



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 2011

VIA FAX (202-457-6315) and FIRST CLASS MAIL

Benjamin J. Ginsberg, Esq.
Patton Boggs
2550 M Street, NW
Washington, DC 20037

RE: MUR 6267
Jonathan Paton;
Paton for Senate and Jonathan Paton, in his
official capacity as Treasurer;
Jonathan Paton for Congress and
Jeffrey John Hill, in his official capacity as
Treasurer

Dear Mr. Ginsberg:

On December 22, 2010, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441i(e)(1)(A) and 432(e)(1), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), and 11 C.F.R. § 110.3(d) of the Commission's regulations. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files.

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Benjamin J. Ginsberg, Esq.
MUR 6267
Page 2

If you have any questions, please contact me at (202) 694-1650.

Sincerely,



Camilla Jackson Jones
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
Jonathan Paton)
Paton for Senate and Jonathan Paton,)
in his official capacity as Treasurer;)
Jonathan Paton for Congress and Jeffrey John Hill,)
in his official capacity as Treasurer)

MUR 6267

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OFFICE OF GENERAL
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by an externally-generated complaint. The Federal Election Commission ("Commission") found reason to believe that Jonathan Paton, Paton for Senate and Jonathan Paton, in his official capacity as Treasurer (the "State Committee"), and Jonathan Paton for Congress and Jeffrey John Hill, in his official capacity as Treasurer (the "Federal Committee") (collectively "Respondents"), violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) when the State Committee's non-federal funds were used to pay for survey and polling expenditures for the Federal Committee. The Commission also found reason to believe that Jonathan Paton failed to file his Statement of Candidacy timely, in violation of 2 U.S.C. § 432(e)(1).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation prior to a finding of probable cause to believe, pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

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

1 State Committee for the November 2009 "Survey" and December 2009 "Vulnerability
2 Study." The Federal Committee reported this disbursement in its April 2010 Quarterly
3 Report, which was filed timely.

4 Applicable Law

5 8. The Federal Election Campaign Act of 1971, as amended, ("the
6 Act") prohibits a Federal candidate, a candidate's agent, and entities established,
7 financed, maintained or controlled by team from soliciting, receiving, directing,
8 transferring, or spending funds in connection with a Federal election, unless those funds
9 are subject to the limitations, prohibitions, and reporting requirements of the Act. 2
10 U.S.C. § 441i(e)(1)(A).

11 9. The Act also prohibits transfers of funds or assets from a
12 candidate's campaign committee or account for a non-federal election to his or her
13 principal campaign committee or other authorized committee for a Federal election.
14 11 C.F.R. § 110.3(d); *see also* Explanation and Justification, 57 Fed. Reg. 36,344
15 (August 12, 1992). If a candidate has an account for a non-federal election, those funds
16 must be kept separate from federal funds and may not be transferred to his or her federal
17 account or used to pay for expenditures related to his or her federal election activities. *Id.*

18 10. The Act states that an individual becomes a candidate for Federal
19 office when his or her campaign either receives or makes \$5,000 in contributions or
20 expenditures. 2 U.S.C. § 431(2). As an exception to this general rule, an individual may
21 raise or spend more than \$5,000 without triggering candidate status only if he or she is
22 engaged in permissible "testing the waters" activities, and if the individual gives no
23 indication that a decision to run has already been made. *See* 11 C.F.R. §§ 100.72(a) and

1 100.131(a). A candidate who is testing the waters is also precluded from soliciting,
2 receiving, or spending funds in connection with an election for Federal office, unless
3 those funds are subject to the limitations, prohibitions, and reporting requirements of the
4 Act, as set forth in 2 U.S.C. § 441i(e).

5 11. Once an individual who is "testing the waters" achieves candidate
6 status, the Act requires him to file a Statement of Candidacy within fifteen days,
7 designating a principal campaign committee. 2 U.S.C. § 432(e)(1). The candidate's
8 principal campaign committee must file a Statement of Organization no later than ten
9 days after it has been designated by the candidate. 2 U.S.C. § 433(a).

