contributions under 2 U.S.C. §431(e)(1). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per candidate per election, your aggregate \$5,100 contribution to the Committee for use in the general election violated this section of the Act.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g (a) (5) (A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Óldaker General Counsel

Enclosure

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We enclose a proposed conciliation agreement that this office is prepared to recommend to the Cormission in settlement of this matter. If you agree theh the provisions of the enclosed conciliation agreement, please sich and return it to the Coumission within ten days. I will then recommend that the Cormission approve the agreement. It you have any questions or suggestions for changes in the enclosed conciliation a receiont, please contact Miriam Aguiar, the attorney assigned to this matter, at 202 523 4057. Sincerely, William C. Oldaker Coneral Counsel inclosure

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Gerald E. Faye CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Gerald E. Faye violated 2 U.S.C. \$441a(a)(1)(A) in connection with contributions totalling \$5,100 made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Gerald E. Faye having duly entered into conciliation pursuant to 2 U.S.C. \$437q(a)(5)(A), do hereby agree as follows: I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 9, 1978, Respondent contributed \$100 to the Earl Greene for Congress Committee ("the Committee") for use in the general election.

B. On August 28, 1978, Respondent extended a 90 day interest free \$5000 personal loan to the Committee, to be repaid on November 28, 1978. C. That on October 27, 1978, Respondent received \$5000 as payment in full of the loan. THEREFORE, Respondent agrees: IV. Respondent's aggregate contributions of \$5100 to the Earl Greene for Congress Committee for use in connection with the general election were in excess, and therefore in violation of, the individual contribution limitation set forth in 2 U.S.C. §441(a)(1)(A). ٧. Respondent will pay a civil penalty in the amount of \$750 pursuant to 2 U.S.C. §437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437q(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia.

- 3 -II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date William C. Oldaker General Counsel Federal Election Commission Gerald E. Faye Date Respondent



# FEDERAL ELECTION COMMISSION

B25 K STREET N.W. WASHINGTON D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

september 17, 1979

Mr. Steven J. Pinney, Treasurer Earl Greene for Congress Committee 563 S. Ashley St. Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney:

On September 13 , 1979, the Commission determined there was reasonable cause to believe that the Earl Greene for Congress Committee committed a violation of 2 U.S.C. §441a(f) of the Federal Election Campaign Act of 1971, as amended, (the "Act"). Specifically, the Commission found reasonable cause to believe that the Committee accepted two individual contributions which were both in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A): a \$5,000 personal loan on August 28, 1978 from Gerald Faye and a \$3,000 bank loan secured by a quaranty bond of Thano Masters on August 7, 1978. Section 431(c)(1)(A) of the Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office," and under Commission Regulation 100.4(a)(1)(i), a loan includes a quarantee ... [or] any other form of security where the risk of nonpayment rests with the guarantor. Therefore, the Committee violated 2 U.S.C. §441a(f) by accepting two contributions which exceeded the §44la(a)(1)(A) \$1,000 individual limitation.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. \$437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely ...

William C. Oldaker General Counsel

Enclosure

-	Add your address in the RETURN TO space reverse
1 2 A 3 1	The following service is requested (check one)  1 Show to whom and date delivered  1 Show to whom ditte and address of delivery  1 RESTRICTED DELIVERY  1 Show to whom and date delivered  1 RESTRICTED DELIVERY  1 Show to whom date and address of delivery  1 (CONSULT POSTMASTER FOR FEES)  ARTICLE ADDRESSED TELL  ARTICLE DESCRIPTION
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1	(Always obtain signature of addressee or agent) have received the whole described above
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CERTIFIED MAIL
RETORN RECEIPT REQUESTED

hr. Steven J. Pinney, Treasurer Lift Greene for Congress Committee 5.3 C. Pahley St. Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney

, 1979, the Commission On determined there was reasonable cause to believe that the Sarl Greene for Congress Committee committed a violation of 2 U.S.C. 5441a(f) of the Federal Election formica Act of 1971, in amended, (the Act'). Specifically, the Constitution found reasonable cause to believe that the Consisted accepted two individual contributions which were both in excess of the 11,000 limitation set forth in 2 (.C.C. 5441a(a)(1)(A) = a \$5,000 personal damn on Assurt 25, 1978 from Sorald Paye and a \$3,600 bank loan secured by a quaranty bond of Thano Masters on August 7, 1975, Section 431(e)(1)(A) of the Act defines a contripation to include a loan ... made for the purpose of including the ... election of any person to Pederal Affice, and under Cormission Regulation 100.4(a)(1)(i), a loan includes a quarantee . . [or] any other form of security where the risk of nonpayment rests with the quaranter. Therefore, the Committee violated 2 U.S.C. Hills(f) by accomting two contributions which exceeded the dala(a)(1)(A) 31.000 individual limitation.

The consistsion has a duty to attempt to correct the cloth dust for a period of 30 days by informal complete conciliation and persuasion, and the time into a conciliation agreement. 2 U.S.C. for this (a) (a). The are unable to reach an agreement being that period, the (commission may, upon a finding red note cause to believe a violation has occurred, being that cause to believe a violation has occurred, being constant to a civil penalty not in excess of

We enclose a proposed conciliation agreement that this office is prepared to reconsedd to the Commission in settlement of this ratter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Cormission within ten days. I will then recommend that the Commission approve the agreement. If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact hirian Aguiar, the attorney assigned to this matter, ut 202 823-4057. Sincerely, Millian C. Oldaker General Counsel Laclostare

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Earl Greene for Congress Committee CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Earl Greene for Congress Committee violated 2 U.S.C. §441a(f) in connection with its acceptance of \$5,100 in contributions from Mr. Gerald E. Faye and a \$3,000 contribution from Mr. Thano Masters. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Earl Greene for Congress Committee, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A), do hereby agree as follows: That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to

demonstrate that no action should be taken against it in this

III. That the pertinent facts in this matter are as

matter.

follows:

3 -GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement. III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. William C. Oldaker Date General Counsel Federal Election Commission Stoven J. Pinney, Treasurer Date Earl Greene for Congress Committee Respondent



# HIDERAL ELECTION COMMISSION

13.5 K STRILL NW WASHINGTON DO 20464

September 17, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear Ulrich, Pear, Barense & Eggan, P.C. 210 E. Huron Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

On September 13 , 1979, the Commission determined there was reasonable cause to believe that your client, Mr. Thano Masters committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 7, 1978, Mr. Masters secured by guaranty bond a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company to the Earl Greene for Congress Committee in connection with the primary election campaign. Secured bank loans are considered contributions by the quarantors under the Act. See 2 U.S.C. \$431(e). As 2 U.S.C. \$441a (a) (1) (A) limits individual contributions to \$1,000 per federal candidate per election, Mr. Master's \$3,000 contribution for use in connection with the primary election campaign violated this section of the Act.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is propared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerel

William C. Oldaker General Counsel

Enclosure

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CERTIFIED MAIL OF THE T. CO. THE PROPERTIES Tr. Laketa L. Pear Mirtel, Cour. Barense & Mooning P.C. 210 1. Laren Street Ann Arbor, Suchismi 48104 Re: MIR 962 home 'm' that , 1979, the Commission determined warre was reasonable cause to believe that your client. Tr. Than Casters committed a violation of 2 U.S.C. 1 La(A) (1) (A) of the Pederal Clection Campaign Act 1 977 to temped. ( the let )2. specifically, the 'of a law form, township cause to believe that on Legal 7 1975 Mr. Marters secured by quaranty bond a "I had be one form three the Ann Arlor Bank and Trust the same to kee hard Greene for congress Consittee in same that with the printry election carry days. Secured and, then the considered contributions by the quarantors particular action near 1 May 10, 5431 (c). As 2 U.S.C. 5441a )(1997) The the underived contributions to \$1,000 per and a made to ver election. Mr. bester a \$1,500 centri which or an is connection with the origary election comments, inlate, tais nection of the Act. ". Commission has a duty to atternt to certicat son there's but I have a period of 30 days by intor di smeets a deference conciliation and persuation, useful armain liter labor a some ilitation automost 2 to 7.2 gitt (a) : (()) - () is are made to read an agreement the a first terror, the cut touion buy, usen a finding to a le compette alleve a violation has occurrence traffic move wit in trited tates bistrict Court. are and as a sivil wealty but in excess of

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this master. It you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten ddys. I will then recommend that the Commission approve the agreement. Ir you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact miriam Aguiar, the attorney assigned to this matter. at 202-523-4057. Sincerely, william C. Oldaker General Counsel Inclosure

BEFORE THE FEDERAL ELECTION COMMISSION August 30, 1979 In the Matter of MUR 962 Thano Masters CONCILIATION AGREEMENT This matter has been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation has been conducted, and the Commission has found reasonable cause to believe that respondent Thano Masters violated 2 U.S.C. \$441a(a)(1)(A) in connection with a \$3,000 contribution made to the Earl Greene for Congress Committee. NOW, THEREFORE, the respective parties herein, the Federal Election Commission and respondent Thano Masters, having duly entered into conciliation pursuant to 2 U.S.C. 5437g(a)(5)(A), do hereby agree as follows: I. That the Federal Election Commission has jurisdiction over respondent and the subject matter of this proceeding. II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken against him in this matter. III. That the pertinent facts in this matter are as follows: A. On August 7, 1978 Respondent became a guarantor for a \$3,000 91 day bank loan made to the Earl Greene for Congress Committee from the Ann Arbor Bank and Trust Company. The loan was made in connection with the primary election, and was due November 6, 1978.

- 2 -B. The Earl Greene for Congress Committee repaid the \$3,000 loan with \$74.79 accrued interest on November 6, 1978. C. Secured bank loans are considered contributions by the quarantor. 2 U.S.C. §431(e). THEREFORE, Respondent agrees that: IV. Respondent's contribution of \$3,000 to the Earl Greene for Congress Committee for use in connection with the general election campaign was in excess of and therefore in violation of the \$1,000 individual contribution limitation set forth in 2 U.S.C. §441a(a)(1)(A). Respondent will pay a civil penalty in the amount of \$250 pursuant to 2 U.S.C. \$437g(a)(6)(B). VI. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq. GENERAL CONDITIONS I. The Commission, on the request of anyone filing a complaint under 2 U.S.C. §437q(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute civil action for relief in the United States District Court for the District of Columbia. II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

- 3 -III. It is agreed that Respondent shall have no more than thirty (30) days from the date this Agreement becomes effective to comply with and implement the requirements contained in this Agreement and to so notify the Commission. IV. This Agreement is executed in full satisfaction of all issues raised in this compliance action. Date William C. Oldaker General Counsel Federal Election Commission Date Thano Masters Respondent

#### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	MUR 962
Earl Greene for Congress Committee	(	FIOR 902
Gerald E. Faye Thano Masters	)	

### CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal
Election Commission, do hereby certify that on September 13,
1979, the Commission determined by a vote of 5-0 to
adopt the following recommendations, as set forth in the
General Counsel's Report dated August 30, 1979, regarding
the above-captioned matter:

- Find REASONABLE CAUSE TO BELIEVE that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A).
- Find REASONABLE CAUSE TO BELIEVE that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f).
- Approve and send the letters and conciliation agreements to the respondents (Attachment VI to the above-named report.

