



Federal Election Commission  
Washington, DC 20463

November 21, 2008

William Canfield, Esq.  
Williams and Jensen  
1155 21st Street, N.W. Suite 300  
Washington, DC 20036

Re: ADR # 424 (RR 07L-39)  
Lewis for Congress Committee and Robert Percy, Treasurer

Dear Mr. Canfield:

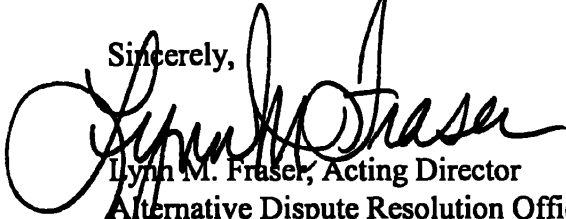
Enclosed is the signed copy of the agreement resolving the referral initiated on October 25, 2007 with the Federal Election Commission ("FEC/Commission") against Lewis for Congress Committee and Robert Percy, Treasurer ("Respondents"). The agreement for ADR # 424 (RR 07L-39) was approved by the Commission on November 7, 2008 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 9 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6 and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on December 7, 2008 Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Acting Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

cc: Angela Dillard, Finance and Accounting Office  
Ken Pezzella, Finance and Accounting Office  
Room 819



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 424  
Source: RR 07L-39  
Case Name: Lewis for Congress Committee

### **NEGOTIATED SETTLEMENT**

This matter was initiated by the Federal Election Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with William B Canfield and Meredith Kelley, representing Lewis for Congress Committee and Dr. Robert Percy, in his official capacity as Treasurer (collectively "Respondents" or "the Committee"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.


Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. Respondents ("the Committee") failed to disclose \$276,614.66 in additional receipts on its 2006 30 Day Post-General Report (a 191% increase in financial activity). The Committee filed the original report on December 7, 2006, and filed the amended report disclosing the increase in activity on April 15, 2007.
4. Respondents explained that increase resulted from capital gains on a sale of stock during the reporting period. According to the Committee, a transfer of funds to the National Republican Congressional Committee of \$335,000 triggered the sale. The Committee further explained that it did not learn of the amount of the capital gain until 2007 when the Committee received a 1099B tax form reflecting this gain. Respondents also contended that the compliance firm had never dealt with this type of transaction.

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- 5. Treasurers of political committees are required to report all financial activity, including all receipts. 2 U.S.C. §§ 434(a) 434(b)(2), 11 C.F.R. § 104.3(a).
- 6. Respondents, in an effort to resolve this matter and avoid similar errors in the future, agree to: (a) send a Committee representative to a FEC seminar within twelve (12) months; (b) issue a new compliance manual; (c) pay a \$8000 civil penalty.
- 7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
- 8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
- 9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with term (a) set forth in paragraph 6 within twelve (12) months of the effective date of this agreement, and terms (b) and (c) within thirty (30) days of the effective date of this agreement.
- 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 424 (RR 07L-39), and effectively resolves only those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

By:   
 Deborah Ruth Kant, Director  
 Alternative Dispute Resolution Office

11-07-08  
 Date Signed

FOR THE RESPONDENTS:

  
 William B. Canfield  
 Meredith Kelley  
 Lewis for Congress Committee  
 and Dr. Robert Percy, Treasurer

3/12/2008  
 Dated Signed