



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2978

DATE FILMED 4/25/91 CAMERA NO. 4

CAMERAMAN AS

91040840002

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 28 June 1989

ANALYST: Todd S. Hageman

I. COMMITTEE:

Wallace, Dover, & Dixon Political/
Action Committee (C00206508)
J. Cal McCastlain, Treasurer
(10/14/88 - present)
Joanne H. Sorn, Treasurer
(7/30/87-10/13/88)
Boyce E. Hawk, Treasurer
(5/6/86-7/29/87)
3800 Capitol Tower
Little Rock, AR 72201

II. RELEVANT STATUTE: 2 U.S.C. §441b(a)

III. BACKGROUND:

Separate Segregated Fund Accepting Loans from its Connected Organization

The Wallace, Dover, & Dixon Political Action Committee ("the Committee") accepted loans from its connected organization, Wallace, Dover, & Dixon, P.A., totalling \$5,925 in calendar year 1988. During the 1988 April Quarterly reporting period, three loans were received: one for \$2,500 on January 5, 1988; one for \$300 on February 8, 1988; and one for \$2,200 on February 24, 1988. During the 1988 October Quarterly reporting period, one loan was received for \$925 on August 9, 1988 (See Chart and Attachments 2a - 2d). Between March 1, 1988 and December 15, 1988, the Committee repaid a total of \$2,887.50 to its connected organization, leaving \$3,037.50 in outstanding loans (Attachments 3a - 3d).

On April 5, 1989, the Reports Analysis Division ("RAD") analyst sent the Committee Requests for Additional Information ("RFAIs") referencing the 1988 April and October Quarterly Reports (Attachments 4a - 5b). The RFAIs informed

^{1/} The Committee changed its name from House, Wallace & Jewell, P.A. Political Action Committee to Wallace, Dover & Dixon Political Action Committee on October 15, 1988.

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WALLACE, DOVER, & DIXON
POLITICAL ACTION COMMITTEE
REPORTS ANALYSIS OGC REFERRAL
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the Committee that the receipt of the loans from its connected organization was prohibited; therefore, the Committee was advised to refund the entire outstanding balance of the loans to its connected organization. The Committee responded on April 24, 1989 with the explanation that their records indicated the total outstanding balance due to the connected organization was \$837.50. The Committee provided a photocopy of a check dated April 20, 1989 for \$837.50 to repay the loans in full (Attachments 6a - 6b).

RAD calculations concluded that \$2,200 in outstanding loans were still owed to the connected organization, therefore a Second Notice was sent to the Committee on May 4, 1989 (Attachments 7a - 7b). The Second Notice acknowledged the Committee's response, noted that \$2,200 was still owed to the connected organization and directed the Committee to inform the Commission in writing and provide a photocopy of the check(s) for any additional repayments. On May 24, 1989, the RAD analyst received a call from the Committee Treasurer J. Cal McCastlain (Attachment 8). The Committee Treasurer explained that the \$2,200 discrepancy was due to unreported internal transfers that took place between January 1, 1989 and April 20, 1989. The Committee Treasurer stated that he would file clarifying amendments that would document that all loans were repaid by April 20, 1989.

The Committee filed an amendment on June 6, 1989 which detailed the transfer-out of the additional \$2,200 between January 1, 1989 and April 20, 1989 (Attachments 9a - 9b). This correspondence detailed the repayment in full of all loans to the Committee's connected organization. Internal transfers, totalling \$2,200, were made as follows: January 1, 1989, a payment of \$287.50 was made; on January 15, 1989, a payment of \$262.50 was made; on February 1, 1989, a payment of \$275.00 was made; on February 15, 1989, a payment of \$275.00 was made; on March 1, 1989, a payment of \$275.00 was made; on March 15, 1989, a payment of \$275.00 was made; on April 1, 1989, a payment of \$275.00 was made; on April 15, 1989, a payment of \$275.00 was made.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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WALLACE, DOVER, & DIXON
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Chart of Loans and Loan Repayments

Loan #1: Date Incurred: 1/5/88
 Amount Incurred: \$2,500
 Date Due: 6/15/88

<u>Repayment Date</u>	<u>Payment Total</u>	<u>Amount Outstanding</u>
3/01/88	\$250.00	\$2,250.00
3/15/88	\$250.00	\$2,000.00
3/21/88	\$100.00	\$1,900.00
4/01/88	\$262.50	\$1,737.50
4/15/88	\$262.50	\$1,475.00
6/01/88	\$262.50	\$1,212.50
6/15/88	\$275.00	\$ 937.50
11/15/88	\$700.00	\$ 137.50
12/15/88	\$137.50	\$ 0.00

Period elapsed from date incurred to final repayment: 1/5/88-12/15/88

Loan #2: Date Incurred: 2/8/88
 Amount Incurred: \$300
 Date Due: 6/30/88

<u>Repayment Date</u>	<u>Payment Total</u>	<u>Amount Outstanding</u>
12/15/88	\$300.00	\$ 0.00

Period elapsed from date incurred to final repayment: 2/8/88-12/15/88

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WALLACE, DOVER, & DIXON
POLITICAL ACTION COMMITTEE
REPORTS ANALYSIS OGC REFERRAL
PAGE 4

Loan #3: Date Incurred: 2/24/88
 Amount Incurred: \$2,200
 Date Due: 12/30/88

<u>Repayment Date</u>	<u>Payment Total</u>	<u>Amount Outstanding</u>
12/15/88	\$ 87.50	\$2,112.50
1/01/89*/	\$287.50	\$1,825.00
1/15/89	\$262.50	\$1,562.50
2/01/89	\$275.00	\$1,287.50
2/15/89	\$275.00	\$1,012.50
3/01/89	\$275.00	\$ 737.50
3/15/89	\$275.00	\$ 462.50
4/01/89	\$275.00	\$ 187.50
4/15/89	\$187.50	\$ 0.00

Period elapsed from date incurred to final repayment: 2/24/88-4/15/89

Loan #4: Date Incurred: 8/9/88
 Amount Incurred: \$925
 No Due Date Reported

<u>Repayment Date</u>	<u>Payment Total</u>	<u>Amount Outstanding</u>
4/15/89*/	\$ 87.50	\$ 837.50
4/20/89	\$837.50	\$ 0.00

Period elapsed from date incurred to final repayment: 8/9/88-4/20/89

*/ Although the Committee did not specify which loans each repayment was directed toward, the Committee has a history of paying off the oldest loans first. Therefore, repayments have been applied to the oldest loans first.

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FEDERAL ELECTION COMMISSION
1987-1988
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C)

DATE 14JUN89

PAGE 1

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
						TYPE OF FILER
WALLACE, DOVER & DIXON POLITICAL ACTION COMMITTEE				ID #C00206508 NON-PARTY NON-QUALIFIED		
CONNECTED ORGANIZATION: WALLACE, DOVER, AND DIXON, P.A.						
	1987 STATEMENT OF ORGANIZATION - AMENDMENT			3AUG87	3	87FEC/481/1779
	MID-YEAR REPORT	254	679	1JAN87 - 30JUN87	7	87FEC/481/3393
	YEAR-END	4,281	4,085	1JUL87 - 31DEC87	11	88FEC/498/1849
	YEAR-END - AMENDMENT	-	-	1JUL87 - 31DEC87	7	88FEC/508/2775
	YEAR-END - AMENDMENT	-	-	1JUL87 - 31DEC87	3	88FEC/541/1906
	REQUEST FOR ADDITIONAL INFORMATION			1JUL87 - 31DEC87	4	88FEC/501/0520
	1 ST LETTER INFORMATIONAL NOTICE			1JUL87 - 31DEC87	2	88FEC/538/5107
	1988 STATEMENT OF ORGANIZATION - AMENDMENT			14OCT88	2	89FEC/554/3536
	APRIL QUARTERLY	6,579	6,800	1JAN88 - 31MAR88	16	88FEC/520/2575
	APRIL QUARTERLY - AMENDMENT	-	-	1JAN88 - 31MAR88	1	88FEC/541/2163
	APRIL QUARTERLY - AMENDMENT	-	-	1JAN88 - 31MAR88	1	89FEC/595/2744
	APRIL QUARTERLY - AMENDMENT	-	-	1JAN88 - 31MAR88	3	89FEC/596/4513
	REQUEST FOR ADDITIONAL INFORMATION			1JAN88 - 31MAR88	2	88FEC/538/1639
	REQUEST FOR ADDITIONAL INFORMATION			1JAN88 - 31MAR88	3	89FEC/590/2745
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1JAN88 - 31MAR88	2	89FEC/594/2098
	JULY QUARTERLY	1,589	1,602	1APR88 - 30JUN88	12	88FEC/534/5174
	JULY QUARTERLY - AMENDMENT	-	-	1APR88 - 30JUN88	1	89FEC/596/4894
	OCTOBER QUARTERLY	2,500	2,526	1OUL88 - 30SEP88	10	88FEC/555/0691
	OCTOBER QUARTERLY - AMENDMENT	-	-	1OUL88 - 30SEP88	1	89FEC/595/2605
	REQUEST FOR ADDITIONAL INFORMATION			1OUL88 - 30SEP88	4	89FEC/590/2749
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OUL88 - 30SEP88	2	89FEC/594/2096
	POST-GENERAL	1,054	950	1OCT88 - 28NOV88	11	88FEC/573/2877
	POST-GENERAL - AMENDMENT	-	-	1JAN88 - 31MAR88	3	89FEC/592/3535
	REQUEST FOR ADDITIONAL INFORMATION			1OCT88 - 28NOV88	1	89FEC/590/2741
	YEAR-END	526	525	29NOV88 - 31DEC88	10	89FEC/583/5447
	YEAR-END - AMENDMENT	-	-	29NOV88 - 31DEC88	2	89FEC/592/3538
	REQUEST FOR ADDITIONAL INFORMATION			29NOV88 - 31DEC88	1	89FEC/590/2740
	TOTAL	16,783	17,167		125	TOTAL PAGES

All reports reviewed

Ending cash on hand as of 12/31/ 88 - \$90.80

Debts owed to/by committee - \$0.00

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SCHEDULE A

ITEMIZED RECEIPTS

1988 APRIL QUARTERLY REPORT

ATTACHMENT #2A

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 13

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for purposes of persuasion, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code House, Wallace & Jewell 3800 Capitol Tower Little Rock, AR 72201	Name of Employer N/A	Date (month, day, year) 1-5-88 2-8-88 2-24-88	Amount of Each Receipt this Period 2500.00 300.00 2200.00
Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) loan	Occupation law firm Aggregate Year-to-Date > \$ 5000.00		
B. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
C. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Aggregate Year-to-Date > \$	Date (month, day, year)	Amount of Each Receipt this Period

SUBTOTAL Receipts This Page of Total

TOTAL Receipts This Page of Total

5000.00

SCHEDULE C
Revised 2/88

1988 APRIL QUARTERLY REPORT

LOANS

Page 1 of 1 for
LINE NUMBER 13
Run separate schedules
for each numbered line

ATTACHMENT #2B

Name of Committee (to Full) House, Wallace & Jewell, P.A. Political Action Committee			
A. Full Name, Mailing Address and ZIP Code of Loan Source House, Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201		Original Amount of Loan 2500.00	Balance Outstanding at Close of This Period 1900.00
Election <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>1-1-88</u> Date Due <u>6-15-88</u> Interest Rate <u>None</u> (Mapr) <input type="checkbox"/> Secured			
Let All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code N/A		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source House, Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201		Original Amount of Loan 300.00	Balance Outstanding at Close of This Period 300.00
Election <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>2-8-88</u> Date Due <u>6-30-88</u> Interest Rate <u>none</u> (Mapr) <input type="checkbox"/> Secured			
Let All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code N/A		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (last page in this line only)			
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary			

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1988 APRIL QUARTERLY REPORT		ATTACHMENT #2C	
Section 1: Loan Information Name of Lender: Bank of America, N.A. Address: 1000 Capital Tower, Little Rock, AR 72201		Original Amount of Loan 2200.00	Cumulative Payments To Date -0-
		Balance Outstanding at Close of This Period 2200.00	
Terms: 30 Day Interest 2-1/2% per Annum Due On 12-30-88 Interest Paid 2200.00 Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code N/A		Name of Employer Occupation Amount Guaranteed Outstanding 0	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding 0	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding 0	
4. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period	
Terms: Date Invoiced _____ Date Due _____ Interest Rate _____ (Major) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding 0	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding 0	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding 0	
SUBTOTALS This Period This Page (optional)		2200.00	
TOTALS This Period (last page in this line only)		4400.00	
Carry outstanding balance only to LINE 3, Schedule B, for this line. If on Schedule B, carry forward to appropriate line of Summary.			

1988 OCTOBER QUARTERLY REPORT

ATTACHMENT

#2D

Amount Outstanding at
End of This Period
3,125.00

1. Full Name, Mailing Address and ZIP Code
2. Full Name, Mailing Address and ZIP Code
3. Full Name, Mailing Address and ZIP Code

1. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding

4. Full Name, Mailing Address and ZIP Code of Loan Source House, Wallace, & Jewell, P.A. 3800 TCBY Tower Building Little Rock, AR 72201 (Section <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Original Amount of Loan 925.00	Amount Paid/Refund to Date -0-	Amount Outstanding at Close of This Period 925.00
---	--	--	---

Terms Date Incurred 8/2/88 Date Due _____ Interest Rate _____ (Year) ☐ Secured

Let All Endorsers or Guarantors (if any) to Item 5

1. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	Amount Guaranteed Outstanding

SUBTOTALS This Period This Page (optional)	3,125.00
TOTALS This Period (last page in this line only)	4,262.50

Carry outstanding balance only to LOAN 2, Schedule B, for this line. If no Schedule B, carry forward to appropriate line of Summary.

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SCHEDULE B

ITEMIZED DISBURSEMENTS

1988 APRIL QUARTERLY REPORT

Use separate schedule(s)
for each category of the
Detailed Summary Page

PAGE 1 OF 1

ON LINE NUMBER

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NAME OF COMMITTEE (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

ATTACHMENT #3A

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
House, Wallace & Jewell, P.A. 1800 Capitol Tower Little Rock, AR 72201	loan payment	3-1-88	250.00
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General	3-15-88	250.00
	<input checked="" type="checkbox"/> Other (specify) loan payment	3-21-88	100.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		

SUB TOTAL

TOTAL

MODULE B

ITEMIZED DISBURSEMENTS

Use separate
for each category of the
Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 24

1988 JULY QUARTERLY REPORT

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NAME OF COMMITTEE (in Full)

ATTACHMENT #3B

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code
House, Wallace & Jewell, P.A.
3800 Capital Tower
LR AR 72201

Purpose of Disbursement
loan repayment

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

4/1/88
4/15/88
6/1/88

262.50
262.50
262.50

B. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

C. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

D. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

E. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

F. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

G. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

H. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

I. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Date (month,
day, year)

Amount of Each
Disbursement This Period

Disbursement for: ☐ Primary ☐ General
☐ Other (specify)

SUBTOTAL of Disbursements This Page (options)

1,062.50

TOTAL of Disbursements (last page this line number only)

1,062.50

91040340013

SCHEDULE B

MINI DISBURSEMENTS

AMENDED 1988 30 DAY POST GENERAL

(Use this schedule for all categories of the Detailed Summary Page)
REPORT

PAGE 09
FOR LINE NUMBER 24

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NAME OF COMMITTEE (in Full)

Wallace, Dover & Dixon Political Action Committee

ATTACHMENT #3C

A. Full Name, Mailing Address and ZIP Code Wallace, Dover & Dixon, PA 3800 TCBY Tower Building Little Rock, Ar 72201	Purpose of Disbursement Repayment of loan Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 11/15/88	Amount of Each Disbursement This Period 700.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of all disbursements This Page (optional)

TOTAL This Period (last page this line number only)

SCHEDULE B

**UNLIMITEED DISBURSEMENTS
AMENDED 1988 YEAR END REPORT**

Use (see Schedule B) for category of the Detailed Summary Page

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FOR LINE NUMBER 24

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NAME OF COMMITTEE (in Full)

ATTACHMENT #3D

Wallace, Dover & Dixon Political Action Committee

A. Full Name, Mailing Address and ZIP Code Wallace, Dover & Dixon PA 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 12/15/88	Amount of Each Disbursement This Period 525.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL (if disbursements this page list only)

TOTAL (if disbursements this page list only)

525.00

Report
12-15-88

9.10.40.340.0.1.5



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20541

RQ-2

APR 5 1989

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: April Quarterly Report (1/1/88-3/31/88)

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report discloses the receipt of funds from your connected organization (pertinent portion(s) attached). 2 U.S.C. §441b prohibits the receipt of funds from national banks, corporations, and labor organizations.