Voting for this determination were Commissioners Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

Date

Marjorie W. Emmons Secretary to the Commission

mayorie W. Emmon

Received in the Office of the Commission Secretary: 9-11-79, 10:53 Circulated on 48 hour vote basis: 9-11-79, 4:00

September 11, 1979 MEMORANDUM TO: Marge Emmons PROM: Llissa T. GArr SUBJLCT: MUR 962 Please have the attached General Counsel's Report on MUR 962 distributed to the Commission on a 48 hour tally basis. Thank you.

BEFORE THE FEDERAL ELECTION COMMISSION
August 30, 1979
STOLL ALL: 53

In the Matter of )

Earl Greene for Congress Committee ) MUR 962

Gerald E. Faye )

Thano Masters )

### GENERAL COUNSEL'S REPORT

### I. BACKGROUND

On May 16, 1979, the Commission found reason to believe that Gerald E. Faye and Thano Masters ray have violated 2 U.S.C. §441a(a)(1)(A) and that the Earl Greene for Congress Committee 1/ may have violated 2 U.S.C. §441a(f) in connection with a \$5,000 loan from Mr. Faye and a quaranty of a \$3,000 loan from Mr. Masters made to and accepted by the Committee. The matter was generated pursuant to a referral from the Reports Analysis Division. Letters of notification were mailed to respondents on May 17, 1979.

### II. EVIDENCE

In his response to the Commission's May 17th letter,

Committee Treasurer Steven J. Pinney stated that pursuant to
an October 4 notice from the Clerk of the House of Representatives
which informed him of the possible §44la violation, the Committee
began securing monies to repay the loans. As the Committee was
financially unable to do so, Candidate Earl Greene obtained a
personal bank loan and repaid both loans by their due dates

<sup>1/</sup> Candidate Earl Greene was defeated in the 1978 general election, receiving 32% of the vote.

by personal check.2/ To his response, Mr. Pinney attached a copy of the loan agreement guaranteed by Mr. Masters, and a copy of the \$3,000 check to the Committee. The loan was paid in full with interest accrued on November 6, 1978. (See Attachment I). In addition, Mr. Pinney stated that he would submit material on the loan obtained from Mr. Faye when it was available. As neither Mr. Masters nor Mr. Faye responded to the Commission's May 17th letter and as Mr. Pinney failed to submit additional material, letters were mailed to all respondents on July 10 which indicated that the Commission intended to conclude its investigation and that in the absence of further materials, the Commission would render its determination on the information presently available.

Mr. Pinney responded on July 14 and attached Mr. Greene's personal check to Mr. Faye dated October 30, 1978 for \$5,034.25. (See Attachment III).

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Mr. Edwin Pear, counsel for Mr. Masters contacted the

Commission by phone on July 13 and submitted a formal response
on July 16. (See Attachment IV). Mr. Pear stated that he
intended to review the documents submitted by Mr. Pinney to
determine whether additional material was warranted. Mr. Pear
submitted an additional response on August 21, 1979 in which
he stated that in agreeing to guarantee the bank loan to

Mr. Greene, Mr. Masters relied on the representations made by
Greene and "assumed that the candidate would be adhering to
all the provisions of the law."

<sup>2/</sup> The Committee disclosed repayment of the loans on its 30 day post-general election report. (See Attachment II).

Mr. Faye contacted the Commission by phone on August 2. According to Mr. Faye, candidate Greene "wanted an early loan," and Mr. Faye complied with the request. We informed Mr. Faye that the Act required the Commission to grant respondents an opportunity to respond to the Commission's findings and suggested that he submit a letter to the Commission in this regard. Mr. Faye stated that he would submit a letter. To date, no response has been received. III. ANALYSIS 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per federal candidate (and his authorized political committee) per election. Contributions, as defined by 2 U.S.C. §431(e)(1), include loans. While bank loans made 00 in the ordinary course of business are exempt from the definition of "contribution", a bank loan is considered a loan by each guarantor. §431(e)(5)(G)(ii). Under 11 CFR 100.4(a)(1)(i) a loan includes a "guarantee ... (or) any other form of security where the risk of nonpayment rests with the ... quarantor ... as well as with a political committee (or) candidate." In attempting to justify the loans in question as not excessive, respondent Committee has placed an interpretation on the language of \$100.4(a)(1)(i) that is contrary to the meaning of the Act and the Regulations. In pertinent part, \$100.4(a)(1)(i) states that "a loan is a contribution to the extent that the obligation remains outstanding." The Committee states it believed this provision to mean that the two loans " ... were not to be considered contributions unless the Committee

failed to repay the loans in full by the date they were due," and then only contributions to the extent of the amounts left unpaid. (See Attachment I). In fact, the Commission interpreted the \$100.4(a)(1)(i) provision in AO 1975-69 as follows: "when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation. Once it is retired, however, the loan (a contribution by definition), is extinguished and no longer counts against these limitations."3/ Thus, the §100.4(a)(1)(i) provision applies to a situation where an initial loan or quarantee is within the §441a limits. Once such loan is extinguished, the amount "... no longer counts ... " and the lendor or quarantor may lend or quarantee again up to the §441a limits. Here the loans by Mr. Faye and the quaranty by Mr. Masters were in excess of the \$441a limits as soon as they occurred. Therefore, Mr. Faye was in violation of §441a(a)(1)(A) when he negotiated the \$5,000 personal loan to the Committee on August 28, 1978; and Mr. Masters was in violation of §441a(a)(1)(A) when he secured the \$3,000 bank loan, made to the Committee, with a quaranty bond on August 7, 1978. The Committee's acceptance of these contributions, which were in excess of the \$441a(a)(1)(A) limitation, was in violation of §441a(f). IV. RECOMMENDATION 1. Find reasonable cause to believe that Gerald E. Faye and Thano Masters violated 2 U.S.C. §441a(a)(1)(A). 3/ Our reason to believe notice letter to Mr. Pinney made reference to this AO.

2. Find reasonable cause to believe that the Earl Greene for Congress Committee violated 2 U.S.C. §441a(f). 3. Approve and send attached letters and conciliation agreements to respondents. General Counsel ATTACHMENTS I. Pinney's May 30 response II. Committee report III. Pinney's July 14 response IV. Pear's July 16 response V. Pear's August 21 response VI. Letters and conciliation agreements to: Gerald E. Faye Thano Masters Earl Greene for Congress Committee

· Aguiar ATTACHMENT I May 30, 1979 363 S. Ashley Street Ann Arbor, Michigan 42134 Mr. William C. Oldaker, General Counsel 39281.7 the Edgraf Election Commission 1925 C Street M.M. Washington, D. C. 20463 11 . . . HUR 967 Dear Mr. Oldaker: Your letter of 47 May 1979 requesting this Committee to explain the circumstances order which it accepted a personal four of \$5,000 extended on 28 August 1978 by Gerald Paye and a \$3,000 bank loan secured by a guaranty bond of Thomas Systems obtained on 7 August 1978 was received by me on 22 May 1979. As indicated in our letter of 17 October 1978 to the Clerk of the House of Representatives, the Committee accepted the loans in the belief they were allowed: under the provisions of the Regulations prescribed by the Federal Election Commission to Implement the Fourni Cleetion Campaign Act at 1971. Specifically, the Consittee believed that under the provisions of the Account, for a loans advanced to the Committee were not to be considered 00 contributions subject the Committee sailed to repay the loans in such by the data they here contractually due to be repoid, and then they could be considered contributions only to the amount left outstancing - that in, appaid - on the leads The Countries to thered this was the proper teterpretation at meeting 100. . (Delivi of the second from, which states that "Y loan is a contribution to the extent that the out: ation remains outstanding", and section 100, 7(a) (6) of the the maintenest, which attend alos that exadit extended to a committee shall not be considered a contribution unless it is extended "for a lough of time beyond normal considers or trade practices" and unless the creation and not made "a commercially "a samuele attempt to collect the dept". From the outset, the Casmittee viewed the forms it received is debts which it has defeated to repay by their due dates, and therefore is matters filling under what we understood to be the intentions of sections 100.4(a)(1)(i) and 160. Teatest. Penalistent with this policy, the 30 lay cost-primary report filed in the don'tiles on a represent 1978 flowfield the Lans only on Schedule 1 - Denis and thirt tions. Further, in the belief that the loans would not be considered contributed in matth the date they were to be repaid, and then early to the extent of the until and an estance left in he regard, the Constitution look care to specify the countrie test date of represent for each loss in its description of the Loans on

Senerate a ta the W day post-primary report.

It some and until the Committee reserved two letters from the Office of the Class of the Manager Representatives, both dares & October 1973, intermine at that our tow laster we man iterated on Walranie C sere appeared to be itemized instead of Shadabe A - Storfeed Meets - and (8) that the Normalis constituted

ware in possible vicintion of Title 2, section 14th of the United States Code, that we become awars of the possibility of our davine distanced interpreted the Regulation, on this issue. The Committee promotly complied with both requests from the diffee of the Clerk of the House by amending our 30 day post-primary report and beginning the process of accuring the money accord to recay the two loans. Since the Committee was not linaucially tole to repay either of the loans, the contribute of the Committee, Earl Greene, oblighed a personal bank loam, secured by real property which he owned, and lent to the Committee the money accessary to discharges the leans. Both tooms were could by the date they were due by personal checks written by Mr. Greene, and the transactions were itemized in the 30 days post-election report (iled by the Committee on ) becomber 1978 in Johns advinced to the Committee by Fart Greene. In accordance with my t lephone conversation on the afternoon of I June 1979 with dirian Aguiar of your office, the Committee is forwarding this account of the discussionness carpounding the two loans about with part of the supporting decurents. Regume of discussioners beyond our control, we have not be a able to operate full documentation of both loans at this date. The committee has contacted the Jan Arbor Bank and True, in an attempt to secure complete records of the \$4,200 form. Mr. Clifford Sheldon, the officer of that bonk who approved the to m. hat inflicated that phorestatic content of these records should be available to un in entry in the week of dame I - 4. We have included, however, those doesn't this perfections to this from which are in the Counities's pensession. We are also attending to seeme from it, double Yaza records relating to the \$1,000 personal loss. Boover, Mr. Jave unnersent an eneration for removal of a newar this near were the therefore has not been able to provide as with these documents wer. We mes returned that, barries any complications. Mr. Face will be congruence here early in the section dime 7 - 4. At that time we have to seeme all relevant decum ats or sarding from Tores. To some another we not a comments are welfable to us we will convers then to mur outle se the domains of manufactuation terms or as the true of the difference of und a water of admitted and confirm the foreigness under sevice by the helesof Min at natural actions of the thomastic secretary that the beautiful is indicated in contributed fact of the melberies to the provincies of the respect Law. The Garatt of rear to may be due to relation as the Resultations of him eater and may graders as a the feeteria at a take Carrel on Act which its minima reports total new have eached. It the view categorisement and further interpolation to the in the pulpering on this anter, to the next we will appropriate the opportunity to formish any further inforant w teast or sound the state of . 17. to ven i. "hane". "ranghe or Carl the energier for the reals demandation 23:0a 9 mars

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# ATTACHMENT III

Bq~iar July 14, 1979

Mr. William C. Oldaker, General Commet The Federal Election Commission 1325 K Street N.W. 20463 Washington, D.C.