10 Facts

11 12. In November 2009 and December 2009, while Paton was testing
12 the waters for a federal candidacy, the State Committee made disbursements of \$2,709
13 and \$4,857, respectively, for survey and polling that benefited the federal campaign.

14 13. The Federal Committee reimbursed the State Committee for the
15 survey and polling expenses on February 23, 2010, a fact which was disclosed in the
16 Federal Committee's April 2010 Quarterly Report.

17 14. The Federal Committee received or made \$5,000 in contributions
18 or expenditures no later than January 26, 2010, the date on which it filed its Statement of
19 Organization. Although the Statement of Organization listed Jonathan Paton as the
20 candidate, Paton did not file his Statement of Candidacy until April 1, 2010.

21 15. Respondents do not dispute that the Statement of Candidacy was
22 filed late, in violation of 2 U.S.C. § 432(e)(1).

1 V. Respondents violated the Act in the following ways:

2 1. Jonathan Paton violated 2 U.S.C. § 432(e)(1) by failing to file a
3 Statement of Candidacy timely.

4 2. Jonathan Paton violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R.
5 § 110.3(d) by using non-federal funds to pay for expenditures in connection with an
6 election for federal office, thereby transferring assets from his state campaign to his
7 federal campaign committee.

8 3. Paton for Senate and Jonathan Paton, in his official capacity as
9 Treasurer, violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) by using non-
10 federal funds to pay for expenditures in connection with an election for federal office,
11 thereby transferring state campaign assets to Paton for Congress and Jeffrey John Hill, in
12 his official capacity as Treasurer.

13 4. Jonathan Paton for Congress and Jeffrey John Hill in his official
14 capacity as Treasurer, received prohibited in-kind contributions and transfers of assets
15 from Jonathan Paton and Paton for Senate and Jonathan Paton, in his official capacity as
16 Treasurer, in violation of 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).

17 VI. ~~Respondents will cease and desist from violating~~ 2 U.S.C. § 441i(e)(1)(A)
18 and 11 C.F.R. § 110.3(d). Jonathan Paton will ~~cease and desist from violating~~ 2 U.S.C.
19 § 432(e)(1).

20 VII. Respondents will pay a civil penalty of One Thousand Eight Hundred
21 Dollars (\$1,800), pursuant to 2 U.S.C. § 437g(a)(5)(A).

22 VIII. The Commission, on request of anyone filing a complaint under
23 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may

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1 review compliance with this agreement. If the Commission believes that this agreement
2 or any requirement thereof has been violated, it may institute a civil action for relief in
3 the United States District Court for the District of Columbia.

4 IX. This agreement shall become effective as of the date that all parties hereto
5 have executed same and the Commission has approved the entire agreement.

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

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

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14 FOR THE COMMISSION:

15 Christopher Hughey
16 Acting General Counsel

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19 BY: Kathleen M. Guith
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21 Kathleen M. Guith
22 Acting Associate General Counsel
23 for Enforcement
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1-4-11
Date

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27 FOR THE RESPONDENTS:

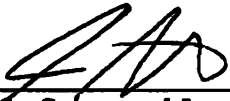
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30 Benjamin L. Ginsberg
31 Benjamin L. Ginsberg
32 as Counsel for Jonathan Paton

Dec. 13, 2010
Date

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MUR 6267
Paton Conciliation Agreement

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Paton for Senate and Jonathan Paton
in his official capacity as Treasurer

Dec. 7, 2010
Date



Jonathan Paton for Congress and
Jeffrey John Hill in his official capacity
as Treasurer

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Date

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BEFORE THE FEDERAL ELECTION COMMISSION

CELA

In the Matter of)
)
Paton - Pre-Probable Cause Conciliation) MUR 6267

CERTIFICATION

I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election Commission, do hereby certify that on January 03, 2011, the Commission decided by a vote of 6-0 to take the following actions in MUR 6267:

1. Accept the conciliation agreement with Jonathan Paton, Paton for Senate and Jonathan Paton, in his official capacity as Treasurer, and Jonathan Paton for Congress and Jeffrey John Hill, in his official capacity as Treasurer, as recommended in the General Counsel's Memorandum dated December 14, 2010.
2. Approve the appropriate letters.
3. Close the file.