The Commission recommends that you refund the full amount to the donor in accordance with 11 CFR 103.3(b). Alternatively, if you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor in writing and provide the contributor with the option of receiving a refund. You may wish to seek a written authorization (either before or after the transfer-out) from the donor for any transfer-out to protect the donor's interests.

Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In the best interests of the committee, all refunds and transfers-out should be made within thirty (30) days of the treasurer's receipt of the funds. See 11 CFR 103.3(b). Refunds and transfers-out should be disclosed on a supporting Schedule B for Line 26 or 20 of the report covering the period during which they are made.

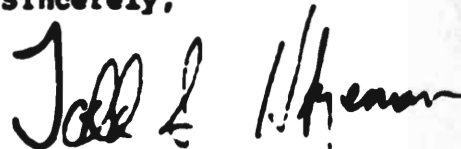
If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information.

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Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Todd S. Hageman
Reports Analyst
Reports Analysis Division

3 0 0 3 9 0 2 7 4 5



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

RQ-2

APR 5 1988

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: October Quarterly Report (7/1/88-9/30/88)

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule C of your report discloses the receipt of funds from your connected organization (pertinent portion(s) attached). 2 U.S.C. §441b prohibits the receipt of funds from national banks, corporations, and labor organizations.

The Commission recommends that you refund the full amount to the donor in accordance with 11 CFR 103.3(b). Alternatively, if you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor in writing and provide the contributor with the option of receiving a refund. You may wish to seek a written authorization (either before or after the transfer-out) from the donor for any transfer-out to protect the donor's interests.

Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In the best interests of the committee, all refunds and transfers-out should be made within thirty (30) days of the treasurer's receipt of the funds. See 11 CFR 103.3(b). Refunds and transfers-out should be disclosed on a supporting Schedule B for Line 26 or 20 of the report covering the period during which they are made.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information.

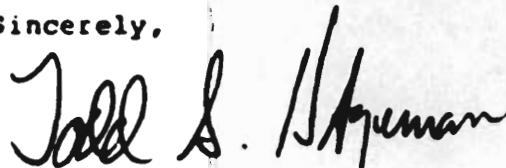
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Please be advised that all loans received must be itemized on Line 13 of the Detailed Summary Page as well as separate Schedules A and C. 2 U.S.C. §434(b)(3)(E) and 5(D)

The Commission notes the partial loan repayments made to your connected organization. Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Todd S. Hageman
Reports Analyst
Reports Analysis Division

000000700

ATTACHMENT #6A

WALLACE, DOVER & DIXON

ATTORNEYS AT LAW

A PARTNERSHIP OF PROFESSIONAL ASSOCIATES

CAPITOL & BROADWAY

SUITE 2000

LITTLE ROCK, ARKANSAS 72201

TELEPHONE (501) 378-0151

(501) 378-0151

JOE T. ROBERTSON
(501) 378-0151

JOSEPH W. DIXON
(501) 378-0151

WILLIAM H. DOVER
(501) 378-0151

MEMPHIS OFFICE
200 N. GUYTON
MEMPHIS, TENN. 38102
(901) 521-1234
TELETYPE (901) 521-1234

CHICAGO OFFICE
100 N. LAKE STREET
CHICAGO, ILL. 60601
(312) 555-1234
TELETYPE (312) 555-1234

PORT KNOX OFFICE
100 N. LAKE STREET
PORT KNOX, ARKANSAS 72450
(501) 782-0151
TELETYPE (501) 782-0151

April 20, 1989

Mr. Todd S. Hageman
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

- RE: Wallace, Dover & Dixon Political Action Committee
30 Day Post-General Reports of
1. 1/88 thru 3/31/88
 2. 7/1/88 thru 9/30/88
 3. 10/1/88 thru 11/28/88
 4. 11/29/88 thru 12/31/88

Dear Mr. Hageman:

This correspondence is in response to your inquiries of April 5, 1989 regarding the above-listed reports. As for reports 1 and 2 above and the loans reported therein, as of this writing the balance owed by the PAC to the connected organization was \$837.50. This balance was paid off by a check of even date, a copy of which is enclosed.

As for reports 3 and 4 above and the need for schedules B, such schedules are enclosed herein.

I hope the information included herein is sufficient for your inquiry. If you need additional information, please let me know. Thank you for your guidance in this matter.

Sincerely,

WALLACE, DOVER & DIXON

J. Cal McCastlain
J. Cal McCastlain

JCM/bkd

89 APR 24 11:22:27

WESTERN BANK

6-09 LITTLE ROCK, ARKANSAS 72201

April 10, 1979

\$837.50

EIGHT HUNDRED THIRTY SEVEN AND 50/100 DOLLARS

TO PAYOFF LOANS

Betty Patterson

000516 008 0001095 0-21109-50



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20543

ATTACHMENT #7A

EC-9

May 5, 1989

Joanne M. Born, Treasurer
Wallace, Dover and Dixon
Political Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206308

Reference: April Quarterly (1/1/88-3/31/88) and October
Quarterly (7/1/88-9/30/88) Reports

Dear Ms. Born:

On April 5, 1989 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your April 20, 1989 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-In your response, you state that "as of this writing [April 20, 1989] the balance owed by the PAC to the connected organization is \$837.50" which "was paid off by a check" dated April 20, 1989. A review of your 1988 reports indicates that your committee has received four (4) loans totalling \$5,925 from your connected organization; made five (5) loan repayments totalling \$3,725 to your connected organization; and still owes \$2,200 to your connected organization. Because 2 U.S.C. §441b prohibits the receipt of funds from corporations, it appears that your committee must still repay \$2,225 to your connected organization. Please inform the Commission immediately in writing and provide a photocopy of the check(s) for any additional repayments. Repayments should be disclosed on a supporting Schedule B for Line 24 of the report covering the period during which they are made.

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to repay the amount will be taken into consideration.

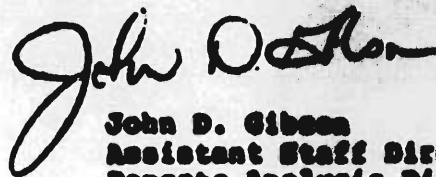
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ATTACHMENT #7B

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Todd Hapeman on our toll-free number (800) 424-2230 or our local number (202) 376-2400.

Sincerely,



John D. Gibson
Assistant Staff Director
Reports Analysis Division

91040840023
87035942099

TELECON

ANALYST: Hageman
CONVERSATION WITH: J. Cal McCastlain, Committee Representative
COMMITTEE: Wallace, Dover, and Dixon Political Action Committee
DATE: May 24, 1989
SUBJECT(S): Receipts of prohibited loans from connected organization,
Second Notice

I received a phone call from Mr. J. Cal McCastlain of the Wallace, Dover, and Dixon Political Action Committee.

Mr. McCastlain acknowledged receipt of the Second Notice referencing the prohibited loan receipts from the committee's connected organization. Mr. McCastlain told me that the disputed \$2,200 referenced in the Second Notice was due to unreported internal transfers from the committee to its connected organization. Mr. McCastlain further stated that the \$837.50 check truly repaid all outstanding loan obligations of the committee to the connected organization.

Mr. McCastlain further explained that the internal transfers were unreported because they took place between January 1, 1989 and April 20, 1989, therefore the committee was waiting for the appropriate report for which to report this activity. I advised Mr. McCastlain to document and report all transfers regarding the disputed \$2,200 as quickly as possible. Mr. McCastlain agreed to do so.

91040340024

WALLACE, DOVER & DIXON

ATTORNEYS AT LAW

A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

CAPITOL & BROADWAY

SUITE 2000

LITTLE ROCK, ARKANSAS 72201

TELEPHONE (501) 375-0151

(501) 375-0151

JOE T. ROBINSON
(501) 375-0151JOSEPH H. DIXON
(501) 375-0151WILLIAM S. HOLMES
(501) 375-0151

WALLACE, DOVER & DIXON
ATTORNEYS AT LAW
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
CAPITOL & BROADWAY
SUITE 2000
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 375-0151
(501) 375-0151

CORRESPONDENCE
SHOULD BE SENT TO
WALLACE, DOVER & DIXON
ATTORNEYS AT LAW
CAPITOL & BROADWAY
SUITE 2000
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 375-0151
(501) 375-0151

FOR THE SOUTH OF THE
WALLACE, DOVER & DIXON
ATTORNEYS AT LAW
CAPITOL & BROADWAY
SUITE 2000
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 375-0151
(501) 375-0151

June 2, 1989

Mr. Todd S. Hageman
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

RE: Wallace, Dover & Dixon Political Action Committee

Dear Mr. Hageman:

This correspondence is in response to your inquiry of May 4, 1989 and our conversation of May 24, 1989. Specifically, your agency requested that we document the repayment of \$2,200.00 from the Political Action Committee back to the connected organization, Wallace, Dover & Dixon. As I explained in our conversation, the Political Action Committee and the connected organization maintained bank accounts in the same bank. Repayments of the amounts in issue were made over a period of time from January 1, 1989 through April 15, 1989. Instead of actual payments, the repayments were facilitated through mere account transfers and corresponding book entries. A Schedule B is included herein showing the dates of the account transfers. These payments have not been reported earlier because the report in which they would be included is not yet due.

As I indicated in our correspondence of April 20, 1989, the balance previously owed by the Political Action Committee to the connected organization has been paid in full. I hope that such payment has now been finally documented. If you need additional information, please let me know. Thank you for your assistance in this matter.

Sincerely,

WALLACE, DOVER & DIXON

J. Cal McCastlain

JCM/bkd

63 JUN - 3 1989

MODULE B

ANNUAL DISBURSEMENTS

 Use this schedule for
 category of the
 Detailed Summary Page

 PAGE 1 OF 1
 FOR LINE NUMBER

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Wallace, Dover & Dixon PAC Committee

A. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Loan Repayment Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-1-89	Amount of Each Disbursement This Period 287.50
B. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of Loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-15-89	Amount of Each Disbursement This Period 262.50
C. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Loan repayment Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-1-89	Amount of Each Disbursement This Period 275.00
D. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-15-89	Amount of Each Disbursement This Period 275.00
E. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 3-1-89	Amount of Each Disbursement This Period 275.00
F. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement REpayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 3-15-89	Amount of Each Disbursement This Period 275.00
G. Full Name, Mailing Address and ZIP Code Wallace, Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 4-1-89	Amount of Each Disbursement This Period 275.00
H. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 4-15-89	Amount of Each Disbursement This Period 275.00
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL

TOTAL

89 AUG 29 PM 3:48

SENSITIVE

**FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463**

FIRST GENERAL COUNSEL'S REPORT

**RAD Referral # 89L-27
STAFF MEMBER: A. Buckley**

SOURCE: INTERNALLY GENERATED

**RESPONDENTS: Wallace, Dover & Dixon, P.A.
Wallace, Dover & Dixon Political Action
Committee and J. Cal McCastlain, as treasurer**

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Wallace, Dover & Dixon Political Action Committee ("the Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans from its connected organization, Wallace, Dover & Dixon, P.A., in violation of 2 U.S.C. § 441b(a).

II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. Pursuant to this section of the Act, Wallace, Dover & Dixon, P.A., an incorporated law firm, established the Committee as its separate segregated fund.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any

91040840027

political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). While a connected organization may pay the administrative costs of its connected organization, for such payment to be legally sufficient, the connected organization must either pay the expenses directly or deposit funds in an account segregated from political contribution funds. See, e.g., MUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. The making and acceptance of these loans constitute violations of 2 U.S.C. § 441b(a). Accordingly, this Office recommends that the Commission open a MUR and find reason to believe that Wallace, Dover & Dixon, P.A. and the Committee violated 2 U.S.C. § 441b(a).¹

1. The Committee has already repaid the entire amount of the loans. Repayments had commenced in March, 1988 and were completed in April 1989. Repayments were reported on the 1988 April Quarterly, 1988 July Quarterly, Amended 1988 30 Day Post-General, and Amended 1988 Year-End Reports. Repayments made in 1989 were reported to FAD by the Committee's treasurer in a letter dated June 2, 1989. At that time, the treasurer included a Schedule B which itemized the date and amount of each repayment, but which was unattached to any quarterly report.

91040340028

III. RECOMMENDATIONS

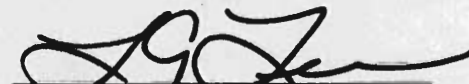
1. Open a MUR.
2. Find reason to believe that the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).
4. Approve the attached letters (2) and Factual and Legal Analyses (2).

Lawrence M. Noble
General Counsel

Date

8/29/89

BY:


Lois G. Berner
Associate General Counsel

Attachments:

1. Referral Materials
2. Proposed Letters (2) and Factual and Legal Analyses (2)

91040840029

BEFORE THE FEDERAL ELECTION COMMISSION

(MUR
2978)

In the Matter of

Wallace, Dover & Dixon, P.A.

Wallace, Dover & Dixon Political Action

Committee and J. Cal McCastlain, as treasurer)

) RAD Referral #89L-27

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 1, 1989, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #89L-27:

1. Open a MUR.
2. Find reason to believe that Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).
4. Approve the letters (2) and Factual and Legal Analyses (2), as recommended in the General Counsel's Report dated August 29, 1989.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas did not cast a vote.

Attest:

9/1/89

Date

Hilda Arnold

for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:
Circulated on 48 hour tally basis:
Deadline for vote:

Tuesday, August 29, 1989 3:48 p.m.
Wednesday, August 30, 1989 11:00 a.m.
Friday, September 1, 1989 11:00 a.m.

91040840030



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 21, 1989

J. Cal McCastlain, Treasurer
Wallace, Dover & Dixon Political
Action Committee
3800 TCBY Tower Building
Little Rock, AR 72201

RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer

Dear Mr. McCastlain:

On September 1, 1989, the Federal Election Commission found that there is reason to believe the Wallace, Dover & Dixon Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for

91040340031

J. Cal McCastlain, Treasurer
Page 2

pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

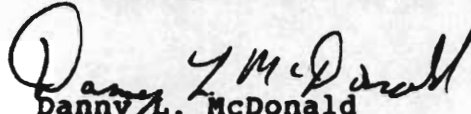
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Anthony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

21040340032

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Wallace, Dover & Dixon Political
Action Committee and J. Cal
McCastlain, as treasurer

MUR: 2978

Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. Pursuant to this section of the Act, Wallace, Dover & Dixon, P.A., an incorporated law firm, established the Wallace, Dover & Dixon Political Action Committee ("the Committee") as its separate segregated fund.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). While a connected organization may pay the administrative costs of its connected organization, for such payment to be legally sufficient, the connected organization must either pay the expenses directly or deposit funds in an account segregated from political contribution funds. See, e.g., MUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization

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-2-

in the amount of \$925. The acceptance of these loans constitutes violations of 2 U.S.C. § 441b(a). Therefore, there is reason to believe the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a).

91040840034



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 21, 1989

Managing Partner
Wallace, Dover & Dixon, P.A.
3800 Capitol Tower
Little Rock, AR 72201

RE: MUR 2978
Wallace, Dover & Dixon, P.A.

Dear Sir or Madam:

On September 1, 1989, the Federal Election Commission found that there is reason to believe Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against Wallace, Dover & Dixon, P.A. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against Wallace, Dover & Dixon, P.A., the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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Managing Partner
Page 2

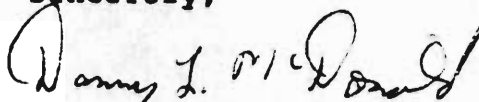
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Anthony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

91040340036

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Wallace, Dover & Dixon, P.A.

MUR: 2978

Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. Pursuant to this section of the Act, Wallace, Dover & Dixon, P.A., an incorporated law firm, established the Wallace, Dover & Dixon Political Action Committee ("the Committee") as its separate segregated fund.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). While a connected organization may pay the administrative costs of its connected organization, for such payment to be legally sufficient, the connected organization must either pay the expenses directly or deposit funds in an account segregated from political contribution funds. See, e.g., MUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. The making of these loans constitutes

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-2-

violations of 2 U.S.C. § 441b(a). Therefore, there is reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).