MUR 462

Dear Mr. Oldaker:

I have enclosed a photostatic copy of the check by which Earl Greene, the candidate of this Committee, repaid to Dr. Garald Paye the \$5,000 loan which Dr. Fave made to the Committee. I had hoped to also forward to your office a photostatic copy of the check by which Dr. Faye conveved the loan of \$5,000 to the Committee. However, shortly after his release from the hospital Dr. Faye left for a Mix week vacation in Europe. I understand from Mr. Greene that Dr. Paye intended to contact your office to ascertain what records or statements you would require from him. Since Dr. Fave Left for Europe without contacting Mr. Greens further on this matter, we do not know whether or not he did so. However, the Committee does not have a copy of Dr. Faye's check at this time.

Mr. Greene had also been in contact with the Ann Arbor Bank and Trust Company in an effort to secure further records regarding the \$3,000 toan from that institution. I have not received any further information trom Mr. Greene on that effort since my letter to your office last mouth, and since Mr. Greene was called out of town this past work to attend a family funeral I have not been able to eneck recently with his at to his success.

on behalf of the demmittee I applicates for the delay in toward this interestica to you and for our indiffity to torsard an such laterantion as we had hoped to, out i thank on for your patience in this catter.

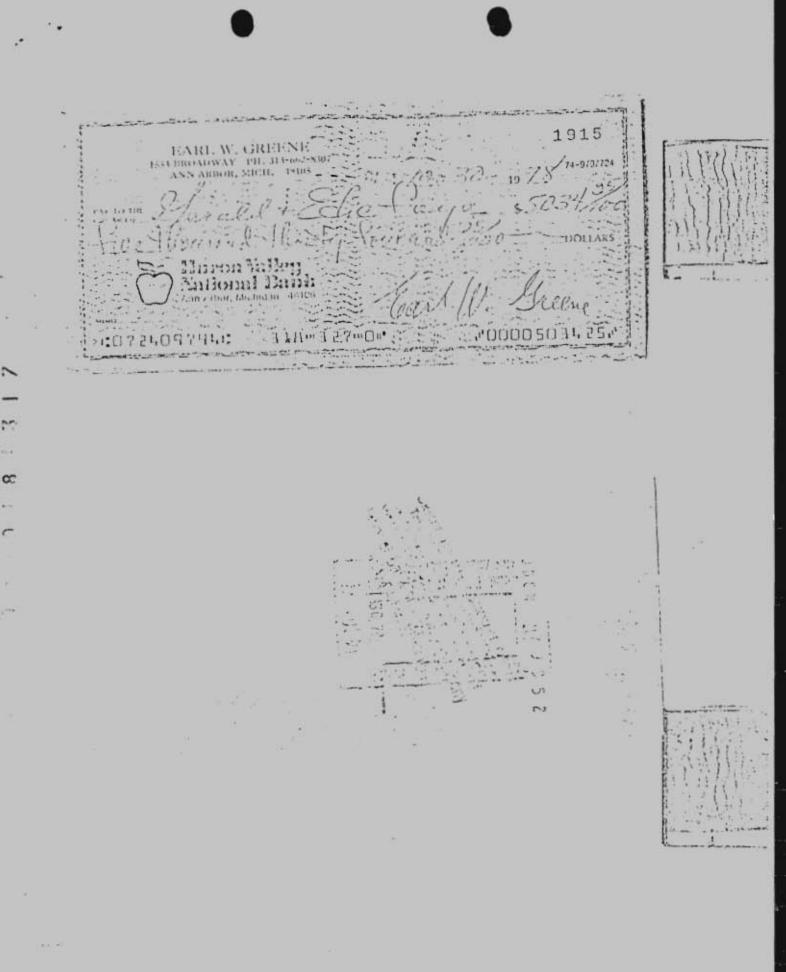
Sincerely.

Steen ) Princy Steven I. Inney, Trebeurer

Earl drame for Compress Committee

354 S. Amies II

Ann Arber, Michigan 48103



ATTACHMENT IV A POLICE LAW OFFICES ULRICH PEAR BARENSE & EGGAN, RC. . TECHNI JIU EAST HURON STREET ANN ARBOR, MICHIGAN ARIU4 HORSE & TORREST PERMIT CARAGO S SOUTH WASHINGTON STREET carn man and 70 JUL 10 THIER 2 MISTERN AND (##) 100 is her land of " July 16, 1979 Federal Election Commission 1325 K Street N.W. 20463 Washington, D.C. 503100 Attention: Miriam Aguiar Re: Thano Masters - MUR 962 Cantlemen: fursuant to my telphone conversation with Miriam Aguiar on Friday, July 13, 1979, please be advised that the undersigned represents Mr. Thano Masters with respect to an investigation of an alleged violation of the Federal Election Campaign Acc of 1971. Mr. Masters had earlier been in contact with Mr. Earl Green, who informed Mr. Masters that he would be filing the necessary information and rasponse to this investigation. It is our understanding that Mr. Green has submitted some information to the Commission, however, as of this date, we have not had an opportunity to review that information or to meet with Mr. Green to discuss Its contents. We are presently attempting to meet with Mr. Green to determine If any additional information or response is necessary on behalf of Mr. Masters. An soon as we are able to review the information provided by Mr. Green, we will giving you if there is any additional information that Mr. Masters could provide. Thank you for your assistance and cooperation. Yours very truly, ULRICH PEAR PARENSE & ECGAN, P. C. Edwin L. Pear all'tim sc: Mr. Thano Masters 

ATTACHMENT Propular LAW AFFICES 199 262016 ULRICH PEAR BARENSE & EGGAN, RC. THE CAST WINDS STREET ANN ANBOR, MICHIGAN 4HIGA HARRIST S. LOTTIN - 13 Ab Ta La The Add 1.3 ADDOCT HARES 3 31 6 1/2 1/11 6 4 410 No. 1 14 1/20 4 FOR CARRY MILTON AND MINING August 15, 1979 to. Miraam Aguar "staral Election Commission 1225 K Street N.W. manington, D.C. 20463 Sat 187 262 Paur Ms. Amminr: The undersioned rungs out Mr. Thoma Masters regarding an investigation of an allagen violation of the Federal Election Compaign Act by the Earl Greene for Congress Consistie. Mr. Masters and I have had an opportunity to review the information provided by Mr. Greens which we feel accurately reflects our underscanding of the surrounding facts in this matter. It appears Mr. Greene's committee acted under an honest ballef that they were cornlying with the rules and regulations or the Act. C "r. Chream has no office ther before of the specific regulations of the Maction description and it so time did he intentionally arthunt to violeta the Act. Mr. Cascers was a farmer amployer of Mr. Greene and had known Mr. Greene for several viers ine is a love-eige (viene, Mr. Masters had no question in his and that the dr. Grown's would make tall resorment or the form from the bank. Mr. Clattern waver would may comey directly to Mr. Comena for the election and was excely direting the maranter of p-yment which was requested by the bank as a tower for a former amployee, knowing full well that the note would be repaid and, which in fact, was reveil when due. ir. Ascers relied on the representations of the condidate and the assumption that the acceptance would be achieving to all provisions of the law. It is Mr. "instance thetian what is would be natural to be the subject of further deticn W Mid summittee which there may may; bout a mixingsrorecation of the constitutions " Die ameliante afmeil Shich coperre lo bays been made in sood faith and non "ich the incompton to violate has provision of the law. .! there is anything turther that is used, strang so advise. We trust this will conclude the restor on to Mr. Mangara. Yours very truly. CLERCH PELS LARREST C OFCAU. T. C. 91:21a 12009 E Edwin to Paur



## FEDERAL ELECTION COMMISSION

105 K STREET N.W. WYSEINGTON, DT. 2046 C

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105

Re: MUR 962

Dear Mr. Faye:

On , 1979, the Commission determined there was reasonable cause to believe that you committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 28, 1978 you extended a \$5,000 personal loan to the Greene for Congress Committee in connection with the general election. This was in addition to your \$100 contribution to the Committee on August 9, 1978. Loans are considered contributions under 2 U.S.C. §431(e)(1). As 2 U.S.C. §441a(a)(1)(A) limits individual contributions to \$1,000 per candidate per election, your aggregate \$5,100 contribution to the Committee for use in the general election violated this section of the Act.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g (a) (5) (A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement. If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057. Sincerely, William C. Oldaker General Counsel Enclosure



## FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer Earl Greene for Congress Committee 563 S. Ashley St. Ann Arbor, Michigan 48103

Re: MUR 962

Dear Mr. Pinney:

, 1979, the Commission On determined there was reasonable cause to believe that the Earl Greene for Congress Committee committed a violation of 2 U.S.C. §441a(f) of the Federal Election Campaign Act of 1971, as amended, (the "Act"). Specifically, the Commission found reasonable cause to believe that the Committee accepted two individual contributions which were both in excess of the \$1,000 limitation set forth in 2 U.S.C. §441a(a)(1)(A): a \$5,000 personal loan on August 28, 1978 from Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters on August 7, 1978. Section 431(e)(1)(A) of the Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office" and under Commission Regulation 100.4(a)(1)(i), a loan includes a quarantee ... [or] any other form of security where the risk of nonpayment rests with the guarantor. Therefore, the Committee violated 2 U.S.C. §441a(f) by accepting two contributions which exceeded the §441a(a)(1)(A) \$1,000 individual limitation.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057.

Sincerely,

William C. Oldaker General Counsel

Enclosure

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### FEDERAL ELECTION COMMISSION

B25 K SIRELL N.W. WASHINGTON,DX 20463

# CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Edwin L. Pear Ulrich, Pear, Barense & Eggan, P.C. 210 E. Huron Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pear:

, 1979, the Commission determined On there was reasonable cause to believe that your client, Mr. Thano Masters committed a violation of 2 U.S.C. §441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, ("the Act"). Specifically, the Commission found reasonable cause to believe that on August 7, 1978, Mr. Masters secured by guaranty bond a 91 day \$3,000 loan from the Ann Arbor Bank and Trust Company to the Earl Greene for Congress Committee in connection with the primary election campaign. Secured bank loans are considered contributions by the guarantors under the Act. See 2 U.S.C. §431(e). As 2 U.S.C. §441a (a) (1) (A) limits individual contributions to \$1,000 per federal candidate per election, Mr. Master's \$3,000 contribution for use in connection with the primary election campaign violated this section of the Act.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5,000.