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

Attest:

January 3, 2011
Date

Shawn Woodhead Werth
Shawn Woodhead Werth
Secretary and Clerk of the Commission

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WASHINGTON, D.C. 20463

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**CELA
SENSITIVE**

MEMORANDUM


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TO: The Commission

FROM: Christopher Hughey
Acting General Counsel

Stephen Gura
Deputy Associate General Counsel

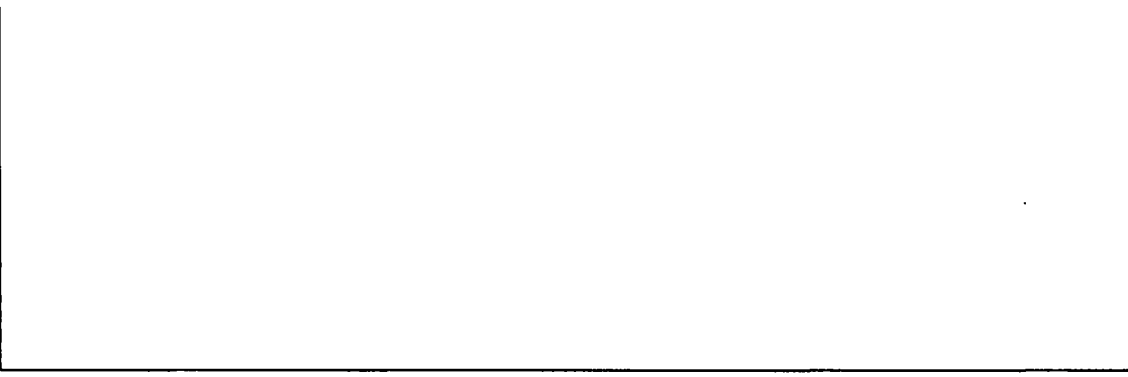
BY: Mark Shonkwiler 
Assistant General Counsel

Camilla Jackson Jones 
Attorney

DATE: December 14, 2010

SUBJECT: MUR 6267 (Paton) – Pre-Probable Cause Conciliation

Attached is a [redacted] conciliation agreement which settles the violations of 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) by Jonathan Paton, Paton for Senate and Jonathan Paton, in his official capacity as Treasurer, and Jonathan Paton for Congress and Jeffrey John Hill, in his official capacity as Treasurer, which involved the improper use of \$7,566 in non-federal funds from Paton's state campaign committee for activities undertaken on behalf of his start-up federal committee. Attachment 1. The agreement also settles Mr. Paton's violation of 2 U.S.C. § 432(e)(1) for failing to timely file a Statement of Candidacy. *Id.*



RECOMMENDATIONS

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1. Accept the attached signed conciliation agreement with Jonathan Paton, Paton for Senate and Jonathan Paton, in his official capacity as Treasurer, and Jonathan Paton for Congress and Jeffrey John Hill, in his official capacity as Treasurer;
2. Approve the appropriate letters; and
3. Close the file.



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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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OFFICE OF GENERAL
COUNSEL

December 14, 2010

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton *RES*
Financial Analyst

SUBJECT: Account Determination for Funds Received

We recently received a check from Paton 4 Senate . The check number is 055351.
Dated 12/08/2010, in the amount of **\$1,800.00**. A copy of the check and all
correspondence are attached. Please indicate below which account the funds
should be deposited and give the MUR/Case number and name associated
with the deposit.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 1800.00 ,
the MUR/Case number is 6267 and in the name of _____
Paton 4 Senate

Please this deposit in the account indicated below:

Civil Penalties Account, 95-1099.160

Miscellaneous Receipt Account, 95-3220.160
(Disgorgement)

Kim Collins

Signature

12-16-10

Date

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