91040840038

LARRY C. WALLACE
DARRELL D. DOVER
PHILIP E. DIXON
EDWARD S. DILLON, JR.
DON P. HAMILTON
JOHN R. CLAYTON
JOHN LEELE
THOMAS S. STONE
STEVE L. ROSS
GREGORY S. GRAMANN
J. BRUCE CROSS
HAROLD H. SWANSON
RUSSELL BUNTER
JOSEPH H. FURVIS
SCOTT T. VAUGHN
CHARLES W. REYNOLDS
CHARLES E. SMITH
JOHN S. PEACE
ANNE OWENS WILSON
CAROLYN S. WITHERSPON
WM. DEAN OVERSTREET
DARYL S. RANEY
DONNA SMITH BALCHUS
GARY S. ROBERTS

HEARTILL RAGON, II
JANICE W. VAUGHN
W. MICHAEL REIF
DAVID S. PAUL
J. CAL MCCASTLAIN
DAVID A. COUCH
ROBERT H. FREEMAN
JAMES R. FENDER
FIELD R. HASSON, JR.
MARK F. HAMPTON
ALLEN C. DOBSON
O. JEROME GREEN
LYNDA HONEYMAKER JOHNSON
KATHLEEN R. BRANDON
SUZANNE ANTLEY
N. DARREN O'GUINN
TERRI TOLLETT HARDS
KATHLEEN A. HILLMAN
MONTE D. ESTES

OF COUNSEL
W. HORACE JEWELL
JAMES R. RYDERS, II

WALLACE, DOVER & DIXON

ATTORNEYS AT LAW
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

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(501) 375-8181

JOE T. ROBINSON
(1972-1973)

JOSEPH HOUSE
(1980-1984)

WILLIS HOLMES
(1989-1978)

06C#4276

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JAMES T. FITTS
1400 L STREET, N.W.
WASHINGTON, D.C. 20005
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PAUL RANNATER
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LINDA K. SYNNOTT
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TELECOPIER (501) 444-0408
(501) 444-8888

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 OCT 16 PM 4:53

ALSO ADMITTED IN
TEXAS & DISTRICT OF COLUMBIA

October 13, 1989

Mr. Danny L. McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

VIA FEDERAL EXPRESS

RE: MUR2978/Wallace, Dover & Dixon, P.A.
MUR2978/Wallace, Dover & Dixon, P.A. Political Action
Committee and J. Cal McCastlain, as Treasurer

Dear Mr. McDonald:

This is response to your letter of September 21, 1989 regarding the above-described matter. We request that you determine that there was no violation of Federal Election Rules, and that no further action should be taken against Wallace, Dover & Dixon, P.A., the Wallace, Dover & Dixon, P.A. Political Action Committee, or J. Cal McCastlain, who is the present Treasurer of the Wallace, Dover & Dixon, P.A. Political Action Committee.

As a way of summary, we have determined that the information on which you have based your inquiry is erroneous. I further explain in my Affidavit attached hereto that Wallace, Dover & Dixon, P.A. did not make any loans or contributions of any kind to the Wallace, Dover & Dixon, P.A. Political Action Committee. Instead, all contributions to the Political Action Committee were from individuals. Notwithstanding the erroneous information, J. Cal McCastlain was not the Treasurer for the Political Action Committee, nor was he involved in anyway with such, during the periods in issue.

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FEDERAL ELECTION COMMISSION
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89 OCT 16 PM 3:11

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WALLACE, DOVER & DIXON

Mr. Danny L. McDonald
October 13, 1989
Page Two

Inasmuch as the information included in the subject reports is incorrect, we request the opportunity to submit corrected reports.

We wish to resolve this matter promptly. We anxiously await your determination that no further action is needed on this matter.

Sincerely,

WALLACE, DOVER & DIXON


Larry C. Wallace

LCW/bkd
Enclosure

21040340040

AFFIDAVIT

I, Larry C. Wallace, Managing Partner of Wallace, Dover & Dixon, P.A., do hereby swear and affirm that the following facts are true and correct to the best of my belief and knowledge:

1. Quarterly reports of Wallace, Dover & Dixon, P.A. Political Action Committee ("PAC") on April 15, 1988 and October 15, 1988 are in error to the extent such reports indicate that Wallace, Dover & Dixon, P.A. ("Firm") loaned funds to the PAC. Such Quarterly Reports are also in error to the extent that such reports indicate that the PAC is repaying the Firm for any loans.

2. Funds contributed to the PAC and the subject of such reports actually represented personal contributions to the PAC by the Shareholders of the Firm.

3. The Shareholders funded their respective contributions by receiving advances from the Firm.

4. Instead of writing separate checks to each Shareholder, the Firm merely acted as agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions.

5. The Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds.

6. The Quarterly Reports of the PAC submitted on April 15, 1988, October 15, 1988, and subsequent dates, are in error to the extent such reports indicate that the PAC is repaying any loans to the Firm. Such an accounting or representation is completely erroneous. Such accounting or representation in no way reflects either the intent of the Shareholders or the Shareholders' actual contributions to the PAC.

7. Funds transferred to the PAC were intended to be personal contributions from the Shareholders. These contributions were not to be repaid by the PAC, and they have not been repaid. Any entries in the PAC records indicating a loan or repayment of a loan are simply erroneous. Payroll deductions were strictly personal transactions between the Shareholders and the Firm. Payroll deductions, and any corresponding entries, are erroneous to the extent such entries appear in the PAC books or reports.

8. The PAC treasurer serving during the periods in issue was not an attorney and is no longer employed by either the Firm or the PAC. We cannot determine if the erroneous accounting and reporting of these contributions was due to the treasurer's lack of understanding of the intentions of the Shareholders, or if such failure was merely an error in bookkeeping.

9. Whatever the reason, the Firm and the PAC never intended for the Firm to either loan the PAC any funds or for the Firm to contribute to the PAC in any manner. Neither the Firm, its officers, nor its Shareholders consented to any transactions in the form and method reported in the PAC's Quarterly Reports of April 15, 1988, October 15, 1988, and subsequently, to the extent such reports indicate loan transactions between the Firm and the PAC.

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10. Upon learning that there was any question as to the propriety of contributions to the PAC, the PAC took immediate steps to resolve the matter. However, the PAC Treasurer responding to FEC inquiries was not aware that the PAC records included such erroneous information, and he had no reason to be. The inquiry from Mr. Danny McDonald prompted a complete audit of PAC transactions. The extent of the errors has now been determined and we wish to correct the reports in issue.

Larry C. Wallace
Larry C. Wallace

STATE OF ARKANSAS)
COUNTY OF Delaski) ss.

SUBSCRIBED AND SWORN to before me a Notary Public this 13th
day of October, 1989.

Deborah K. Maxwell
Notary Public

My Commission Expires:

11-29-91

91040340042

LARRY C. WALLACE
DARRELL D. DOVER
PHILIP E. DIXON
EDWARD S. DILLON, JR.
DON F. HAMILTON
JOHN H. CLAYTON
JOHN LIBLE
THOMAS S. STONE
STEVE L. RISSE
GREGORY S. GRAHAM
J. BRUCE CROSS
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TERRY TOLLETT MARSH
KATHLEEN A. HILDEBRAND
MONTE D. ESTES

OF COUNSEL
W. HORACE JEWELL
JAMES R. RHODES, III

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(501) 375-8151

October 13, 1989

JOE T. ROBINSON
(1875-1937)

JOSEPH HOUSE
(1880-1884)

WILLIS HOLMES
(1888-1878)

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FAYETTEVILLE, AR 72701
TELECOPIER (501) 443-0408
(501) 444-8888

ALSO ADMITTED IN
TEXAS & DISTRICT OF COLUMBIA

Mr. Danny L. McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

VIA FEDERAL EXPRESS

RE: MUR2978/Wallace, Dover & Dixon, P.A. Political Action
Committee and J. Cal McCastlain, as Treasurer

Dear Mr. McDonald:

This is in reference to your letter of September 21, 1989 regarding the above-described matter. I request that you determine that no further action is required in this matter.

As I have further explained in the attached Affidavit, I was not associated with the Wallace, Dover & Dixon, P.A. Political Action Committee during the periods in issue. Likewise, I cannot provide any direct information on those matters. An explanation of the transactions involved is included in the response by Larry C. Wallace, the Managing Partner of Wallace, Dover & Dixon, P.A.

Inasmuch as I was not involved with the Political Action Committee during the periods in issue, I request that you find that I have committed no violations of the Federal Election Campaign Act of 1971, or Regulations thereto. I request that you make such a determination as soon as possible so that this matter can be put to rest.

Sincerely,

WALLACE, DOVER & DIXON

J. Cal McCastlain
J. Cal McCastlain

JCM/bkd
Enclosure

91040340043

AFFIDAVIT

I, J. Cal McCastlain, do hereby swear and affirm that the following facts are true to the best of my knowledge and belief:

1. I began working as an associate in the law firm of Wallace, Dover & Dixon, P.A. on July 18, 1988. Prior to that date I was on active duty in the United States Army, assigned to the Judge Advocate General's Corps (JAGC).

2. My signing of the Federal Election Commission Quarterly Report (FEC Form 3X) of October 15, 1988 for the Wallace, Dover & Dixon, P.A. Political Action Committee on October 14, 1988 was my first act as Treasurer for that Political Action Committee. Prior to the date of October 14, 1988 I did not participate in or have any knowledge of any of the business affairs of the Wallace, Dover & Dixon, P.A. Political Action Committee. Likewise, prior to October 14, 1988, I neither advised nor participated in any fund raising, contributions, accounting, or record keeping conducted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

3. Information included in the Federal Election Commission Quarterly Report of October 15, 1988 by the Wallace, Dover & Dixon, P.A. Political Action Committee represents my interpretation of the information regarding events that occurred prior to my becoming Treasurer. The information regarding these events was compiled prior to my becoming Treasurer. I did not participate in nor advise the Political Action Committee in any way prior to October 14, 1988.

4. I am not a shareholder in the law firm of Wallace, Dover & Dixon, P.A., and I have never attended a meeting of that firm's shareholders or Board of Directors. Therefore, I have no direct knowledge of the intent of the law firm or its partners regarding the information included in the reports of October 15, 1988.

5. Inasmuch as I was neither a party to such report, nor employed by Wallace, Dover & Dixon, P.A. on April 15, 1988, I have no knowledge whatsoever, whether direct or indirect, of the Federal Election Commission Quarterly Report (FEC Form 3X) of April 15, 1988, or the information included therein.

6. Upon learning that there was a question as to the propriety of the transactions reported in the Quarterly Reports of April 15, 1988 and October 15, 1988, I took immediate action to resolve the issue. (See attachments.)

J. Cal McCastlain
J. CAL MCCA TLAIN

STATE OF ARKANSAS)
) SS.
COUNTY OF Polaski)

SUBSCRIBED AND SWORN to before me a Notary Public this 11
day of October, 1989.

Teresa Ann Finley
Notary Public

My Commission Expire:

3-12-93

21040340044

91040840045

AFFIDAVIT

I, Larry C. Wallace, Managing Partner of Wallace, Dover & Dixon, P.A., do hereby swear and affirm that the following facts are true the best of my knowledge and belief:

1. J. Cal McCastlain joined this firm as an associate lawyer on July 18, 1988.

2. On October 14, 1988 he was appointed Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee.

3. Prior to October 14, 1988 J. Cal McCastlain never participated in, performed any work for, or attended any meetings of the Wallace, Dover & Dixon, P.A. Political Action Committee.

4. J. Cal McCastlain's first act as Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee was submitting to the Federal Election Commission the Quarterly Report (FEC Form 3X) of October 15, 1988 for the Wallace, Dover & Dixon, P.A. Political Action Committee. Information contained in those reports represents events that occurred prior to Mr. McCastlain's appointment as Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee. Such information was also compiled and reported prior to Mr. McCastlain's appointment.

5. J. Cal McCastlain has never attended a meeting of the Shareholders of Wallace, Dover & Dixon, P.A., or its Board of Directors.

6. In summary, J. Cal McCastlain had no role whatsoever in any of the actual matters included in the Quarterly Reports (FEC Form 3X) of April 15, 1988 and October 15, 1988 submitted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

Larry C. Wallace
Larry C. Wallace

STATE OF ARKANSAS)
COUNTY OF Pulaski) SS.

SUBSCRIBED AND SWORN to before me a Notary Public this 11
day of October, 1989.

Teresa Ann Finley
Notary Public

My Commission Expire:

3-12-93

90 JAN -8 PM 4:19

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Wallace, Dover & Dixon, P.A.)

Wallace, Dover & Dixon Political)

Action Committee and J. Cal McCastlain,)

as treasurer)

MUR 2978

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Wallace, Dover & Dixon Political Action Committee ("the Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans totalling \$5,945 from the Committee's connected organization, Wallace, Dover & Dixon, P.A. ("the firm"), in violation of 2 U.S.C. § 441b(a). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989. On September 1, 1989, the Commission found reason to believe that the firm and the Committee each violated 2 U.S.C. § 441b(a) by making and accepting corporate contributions respectively. This Office received the responses of the Respondents on October 16, 1989. The Respondents request that the Commission find that no violation occurred and that no further action should be taken against any of them.

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II. ANALYSIS

Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services ... or anything of value" 2 U.S.C. § 441b(b)(2).

Respondents have submitted affidavits from Larry C. Wallace, managing partner of the firm, and from J. Cal McCastlain, in which they contend that the information contained in the Committee's reports, which served as the basis for the Commission's findings of reason to believe, was in error. Respondents have further endeavored to relieve Mr. McCastlain, the Committee's treasurer, of any liability by noting that he was not treasurer when any of the violations occurred.

According to Mr. Wallace's affidavit, the 1988 April and October Quarterly Reports are in error to the extent they indicate that the firm loaned funds to the Committee, and to the extent they indicate that the Committee is repaying any such loan to the firm. As Mr. Wallace explains it, "[f]unds contributed to the PAC and the subject of such reports actually represent personal contributions to the PAC by the Shareholders of the Firm," and the shareholders "funded their respective

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contributions by receiving advances from the Firm." Further, "[i]nstead of writing separate checks to each Shareholder, the Firm merely acted as an agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions." Finally, as regards these transactions, Mr. Wallace states that the "Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds."

The Committee's 1988 April and October Quarterly Reports show receipts of payments from the firm in the form of loans, and, separately, receipts from individual attorneys in the firm by way of payroll deductions.¹ Thus it appears that both loans and payroll deductions were received, calling into question the accuracy of the response submitted by Mr. Wallace. Accordingly, this Office recommends that the Commission reject the Respondents' request that the Commission take no further action in this matter.

Additionally, this Office recommends that the Commission approve the attached interrogatories and request for production of documents, so that this Office may clarify what exactly occurred. Specifically, this Office wishes to know why, if the loans reported by the Committee were actually contributions

1. The relevant portions of the Committee's 1988 April Quarterly Report are attached.

by shareholders in the firm, the Committee reported outright contributions by these shareholders apparently in addition to the loans. Because Mr. Wallace's affidavit claims that Respondents cannot determine why the allegedly erroneous reporting occurred, this Office recommends that interrogatories be addressed to Joanne Sorn, the individual who served as treasurer at the time the reports were prepared, and that a request for documents be issued to the firm regarding: (1) any agreement between the firm and the shareholders that the firm would advance individual contributions; (2) the payments to the Committee; (3) the firm's receipt of the loan "repayments" reported by the Committee; and (4) the use of the firm's payroll deduction process for any repayments to the firm from the individuals involved.

III. RECOMMENDATIONS

1. Reject the Respondents' request to take no further action.
2. Approve the attached Letters and Interrogatories and Request for Production of Documents.

Lawrence M. Noble
General Counsel

1-5-90
Date

BY:

Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Attachments

1. Reply of Respondents
2. Relevant Portions of the Committee's 1988 April Quarterly Report
3. Letters (3)
4. Interrogatories and Request for Production of Documents (2)

Staff assigned: A. Buckley

91040340049



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS ^{OH}
COMMISSION SECRETARY

DATE: JANUARY 12, 1990

SUBJECT: MUR 2978 - GENERAL COUNSEL'S REPORT
DATED JANUARY 5, 1990

The above-captioned document was circulated to the
Commission on Tuesday, January 9, 1990 at 4:00 p.m..