We enclose a proposed conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days. I will then recommend that the Commission approve the agreement. If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Miriam Aguiar, the attorney assigned to this matter, at 202-523-4057. Sincerely, William C. Oldaker General Counsel Enclosure

2 7 2 36301 LAW OFFICES ULRICH PEAR BARENSE & EGGAN. P.C. 210 EAST ME HON STREET OCCUPANT OF ANN ARBOR MICHIGAN 48104 COWIN - IT AN J 105 1 31 to the description affect? WM IS HAMP TO F ANDREW MIL. .... ATET ATET ME MILE MICE AN APPLIE MILVIO W + August 15, 1979 Ms. Miriam Apolar Federal Election Commission 1325 K Street S.W. Washington, D.C. 20463 Re: 1909 962 Pear Ms. Agutar: 0 The undersigned represent Mr. Thano Masters regarding an investigation of an alleged violation of the Federal Election Cormaign Act by the Earl Greene for 2 Congress Committee. Mr. Masters and I have had an opportunity to review the information provided by Mr. Greene which we feel accurately reflects our under-3 standing of the surrounding facts in this matter. It appears Mr. Creene's committee acted under an honest belief that they were corolying with the rules and regulations of the Act. "r. Masters had no direct knowledge of the specific regulations of the flection cormission and at no time did he intentionally attent to violeta the Act. Mr. Westers was a former employer of Mr. Greene and had known Mr. Greene for several years and is a long-time friend. Mr. Masters had no question in his own mind that Mr. Greene would make full recoverent of the loss from the bank. Mr. Musters never loaned any noney directly to Mr. Greens for the election and was merely significe the guarantee of pryment which was requested by the bank as a tavor for a former ciplovee, knowing full well that the note would be repaid and, which in that, was repaid when due, Mr. "aut a relied on the representations of the candidate and the assuration that the condidate would be adhering to all provisions of the law. It is Mr. Thesters feeling that it would be unfair to be the subject of further action be the openintes when there have been a misfarence trice of the regulations to the conditate himself which appears to have been made in seed faith and not with the intention to violate any provision of the law. Is there is anything further that is nead, please so advise. We trust this will conclude the rather as to Mr. Markets. Yours very truly. THE THE PEAR EARLY ST I FORAGE, P. C. 91:3id 1851V Table 1. The 1 lett about

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MEMORANDUM TO: CHARLES STEELE

FROM:

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MARJORIE W. EMMONS

DATE:

AUGUST 3, 1979

SUBJECT:

MyR 962 - Interim Investigative Report dated 9-1-79. signed by GC 8-2-79,

Received by OCS 8-2-79, 12:50.

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4.00, August 2, 1970.

There were no objections to the Interim Investigative Pennit at the time of the deadline.

August 2, 1979 MEMORANDUM TO: Marge Emmons Elissa T. GArr FROM: SUBJECT: MUR 962 Please have the attached Interim Inwest Report on MUR 962 distributed to the Commission. Thank you.

### BEFORE THE FEDERAL ELECTION CON August 1, 1979

In the Matter of	)	\$ PI2: 50
Earl Greene for Congress Committee	)	3
Thano Masters Gerald Fave	)	141

### INTERIM INVESTIGATIVE REPO!

This matter concerns the receipt of give contributions in violation of 2 U.S.C. \$441a. Is of notification were mailed to all respondents add that without further documents the Compilesion we proceed with the matter on information available. Masters responded through his attorney, Edwin Pear, stated that he intended to meet with the Greene Contec to review material submitted and would advise if Mr. Hers wished to submit additional information. Committee thurer Steven Pinney also submitted a response. The certiad letter of notification sent to Mr. Faye was returned unlaimed. We have re-sent the letter by regular mail to otain service and offer him an opportunity to respond.

8/3/19

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General Counsel

### BEFORE THE FEDERAL ELECTION COMMISSION August 1, 1979

? AUG ? 172: 50 In the Matter of MUR 962 Earl Greene for Congress Committee Thano Masters Gerald Faye

### INTERIM INVESTIGATIVE REPORT

This matter concerns the receipt of axcessive contributions in violation of 2 U.S.C. §44la. Letters of notification were mailed to all respondents addising that without further documents the Commission would proceed with the matter on information available. Mr. Masters responded through his attorney, Edwin Pear who stated that he intended to meet with the Greene Committee to review material submitted and would advise if Mr. Masters wished to submit additional information. Committee theasurer Steven Pinney also submitted a response. The certified letter of notification sent to Mr. Payo was returned unclaimed. We have re-sent the letter by regular mail to obtain service and offer him an opportunity to respond.

8/3/19

William C. Oldaker General Counsel

LAW OFFICES ULRICH PEAR BARENSE & EGGAN. RC. JIL EAST HERDY STREET ANN ARBOR MICHIGAN 48104 HOMEN'S SHOW SEANS HEAD AM DE TRADETS OF 19 J. 11 700 2 25900 A SET FIE W. M. L. L. AND the party of the party. July 16, 1979 Federal Election Commission 1325 E Street N.W. Washington, D.C. 20463 503100 Attention: Miriam Aguiar Re: Thano Masters - MPR 962 Centlemen: Furshaut to my telphone conversation with Miriam Aguiar on Friday, July 13, 1979, please be advised that the undersigned represents Mr. Thano Masters with respect to an investigation of an alleged violation of the Federal Election Campaign Act of 1971. Mr. Masters had earlier been in contact with Mr. Farl Green, who informed Mr. Masters that he would be filling the necessary information and response to this favestiration. It is our understanding that Mr. Green has submitted some information to the Commission, however, as of this date, we have not had an opportunity to review that Information or to meet with Mr. Green to discuss its contents. We are presently attempting to ment with Mr. Green to determine If any additional information or response is necessary on behalf of Mr. Masters. As soon as we are able to review the internation provided by Mr. Green, we will advise you it there is any additional information that Mr. Masters could provide. Thank you for your assistance and conversion. "ours very truly. PLRICE PEAP PARENCE & ECCAN, P. C. stone - 1000 Edula 1. Pear All that ver Nr. Thans Masters 170718 24:43 . . . . . . . . . . . .

### " ULRICH PEAR BARENSE & EGGAN PC

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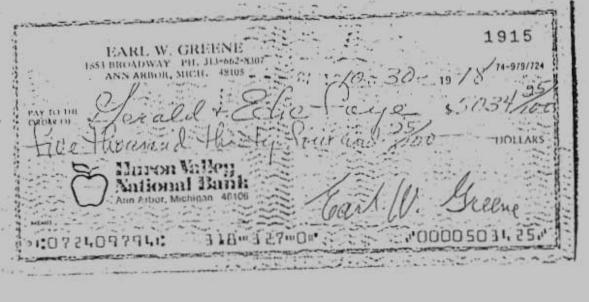
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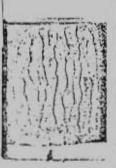
Pederal Hertion Commission Attention: Miriam Aguian 1375 K Street K.V. Washington, D.C. 20463

July 14, 1979 903132 Mr. William C. Oldaker, General Counsel The Federal Election Commission 1325 K Street N.W. Washington, D.C. 20463 Re: MUR 962 Dear Mr. Oldaker: I have enclosed a photostatic copy of the check by which Earl Greene, the candidate of this Committee, repaid to Dr. Gerald Faye the \$5,000 loan which Dr. Faye made to the Committee. I had hoped to also forward to your office a photostatic copy of the check by which Dr. Fave conveyed the loan of \$5,000 to the Committee. However, shortly after his release from the hospital Dr. Faye left for a six week vacation in Europe. I understand from Mr. Greene that Dr. Faye intended to contact your office to ascertain what records or statements you would require from him. Since Dr. Faye left for Europe without contacting Mr. Greene further on this matter, we do not know whether or not he did so. However, the Committee does not have a copy of Dr. Faye's check at this time. Mr. Greene had also been in contact with the Ann Arbor Bank and Trust Company in an effort to secure further records regarding the \$3,000 loan from that institution. ! have not received any further information from Mr. Greene on that effort since my letter to your office last month, and since Mr. Greene was called out of town this past week to attend a family funeral I have not been able to check recently with his as to his success. On behalf of the Committee I apologize for the delay in forward this information to you and for our inability to forward as much information as we had hoped to, and I thank you for your patience in this matter. Sincerely, Steel , Mary Steven J. Pinney, Tressurer Earl Greene for Congress Committee 563 S. Ashley St Ann Arbor, Michigan 48103









Steven J. Finney, Treasurer Earl Greene for Gongress Committee 561 S. Ashley Street Ann Arbor, Michigan 48103





Mr. William C. Oldaker, General Counsel The Federal Election Councission 1325 E Street N.R. Kashington, D.C. 29503



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### FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON, D.C., 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

July 10, 1979

Mr. Thano Masters 421 E. Liberty St. Ann Arbor, MI 48104

Re: MUR 962

Dear Mr. Masters:

On May 19, 1979, you were notified that the Commission was conducting an investigation of your alleged violations of the Federal Election Campaign Act of 1971, as amended. You were notified that you were a reasonable opportunity to demonstrate why no action should be taken against you.

As of this date, we have received no written response. The Commission intends to conclude its investigation shortly. In the absence of any materials from you, the Commission will have to decide whether to take further action solely on the basis of information available from other sources.

If you have any questions regarding this matter, please contact Miriam Aguiar, the attorney assigned to this case at 202-523-4057.

William C. Oldaker General Counsel

Sincerely,



### FEDERAL ELECTION COMMISSION

1125 K STREET N.W. WASHINGTON D.C. 20463

July 10, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven Pinney, Treasurer Earl Greene for Congress Committee 563 South Ashley Street Ann Arbor, MI 48104

Re: MUR 962

Dear Mr. Pinney:

On May 22, 1979, you were notified that the Commission was conducting an investigation of alleged violations of the Federal Election Campaign Act of 1971, as amended, by your committee, the Earl Greene for Congress Committee. You were notified that you had a reasonable opportunity to demonstrate why no action should be taken against your committee.

We acknowledge receipt of your letter dated May 30, 1979 in which you stated your intent to submit additional documents relevant to this matter. As of this date, we have received no further response. The Commission intends to conclude its investigation shortly. In the absence of additional materials from you, the Commission will have to decide whether to take further action solely on the basis of information presently available.

If you have any questions regarding this matter, please contact Miriam Aguiar, the attorney assigned to this matter at 202-523-4057.

Singerely,

William C. Oldaker General Counsel



# FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON.D.C. 2046 F

July 10, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gorald E. Faye 1540 Broadway St. Ann Arbor, MI 48105

Re: MUR 962

Dear Mr. Faye:

On May 25, 1979 you were notified that the Commission was conducting an investigation of your alleged violations of the Federal Election Campaign Act of 1971, as amended. You were notified that you had a reasonable opportunity to demonstrate why no action should be taken against you.

As of this date, we have received no written response. The Commission intends to conclude its investigation shortly. In the absence of any materials from you, the Commission will have to decide whether to take further action solely on the basis of information available from other sources.

If you have any questions regarding this matter, please call Miriam Aguiar, the attorney assigned to this case at 202-523-4057.

Sincerely,

William C. Oldaker General Counsel

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MEMORANDUM TO: CHARLES STEELE

FROM:

MARJORIE W. EMMONS 7

DATE:

JULY 11, 1979

SUBJECT:

MUR 962 - Interim Investigative

Report dated 7-6-79. Received in OCS 7-19-79

10:31

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 4:00, Tuesday, July 10, 1979.

There were no objections to the Interim Investigative Report at the time of the deadline.

July 10, 1979 MEMORANDUM TO: Marge Emmons PROM: Elissa T. Garr SUBJECT: MUR 962 Please have the attached Interim Invest Report on MUR 962 distributed to the Commission. Thank you.

### BEFORE THE FEDERAL ELECTION COMMISSION July 6, 1979

In the Matter of	
Earl Greene for Congress ) Committee )	MUR 962
Thano Masters )	
Gerald Faye )	

### INTERIM INVESTIGATIVE REPORT

This matter concerns the receipt of excessive contributions in violation of 2 U.S.C. §441a. In his May 30, 1979 response, Committee treasurer Steven Pinney stated that he hoped to secure and submit other relevant documents regarding the contributions. To date, we have received no additional information from the respondents. This office contacted Mr. Pinney on July 3rd regarding this matter and we are mailing letters of notification to all respondents advising that without further documents, the Commission will proceed with the matter on information presently available. Should respondents fail to respond, we are prepared to make a report and recommendation to the Commission on documents already submitted.

7/9/19 DATE

WILLIAM C. OLDAKER GENERAL COUNSEL



## FEDERAL ELECTION COMMISSION

H25 K STRILL N.W. WASHINGTON DV 20463

MENORANDEM TO

CHARLES STEELE

FROM.

MARJOPIR W. EVYIOUS TO WE
JUNE 19. 10

DATE:

SUBJECT:

MUR 962 - Interim Investigative Report dated 6-14-79; Received in OCS 6-15-79, 1:41

The above-named formment was simply of on a 21 hour no-objection basis of 11:00, June 19. 1979.

The Commission John Courts College for Byrain 1 no objections to the Interim Investigative Report as of 11:30 this date.

June 15, 1979 MIMORANDUM TO: Marge Emmons PROM: Elissa T. Garr MUR 962 SUBJECT: Please have the attached Interim Invest Report on MUR 962 distributed to the Commission. Thank you.

### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )
Earl Greene for Congress Committee ) MUR 962
Gerald E. Faye )
Thano Masters )

### INTERIM INVESTIGATIVE REPORT

This matter concerns apparent violations of 2 U.S.C. S\$ 441a(a)(1) and 441a(f). Attached to his June 5, 1979 response, Steven J. Pinney, treasurer for the Earl Greene for Congress Committee submitted documents pertinent to the investigation. He stated that the Committee is in the process of obtaining further documentation and indicated that he would submit the additional information shortly.

The Office of General Counsel is awaiting receipt of the additional information and will submit a full report to the Commission upon review of all documents.

Date 19

William C. Oldaker General Counsel

May 30, 1979 563 S. Ashley Street Ann Arbor, Michigan 48103 Mr. William C. Oldaker, General Counsel 902667 The Federal Election Commission 1325 K Street N.W. Washington, D. C. 20463 Re: MUR 962 Dear Mr. Oldaker: Your letter of 17 May 1979 requesting this Committee to explain the circumstances under which it accepted a personal loan of \$5,000 extended on 28 August 1978 by Gerald Faye and a \$3,000 bank loan secured by a guaranty bond of Thano Masters obtained on 7 August 1978 was received by me on 22 May 1979. As indicated in our letter of 17 October 1978 to the Clerk of the House of Representatives, the Committee accepted the loans in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Commission to implement the Federal Election Campaign Act of 1971. Specifically, the Committee believed that under the provisions of the Regulations, loans advanced to the Committee were not to be considered contributions unless the Committee failed to repay the loans in full by the date they were contractually due to be repaid, and then they would be considered contributions only to the amount left outstanding - that is, unpaid - on the loan. The Committee believed this was the proper interpretation of section 100.4 (a)(1)(i) of the Regulations, which states that "A loan is a contribution to the extent that the obligation remains outstanding", and section 100.4(a)(6) of the Regulations, which stipulates that credit extended to a committee shall not be considered a contribution unless it is extended "for a length of time beyond normal business or trade practices" and unless the creditor has not made "a commercially reasonable attempt to collect the debt". From the outset, the Committee viewed the loans it received as debts which it was obligated to repay by their due dates, and therefore as matters falling under what we understood to be the intentions of sections 100.4(a)(1)(i) and 100.4(a)(b). Consistent with this belief, the 30 day post-primary report filed by the Committee on 4 September 1978 itemized the loans only on Schedule C - Debts and Obligations. Further, in the belief that the loans would not be considered contributions until the date they were to be repaid, and then only to the extent of the outstanding balance left to be repaid, the Committee took care to specify the contractual date of repayment for each loan in its description of the loans on Schedule C in the 30 day post-primary report. It was not until the Committee received two letters from the Office of the Clerk of the House of Representatives, both dated 4 October 1978, informing us that (a) the loans we had itemized on Schedule C were supposed to be itemized instead on Schedule A - Itemized Receipts and (b) that the loans as constituted

- 2 were in possible violation of Title 2, section 441a of the United States Code, that we became aware of the possibility of our having mistakenly interpreted the Regulations on this issue. The Committee promptly complied with both requests from the Office of the Clerk of the House by amending our 30 day post-primary report and beginning the process of securing the money needed to repay the two loans. Since the Committee was not financially able to repay either of the loans, the candidate of the Committee, Earl Greene, obtained a personal bank loan, secured by real property which he owned, and lent to the Committee the money necessary to discharge the loans. Both loans were repaid by the date they were due by personal checks written by Mr. Greene, and the transactions were itemized in the 30 day post-election report filed by the Committee on 9 December 1978 as loans advanced to the Committee by Earl Greene. In accordance with my telephone conversation on the afternoon of I June 1979 with Mirlam Aquiar of your office, the Committee is forwarding this account of the circumstances surrounding the two loans along with part of the supporting documents. Because of circumstances beyond our control, we have not been able to obtain full documentation of both loans at this date. The Committee has contacted the Ann Arbor Bank and Trust in an attempt to secure complete records of the \$3,000 loan. Mr. Clifford Sheldon, the officer of that bank who approved the loan, has indicated that photostatic copies of these records should be available to us by early in the week of June 3 - 9. We have included, however, those documents pertaining to this loan which are in the Committee's possession. We are also attempting to secure from Mr. Gerald Faye records relating to the \$5,000 personal loan. However, Mr. Faye underwent an operation for removal of a tumor this past week and therefore has not been able to provide us with these documents yet. We understand that, barring any complications, Mr. Faye will be returning home early in the week of June 3 - 9. At that time we hope to secure all relevant documents regarding this loan. As soon as these sets of documents are available to us we will forward them to your office. The Committee submits the foregoing to be the true circumstances under which it accepted and retired the loans now under review by the Federal Election Commission. When the Committee accepted the two loans in question it did so in confidence that it was adhering to the provisions of the federal law. The Committee regrets any misinterpretation of the Regulations it has made and any violation of the Federal Election Campaign Act which its misinterpretations may have caused. If the Commission requires any further information to aid in its judgement on this matter, the Committee will appreciate the opportunity to furnish any further information that it can. Respectfully. Steel Same, Steven J. Pinney, Treasurer Earl Greene for Congress Committee 3 184 2 P3: 26

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By executing this note, the undersigned acknowledge receipt of a completely filled-in copy prior to execution

Earl Greene For U.S. Congress Committee

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# FIRST CLADS

Mr. William C. Oldaker, General Counsel The Federal Election Commission 1325 K Struct N.W. Washington, D.G. 20463

FIRST CLASS



## FLDERAL ELECTION COMMISSION

TOOK STREET NAV WASHINGTON DE 20464

May 17, 1979

CHRUIFTED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerald E. Faye 1540 Broadway Street Ann Arbor, Michigan 48105

RE: MUR 962

Dear Mr. Paye:

5

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Cambrida Act of 1971, as amended ("the Act").

Specifically it appears that you may have violated 2 U.S.C. j 441a(a)(1)(A) by contributing \$5,000 to the Earl Greene for Congress Committee on or about 23 August 1973. Contributions are defined by 2 U.S.C § 431(e)(1) to include... "4...loan...made for the purpose of influencing the... election to the purpose of influencing the... election to the repaid the loan on 27 October 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

that no farther action should be taken against you. Please matric any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Countission is under a duty to investigate this matter empolitionally. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.



Page 2 Letter to: Gerald E. Faye

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437q(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by commsel in this matter, please have such counsel so notify us in writing.

Sinceryly,

William C. Oldaker General Counsel

RETURN 10 space of 1 The following service is requested (check one): Show to whom and date delivered Show to whom, date, and address of delivery RESTRICTED DELIVERY Show to whom and date delivered RESTRICTED DELIVERY Show to whom, date, and address of delivery \$ CONSULT POSTMASTER FOR FEES ARTICLE ADDRESSED TO 1545 Broadway Ann Arbor, Michigan 48105 3 ARTICLE DESCRIPTION REGISTERED REGISTERED NO CERTIFIED NO INSURED NO 943 200 (Always obtain signature of addressee or agent) I have received the article described above GNATURE Authorized agent DATE OF DELIVERY ADDRESS Comprisher and a requester 6 UNABLE TO DELIVER BECAUSE 1:201.20 mill 76 300

CONTRACTOR WILL ir. Jural, U. Paye 1940 Brothbray Strent Am Arbor, dirily m 40105 PE: AUR 962 dann b. Fiyu: Sized on information ascertained in the normal course of carrying out its supervisory responsibilities, the Peleral discalor do mission has found reason to believe this your of rive violate, certain provisions of the Pedaral Election distant a Arm of 1971, is a lended ("the Art"). Procedically it appears that you may age violated ward Grands for Conference Conditions on or about 23 Ar ust 197%. conscilent are termed by 2 U.Sec ; Bil (e) (1) to include ... " continued to the parame of laft anding the ... election or may meraba to Foreral office." Although we note that the Contacts result to the loss on 27 Detaber 1976, the Act was Violate. The Contribution was originally and. it and a charact This cateur at 962. that the lat, the have in obsort dity to temperate with an indian action a could be caken to dings you. Plause and to any hearth or local autorials which you believe are relaxed to the doublission's unilysis of this author. There communication of the manual visite be a therefore under outle. in the assign is aniar a lury to investigate this matter beatilitially. Consider, your removes final by submitted Within the (19) Type after commerciable of this multication.

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### FEDERAL ELECTION COMMISSION

DOOK STREET NW WASHINGTON DO 20463

May 17, 1979

CERTIFIED MAIL REQUESTED

Mr. Thano Masters 421 E. Liberty Street Ann Arbor, Michigan 48104

RE: MUR 962

Jear Br. Austers:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Companies Act of 1971, as amended ("the Act").