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	XXX _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____

This matter will be placed on the meeting agenda
for Tuesday, January 23, 1990.

Please notify us who will represent your Division before the
Commission on this matter.

21040840050

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Wallace, Dover & Dixon, P.A.
Wallace, Dover & Dixon Political Action
Committee and J. Cal McCastlain, as
treasurer

MUR 2978

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session on January 30,
1990, do hereby certify that the Commission decided by a
vote of 6-0 to take the following actions in MUR 2978:

1. Reject the Respondents' request to take no further action.
2. Direct the Office of General Counsel to send appropriate Letters and Interrogatories and Request for Production of Documents pursuant to the discussion held this date, and to send them to the respondent Committee as well as to Joanne Sorn and to the firm.

Commissioners Aikens, Elliott, Josefiak, McDonald,
McGarry, and Thomas voted affirmatively for the decision.

Attest:

2-2-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

91040340051



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 7, 1990

Joanne Sorn
Chisenhall, Nestrud & Julian, P.A.
2840 First Commercial Bank Building
Capitol & Broadway
Little Rock, Arkansas 72201

RE: MUR 2978

Dear Ms. Sorn:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission believes that you may be able to provide some relevant information concerning an investigation it is conducting. Accordingly, the Commission requests that you submit answers to the enclosed questions to the Office of the General Counsel within 15 days of your receipt of this letter. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

If you have any questions, please contact Anthony Buckley, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Interrogatories

91040340052

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)
) MUR 2978
)
)
)

INTERROGATORIES

TO: Joanne Sorn
Chisenhall, Nestrud & Julian, P.A.
2840 First Commercial Bank Building
Capitol & Broadway
Little Rock, Arkansas 72201

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request.

91040340053

INSTRUCTIONS

In answering these interrogatories, furnish all information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1988 to January 1, 1989.

The following interrogatories are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040340054

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the person to whom this discovery request is addressed.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

"Committee" shall refer to the Wallace, Dover & Dixon Political Action Committee, and shall be construed to include all predecessor committees including, but not limited to, the House, Wallace & Jewell, P.A. Political Action Committee.

91040340055

INTERROGATORIES

The following questions relate to reports which were filed with the Federal Election Commission during your tenure as treasurer of the Wallace, Dover & Dixon Political Action Committee. Copies of the reports which are referred to in the questions are attached to assist you.

1. State why, as treasurer of the Committee, you reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace and Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loans including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s).
2. State why, as treasurer of the Committee, you reported disbursements totalling \$600 to House, Wallace and Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loan repayments including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s) to whom the repayments were being made.
3. State why, as treasurer of the Committee, you reported a transfer of \$925 from House, Wallace and Jewell, P.A. to the Committee as a loan on the Committee's 1988 October Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that this amount was a loan, including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s).
4. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.
5. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 October Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.

91040340056

REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee

(Summary Page)

FEC

2:30

03/22/88 1:51

USE PREVIOUS EDITIONS
TYPE ON FORM

NAME OF COMMITTEE
House, Wallace & Jewell, P.A.
Political Action Committee
ADDRESS (number and street) ☐ Check if different than previously reported
1800 Capitol Tower,
CITY, STATE and ZIP CODE
Little Rock, Arkansas 72201

2. FEC IDENTIFICATION NUMBER
C00206508
3. ☐ This committee qualified as a multicandidate committee during this reporting period (date)

4. TYPE OF REPORT

(a) ☒ April 15 Quarterly Report

July 15 Quarterly Report

October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☐ Termination Report

Monthly Report Due On:

☐ February 20 ☐ June 20 ☐ October 20
☐ March 20 ☐ July 20 ☐ November 20
☐ April 20 ☐ August 20 ☐ December 20
☐ May 20 ☐ September 20 ☐ January 31

☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____ in the State of _____

(b) Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY

5. Covering Period	COLUMN A This Period	COLUMN B Calendar Year-to-Date
January 1, 1988 to March 31, 1988		
6. (a) Cash on Hand January 1, 1988		\$ 243.47
(b) Cash on Hand at Beginning of Reporting Period	\$ 243.47	
(c) Total Receipts (from Line 18)	\$ 6579.70	\$ 6579.70
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 6823.17	\$ 6823.17
7 Total Disbursements (from Line 28)	\$ 6800.00	\$ 6800.00
8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 23.17	\$ 23.17
9 Debts and Obligations Owed TO the Committee (include all on Schedule C and/or Schedule D)	\$ -0-	
10 Debts and Obligations Owed BY the Committee (include all on Schedule C and/or Schedule D)	\$ 4400.00	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Signature of Treasurer *C. Ann H. Sorn*

Date

For further information contact:
Federal Election Commission
900 E Street, NW
Washington, DC 20463
Toll Free 800 424 9530
Local 202 376 3120

NOTE Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 413

FEC FORM 3X

Revised 4-8

91040840057

03135202577

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 302)

Name of Committee (or Club)		Report Covering the Period From To	
		COLUMN A Total This Period	COLUMN B Calendar Year-To-Date
I. RECEIPTS			
11(a) Other than loans, FROM			
1 Individuals/Persons Other Than Political Committees (use Schedule A)		1575.00	1575.00
2 Contributions from individuals			
3 Political Party Committees			
4 Other Political Committees (such as PACs)			
5 TOTAL CONTRIBUTIONS (add 11(a)(i), (b), and (c))		1575.00	1575.00
12 LOANS FROM AFFILIATED OTHER PARTY COMMITTEES			
13 LOANS RECEIVED		5000.00	5000.00
14 LOAN REPAYMENTS RECEIVED			
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			
17 OTHER RECEIPTS (Dividends, Interest, etc.)		4.70	4.70
18 TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)		6579.70	6579.70
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES			
20 TRANSFERS TO AFFILIATED OTHER PARTY COMMITTEES			
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		250.00	250.00
22 INDEPENDENT EXPENDITURES (use Schedule E)			
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. 441a(d)) (use Schedule F)			
24 LOAN REPAYMENTS MADE		600.00	600.00
25 LOANS MADE			
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees		100.00	100.00
(b) Political Party Committees			
(c) Other Political Committees (such as PACs)			
d TOTAL CONTRIBUTION REFUNDS (add 26(a), (b), and (c))		-0-	
27 OTHER DISBURSEMENTS		5850.00	5850.00
28 TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)		6800.00	6800.00
III. NET CONTRIBUTIONS/OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) (from Line 11(d))		1575.00	1575.00
30 TOTAL CONTRIBUTION REFUNDS (from Line 26(d))		1575.00	1575.00
31 NET CONTRIBUTIONS (other than loans) (subtract Line 30 from 29)			
32 TOTAL OPERATING EXPENDITURES (from Line 19)		-0-	-0-
33 OFFSETS TO OPERATING EXPENDITURES (from Line 15)		-0-	-0-
34 NET OPERATING EXPENDITURES (subtract Line 33 from 32)		-0-	-0-

91040340058

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the Detailed Summary Page

PAGE 09
FOR LINE NUMBER 11

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any person authorized to solicit contributions from such committee

NAME OF COMMITTEE (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

<p>A. Full Name, Mailing Address and ZIP Code Lawrence L. Wisenholt 1015 Pine Court Little Rock, AR 72207</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR payroll deduction Attorney 72201</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50 for 6 pay periods</p> <p>Total: 75.00</p>
<p>B. Full Name, Mailing Address and ZIP Code Ann Clayton 1200 Andover Little Rock, AR 72207</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell P.A. 3800 Capitol Tower Occupation: Little Rock, AR 72201 Attorney</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>Total: 75.00</p>
<p>C. Full Name, Mailing Address and ZIP Code J. Bruce Cross 1010 Cherry Hill Drive N. Little Rock, AR 72116</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR payroll deduction Attorney 72201</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50 for 6 pay periods</p> <p>Total: 75.00</p>
<p>D. Full Name, Mailing Address and ZIP Code Donna Galchus 10719 Brazos Valley Drive Little Rock, AR 72212</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR 72201 Attorney</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>Total: 75.00</p>
<p>E. Full Name, Mailing Address and ZIP Code Russell Gunter 345 Goshen N. Little Rock, AR 72116</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR 72201 Attorney</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>Total: 75.00</p>
<p>F. Full Name, Mailing Address and ZIP Code Don F. Hamilton 1 Glenleigh Drive Little Rock, AR 72207</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR 72201 Attorney</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>Total: 75.00</p>
<p>G. Full Name, Mailing Address and ZIP Code John L. Julian 1015 Pine Court Little Rock, AR 72207</p> <p>Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):</p>	<p>Name of Employer: House, Wallace & Jewell, P.A. 3800 Capitol Tower Occupation: Little Rock, AR 72201 Attorney</p> <p>Date (month, day, year): twice/month</p> <p>Aggregate Year to Date: \$ 75.00</p>	<p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>Total: 75.00</p>

SUBTOTAL

TOTAL

91040340059

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the Detailed Summary Page

PAGE 01
Form No. 10485-8

Any information received from such Reports and Statements may not be used or used by any person for the purpose of securing contributions or for any other purpose other than using the name and address of any person contributed to such contributions from such contributions

NAME OF CONTRIBUTOR in Full

Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code Baker 3800 Capitol Tower Little Rock, AR 72118 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
B. Full Name, Mailing Address and ZIP Code Evelyn Marley 112 Lakeview Road Little Rock, Ar 72116 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
C. Full Name, Mailing Address and ZIP Code Chuck Nestrud 310 Ridgeway Little Rock, AR 72205 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
D. Full Name, Mailing Address and ZIP Code Dean Overstreet 121 Redriver Sherwood, AR 72116 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
E. Full Name, Mailing Address and ZIP Code Joe Purvis 111 Ridgeway Drive Little Rock, AR 72205 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
F. Full Name, Mailing Address and ZIP Code Meryl Raney 121 Shea Drive Little Rock, AR 72205 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00
G. Full Name, Mailing Address and ZIP Code Charles Reynolds 120 Pebble Beach Drive Little Rock, AR 72212 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer House Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201 Occupation Attorney Aggregate Year-to-Date \$ 75.00	Date (month, day, year) twice/month payroll deduction Amount of Each Receipt this Period 12.50/6 pay periods	total 75.00

SUBTOTAL of Receipts This Period (optional)

TOTAL This Period (last page this line number only)

91040840060

SCHEDULE A

ITEMIZED RECEIPTS

Use amount calculated for each category of the Detailed Summary Page

PAGE 3 OF 4
FOR LINE NUMBER 11

Any information used from such Records and Statements may not be sold or used by any person for the purpose of obtaining credit ratings or for any other purpose, other than using the name and address of any person committed to secret confidentiality from such committee

NAME OF COMMITTEE (in Full)

Wallace & Jewell, P.A. Political Action Committee

<p>A. Full Name, Mailing Address and ZIP Code</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction per: 45</p> <p>total: 75.00</p>
<p>B. Full Name, Mailing Address and ZIP Code</p> <p>Charlie Smith 14 Sugar Creek Road N. Little Rock, AR 72116</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction</p> <p>total: 75.00</p>
<p>C. Full Name, Mailing Address and ZIP Code</p> <p>Paul Stanfield 4540 Dawson Drive N. Little Rock, AR 72116</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 37.50</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/3 pay periods</p> <p>deduction</p> <p>total: 37.50</p>
<p>D. Full Name, Mailing Address and ZIP Code</p> <p>Scott Vaughn #9 Randal Cove Maumelle, AR 72118</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction</p> <p>total: 75.00</p>
<p>E. Full Name, Mailing Address and ZIP Code</p> <p>Larry Wallace #2 Violet Court N. Little Rock, AR 72116</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction</p> <p>total: 75.00</p>
<p>F. Full Name, Mailing Address and ZIP Code</p> <p>Ann Wilson 804 N. Ash Little Rock, AR 72205</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction</p> <p>total: 75.00</p>
<p>G. Full Name, Mailing Address and ZIP Code</p> <p>Carolyn Witherspoon 334 Midland Little Rock, AR 72201</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer: House</p> <p>Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201</p> <p>Occupation: Attorney</p> <p>Aggregate Year-to-Date: \$ 75.00</p>	<p>Date (month, day, year): twice/month</p> <p>Amount of Each Receipt this Period: 12.50/6 pay periods</p> <p>deduction</p> <p>total: 75.00</p>

SUBTOTAL (Receipts This Page Optional)

TOTAL (This Period (last page this line number only))

91040340061

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the Detailed Summary Page

PAGE

100

Information from each Receipt and Statement may not be used or used by any person for the purpose of securing any benefit or for the purpose of defeating or evading any tax imposed by this title.

NAME OF COMMITTEE (in full)

Wallace & Howell, P.A. Political Action Committee

A Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		House		
		Wallace & Howell P.A.		
		1000 Capital Tower		
		1110 Buck, AR 72201		
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
B Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
C Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
D Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
E Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
F Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				
G Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
		Occupation		
		Aggregate Year-to-Date		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General				
Other (specify)				

SUBTOTAL (If Receipts This Page (optional))

TOTAL This Period (Use this line number only)

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SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the Required Summary Page

PAGE 1 OF 1
\$100.00 - \$1,000.00
13

Any statement or copies from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions from such committee, or for that using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)			
House, Wallace & Jewell, P.A. Political Action Committee			
A. Full Name, Mailing Address and ZIP Code House, Wallace & Jewell Capital Tower Little Rock, AR 72201 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): <u>loan</u>	Name of Employer N/A Occupation Law Firm Aggregate Year-to-Date \$ 5000.00	Date (month, day, year) 1-5-88 2-8-88 2-24-88	Amount of Each Receipt this Period 2500.00 300.00 2200.00
B. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
C. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
D. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
E. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
F. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
G. Full Name, Mailing Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Occupation Aggregate Year-to-Date \$	Date (month, day, year)	Amount of Each Receipt this Period
SUBTOTAL (Total Receipts This Period - optional)			
TOTAL (This Period - Total Receipts This Period - optional)			

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SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 00
FOR LINE NUMBER

Any information copied from such Reports and Statements may not be used or used by any person for the purpose of obtaining credit but are...
purpose, other than using the name and address of any political committee to obtain contributions from such committee

NAME OF COMMITTEE IN FULL

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
House, Wallace & Jewell, P.A. 500... ... 22001	loan payment Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) loan payment	3-1-99 3-15-99 3-21-99	
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL

TOTAL

SECTION 3
Schedule 3-200

LOANS

Page 1 of 1
Line Number 11
Use separate schedules
for each numbered line

Name of Committee to Pay House, Wallace & Jewell, P.A. Political Action Committee			
A Full Name, Mailing Address and ZIP Code of Loan Source House, Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201		Original Amount of Loan 2500.00	Balance Outstanding at Close of This Period 1900.00
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Cumulative Payments To Date 600.00	
Terms: Date Invoiced 1-5-88 Date Due 6-15-88 Interest Rate NON-APR <input type="checkbox"/> Secured			
Let All Endorsers or Guarantors (if any) to Item A			
1 Full Name, Mailing Address and ZIP Code N/A		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2 Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3 Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source House, Wallace & Jewell, P.A. 3800 Capitol Tower Little Rock, AR 72201		Original Amount of Loan 300.00	Balance Outstanding at Close of This Period 300.00
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Cumulative Payments To Date -0-	
Terms: Date Invoiced 2-8-88 Date Due 5-30-88 Interest Rate 10% APR <input type="checkbox"/> Secured			
Let All Endorsers or Guarantors (if any) to Item B			
1 Full Name, Mailing Address and ZIP Code N/A		Name of Employer Occupation Amount Guaranteed Outstanding \$	
2 Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
3 Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding \$	
SUBTOTALS (This Period This Page optional)			
TOTALS (This Period last page in this line only)			
Copy outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary			

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FD-503
Rev. 12-1-77

LOANS

Use separate schedule
for each numbered item

Name of Debtor on File WALLACE, Wallace & Jewell, P.A. Political Action Committee			
A. Full Name, Mailing Address and ZIP Code of Loan Source Wallace, Wallace & Jewell, P.A. 100 Capitol Tower Ft. Rock, AR 72201		Original Amount of Loan 2200.00	Cumulative Payments To Date
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period	
Terms	Date Incurred 2-24-88	Date Due 12-30-88	Interest Rate none % (april) Secured
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code N/A		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period	
Terms	Date Incurred	Date Due	Interest Rate % (april) <input type="checkbox"/> Secured
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	Occupation
		Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (Not necessary)			
Carry outstanding balance only to LINE 3, Schedule B, for this line. If on Schedule B, carry forward to appropriate line of Summary			