Specifically, it appears that by securing a guaranty band on a \$3,000 bank loan to the Earl Greene for Congress Committee on or about August 7, 1973, you may have violated 2 0.3.c. § 441a(a)(1)(A), which limits individual contributions to \$1,000 per federal condidate per election. A contribution is defined by 2 0.8.c. § 431(e)(1) to include loans...made to the appears of influential the nomination for election, or election..." Further, under the Commission's regulations, 11 CFR § 100.4(a)(1)(i), a loan includes a "guarantee...(or) may other form of security where the risk of nonpayment rests with the...guaranter..." Although we note that the Committee repaid the loan on November 25, 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be subsitted within ten (10) days after your receipt of this



Page 2 Letter to: Thano Masters

notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/323-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

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Page 1 wester to: Tamo fasters motification. If you have any questions, phonse concert dician median, the setomery assigned to this action at 200/323-4057. Tais accure will re ain confileation in accordance with 1 0.00% to 137-(a) (3) (4) files you wish the investigation to be made profile. to you takent to be represented by counsel in this accest, please have such counsel to notify is in writing. dinceraly, .0 William C. Of March Central Constal



### FEDERAL ELECTION COMMISSION

MANUAL TO A SHOW AND A SHOWN

May 17, 1979

CERTIFIED MAIL REPURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer Earl Greene for Congress Committee 563 South Ashley Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pinney:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Earl Greene for Congress Committee may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically it appears that the Committee accepted two individual contributions in excess of the \$1,000 limitation set forth in 2 U.S.C. \$441a(a)(1)(A). The Committee's 30 day post-primary election report disclosed the Committee \$30 day post-primary election report disclosed the Committee accepted a \$5,000 personal loan on 23 August 1978 from Gerald Paye and a \$3,000 bank loan secured by a Guaranty bond of Thano Masters on 7 August 1973. The Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Pederal office." (2 U.S.C. \$431(e)(1)(A)). Although the loans were repaid, the Act was violated when the loans were originally accepted.

The your 17 October 1978 letter to the Clerk of the House, you suggested that the two loans were allowable under FEC regulations. The Commission has interpreted 11 (FR \$100.4(a)(1)(t) to mean that "when a loan creates a logally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation." AO 1975-69. Therefore, it appears that the Committee may have violated 2 U.S.C. \$441a(f) by accepting the two loans which

- or to depend to and it.
Acts while address in the RETURN TO space on 1. The full-warm service is requested (check one). Show to whom and date believeed ė Show to whom, date and address of delivery . 18 THRE IF DIDELIVERY Tables to whom and date delivered Œ tardia H D DELIVERY "Jess to aftern date and address of delivery \$ LI FEATT POSTMASTER FOR FEEST Manufactures Miles Street Han House, MI 48104 their tradestra CERTS FOMO INSURED NO Always obtain signature of addressee or agent) the received the getale beautiful above \* Junior Authorized agent exceeded the \$1,000 individual contribution limitation of \$441a(a)(1)(A).

We have numbered this matter MUR 962.

Under the Act you have an opportunity to demonstrate that no further action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.

If you have any questions, please contact Miriam Aquiar, the attorney assigned to this matter at 202-523-4057.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

William C. Oldaker
General Counsel

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CUPTUIED MAIL PERSONAL BLOCK DESCRIPTION OF Mr. Steven J. Minney, Treasurer Carl Creene for Concreus Committee 563 South Ashley . treet Ann Arbor, Michigan 40104 Re MRR 962 tem Mr. Vinney massed on internation ascertained in the normal course of corrying can its supervisory responsibilities. the Federal Placetin Cormission has Cound reason to . There that the Lari Treene for Concress Committee . . have violates cornain revisions of the Federal 14 ction Carried Act or 1971, as amended ( the Act ). Crecibied 1 t amount that the Consitted accepted the individual authibations in excess of the \$1,000 The Hatties and costs had to the Mana(a) (i) (A). The Consittees a 33 but controllery election report disclosed that the Personalized accorded a 55,000 personal loan on At on ast 1974 free Total | Cave and a \$3.000 bank loan desares by a quienty bond of Thane Masters on 7 August 197. The Act defines a contribution to include a loss rance for the caroose of influencing the ... election of any person to "exeral office. (2 U.S.C. 4431(e)(1)(A)). although the deans were resaid, the Act was violated then the loans were our inclin secretar I tour 17 spleaser 1976 letter to the Clerk of the buse, ser on enter that the twe loans were allowable Tracer Pro resultations the Commission has interpreted (1 334 3130 3(4)(1)(1) so seem that when a loan creates a locally on occupation to repay a contribut him resides out at no ine only to the extent that the talka) remotes de mile cumstamine, a loan in a contribution willow country against the individual's Formally and the Consistence has been violated of gire and (2) . And other the two lains which

÷ 2 × exceeded the \$1,000 individual contribution limitation of \$441a(a)(1)(A). We have numbered this matter "Th 963. Under the Act you have an opportunity to demonstrate that no further action should be taken acginst you. Please submit any factual or local materials which you believe are relevant to the commission a analysis of this catter. there appropriate, statements should be submitted under oath. The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be substitted within ten (10) days after your receipt of this notification. If you have any cuestions, please contact Miriam Acuier, the attorney assigned to this matter at 202 523 4057. This patter will remain confidential in accordance with 2 M.H.C. (437-(a)(3)(b) unless you wish the investi cation to be take ablica If you income to be re-greenhed by counsel in this course, desse have smar course! we would were in writing, Minagral' dillian older Semeral Commel

### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 962
Earl Greene for Congress Committee	)	
Steven J. Pinney	)	
Gerald E. Faye	)	
Thano Masters	)	

### CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal

Election Commission, do hereby certify that on May 16, 1979,
the Commission determined by a vote of 6-0 to adopt
the following recommendations, as set forth in the First
General Counsel's Report dated May 11, 1979, regarding
the above-captioned matter:

- Find reason to believe that the Earl Greene for Congress Committee may have violated 2 U.S.C. §441a(f). Send the letter attached to the above-named report.
- Pind reason to believe that Thano Masters and Gerald Paye may have violated 2 U.S.C. 5441a(a)(1)(A). Send the letters attached to the above-named report.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Thomson, and Microan.

Attest:

5-16-79

Date

.0

Amarjorie W. Emmons Secretary to the Commission

Received in Office of Commission Secretary: Friday, 5-11-79, 4:12 Circulated on 48 hour vote basis: Monday, 5-14-79, 2:30

May 11, 1979 MEMORANDUM TO: Marge Epmons Jane Colgrove FROM: MUR 962 SUBJECT: Please have the attached Pirst General Counsel's Report on MUR 962 distributed to the Commission sana 48 hour tally basis. Thank you.

FEDERAL ELECTION COMMISSION

Washington, D.C. 20463

### FIRST GENERAL COUNSEL'S REPORT

"#TH F4: 12

DATE AND TIME OF TRANSMITTAL . BY OGC TO THE COMMISSION

962 MUR NO. DATE COMPLAINT RECEIVED BY OGC STAFF MEMBER Aquiar

SOURCE:

INTERNALLY GENERATED

RESPONDENT'S NAME:

Earl Greene for Congress Committee, Michigan Steven J. Pinney, Treasurer

Gerald E. Faye Thano Masters

RELEVANT STATUTES:

2 U.S.C. §441a(a)(1)(A) 2 U.S.C. §431 (e)(1) 2 U.S.C. §441a(f) 11 CFR \$100.4(a)(1)(i)

INTERNAL REPORTS CHECKED:

Public Records

FEDERAL AGENCIES CHECKED:

None

### GENERATION OF MATTER

On May 1, 1979, this matter was received as a referral from the Reports Analysis Division (RAD) in connection with two apparent excessive loans from individuals to the respondent committee. (See attachment I).

### EVIDENCE

A review of the 30 day post-primary report filed by the Earl Greene for Congress Committee (Committee) disclosed the receipt of contributions which apparently exceeded the \$1,000 individual contribution limitation set forth in 2 U.S.C. §44la(a)(1)(A): a 91 day \$3,000 bank loan (at 10% interest) on 7 August 1978 secured by a guaranty bond by Thano Masters; and an interest free 90 day \$5,000 personal loan from Gorald E. Faye on 28 August 1978. In addition, Mr. Faye contributed \$100 to the Committee on 9 August 1978.

The Commission did not notify the Committee of the excessive contributions, as the Committee repaid both loans before RAD mailed the surface violation letter. The \$3,000 loan was repaid on 6 November 1978, and the \$5,000 loan was repaid on 27 October 1978.

In a 17 October 1978 1ctter addressed to the Clerk of the House, Committee Treasurer Steven J. Pinney argued that the two loans were allowable under FEC regulations. The Committee interpreted \$100.4(a)(1)(i) to mean that the two loans were not "considered contributions until the date they were contractually due to be paid, and unless the Committee failed to repay them in full or reduce the outstanding amount of each loan to no more than \$1,000 by that date." PRELIMINARY LEGAL ANALYSIS 2 U.S.C. §441a(a)(1)(A) limits individual contributions to any federal candidate and his authorized political committee to \$1,000 per election. Contributions are defined in 2 U.S.C. \$431(e)(1) to include "loans." Under 11 CFR \$100.4(a)(1)(i), a "loan is a contribution to the extent that the obligation remains outstanding." The Commission interpreted this subsection in AO 1975-69 to mean that: "when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation. Once it is retired, however, the loan (a contribution by definition), is extinguished and no longer counts against these limitations." Consistent with this interpretation, it appears that Gerald Faye may have violated \$441a(a)(1)(A) when he negotiated the \$5,000 personal loan to the Committee; and that Thano Masters may have violated §441a (a) (1) (A) when he secured the \$3,000 bank loan made to the Committee with a quaranty bond. A loan includes a "quarantee ... (or) any other form of security where the risk of nonpayment rests with the ... guarantor ... " The Committee, in turn, may have violated 2 U.S.C. \$441a(f) by accepting the loans (contributions) which may have been in violation of \$441a(a)(1)(A). RECOMMENDATION Find reason to believe that the Earl Greene for Congress Committee may have violated 2 U.S.C. \$441a(f). Send attached letter. Find reason to believe that Thano Masters and Gerald Fave may have 2. violated 2 U.S.C. §441a(a)(1)(A). Send attached letters. ATTACHMENTS 1. Referral 2. Letter to Committee 3. Letters to: Thano Masters Gerald Faye

ATTACHMENT I

0

RAD 91-63

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

### REPORTS ANALYSIS REFERRAL SHEET

MUR 962

DATE	ANALYST Beth Pollard
TO: OFFICE OF GENERAL COUNSEL	TEAM CHIEF Peter Kell (H)
THROUGH: STAFF DIRECTOR	COMPLIANCE REVIEW Carroll Bowen 02
FROM: ASSISTANT STAFF DIRECTOR FOR	REPORTS ANALYSIS AL
CANDIDATE COMMITTEE: EARL GREENE FOR	R CONGRESS (00099317 MI/02
TREASURER: Steven John Pinney	
ADDRESS: 563 S. Ashley St. Ann An	bor, Michigan 48103
AFFILIATF(S): None	

Committee received two exampsive loans from individuals.

ALLEGATION(S):

CITE: 2U.S.C. 441a(a)(1)(A) ATTACHMENT(S) 2

MANNIE IN WHICH REVIEW WAS INITIATED if other than normal review, AND DATE. A surface violation letter was prepared on 11/22/78.