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REPORT OF CANDIDATE FOR ELECTION

For filing with the Federal Election Commission
(Summary Page)

RECEIVED
FEDERAL ELECTION COMMISSION
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USE PEC NUMBER LABEL
ON
TYPE ON FRONT

NAME OF CANDIDATE		POLITICAL ACTION COMMITTEE
HOMER Wallace & Jewell, S. S.		Committee
1800 TCBY Tower Building		2. PEC IDENTIFICATION NUMBER
CITY STATE and ZIP CODE		C00206508
Little Rock, AR 72201		3. This committee qualified as a multicandidate committee DURING THIS Reporting Period on (date)

4. TYPE OF REPORT

- a. ☐ April 15 Quarterly Report
- ☐ July 15 Quarterly Report
- ☒ October 15 Quarterly Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid Year Report (Non-election Year Only)
- ☐ Termination Report
- Monthly Report Due On
- | | | |
|--------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> February 20 | <input type="checkbox"/> June 20 | <input type="checkbox"/> October 20 |
| <input type="checkbox"/> March 20 | <input type="checkbox"/> July 20 | <input type="checkbox"/> November 20 |
| <input type="checkbox"/> April 20 | <input type="checkbox"/> August 20 | <input type="checkbox"/> December 20 |
| <input type="checkbox"/> May 20 | <input type="checkbox"/> September 20 | <input type="checkbox"/> January 31 |
- ☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____
- ☐ Thirtieth day report following the General Election on _____
in the State of _____

b. Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>July 1, 1988 through Sept 30, 1988</u>		
6. a) Cash on Hand January 1, 1988		\$ 243.47
b) Cash on Hand at Beginning of Reporting Period	\$ 10.25	
c) Total Receipts (from Line 18)	\$ 2,500.88	\$ 10,669.84
d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 2,511.13	\$ 10,913.31
e) Total Disbursements (from Line 28)	\$ 2,526.29	\$ 10,928.47
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ (15.16)	\$ (15.16)
Debits and Obligations Owed TO the Committee (itemize all on Schedule C and/or Schedule D)	\$ -0-	
Debits and Obligations Owed BY the Committee (itemize all on Schedule C and/or Schedule D)	\$ 4,262.50	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct, and complete

Type or Print Name of Treasurer

Cal McCastlain
Signature of Treasurer

For further information contact:
Federal Election Commission
999 E Street NW
Washington DC 20463
Toll Free 800 424 9541
Local 202 375-3121

Date

X *[Signature]*

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g

FEC FORM 3X

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DETAILED SUMMARY PAGE

of Receipts and Disbursements
Page 2, FEC FORM 280

Name of Committee on this Page		Report Covering the Period	
House, Wallace & Jewell, P.A. Action Comm		From July 1, 1982	To Sept 30, 1982
		COLUMN A Total This Period	COLUMN B Calendar Year-To-Date
I. RECEIPTS			
CONTRIBUTIONS (other than loans) FROM:			
1. Individuals, Persons Other Than Political Committees (itemized (use Schedule A))			
Unitemized			
Total of contributions from individuals			
2. Political Party Committees			
3. Other Political Committees (such as PACs)			
d) TOTAL CONTRIBUTIONS (add 11(a)(2), (b), and (c))			
		1,575.00	4,737.50
2. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			
3. ALL LOANS RECEIVED		925.00	5,925.00
14. LOAN REPAYMENTS RECEIVED			
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			
17. OTHER RECEIPTS (Dividends, Interest, etc.)		.33	7.34
18. TOTAL RECEIPTS (add 11(d), 12, 13, 14, 15, 16 and 17)		2,500.88	10,669.84
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES		26.29	65.97
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES			
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		-0-	250.00
22. INDEPENDENT EXPENDITURES (use Schedule E)			
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 USC 441a(d)) (use Schedule F)			
24. LOAN REPAYMENTS MADE		-0-	1662.50
25. LOANS MADE			
26. REFUNDS OF CONTRIBUTIONS TO:			
a) Individuals, Persons Other Than Political Committees		-0-	100.00
b) Political Party Committees			
c) Other Political Committees (such as PACs)			
d) TOTAL CONTRIBUTION REFUNDS (add 26(a), (b) and (c))		-0-	100.00
27. OTHER DISBURSEMENTS		2,500.00	8,850.00
28. TOTAL DISBURSEMENTS (add 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)		2,526.29	10,928.47
III. NET CONTRIBUTIONS-OPERATING EXPENDITURES			
29. TOTAL CONTRIBUTIONS (other than loans) (from Line 11(d))		1,575.00	4,737.50
30. TOTAL CONTRIBUTION REFUNDS (from Line 26(d))		0	100.00
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from 29)		1,575.00	4,637.50
32. TOTAL OPERATING EXPENDITURES (from Line 19)		26.29	65.97
33. OFFSETS TO OPERATING EXPENDITURES (from Line 15)			
34. NET OPERATING EXPENDITURES (subtract Line 33 from 32)			

9.10.403403-8

SCHEDULE A

EMPLOYER RECEIPTS

Use separate schedule for each category of the limited liability firm

Page 1 of 1
Form 11

Any information required from each employer and employee may not be used or used by any person for the purpose of making contributions or for commercial purposes, other than using the name and address of any political committee to obtain contributions from such committee.

NAME OF COMMITTEE to Full

House, Wallace & Jewell, P.A. Political Action Committee

<p>A. Full Name, Mailing Address and ZIP Code W. S. Chisholm Bridgeview Ct Little Rock, AR 72207</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice/mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>B. Full Name, Mailing Address and ZIP Code John R. Clayton 2200 Andover Little Rock, Ar 72207</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice/mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>C. Full Name, Mailing Address and ZIP Code J. Bruce Cross 1010 Cherry Hill Dr. NLR, AR 72116</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>D. Full Name, Mailing Address and ZIP Code Donna Galchus 10719 Brazos Valley Dr. LR AR</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>E. Full Name, Mailing Address and ZIP Code Russell Gunter 345 Goshen NLR, AR 72116</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>F. Full Name, Mailing Address and ZIP Code Don P. Hamilton 1 Glenleigh Dr. LR, AR 72207</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>
<p>G. Full Name, Mailing Address and ZIP Code Jim L. Julian 1901 Hasbrook Ct. NLR, AR 72116</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A</p>	<p>Name of Employer House, Wallace & Jewell</p> <p>Occupation Attorney</p> <p>Aggregate Year-to-Date > \$ 225.00</p>	<p>Date (month, day, year) twice mo payroll deduction</p> <p>Amount of Each Receipt this Period \$12.50 for 6 pay periods</p>

TOTAL of Receipts This Page (optional)

11. The Period (last page and line number only)

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SCHEDULE A

FINISHED RECEIPTS

Information furnished for each receipt of the Qualified Salary Page

Page 3 of 3
Form 1, 1988 (1-1-88)

Any information reported from such receipts and statements may not be used by any person for the purpose of making contributions or for any other purpose, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE On File

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code Charlie E. Smith 10 Sugar Creek Rd. WLR, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
B. Full Name, Mailing Address and ZIP Code Scott Vaughn 99 Randal Cove Memphis, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
C. Full Name, Mailing Address and ZIP Code Larry Wallace 62 Violet Court WLR, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
D. Full Name, Mailing Address and ZIP Code Anne O. Wilson 804 North Ash LR, AR 72205	Name of Employer House Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
E. Full Name, Mailing Address and ZIP Code Jim T. Pitts 3606 Taylor St. Chevy Chase, MD 20815	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
F. Full Name, Mailing Address and ZIP Code Carolyn Witherspoon 334 Midland LR, AR 72205	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 225.00	75.00
G. Full Name, Mailing Address and ZIP Code John B. Peace 3704 Doral LR, AR 72212	Name of Employer House, Wallace & Jewell	Date (month, day, year) Twice Mo	Amount of Cash Received this Period \$12.50 for 6 pay periods
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Deduction Aggregate Year-to-Date > \$ 150.00	75.00

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (Use name and date on back of this page)

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8703350696

SCHEDULE A

Amount of cash received from the sale of the property \$ 225.00	Amount of cash received from the sale of the property \$ 225.00
--	--

Any information reported here must be supported by appropriate documentation. All information must be true and correct. The donor of the contribution is responsible for the accuracy of the information reported. The donor is also responsible for the accuracy of the information reported. The donor is also responsible for the accuracy of the information reported.

NAME OF CONTRIBUTOR TO FUND

House Wallace & Jewell P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code Joe C. Lohar 3110 Chandler MBR, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
B. Full Name, Mailing Address and ZIP Code Steve E. Marley 3413 Lakeview Rd. MBR, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
C. Full Name, Mailing Address and ZIP Code Charles E. Hestrod 310 Ridgeway LR, AR 72205	Name of Employer House Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
D. Full Name, Mailing Address and ZIP Code W. Dean Overstreet 121 Redriver Sherwood, AR 72116	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
E. Full Name, Mailing Address and ZIP Code Joe H. Purvis 511 Ridgeway LR, AR 72205	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
F. Full Name, Mailing Address and ZIP Code Charles Reynolds 120 Pebble Beach Dr. LR, AR 72212	Name of Employer House, Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00
G. Full Name, Mailing Address and ZIP Code Steve L. Riggs 1 Shady Valley Court NLR, AR 72116	Name of Employer House Wallace & Jewell	Date (month, day, year) twice no payroll deduction	Amount of Cash Received This Period \$12.50 for 6 pay periods
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): N/A	Occupation Attorney	Aggregate Year-to-Date \$ 225.00	75.00

SUBTOTAL of Receipts This Page (optional)

01040341071

8903550695

Form 1040
Schedule B

1040B

See instructions
for filing Schedule B

Name of Contributor to Fund			
House, Wallace & Jewell, P.A. Political Action Committee			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Contribution Payment To Date	Balance Outstanding at Close of This Period
House, Wallace & Jewell, P.A. 3800 TCBY Tower Building Little Rock, Ar 72201 (Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):	2500.00	1662.50	837.50
Terms: Date Incurred <u>1/15/88</u> Date Due _____ Interest Rate _____ % <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Source			
House Wallace & Jewell, P.A. 3800 TCBY Tower Building Little Rock, Ar 72201 (Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):	Original Amount of Loan	Contribution Payment To Date	Balance Outstanding at Close of This Period
	300.00	-0-	300.00
Terms: Date Incurred <u>2/8/88</u> Date Due _____ Interest Rate _____ % <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (optional): 1,137.50			
TOTALS This Period (from page 1 of this form and page 2)			

21040840072

- 150598 -

Page 2 of 2
 Last Printed 12
 Use correct version
 of each numbered form

LOANS

Name of Lender or P.O. House, Wallace & Jewell, P.A. Political Action Committee			
A. Full Name, Mailing Address and ZIP Code of Lender House, Wallace & Jewell, P.A. 3000 TCBY Tower Building Little Rock, Ar 72201 Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Original Amount of Loan 2,200.00	Commissions Payable To Date -0-
		Balance Outstanding at Close of This Period 2,200.00	
Terms Date Incurred 1/26/88 Date Due 1/89		Interest Rate 0% Secured <input type="checkbox"/> Unsecured <input type="checkbox"/>	
List All Endorsees or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Recipient House, Wallace, & Jewell, P.A.		Original Amount of Loan 925.00	Commissions Payable To Date -0-
3000 TCBY Tower Building Little Rock, AR 72201 Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period 925.00	
Terms Date Incurred 1/9/88 Date Due		Interest Rate 0% Secured <input type="checkbox"/> Unsecured <input type="checkbox"/>	
List All Endorsees or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	
		Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (endorsees):		3,125.00	
TOTALS This Period (all pages on this and other):		4,262.00	
Carry outstanding balance only to LINE 2, Schedule G, for this form. If on Schedule G, carry forward to amount			

91040340073
 83733550699



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 7, 1990

J. Cal McCastlain, Esq., Treasurer
Wallace, Dover & Dixon Political
Action Committee
3800 TCBY Tower Building
Little Rock, AR 72201

RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer

Dear Mr. McCastlain:

On September 29, 1989, you were notified that the Federal Election Commission had found reason to believe the Wallace, Dover & Dixon Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 16, 1989, the Commission received your request that the Commission take no further action in this matter. Subsequently, on January 30, 1990, the Commission rejected your request that it take no further action in this matter against the Committee and you, as treasurer, and decided to pursue further investigation into the circumstances of this matter.

Pursuant to its investigation of this matter, the Commission has issued the attached interrogatories, which request the Committee to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code. It is requested that you submit all such answers within 15 days of your receipt of this request.

91040340074

J. Cal McCastlain, Esq., Treasurer
Page 2

If you have any questions, please contact Anthony Buckley,
the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Interrogatories

21040340075

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2978

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: J. Cal McCastlain, Esq., Treasurer
Wallace, Dover & Dixon Political Action Committee
425 West Capitol Street
Suite 3800
Little Rock, Arkansas 72201

91040340076

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C., 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

J. Cal McCastlain, Esq., Treasurer
MUR 2978
Page 2

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1988 to January 1, 1989.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent to whom this discovery request is addressed.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

"Committee" shall refer to the Wallace, Dover & Dixon Political Action Committee, and shall be construed to include all predecessor committees including, but not limited to, the House, Wallace & Jewell, P.A. Political Action Committee.

91040340078

J. Cal McCastlain, Esq., Treasurer
MUR 2978
Page 4

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

1. State why the Committee reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace and Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report.
2. State why the Committee reported disbursements totalling \$600 to House, Wallace and Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report.
3. State why the Committee reported a transfer of \$925 from House, Wallace and Jewell, P.A. to the Committee as a loan on the Committee's 1988 October Quarterly Report.
4. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.
5. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 October Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.

91040340079



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 7, 1990

Larry C. Wallace, Esq.
Wallace, Dover & Dixon, P.A.
425 West Capitol Street
Suite 3800
Little Rock, Arkansas 72201

RE: MUR 2978
Wallace, Dover & Dixon, P.A.

Dear Mr. Wallace:

On September 29, 1989, you were notified that the Federal Election Commission had found reason to believe Wallace, Dover & Dixon, P.A. ("the firm") violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. On October 16, 1989, the Commission received your request that the Commission take no further action in this matter. Subsequently, on January 30, 1990, the Commission rejected your request that it take no further action, and decided to pursue further investigation into the circumstances of this matter.

Pursuant to its investigation of this matter, the Commission has issued the attached interrogatories and request for production of documents, which request the firm to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code. It is requested that you submit all such information within 15 days of your receipt of this request.

If you have any questions, please contact Anthony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Interrogatories and Request
for Production of Documents

91040840030

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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) **MUR 2978**
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**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Wallace, Dover & Dixon, P.A.
425 West Capitol Street
Suite 3800
Little Rock, Arkansas 72201

91040840081
In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C., 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1988 to January 1, 1989.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

91040340082

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent to whom this discovery request is addressed.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

"Committee" shall refer to the Wallace, Dover & Dixon Political Action Committee, and shall be construed to include all predecessor committees including, but not limited to, the House, Wallace & Jewell, P.A. Political Action Committee.

"Firm" shall refer to Wallace, Dover & Dixon, P.A., and shall be construed to include all predecessor law firms including, but not limited to, House, Wallace & Jewell, P.A.

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INTERROGATORIES

1. State why the Committee reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace and Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report.
2. State why the Committee reported disbursements totalling \$600 to House, Wallace and Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report.
3. State why the Committee reported a transfer of \$925 from House, Wallace and Jewell, P.A. to the Committee as a loan on the Committee's 1988 October Quarterly Report.
4. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures.
5. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 October Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures.

REQUEST FOR PRODUCTION OF DOCUMENTS

Please provide copies of the following documents:

1. All documents which relate in any way to any agreement between the firm and its shareholders that the firm would forward contributions to the Committee on behalf of the shareholders.
2. All documents which relate in any way to any payments to the Committee by the firm.
3. All documents which relate in any way to the receipt by the firm of "repayments" from the Committee, as reported on the Committee's 1988 April Quarterly Report, 1988 July Quarterly Report, Amended 1988 30 Day Post-General Report, and Amended 1988 Year End Report.
4. All documents which relate in any way to the use of the firm's payroll deduction process for repayments by shareholders of contributions forwarded by the firm to the Committee.

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

CHISENHALL, NESTRUD & JULIAN, P.A.

ATTORNEYS AT LAW
2840 FIRST COMMERCIAL BANK BUILDING
400 WEST CAPITOL
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 372-5800
FAX (501) 372-4941

90MAR-5 AM 10:48

March 2, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90MAR-5 PM 2:05

Mr. Anthony Buckley
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2978

Dear Mr. Buckley:

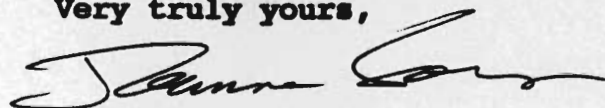
Following my telephone conversation with you of February 12, 1990 wherein I advised you I was unable to read the Quarterly Reports which had been provided with your February 7, 1990 letter, I received photocopies of the Quarterly Reports on February 19, 1990. As I was to respond to the Commission's Interrogatories within 15 days of receipt, I am within 15 days from February 19, 1990, the date of receipt of the needed quarterly reports. I am sure you will agree that I could not respond before I had information I could review.

I hope that you find these Interrogatory Responses in satisfactory form. I am not an attorney and therefore, they are not prepared as an attorney would prepare them. I have answered each question to the best of my ability. I cannot provide you with information as to written documentation, because to my knowledge there was none. All instructions received by me were verbal. Any notes which I may have made should be in the Committee's file folder. Because I resigned employment with Wallace, Dover & Dixon in January, 1989, I do not know the location of the Committee's file. At the time I refused to continue serving as the Committee's Treasurer, I gave the Committee's file to J. Cal McCastlain. The only other written documentation which I can think of would be general ledger postings for House, Wallace & Jewell, P.A. Again, I do not know who would presently have those records. Any general ledger postings would have been made at Mr. Anders' instruction. Mr. Anders left employment of Wallace, Dover & Dixon in approximately October, 1989.

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Should you have any questions, I will do my best to assist you.

Very truly yours,



Joanne Sorn

JS
Enclosures

91040340086

RE: MUR 2978

INTERROGATORY ANSWERS

Definitions:

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatory answers which may otherwise be construed to be out of their scope.

"Committee" shall refer to the Wallace, Dover & Dixon Political Action Committee, and shall be construed to include all predecessor committees including, but not limited to, the House, Wallace, & Jewell, P.A. Political Action Committee.

"HW&J" shall refer to House, Wallace & Jewell, P.A. and shall be construed to include all predecessor and following names of the professional association.

"FEC" shall refer to the Federal Election Commission.

1. State why, as treasurer of the Committee, you reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace & Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loans including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s).

ANSWER: Transfers of \$2,500, \$300 and \$2,200 from HW&J to the Committee were made to fund the Committee's contributions to candidates made from January, 1988 to March, 1988. These transfers were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter. The Committee checking account was normally funded through payroll deductions. The payroll deductions were insufficient to cover that quarter's desired candidate contributions. The transfers/loans were to be repaid through continued payroll deduction of the Committee participants. I do not know who the FEC would call the lender(s), but it would be either HW&J or the Committee participants. Therefore, because of my uncertainty, when referring to loans hereinafter, I will use the word in quotes, i.e. "loans".

It is unknown to me who determined what candidate contributions would be made, or the amounts. It is also unknown to me if all Committee participants were aware of the fact that the Committee did not have adequate funds to cover the contributions made. At all times while I was Treasurer of the Committee, my

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direct supervisors were the President of the Committee, the Vice President of the Committee, who I believe at the time were Larry C. Wallace and Steve L. Riggs, respectively, and Steve Anders, HW&J's Business Manager. Mr. Anders reported directly to Mr. Wallace, who was HW&J's managing partner. All information relayed to me as to candidate contributions to be made and "loans" to be made came from Mr. Wallace, Mr. Riggs and/or Mr. Anders. Mr. Wallace, Mr. Riggs and/or Mr. Anders were well aware of the fact the Committee did not have adequate funds to make the desired contributions. At the very least, Mr. Anders and Mr. Wallace approved the "loans" to the Committee. Because Mr. Anders was HW&J's Business Manager, he was the person who authorized writing the "loan" checks on the HW&J checking account to the Committee. Mr. Anders is presently living in Warren, AR and may be employed by Georgia-Pacific. He is definitely employed by a forest industries/paper products company.

House, Wallace & Jewell, P.A. changed its name to Wallace, Dover & Dixon. Since February, 1990, Wallace, Dover & Dixon is in the process of dissolved.

The Committee participants are as listed on each quarterly report filed with the FEC. Each Committee participant is an attorney. The following is an alphabetical list of the Committee participants' current addresses to the best of my knowledge:

Lawrence E. Chisenhall
Chisenhall, Nestrud & Julian, P.A.
400 W. Capitol, Suite 2840
Little Rock, AR 72201

John Clayton
Wallace & Clayton
425 W. Capitol
Little Rock, AR 72201

J. Bruce Cross
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Donna Galchus
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Russell Gunter
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Don F. Hamilton
Little Rock Wastewater Utility

91040840089

P. O. Box 879
Little Rock, AR 72203

Jim L. Julian
Chisenhall, Nestrud & Julian, P.A.
400 W. Capitol, Suite 2840
Little Rock, AR 72201

Joe Luker
1920 N. Main
North Little Rock, AR 72114

Steven Morley
Morley Law Firm
301 N. Broadway
North Little Rock, AR 72114

Chuck Nestrud
Chisenhall, Nestrud & Julian
400 W. Capitol, Suite 2840
Little Rock, AR 72201

Dean Overstreet
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Joe Purvis
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Charles Reynolds
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Steve Riggs
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Charlie Smith
practicing law somewhere in Benton, AR

Paul Stanfield
Systematics, Inc.
4001 N. Rodney Parham
Little Rock, AR 72211

Scott Vaughn
Hilburn Law Firm

25% OFF
Twin City Bank Building
One Riverfront Place
North Little Rock, AR 72114

Larry C. Wallace
Wallace & Clayton
425 W. Capitol
Little Rock, AR 72201

Ann Wilson
present occupation unknown
Home Address: 804 N. Ash
Little Rock, AR 72205

Carolyn Witherspoon
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Jim Pitts
present addresses unknown, it may
be the same as reported on the
quarterly reports.

John Peace (3rd quarter report)
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

91040340090
All instructions received were verbal. There were no internal memoranda or written procedures. As I was not involved in the HW&J general ledger data input, I do not know where the "loans" were posted to. However, they should be reflected in the HW&J general ledger somewhere pertaining to the Committee. The whereabouts of the HW&J general ledger is unknown to me.

2. State why, as treasurer of the Committee, you reported disbursements totalling \$600 to House, Wallace & Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loan repayments including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s) to whom the repayments were being made.

ANSWER: The \$600 disbursement from the Committee to HW&J resulted from payroll deductions made throughout the quarter. The deductions were credited to HW&J at the instruction of Steve Anders. Based on information from Mr. Anders, it was my understanding the "loans" were to be paid off through the payroll deductions. Mr. Anders further advised me no further substantial

contributions to candidates would be made until the "loan" was repaid. The lenders making the repayments were the Committee participants as listed in the answer to Question No. 1. Each Committee participant had executed a payroll deduction authorization form. Said forms did not state that the deductions were to cover "loans". Other than these payroll deduction authorization forms, and the quarterly reports, to my knowledge there is in existence no written memoranda, correspondence, written procedures, etc. in any fashion pertaining to any subject. All communications were verbal from either Mr. Wallace, Mr. Riggs, or Mr. Anders.

3. State why, as treasurer of the Committee, you reported a transfer of \$925 from House, Wallace & Jewell, P.A. to the Committee as a loan on the Committee's 1988 October Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that this amount was a loan, including, but not limited to, verbal instructions from any superior and internal memorandum or written procedures. Identify who you believed to be the lender(s).

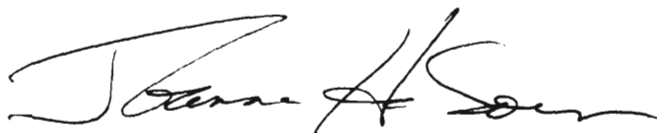
ANSWER: I cannot Answer this question as Treasurer of the Committee as I was not the Treasurer at the time of filing. That return was filed by J. Cal McCastlain, presently employed by Dover & Dixon, 425 W. Capitol, Little Rock, AR 72201. During the third quarter, Mr. Wallace, Mr. Riggs or the Committee participants decided the Committee wanted to make more contributions to candidates once again in excess of the funds available to the Committee. I advised Mr. Wallace, Mr. Riggs, Mr. Anders and Mr. McCastlain there were insufficient funds available to cover the desired contributions and that HW&J had already "loaned" the maximum allowed under FEC rules. I advised each of those gentlemen the only way further political contributions could be made was through increased payroll deductions, when in reality the number of Committee participants was decreasing due to dissatisfaction with the Committee's management and HW&J's management. It was made clear to me by Mr. Anders, Mr. Riggs and/or Mr. Wallace that I may not know what I was talking about and that Mr. McCastlain would look at all applicable regulations to determine if another "loan" could be made. I know that Mr. McCastlain reviewed the FEC Guidelines pamphlet, as well as a volume of the United States Code. After Mr. McCastlain's review, he advised me that the loan could be made. I advised Mr. Riggs, Mr. Anders and Mr. McCastlain I did not believe the loan was proper and that I would not sign the October Quarterly Report and that I resigned as Treasurer of the Committee. I was instructed by Mr. Anders that I would prepare the October Quarterly Report, which I believe I may have done, but once again advised Mr. Anders that I would not sign it. The October Quarterly Report was signed by Mr. McCastlain. Other than those persons named in this Answer, I am not sure if any of the remaining Committee participants were aware of this matter.

4. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.

ANSWER: If I understand your question correctly, the payroll deductions which were reported on the April, 1988 Quarterly Report as contributions were only that - deductions reported as contributions. All "loans" received by the Committee were reported as "loans", not as payroll deductions or contributions. Conversely, payroll deductions were used to repay the loans.

5. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 October Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.

ANSWER: I cannot Answer this question as Treasurer of the Committee as I was not the Treasurer at the time of filing. That return was filed by J. Cal McCastlain, presently employed by Dover & Dixon, 425 W. Capitol, Little Rock, AR 72201. As I stated in Answer to Question #3, I believe I may have prepared the October, 1988 Quarterly Report. As is clear on that report, I did not sign that Report. Based on the belief that I prepared the October, 1988 Quarterly Report, and if I understand your question correctly, the payroll deductions which were reported on the October, 1988 Quarterly Report as contributions were only that - deductions reported as contributions. All "loans" received by the Committee were reported as "loans", not as payroll deductions or contributions. Conversely, payroll deductions were used to repay the "loans".


Joanne H. Sorn

21040340092

066577

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

J. CAL McCASTLAIN
5820 Hawthorne Road
Little Rock, AR 72207

90 MAR 27 AM 10:37

March 23, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE CLERK
90 MAR 27 AM 11:48

Mr. Anthony Buckley
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

Re: MUR 2978/Wallace, Dover & Dixon, P.A.
Political Action Committee and
J. Cal McCastlain as Treasurer

Dear Mr. Buckley:

Enclosed are my responses to your interrogatories regarding the above-described matter. As I indicated earlier, the law firm of Wallace, Dover & Dixon is no longer in operation, and as of March 26, 1990, I will no longer work with any members of that firm.

As I have explained to you and in my Interrogatories, I had no role in the activities involved herein. I would like for this matter to be concluded as soon as possible, and without the mention of my name in any final order or finding.

You can imagine my frustration with this matter, and the distraction it causes from my productive work. However, please consider me as cooperative and willing to assist.

In the event you must correspond with me, please direct all correspondence to the address shown above. I anxiously await your finding that I am no longer involved in this matter.

Sincerely,

J. Cal McCastlain
J. Cal McCastlain

JCM/mke

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**J. CAL MCCAHLAIN
RESPONSE TO INTERROGATORIES
POSED BY THE FEDERAL ELECTION COMMISSION**

INTERROGATORY NO. 1: State why the Committee reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace & Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report.

RESPONSE TO INTERROGATORY NO. 1: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988.

INTERROGATORY NO. 2: State why the Committee reported disbursements totaling \$600 to House, Wallace & Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report.

RESPONSE TO INTERROGATORY NO. 2: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988.

INTERROGATORY NO. 3: State why the Committee reported a transfer of \$925 from House, Wallace & Jewell, P.A. to the Committee as a loan on the Committee's 1988 Quarterly Report.

RESPONSE TO INTERROGATORY NO. 3: My signing of the Federal Election Commission Quarterly Report (FEC Form 3X) of October 15, 1988 for Wallace, Dover & Dixon, P.A. Political Action Committee

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on October 14, 1988 was my first act as Treasurer for that Political Action Committee. Prior to the date of October 14, 1988 I did not participate in or have any knowledge of any of the business affairs of the Wallace, Dover & Dixon, P.A. Political Action Committee. Likewise, prior to October 14, 1988, I neither advised or participated in any fund raising, contributions, accounting, or record keeping conducted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

Information included in the Federal Election Commission Quarterly Report of October 15, 1988 by Wallace, Dover & Dixon, P.A. Political Action Committee represents my interpretation of the information regarding events that occurred prior to my appointment as Treasurer. The information regarding these events was compiled prior to my appointment as Treasurer. I did not participate in nor advise the Political Action Committee in any way prior to October 14, 1988.

The information contained in the Quarterly Report of October, 1988 was already entered into the report form when the form was presented to me by the previous Treasurer, Joann Sorn. Ms. Sorn reviewed the information in the October 1988 report and represented it to be an accurate representation of the facts. The information contained in the form was consistent with the type of transactions represented in the April 1988 Quarterly Report. Given the representations by Ms. Sorn and the consistency between the reports, it appeared that the information presented in the October,

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1988 Report accurately represented the manner in which the various transactions occurred.

INTERROGATORY NO. 4: State whether the amount forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April quarterly report in any way comprised the loans reported as received by the Committee on that same amount. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.

RESPONSE TO INTERROGATORY NO. 4: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988. Also, the law firm of Wallace, Dover & Dixon, P.A. is no longer in operation, and I no longer work with any of the members of that firm. I resigned as Treasurer of the Committee as of February 3, 1990. The winding down of the firm's business, and my lack of access to any of the firm's records prevents me from further supplementing my response.

INTERROGATORY NO. 5: State whether the amounts forwarded by way of payroll deductions which were reported as contributions on a Committee's 1988 quarterly report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.

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RESPONSE TO INTERROGATORY NO. 5: As I indicated in my response to Interrogatory No. 3, the information presented in the October 1988 quarterly report had been compiled and entered into the report when presented to me. I can only attest to the fact that given the explanation by the previous Treasurer and earlier quarterly reports that this information appeared to be accurate. I will attest that the information presented in the 1988 October quarterly report represents my understandings of the transactions that had occurred during the previous quarter.

However, I have no direct knowledge of the intent of the law firm or its partners regarding the information included in the reports of October 15, 1988. As I indicated in my response to Interrogatory No. 4, the law firm of Wallace, Dover & Dixon, P.A. is no longer in business and I resigned as Treasurer of the Wallace, Dover & Dixon, P.A. Political Action Committee as of February 3, 1990. I no longer work with any members of that firm. I do not have access to any records that can be used to supplement my responses herein.

ADDITIONAL RESPONSE: I had no involvement whatsoever in any of the activities or transactions reported by the Wallace, Dover & Dixon, P.A. Political Action Committee quarterly reports of April and October, 1988. Inasmuch as I never was a shareholder in that firm, and I never attended a shareholder meeting, I have no direct knowledge of the intent of that law firm or its shareholders regarding the operation of the Political Action Committee or transactions involving the Committee.

As a new associate in the firm, I was appointed Treasurer of the Committee on October 14, 1988 and directed, ironically, to ensure that the Committee complied with election laws. I tried diligently to clear up this matter. I find it regrettable, in the least, that given the reason for my appointment as Treasurer, and the fact that I had no role whatsoever in the activities in question, that I have been named personally as having violated the United States Code.