ATTACHMENT

reviewed, see Attachment	1.	mai casic review. For an reports
PERIOD COVERED FROM	4/78 TO _	8/28/78
TOTAL RECEIPTS S 8520.22	TOTAL EXPENDIT	URES \$1505.55
CASH ON HAND S	DEBTS S 80°	74.79
HISTORY:		
RESULTS OF REVIEW: A surface but the loans were repair	e violation letter was d prior to the mailing	prepared ATTACHMENT 3 of the letter.
COMMUNICATIONS WITH CANDIDA	TE COMMITTEE none	ATTACHMENT
REASONOS FOR REFERRAL.		ATTACHMENT A
A chough the loans in que threshold for referral h.	estion have been repaid as been exceeded.	i, the division
OTHER PENDING ACTIONS INITIAT	ED BY RAD:	ATTACHMENT
Not pertinent to the alle	egation.	
OTHER RELEVANT INFORMATION: in response to a request the committee understands question are "not consider contractually due to be a	sent by the Clerk of to s the regulations to re ered contributions unti	the House stating that and that the loans in

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### ITEMIZED RECEIPTS

(Contributions, Transfers, Contribution In-Kind, Other Income, Loans, Refunds)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a of FEC FORM 3 Page 1 of 1 for

(Use Separate Schedules for each numbered line)

uli Planie Mailing Address and 21P Code	Principal Place of Business	Date Imonth,	Amount of each Heceup
Ann Arbor Bank and Trust Co.	5	day, yearl	this Period
101 S. Main Street	Same Comments	8/7/78	3,000.00
Ann Arbor, Michigan	Decumation Control of the Control of	70,770	3,000.00
B Primary O General Other	Augmatic Year to Date \$3,000.00		
ull Name Mailing Arklins and ZIP Coce	Principal Place of Humans	livie Imports	Amount of each Receipt
Gerald E. Faye	Oakland County Community	day, year)	this Period
1540 Broadway Street	College - Livonia, Mich	8/9/78	100.00
Ann Arbor, Michigan 48105	Occupation	8/28/78	5,000.00
lece-pt tor	College Professor		~~~
Director Mannes Dicher	* Aprile Year To late \$5, 100,00	-!	
H811102014	Frincipal Place of Business	Date Imonth.	Amount of each Receipt
Earl W. Greene	Willow Run High School	day, year)	this Period
1553 Broadway Street	Ypsilanti, Michigan	7/25/78	30.00
Ann Arbor, Michigan 48105	High School Teacher	8/28/78	82.00
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District Done	A to Year To Just 5		

### and the fact transmission 125 K Street, NW Anthonytim, D.C. Airing

### DEBTS AND CULIGATIONS

### apporting Line Numbers 12 and 13 of FEC FORM 3

Page 1 01 1 tor Line Number 1

We Separate Schedules for

(Indicate Primary or General Election for each Entry)

each numbered line!

Name of Lendoters and Committee in Full				
Earl Greene for Congress		Garage Salary		
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Katuan or oscidation incommentation  Lean for ni back by November 6, 1978. Principal is secured by a guaranty bond of Mr. Thance Thanc's Lorplighter, 421 E. Liberty Str	Ineth-one (9 5 \$3,000 and 5 Matters, or	wner of the re	7 interest, \$74.79. Lo	to be paid
			7.	
Cerald E. Paye 1540 Breadway Street Ann Arlor, Michigan 41805	8/28/78	Amount of Grands.  Detal Contract, Appending of the Proprise o	Per ment To Date	Outstanding Belance at Close of This Period
NATURE OF CHELLATION OF SHARE OF DEED TO SERVICE OF BY November 28, 19	ean, full as 078, Princi	\$5,000.00 ount of loan pul is \$5,000	to be repai	\$5,000.00 d within st is \$00.00.
Total Service Maning Andrews and Processing and Leaves and Leaves and American	Chris coupers Gas years	And and Disput	Commerce Payment To Date	Consuming Easter 2) Consult This Present
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### FEDERAL ELECTION COMMISSION

1325 K STRILL S W WASHINGTON DE 20463

Earl Green for Congress Committee

563 South Ashley Street Ann Arbor, MI 48104

Steven John Pinney, Treasurer

Dear Mr. Pinney:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended. During review of the 30 Day Post-Primary Report of Receipts and Expenditures, we noticed entries indicating that you may have received contributions which exceed the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for Federal election in excess of \$1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refund, on your next report of receipts and expenditures. If you find that the entries in question are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. / You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on these matters. If you have any questions concerning these matters, please do not hesitate to contact Both Pollard (800)424-9530, our Reports Analyst assigned to you. Our local telephone number is 523-4172.

> Sincerely, Islands B. Pour

Orlando B. Potter Staff Director

marine.

# Lieution Commission S. K. Street, N. W. Leasher pion, D.C. 20403

C:



### ITEMIZED EXPENDITURES



(Operating, Transfers Out, Contributions In-Kind, Loans, Loan Repayments and Refunds Made) Supporting Lines 20a, 21a, and 22a, 22b, and 22c of FEC FORM 3 Page T of 1 for Line Number 21a

(Use Separate Schedules for each numbered line)

Ann Arbor Bank and Trust 101 S. Main Street Ann Arbor, Michigan 48104	Particulars of Expenditure Repay Toan made on 7 August 1978.  Expenditure for:  Differential Dother	thate (month, day, year)	Amount of each expenditure this period \$3.074.79
Gurald E. Faye 1540 Broadway Street	Repay Ioan made on 28 August 1978.	Date (month, day, year)	Amount of each expendi- ture this period \$5,000.00
Ann Arbor, Michigan 48105	Expenditure for,  Director Engineeral Other		
Full Name, Maning Address and ZIP Code	Particulars of Expenditure	Date Imunits, day, year)	Amount of each expende ture this period
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	Expenditure for		
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CHINTOTAL -1			s

OCT 1 3 38 REGULAR MAIL 30P AMEND U

Earl Greene Democrat for U.S. Congress



711 N. University Ann Arbor, Michigan 48104 tel 668-1575

October 17, 1978

1.0. 9/081906

The Hon. Edgund L. Henshaw, Jr., Clerk The United States House of Representatives 1036 Longworth House Office Building · Washington, D.C. 20515

Dear Sir:

Your letter dated 4 October 1978 directing my attention to Title 2. Section 441s of the United States Code was received by me on 10 October 1978.

The two loans to which your letter reters were accepted by the Committee in the belief they were allowable under the provisions of the Regulations prescribed by the Federal Election Cormission to implement the Federal Election Corpaign Act of 1971. The specific sections which we feel allow the Committee to accept the leans are \$ 100.3(a)(i), which contains the statement "A loan is a contribution to the extent that the obligation remains outstanding", and \$ 100.4(a)(6), which stipulates that any debt which a committee fails to pay "for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt" shall be considered a contribution to the committee. The Committee understands these sections of the Regulations to mean that the two leans in question are not considered contributions until the date they are contractually due to be repaid, and unless the Committee fails to repay them in full or reduce the outstanding amount of each loan to no more than \$1000 by that date. In accordance with this interpretation of the Regulations, the Cormittee specified in the financial reports (FEC Form 3) filed with your office on 7 September 1978 (as amended on 25 September 1978) and 10 October 1978 that we intend to repay the loan for \$307:.79 on or before 6 November 1978 and the loan for \$5000 on or before 28 November 1978. It is our understanding that a loan advanced or secured with a firm and public cormitteent that it will be repaid within a certain time

constitutes a debt upon the Committee and therefore falls within the provisions of the sections of the Regulations we have sited.

Apart from the question of whether the proper interpretation of the Act In that given by you or that given by us, the Committee and the candidate feel the proper course for us is to adhere to the provisions of the Act as it is interpreted by those responsible for menitoring it. As we stated previously, it has been the intention of the Committee and its candidate from the outset to repay both loans in full. Within the past work we have taken steps to secure sufficient money repay in full both loans, before the date either falls due. Since the current financial position of the Committee does not allow it to pay off the loans with campaign montes, the loans will be repaid from the personal financial resources of the candidate, consistent with the provisions of \$ 110.10 of the Regulations. The candidate has already began his citoris to accomplish this purpose, and we will most certainly keep you informed of progress in this matter as well as its ultimate resolution.

1. 1. 1. 1. 1. 1.

Sincerely,

Steven & Stangy

Steven J. Pinney, Treasurer Earl Greene for Geneross Committee (051906) 563 S. Ashley St

Ann Arbor, Michigan 48104



### FEDERAL ELECTION COMMISSION

MASIROLION DE 20463

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Steven J. Pinney, Treasurer Earl Greene for Congress Committee 563 South Ashley Street Ann Arbor, Michigan 48104

Re: MUR 962

Dear Mr. Pinney:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that the Earl Greene for Congress Committee may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically it appears that the Committee accepted two individual contributions in excess of the \$1,000 limitation set forth in 2 U.S.C. \$44la(a)(1)(A). The Committee's 30 day post-primary election report disclosed that the Committee accepted a \$5,000 personal loan on 28 August 1978 from Gerald Faye and a \$3,000 bank loan secured by a quaranty bond of Thano Masters on 7 August 1978. The Act defines a contribution to include a "loan ... made for the purpose of influencing the ... election of any person to Federal office." (2 U.S.C. \$431(e)(1)(A)). Although the loans were repaid, the Act was violated when the loans were originally accepted.

In your 17 October 1978 letter to the Clerk of the House, you suggested that the two loans were allowable under FEC regulations. The Commission has interpreted 11 CFR \$100.4(a)(l)(i) to mean that "when a loan creates a legally enforceable obligation to repay, a contribution remains outstanding only to the extent that the principal remains unpaid. While outstanding, a loan is a contribution which counts against the individual's \$1,000 ... contribution limitation." AO 1975-69. Therefore, it appears that the Committee may have violated 2 U.S.C. \$441a(f) by accepting the two loans which

exceeded the \$1,000 individual contribution limitation of §441a(a)(1)(A).

We have numbered this matter MUR 962.

Under the Act you have an opportunity to demonstrate that no further action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202-523-4057.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker General Counsel



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### FEDERAL ELECTION COMMISSION

H25 K STREET N.W. WASHINGTON, D.C., 20463

### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Thano Masters 421 E. Liberty Street Ann Arbor, Michigan 48104

RE: MUR 962

Dear Mr. Masters:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campuign Act of 1971, as amended ("the Act").

Specifically, it appears that by securing a guaranty bond on a \$3,000 bank loan to the Earl Greene for Congress Committee on or about August 7, 1978, you may have violated 2 U.S.C. § 441a(a)(1)(A), which limits individual contributions to \$1,000 per federal candidate per election. A contribution is defined by 2 U.S.C. § 431(e)(1) to include loans...made for the purpose of influencing the nomination for election, or election... Further, under the Commission's regulations, 11 CFR § 100.4(a)(1)(i), a loan includes a "guarantee...(or) any other form of security where the risk of nonpayment rests with the...guarantor... Although we note that the Committee repaid the loan on November 25, 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this



Page 2 Letter to: Thano Masters

notification.