I request that the Commission find that I had no role in these activities, and that no further action or response is required on my part, and that I not be named in any findings.

J. Cal McCastlain
5820 Hawthorne
Little Rock, AR 72207

J. Cal McCastlain
J. Cal McCastlain

STATE OF ARKANSAS)
COUNTY OF PULASKI)

I, J. Cal McCastlain, hereby state on oath that I have read the foregoing Response to Interrogatories and the facts contained therein are true and correct to the best of my knowledge and belief.

J. Cal McCastlain
J. Cal McCastlain

SUBSCRIBED AND SWORN TO before me this 23rd day of March, 1990.

Marian Eades
Notary Public

My Commission Expires:

1-17-92

WASHINGTON OFFICE
JAMES T. FITTS
1400 L STREET, N.W.
WASHINGTON, D.C. 20005
(202) 571-0000
TELEX 440074 INTLAW LN
TELECOPIER (202) 571-0000

WALLACE & CLAYTON, P.A.

ATTORNEYS AT LAW
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
SUITE 3800
425 WEST CAPITOL AVENUE
LITTLE ROCK, ARKANSAS 72201
TELECOPIER (501) 372-1835
(501) 375-4100

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 APR -2

CROSBETT OFFICE
RONALD EARL GRIFFIN
BILLY J. HUBBELL
LINDA K. SYNGOTT
301 MAIN STREET
CROSBETT, AR 71606
(501) 284-2111

March 27, 1990

VIA CERTIFIED MAIL

Ms. Lois G. Lerner
Associate General Counsel
Federal Election Commission
Washington, D. C. 20463

Re: MUR 2978
Wallace, Dover & Dixon, P.A.

Dear Ms. Lerner:

I resigned as a shareholder, officer and director of Wallace, Dover & Dixon, P. A. on January 22, 1990. All books and records of the corporation are maintained by Mr. Darrell Dover of the firm of Dover & Dixon, P. A., 3700 TCBY Tower, Little Rock, Arkansas 72201.

Please forward all correspondence to his attention. Thank you.

Sincerely,

Larry C. Wallace
Larry C. Wallace

LCW:trc

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90 APR -2 PM 2:31

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 JUN 20 AM 9:38

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Dover & Dixon, P.A. (formerly Wallace,
Dover & Dixon, P.A.)
Wallace, Dover & Dixon Political
Action Committee and J. Cal McCastlain,
as treasurer

SENSITIVE

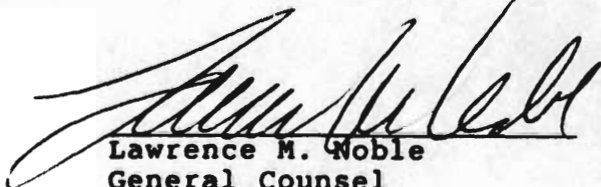
MUR 2978

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to all respondents, based on the assessment of the information presently available.

Date

6/20/90


Lawrence M. Noble
General Counsel

91040340100

90 AUG -2 PM 4:27



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1990

MEMORANDUM

TO: The Commission
FROM: Lawrence M. Noble
General Counsel *LMN*
SUBJECT: MUR 2978

Attached for the Commission's review are two briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on August 2, 1990. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to respondents

Staff person: T. Buckley

91040840101



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 2, 1990

**Darrell Dover, Esq.
Dover & Dixon, P.A.
3700 TCBY Tower
Little Rock, Arkansas 72201**

**RE: MUR 2978
Dover & Dixon, P.A.**

Dear Mr. Dover:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by J. Cal McCastlain, Joanne Sorn and Larry C. Wallace, on September 1, 1989, the Federal Election Commission found reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred. Because this Office has been informed that the firm of Wallace, Dover & Dixon, P.A. has been dissolved and that all books and records of that corporation are now maintained by the firm of Dover & Dixon, P.A., the Office of the General Counsel has substituted Dover & Dixon, P.A. as the corporate respondent in this matter.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing

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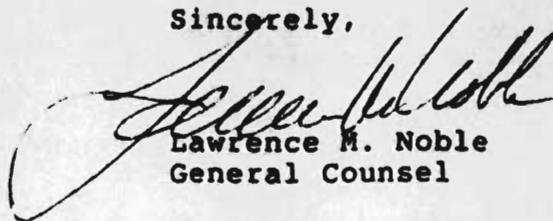
Darrell Dover, Esq.
Page 2

five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

91040840103

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dover & Dixon, P.A. (formerly) MUR 2978
Wallace, Dover & Dixon, P.A.)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

91040840104
The Wallace, Dover & Dixon Political Action Committee (the "Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans from the Committee's connected organization, Wallace, Dover & Dixon, P.A. (the "firm"), now Dover & Dixon, P.A.,¹ in violation of 2 U.S.C. § 441b(a). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989.

On September 1, 1989, the Commission found reason to believe that the firm had violated 2 U.S.C. § 441b(a) by making corporate contributions to the Committee. This Office received responses to this finding on October 16, 1989, in which Larry C. Wallace, the managing partner of the firm, requested that the

1. On April 2, 1990, this Office was informed that the firm of Wallace, Dover & Dixon, P.A. has apparently been dissolved and that all books and records of that corporation are now maintained by Mr. Darrell Dover of the firm of Dover & Dixon, P.A. It thus appears that Dover & Dixon, P.A. is the successor firm and, accordingly, it has been substituted as the corporate respondent in this matter.

Commission find that no violation had occurred and that no further action be taken against the firm. Affidavits were submitted by Mr. Wallace and J. Cal McCastlain, in which they contended that the information contained in the Committee's reports, which served as the basis for the Commission's finding of reason to believe, was in error.

According to Mr. Wallace's affidavit, the 1988 April and October Quarterly Reports were in error to the extent they indicated that the firm loaned funds to the Committee, and to the extent they indicated that the Committee was repaying the firm for any such loans. As Mr. Wallace explained, "[f]unds contributed to the PAC and the subject of such reports actually represent personal contributions to the PAC by the Shareholders of the Firm," and the shareholders "funded their respective contributions by receiving advances from the Firm." Further, "[i]nstead of writing separate checks to each Shareholder, the Firm merely acted as an agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions." Finally, as regards these transactions, Mr. Wallace stated that the "Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds."

Subsequently, on January 30, 1990, the Commission rejected Respondent's request that it take no further action and, because

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the responses were at odds with the Committee's reports and thus rendered difficult a complete understanding of what had occurred, the Commission also authorized interrogatories and requests for production of documents to be sent to the firm, the Committee, and Joanne Sorn, the former treasurer of the Committee.

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A response was received from Ms. Sorn on March 5, 1990. She stated that "[loans] of \$2,500, \$300 and \$2,200 from [House, Wallace & Jewell, P.A.]² to the Committee were made to fund the Committee's contributions to candidates from January, 1988 to March, 1988. These [loans] were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter." Ms. Sorn continued by saying that the Committee account was normally funded through payroll deductions, but that what had been received from payroll deductions had been insufficient to cover the desired contributions for that quarter. "The transfers/loans were to be repaid through continued payroll deduction of the Committee participants." Ms. Sorn stated further that the loan of \$925 from the firm to the Committee which was reported on the 1988 October Quarterly Report was handled in a similar fashion, with the Committee wanting to make contributions for which it had inadequate funds. As a result, the firm again lent monies to the Committee for the purpose of making these contributions, and the Committee again repaid these loans through monies received

2. House, Wallace and Jewell, P.A. is the predecessor law firm to Wallace, Dover & Dixon, P.A.

from shareholders by means of subsequent payroll deductions.³

While a response was received from Mr. Wallace on April 2, 1990, he merely stated that he had resigned as a shareholder, officer and director of Wallace, Dover & Dixon, P.A. in January, 1990. Dover & Dixon, P.A. has not responded. Respondent has not changed its original assertion that no violation occurred and that the Commission should take no further action.

II. ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with a federal election. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. While a connected organization may pay the administrative costs of its separate segregated fund, for such payment to be legally sufficient the connected organization must either pay the expenses directly or deposit funds in an account segregated from voluntary contributions received by the fund. See, e.g., MUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988

3. Ms. Sorn claims that she did not believe that the loans reported on the 1988 October Quarterly Report were permissible. Her understanding, however, was not based on the fact that illegal corporate contributions were involved, but rather on the belief that the firm "had already 'loaned' the maximum allowed under FEC rules."

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loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. As the response of Joanne Sorn makes clear, these loans were not used for the one legitimate purpose allowed of transfers from a corporation to its separate segregated fund, i.e., payment of the administrative costs of the Committee. Instead, they were used directly by the Committee to make contributions in the absence of sufficient voluntary contributions. The other two affidavits submitted do not dispute this. Accordingly, the making of these corporate loans constituted a violation of 2 U.S.C. § 441b(a). This Office recommends that the Commission find that there is probable cause to believe that Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a) by making corporate contributions totalling \$5945.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).

Date

8/2/90


Lawrence M. Noble
General Counsel



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 2, 1990

**J. Cal McCastlain, Treasurer
Wallace, Dover & Dixon Political
Action Committee
3800 TCBY Tower Building
Little Rock, AR 72201**

**RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer**

Dear Mr. McCastlain:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by J. Cal McCastlain, Larry C. Wallace and Joanne Sorn, on September 1, 1989, the Federal Election Commission found reason to believe that the Wallace, Dover & Dixon Political Action Committee ("Committee") and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. § 441b(a) has occurred. In addition, because the Office of the General Counsel has been informed that the Committee's connected organization is no longer known as Wallace, Dover & Dixon, P.A., and because the Committee has not changed its name, the Office of the General Counsel is further prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. § 433(c) has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the

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J. Cal McCastlain, Treasurer
Page 2

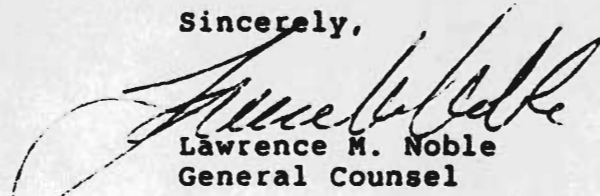
Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

91040840110

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Wallace, Dover & Dixon Political) MUR 2978
Action Committee and J. Cal McCastlain,)
as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

91040840111
The Wallace, Dover & Dixon Political Action Committee (the "Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans from the Committee's connected organization, Wallace, Dover & Dixon, P.A. (the "firm"), now Dover & Dixon, P.A.,¹ in violation of 2 U.S.C. § 441b(a). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989.

On September 1, 1989, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441b(a) by accepting corporate contributions. This Office received the responses to this finding on October 16, 1989, in which Respondents requested that the Commission find that no violation

1. On April 2, 1990, this Office was informed that the firm of Wallace, Dover & Dixon, P.A. has apparently been dissolved and that all books and records of that corporation are now maintained by Mr. Darrell Dover of the firm of Dover & Dixon, P.A. It thus appears that Dover & Dixon, P.A. is the successor firm.

had occurred and that no further action be taken against them. Respondents submitted affidavits by Larry C. Wallace, managing partner of the firm, and J. Cal McCastlain, in which they contended that the information contained in the Committee's reports, which served as the basis for the Commission's finding of reason to believe, was in error. Respondents further endeavored to relieve Mr. McCastlain of any liability by noting that he was not treasurer when any of the violations occurred.

According to Mr. Wallace's affidavit, the 1988 April and October Quarterly Reports were in error to the extent they indicated that the firm loaned funds to the Committee, and to the extent they indicated that the Committee was repaying the firm for any such loans. As Mr. Wallace explained, "[f]unds contributed to the PAC and the subject of such reports actually represent personal contributions to the PAC by the Shareholders of the Firm," and the shareholders "funded their respective contributions by receiving advances from the Firm." Further, "[i]nstead of writing separate checks to each Shareholder, the Firm merely acted as an agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions." Finally, as regards these transactions, Mr. Wallace stated that the "Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds."

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Subsequently, on January 30, 1990, the Commission rejected Respondents' request that it take no further action and, because the responses were at odds with the Committee's reports and thus rendered difficult a complete understanding of what had occurred, the Commission also authorized interrogatories and requests for production of documents to be sent to the firm, the Committee, and Joanne Sorn, the former treasurer of the Committee.

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A response was received from Ms. Sorn on March 5, 1990. She stated that "[loans] of \$2,500, \$300 and \$2,200 from [House, Wallace & Jewell, P.A.]² to the Committee were made to fund the Committee's contributions to candidates from January, 1988 to March, 1988. These [loans] were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter." Ms. Sorn continued by saying that the Committee account was normally funded through payroll deductions, but that what had been received from payroll deductions had been insufficient to cover the desired contributions for that quarter. "The transfers/loans were to be repaid through continued payroll deduction of the Committee participants." Ms. Sorn stated further that the loan of \$925 from the firm to the Committee which was reported on the 1988 October Quarterly Report was handled in a similar fashion, with the Committee wanting to make contributions for which it had inadequate funds. As a result, the firm again lent monies to

2. House, Wallace and Jewell, P.A. is the predecessor law firm to Wallace, Dover & Dixon, P.A.

the Committee for the purpose of making these contributions, and the Committee again repaid these loans through monies received from shareholders by means of subsequent payroll deductions.³

A separate response was received from Mr. McCastlain on March 27, 1990. He stated that he has no knowledge of the violations, as he was not involved with the Committee at the times they occurred.⁴ Mr. McCastlain also claims to have resigned as treasurer on February 3, 1990, but no amended Statement of Organization reflecting a change in the treasurer has been received. No party has changed its original assertion that no violation occurred and that the Commission should take no further action.

II. ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that

3. Ms. Sorn claims that she did not believe that the loans reported on the 1988 October Quarterly Report were permissible. Her understanding, however, was not based on the fact that illegal corporate contributions were involved, but rather on the belief that the firm "had already 'loaned' the maximum allowed under FEC rules."

4. Mr. McCastlain's assertions as to lack of culpability are questionable since he signed the October 1988 Quarterly Report as treasurer, and since Ms. Sorn states that she prepared that report after being told by Mr. McCastlain that the loan reported therein was legal.

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fund. While a connected organization may pay the administrative costs of its separate segregated fund, for such payment to be legally sufficient the connected organization must either pay the expenses directly or deposit funds in an account segregated from voluntary contributions received by the fund. See, e.g., MUR 1544.

Pursuant to 2 U.S.C. § 432(e)(5), the name of any separate segregated fund must include the name of its connected organization. Pursuant to 2 U.S.C. § 433(c), a change in information previously submitted in a statement of organization of a political committee, including the name of that committee, must be submitted to the Commission no later than ten days after the date of the change.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. As the response of Joanne Sorn makes clear, these loans were not used for the one legitimate purpose allowed of transfers from a corporation to its separate segregated fund, i.e. payment of the administrative costs of the Committee. Instead, they were used directly by the Committee to make contributions in the absence of sufficient voluntary contributions. The other two affidavits submitted do not dispute this. Accordingly, the acceptance of these

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corporate loans constituted a violation of 2 U.S.C. § 441b(a). Additionally, the former managing partner of the firm has stated that the firm of Wallace, Dover & Dixon, P.A. no longer exists and has been replaced by Dover & Dixon, P.A. No amendment to the Committee's statement of organization renaming the Committee has been received by the Commission. This Office recommends that the Commission find that there is probable cause to believe that the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions totalling \$5,945, and violated 2 U.S.C. § 433(c) by failing to amend the statement of organization to reflect a new name for the Committee.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. §§ 433(c) and 441b(a).

Date

8/2/90


Lawrence M. Noble
General Counsel

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HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

OGC 7232

DOVER & DIXON
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

425 WEST CAPITOL
SUITE 3700
LITTLE ROCK, ARKANSAS 72201

90 AUG -8 AM 10:41

DARRELL D. DOVER
PHILIP E. DIXON
THOMAS S. STONE
STEVE L. RISS
JOSEPH H. PURVIS
JOHN S. PEACE
WM. DEAN OVERSTREET
GARY S. ROGERS
W. MICHAEL REIF
DAVID A. COUCH
KATHLEEN R. BRANDON
SUZANNE ANTLEY
M. DARREN O'BRIEN
MONTE D. ESTES

TELEPHONE (501) 375-9181
TELECOPIER (501) 375-6484

OF COUNSEL
W. HORACE JEWELL
JAMES R. RHODES, III

August 7, 1990

VIA FEDERAL EXPRESS

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2978
Dover & Dixon, P.A.