If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker General Counsel



### FEDERAL ELECTION COMMISSION

B25 K STREET NW WASHINGTON DT 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gurald E. Faye 1340 Broadway Street Ann Arbor, Michigan 48105

RE: MUR 962

Doar Mr. Faye:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act").

Specifically it appears that you may have violated 2 U.S.C. 3 441a(a)(1)(A) by contributing \$5,000 to the Earl Greene for Congress Committee on or about 28 August 1978. Contributions are defined by 2 U.S.C § 431(e)(1) to include... "a...loan...made for the purpose of influencing the... election of any person to Federal office." Although we note that the Committee repaid the loan on 27 October 1978, the Act was violated when the contribution was originally made.

We have numbered this matter MUR 962.

Under the Act, you have an opportunity to demonstrate that no further action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.



Page 2 Letter to: Gerald E. Faye

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If you have any questions, please contact Miriam Aguiar, the attorney assigned to this matter at 202/523-4057.

The state of the s

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker General Counsel

RAD 91-63

### REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

### REPORTS ANALYSIS REFERRAL SHEET

MUR 962

DATE	ANALYST Beth Pol	lard
TO: OFFICE OF GENERAL COUNS	),	
FROM: ASSISTANT STAFF DIRE	CTOR FOR REPORTS ANALYSIS	/
CANDIDATE/COMMITTEE: EARL GR	EENE FOR CONGRESS C00099317	MI/02
TREASURER: Steven John Pinn	ey	
ADDRESS: 563 S. Ashley St.	Ann Arbor, Michigan 48103	
AFFILIATE(S): None		
ALLEGATION(S):	CITE:	ATTACHMENT(S) 2
Committee received two excessive loans from	2U.S.C. 441a(a)(1)(λ)	

MANNER IN WHICH REVIEW WAS INITIATED if other than normal review, AND DATE: A surface violation letter was prepared on 11/22/78.

ATTACHMENT

individuals.

PERIOD COVERED FROM	4/78 TO8/28/78
TOTAL RECEIPTS \$ 8520.22	TOTAL EXPENDITURES \$ 1505.55
CASH ON HAND \$	DEBTS 5 8074.79
HISTORY:	
	e violation letter was prepared ATTACHMENT 3 d prior to the mailing of the letter.
COMMUNICATIONS WITH CANDIDA	TE/COMMITTEE: none ATTACHMENT
REASON(S) FOR REFERRAL:	ATTACHMENT 4
Although the loans in que threshold for referral h	estion have been repaid, the division as been exceeded.
OTHER PENDING ACTIONS INITIAT	TED BY RAD: ATTACHMENT

OTHER RELEVANT INFORMATION: A letter was received on October 20, 1978 in response to a request sent by the Clerk of the House stating that the committee understands the regulations to read that the loans in question are "not considered contributions until the date they are contractually due to be repaid." (see attachment 5)

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### ITEMIZED RECEIPTS

(Contributions, Transfers, Contribution In-Kind, Other Income, Loans, Refunds)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a of FEC FORM 3

Page \_\_\_\_ of \_\_\_\_ for Line firmbes \_\_\_\_\_

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Gerald E. Faye  1540 Broadway Street Ann Arbor, Michigan 48105	Ochica Commission and emicored fraction for interest 53,000,00 long purification 53,000,00 long purification for bounds. Mich Consisted Fractions of College Professor Diches of Line Sales 55,100.00	Bate (mont) (by, year) 8/9/78 8/28/78	Amount at each feel equation Period 100.00 5.000.00
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Ann Arbor, Michigan 48105	High School Teacher	8/38/78	82.00
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### DEBTS AND OULIGATIONS

Supporting Line Numbers 12 and 13 of LEC FORM 3

(Indicate Primary or General Election for each Entry)

(Use Securate Schedules for each numbered line)

\*aprior of the obstate and Committee in Futt Lat 1 Grooms for Congress Date Investity (Amount of Original) Outstanding Full Name Making Address and 711 Governor In Cression Helance at day, years | Desit, Contract | Payment Atm Arbon Bank and Trust Co. Agreementes To Date Close of 8/7/78 101 S. Main Street Promise This Propod Ann Arbor, Michigan 48104 Y Pomory General Chiter GATOR OF OUR INSTITUTE (Beautifeat) Lean for nineth-one (91) days at 107 Interest, to be paid back by Roys micr t, 1975. Principal is 50,000 and interest is 574.79. Loan is recured by a guaranty bond of Mr. Thano Masters, owner of the restaurant known as Thoma's Lemplighter, 4.1 E. Liberty Street, Ann Arbor, Michigan, 48104. Outstanding the many. Amount of their ray. Commission Landania, Landon, And we good the Crew of Legitics or Location . the event a Chair Contract, a Pagmanns fin ance as Gerald E. Paye To there Circu of · Apresion po Tim Friend 1540 Broadway Street Ann Atlon, Michigan 41805 \$5.000.00 : 5 -0-5,000.00 Posterior of territors action to be a contracted or and the period of the second of four to be repaid within minets (80) days, or by Severber 78, 1948. Principal is \$5,000 and interest is \$00.00. 11. 161a-Are Trung interests the property will be Larrent Attent the war there will be a straight of the first the first of Farmer Comment 1 Care seport Tell comme Carri regions to Les Course It is forest ke amor White the first property of the contract of the better than the contract of the best of the contract o the first term to make the state of the same - 65 GTL . 14



### FEDERAL LLICTION COMMISSION

127 K SORLE NAV WSSPSCHONDY (1986)

Steven John Pinney, Treasurer Farl Green for Congress Committee 563 South Ashley Street Ann Arbor, MI 48104

Lear Mr. Pinney:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election tampaign Act, as amended. During review of the 30 Day Post-Primary Report of Receipts and Expenditures, we noticed entries indicating that you may have received contributions which exceed the limits set forth in the Act. A copy of that portion of your report is attached so that a review of your records can be made.

The Act precludes individuals from making political contributions to a candidate for federal election in excess of \$1,000 to the donor. This return should be reported immediately by letter and should be reflected as a contribution refind on your next report of receipts and expenditures. If you find that the entries in question are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. You may do so by amending your original report by letter.

Please notify the Commission within fifteen (15) days from the date of this letter of the determination made on these matters. If you have now questions concerning these matters, please do not hesitate to contact with Pullard (100)42%- 630, nor imports Analyst ensured to you. Our local telephone number is 523-4172.

Steerely. B. Dear

Orlando B. Potter Staff Director 1478 Lincoln Condension A Street, to W

C

### ITEMIZED EXPENDITURES

(Operating, Transfers Out, Contributions In-Kind, Loans, Loan Repayments and Refunds Made) Supporting Lines 203, 21a, and 22a, 27b, and 22c of FEC FORM 3 Page T of 1 for

(Use Separate Selectures for each numbered line)

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OCT 1 8 1998
REGULAR MAIL

# Earl Greene Democrat for U.S. Congress



711 N. University Ann Arbor, Michigan 48104 tol 668-1575

October 17, 1978

1.0. (081406)

The Bon. Edmind L. Henshaw, Jr., Clerk The United States House of Representatives 10 is Longworth House Office Building Medicington, D.C. 20515

Dear Sir:

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Your letter dated 4 October 1978 directing my attention to fittle 2, . Section 541a of the United States Code was received by me on 10 October 1978.

The two loans to which your letter reters were accepted by the Complete in the melief they were allowable under the pravisions of the Second tions proposition by the Federal Floation Cormission to implement the Federal Plaction Composion Act of 1971. The spectic sections which we feel allow the Consisted to accept the leans are \$ 100..(a)(i), which contains the statement "A loan is a contribution to the extent that the obligation regular at the in ", and " 100.4(a)(b), which stipulates that any debt which a committee fails to pay "for a legath of time beyond normal business or trade practice, unless the stellier has made a commercially reasonable attempt to collect the half half he considered a contribution to the committee. The Consistee much thanks these contions of the Seculations to can that the two leans in question are not repsidered contributions until the date they are contractually due to be regard, and unless the Cosmittee fails to repay them in full or reduce the ent conding amount of each loan to no more than \$1000 by that date. In accordance with this interpretation of the Regulations, the Cormittee specified in the financial rejorts (FEC Form 3) filled with your office on ? September 1978 (as a coled on 25 September 1978) and 10 October 1978 that we intend to repay the lam for \$1071.79 on or before 6 towesher 1978 and the loan for \$5000 on or before 25 Neverbor 1978. It is our understanding that a loan advanced or secured with a file and, date commissions that it will be repaid within a certain time

constitutes a debt upon the Committee and therefore talls within the provisions of the sections of the Regulations we have cited.

Apart from the question of whether the proper interpretation of the Act is that given by you or that given by us, the Committee and its candidate feel the proper course for us is to adhere to the provisions of the Act as it is interpreted by those responsible for monitorion it. As we stated previously, it has been the intention of the Committee and its candidate tren the outset to topic both loans in full. Within the past week we have taken steps to secure sufficient money repay in full both loans, before the date either falls due. Since the current financial position of the Committee does not allow it to pay off the loans with campaign monies, the loans will be reputed from the personal financial resources of the candidate, constituent with the provisions of \$ 110.10 of the Regulations. The candidate has already becausible effects to accomplish this purpose, and we will nost certainly keep you informed of procress in this matter as well as its plicate resolution.

Min. metv.

Theren ) Sinner

Steven J. Pinney, Treisurer

East Greene for Control Committee (0F1906)

563 S. Addley St

Ann Atbor, Michigan 48104



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### FLDERAL LLECTION COMMISSION

WASHINGTON DC 20461

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### FEDERAL ELECTION COMMISSION

195 k STREET NAV WYSHNOLON,DC 20463

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### FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 962.



### LAW OFFICES

### ULRICH PEAR BARENSE & EGGAN, RC.

210 EAST HURON STREET

ANN ARBOR, MICHIGAN 48104

ROBERT D. ULRICH EDWIN L. PEAR WM. D. BARENSE ANDREW M. EGGAN MELVIN J. MUSKOVITE

(313) 665-4441

B BOUTH WASHINGTON STREET YPSILANTI, MICHIGAN 48197 (313) 483-3626

February 13, 1980

Mr. Charles N. Steele General Counsel Federal Election Commission Washington, D.C. 20463

Re: MUR 962

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Dear Mr. Steele:

Pursuant to the terms of the Conciliation Agreement entered in the above matter and your letter of February 6, 1980, please find enclosed our trust fund account check made payable to the U. S. Treasurer in the amount of \$50 on behalf of our client, Mr. Thano Masters.

This should conclude this matter and on behalf of Mr. Masters and myself I would like to thank you for your assistance and cooperation in its resolution.

If anything further is needed, please so advise.

Yours very truly,

ULRICH PEAR BARENSE & EGGAN, P. C.

Edwin L. Pear

ELP:bn

Enclosure

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### LAW OFFICES

### ULRICH PEAR BARENSE & EGGAN, RC.

ELO EAST HURON STREET

ANN ARBOR, MICHIGAN 48104





Mr. Charles N. Steele General Counsel Federal Election Commission Washington, D.C. 20463

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### FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON,D.C. 20463

END OF ADDITIONAL MATERIAL FOR CLOSED MUR 962.