Dear Mr. Noble:

I just received your letter dated August 2, 1990 regarding your recommendation that the Federal Election Commission find probable cause that a violation of the Federal election laws has occurred.

The information contained in the second paragraph of your letter is incorrect. Although the law firm of Wallace, Dover & Dixon, P.A. is in the process of liquidation, it has not been dissolved and the books and records of that corporation are not being maintained by the firm of Dover & Dixon, P.A. In fact, Dover & Dixon, P.A. is a professional corporation which was formed on February 1, 1990, and is only one of three law firms formed by former shareholders of Wallace, Dover & Dixon, P.A.

Since this is the first information we have received regarding this matter, we will need additional time to file a responsive brief. Your letter indicated that the Office of General Counsel would grant extensions of up to 20 days to file such a responsive brief. We request the maximum extension, which we will need to investigate the facts contained in your letter and attached brief.

RECEIVED COMMISSION
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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Mr. Lawrence M. Noble
August 7, 1990
Page Two

Specifically, we will need copies of the three affidavits mentioned in your letter which were supplied by J. Cal McCastlain, Joanne Sorn and Larry C. Wallace. You also indicated that you had received information on April 2, 1990 that Dover & Dixon, P.A. was the successor law firm to Wallace, Dover & Dixon, P.A., which is not correct. Please send me a copy of the information you obtained on April 2, 1990 if it is in writing, and if it is not in writing please send me a letter detailing how the information was received and the substance of any telephone conversations.

I will look forward to your response.

Sincerely,

DOVER & DIXON, P.A.



Darrell D. Dover

cc: Mr. Tony Buckley

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

J. Cal McCastlain
5820 Hawthorne Road
Little Rock, Arkansas 72207

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August 10, 1990

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2978, Wallace, Dover & Dixon Political Action
Committee and J. Cal McCastlain as Treasurer

Dear Mr. Noble:

I am in receipt of your letter of August 2, 1990 regarding the above-described matter. I am hereby requesting the maximum extension of time allowed for responding to your letter. Also, I request the opportunity to review any and all information you have regarding this matter. Please forward to me at the above address any and all information regarding this matter, including, but not limited to, any information submitted by Larry C. Wallace and Joanne Sorn.

I look forward to your response.

Sincerely,



J. Cal McCastlain

JCM/vdv

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OFFICE OF GENERAL COUNSEL
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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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FEDERAL ELECTION COMMISSION
SECRETARIAT

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SENSITIVE

August 28, 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner *LP*
Associate General Counsel

SUBJECT: MUR 2978
Dover & Dixon, P.A.
Wallace, Dover & Dixon Political Action
Committee and J. Cal McCastlain, as treasurer
Requests for Discovery Materials and
Extensions of Time

I. BACKGROUND

On August 2, 1990, this Office mailed the General Counsel's Brief and letter to Darrell Dover, Esq., a named partner of Respondent Dover & Dixon, P.A. The Commission had originally found reason to believe against Wallace, Dover & Dixon, P.A., but substituted Dover & Dixon, P.A. as the corporate respondent when the Commission was informed that Wallace, Dover & Dixon, P.A. had been dissolved and that its books and records were being maintained by the firm of Dover & Dixon, P.A. The letter and brief informed Mr. Dover that this Office is prepared to recommend the Commission find probable cause to believe that Respondent violated 2 U.S.C. § 441b(a). On August 8, 1990, this Office received a letter from Mr. Dover on behalf of Respondent.

Also on August 2, 1990, this Office mailed the General Counsel's Brief and letter to J. Cal McCastlain, treasurer of Respondent Wallace, Dover & Dixon, P.A. A letter was received in this Office from Mr. McCastlain on August 13, 1990.

II. ANALYSIS

In his letter, Mr. Dover disputes that Respondent Dover & Dixon, P.A. is the successor firm to Wallace, Dover and Dixon, P.A. and that the books and records of Wallace, Dover and Dixon, P.A. are being maintained by this Respondent. In this regard, Mr. Dover requests (1) that this Respondent be sent copies of

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certain discovery materials generated in this matter relating to the relationship between these two law firms, and (2) that this Respondent be given an extension of time of 20 days after receipt of those materials to respond to the General Counsel's Brief. This Office has identified the following documents as responsive to Mr. Dover's request: the letter and accompanying affidavit submitted on October 13, 1989 by Larry C. Wallace; the letter and accompanying affidavits submitted on October 13, 1989 by J. Cal McCastlain; the interrogatory responses of J. Cal McCastlain and Joanne Sorn; and the March 27, 1990 letter of Larry C. Wallace. These documents are attached hereto. Attachment 3.

Mr. McCastlain has requested (1) the opportunity to review any and all information regarding this matter, and (2) an extension of time of the maximum amount to respond to the General Counsel's Brief.

In S.E.C. v. O'Brien, 467 U.S. 735 (1984), the Supreme Court determined that an administrative agency is not required to inform the target of an investigation of actions taken in furtherance of that investigation. Broadly read, O'Brien would seem to support the notion that the Commission is not obligated to provide Respondent with the requested documentation.

Although neither Respondent appears to be legally entitled to the requested information, this Office believes that the request of Respondent Dover & Dixon, P.A. should nevertheless be granted. Since, in our view, the two law firms are one and the same, Dover & Dixon, P.A. should be provided the documents previously submitted on behalf of Wallace, Dover & Dixon, P.A. as a matter of fairness. Additionally, for this Respondent to have a proper understanding of this matter, this Office believes that the other materials requested, namely the interrogatory responses of J. Cal McCastlain and Joanne Sorn and the subsequent letter of Larry C. Wallace, should also be provided. At a minimum, providing these materials will enable Dover & Dixon, P.A. to clarify the relationship between the two firms, if any. However, the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, have not demonstrated any special circumstances which justify the release of investigatory materials to them. Accordingly, this Office believes that their request should be denied.

Both Respondents will understandably require additional time to construct their responses in light of the Commission's action. Accordingly, this Office further recommends that the

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Commission grant all respondents extensions of 20 days from their receipt of the Commission's notification letters.

III. RECOMMENDATIONS

1. Authorize the Office of the General Counsel to provide the requested material to Dover & Dixon, P.A.
2. Deny the discovery request of J. Cal McCastlain.
3. Grant an extension of 20 days from Respondents' receipts of the Commission's notification letters.
4. Approve the appropriate letters.

Attachments

1. August 7, 1990 letter
2. August 10, 1990 letter
3. Documents requested by Dover & Dixon, P.A.

Staff assigned: Tony Buckley

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Dover & Dixon, P.A.; Wallace, Dover
& Dixon Political Action Committee
and J. Cal McCastlain, as treasurer.

)
)
) MUR 2978
)
)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 31, 1990, the Commission decided by a vote of 5-0 to take the following actions in MUR 2978:

1. Authorize the Office of the General Counsel to provide the requested material to Dover & Dixon, P.A.
2. Deny the discovery request of J. Cal McCastlain.
3. Grant an extension of 20 days from Respondents' receipts of the Commission's notification letters.

(continued)

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Federal Election Commission
Certification for MUR 2978
August 31, 1990

Page 2

4. Approve the appropriate letters, as recommended in the General Counsel's memorandum dated August 28, 1990.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens did not cast a vote.

Attest:

8-31-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Wed., August 29, 1990 11:14 a.m.
Circulated to the Commission:	Wed., August 29, 1990 4:00 p.m.
Deadline for vote:	Fri., August 31, 1990 4:00 p.m.

dr

91040840124



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 11, 1990

J. Cal McCastlain, Esq.
5820 Hawthorne Road
Little Rock, Arkansas 72207

RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer

Dear Mr. McCastlain:

This is in response to your letter dated August 10, 1990, which we received on August 13, 1990, requesting an extension of time in which to respond to the General Counsel's Brief recommending that the Federal Election Commission find probable cause to believe that the Wallace, Dover & Dixon Political Action Committee and you, as treasurer, violated 2 U.S.C. § 441b(a), and further requesting certain materials from the Commission's investigatory files. After considering the circumstances presented in your letter, the Commission has rejected your request for discovery materials, but has granted the requested extension. Accordingly, your response is due 20 days from your receipt of this letter.

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

91040840125



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 11, 1990

Darrell D. Dover, Esq.
Dover & Dixon, P.A.
425 West Capitol
Suite 3700
Little Rock, Arkansas 72201

RE: MUR 2978
Dover & Dixon, P.A.

Dear Mr. Dover:

This is in response to your letter dated August 7, 1990, which we received on August 8, 1990, requesting an extension of 20 days to respond to the General Counsel's Brief recommending that the Federal Election Commission find probable cause to believe that Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a), and further requesting certain materials from the Commission's investigatory files. After considering the circumstances presented in your letter, the Commission has granted the request for documents. The Commission has identified the following documents as responsive to your request: letter and accompanying affidavit submitted on October 13, 1989 by Larry C. Wallace; letter and accompanying affidavits submitted on October 13, 1989 by J. Cal McCastlain; letter and interrogatory responses submitted on March 2, 1990 by Joanne Sorn; letter and interrogatory responses submitted on March 23, 1990 by J. Cal McCastlain; and the March 27, 1990 letter of Larry C. Wallace.

Likewise, the Commission has granted your request for an extension of time in which to respond. Accordingly, your response is due 20 days from your receipt of this letter.

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosures

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

DOVER & DIXON
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
425 WEST CAPITOL
SUITE 3700

LITTLE ROCK, ARKANSAS 72201

90 OCT -1 AM 9:19

DARRELL D. DOVER
PHILIP E. DIXON
THOMAS S. STONE
STEVE L. ROSS
JOSEPH H. PURVIS
JOHN B. PEACE
WM. DEAN OVERSTREET
GARY S. ROGERS
W. MICHAEL REIF
DAVID A. COUCH
KATHLEEN R. BRANDON
SUZANNE ANTLEY
M. DARREN O'QUINN
MONTE D. ESTES

TELEPHONE (501) 375-8181
TELECOPIER (501) 375-8484

OF COUNSEL
W. HORACE JEWELL
JAMES R. RHODES, III

September 27, 1990

90 OCT -1 AM 11:38

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Secretary
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Re: MUR 2978
Dover & Dixon, P.A.

Dear Sir or Madame:

Please find enclosed an original and ten copies of a Reply Brief on behalf of Dover & Dixon, P.A. in the above matter.

By copy of this letter, we are also sending three copies of the enclosed Reply Brief to the Office of the General Counsel, as requested by the General Counsel's letter dated August 2, 1990 addressed to Mr. Darrell Dover.

Please contact me if anything further is needed at this time.

Sincerely,

DOVER & DIXON, P.A.

John B. Peace

JBP/mke

Enclosures

cc: Mr. Darrell Dover

Mr. Tony Buckley ✓
Office of the General Counsel

91040840127

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF
DOVER & DIXON, P.A.

)
)
)

MUR 2978

REPLY BRIEF OF DOVER & DIXON, P.A.

I. STATEMENT OF THE CASE

Neither Dover & Dixon, P.A. (hereinafter referred to as the "Respondent", nor any of its directors, shareholders or officers, has any firsthand knowledge regarding the facts contained in the General Counsel's Brief. Accordingly, the Respondent will not attempt to respond to any of the statements alleged by the General Counsel regarding violations allegedly committed by the Wallace, Dover & Dixon Political Action Committee (the "Committee"). The purpose for filing this reply brief is simply to lodge our objection to the Respondent being substituted as the corporate respondent in place of Wallace, Dover & Dixon, P.A.

The Respondent was incorporated in Arkansas on February 1, 1990. Attached hereto and labeled Exhibit A, is a copy of the Certificate of Incorporation. Also attached hereto as Exhibit B is a Certificate of Good Standing from the Arkansas Secretary of State noting that Wallace, Dover & Dixon, P.A. is a valid corporation and presently in good standing in the State of Arkansas.

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There is no basis in fact for the allegation that the Respondent is a "successor" to Wallace, Dover & Dixon, P.A. The only conceivable piece of evidence in the materials supplied by the General Counsel is a letter dated March 27, 1990 from Larry C. Wallace to Ms. Lois G. Lerner, which stated that all books and records of Wallace, Dover & Dixon, P.A. were being maintained by Mr. Darrell Dover of the firm of Dover & Dixon, P.A. While that statement in itself is not correct, even if it was accurate it would not be sufficient to sustain an argument that the Respondent is a "successor" to Wallace, Dover & Dixon, P.A.

On January 31, 1990, the Board of Directors and the Shareholders of Wallace, Dover & Dixon, P.A., voted to have the corporation cease the active practice of law as of the close of business on January 31, 1990, and to continue as an entity for the sole purpose of liquidating assets, paying debts, and doing such other acts and things as necessary in accordance with the Arkansas Corporate Code. The corporation was not dissolved. Since January 31, 1990, the corporation has in fact been liquidating its assets and applying the proceeds to the payment of various debts of the corporation. A three person committee consisting of Darrell Dover, Dean Overstreet and Charles Reynolds was named to supervise the orderly liquidation of assets and payment of debts.

Subsequent to January 31, 1990, several of the former shareholders of Wallace, Dover & Dixon, P.A. established new and distinct law practices. Three of the larger groups establishing such practices were the Respondent (having nine shareholders which

were formerly shareholders of Wallace, Dover & Dixon, P.A.), Wallace & Clayton, P.A. and Cross & Gunter, P.A. None of these new law firms is a "successor" to Wallace, Dover & Dixon, P.A.

On July 30, 1990, the liquidating agents for Wallace, Dover & Dixon, P.A. filed FEC Form 3X with the Federal Election Commission, noting that the Committee had cash on hand of approximately \$3,600. The Federal Election Commission was notified that the residual funds of the Committee would be paid to Wallace, Dover & Dixon, P.A. as the sponsoring employer of the Committee. Subsequent to filing that report, the Respondent received the general counsel's letter dated August 2, 1990 and attached brief. In light of that development, the Respondent understands that the liquidating agents have decided to refrain from disbursing any funds of the Committee pending a resolution of this matter. If a fine is to be levied, it should be levied against the Committee or against Wallace, Dover & Dixon, P.A., but not against the Respondent.

II. ANALYSIS

The General Counsel correctly states that, under 2 U.S.C. §441b(a), it is unlawful for any corporation to make a contribution in connection with a federal election. However, the General Counsel clearly states that it was Wallace, Dover & Dixon, P.A. which made such payments to the Committee, and not the Respondent.

Since the Respondent was not even in existence when the alleged payments occurred, it cannot possibly be liable for these transactions.

III. REQUESTED ACTION

1. Dover & Dixon, P.A. should be dismissed as a respondent in this matter.
2. Wallace, Dover & Dixon, P.A. should be named as the proper connected organization to the Wallace, Dover & Dixon Political Action Committee.

DATE: _____

9/27/90

DOVER & DIXON, P.A.

By: _____

John B. Peace
John B. Peace
Dover & Dixon, P.A.
425 W. Capitol, Suite 3700
Little Rock, AR 72201
(501) 375-9151

21040840131

EXHIBIT "A"

STATE OF ARKANSAS



W. J. "Bill" McCuen
Secretary of State

To All to Whom These Presents Shall Come, Greetings:

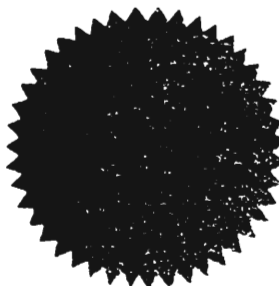
I, Bill McCuen, Secretary of State of the State of Arkansas, do hereby certify that the following and hereto attached instrument of writing is a true and perfect copy of

ARTICLES OF INCORPORATION

OF

DOVER & DIXON, P.A.

Original Articles filed:
February 1, 1990



*In Testimony Whereof, I have hereunto
set my hand and affixed my official Seal.
Done at office in the City of Little Rock,
this 1st day of February 19 90*

Bill McCuen

Secretary of State

91040340132

ARTICLES OF INCORPORATION
OF
DOVER & DIXON, P.A.

CORPORATION
NO. 1211
FEB 1 9 43 AM '90

The undersigned natural person of the age of twenty-one years or more, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the Arkansas Professional Corporation Act and the Arkansas Business Corporation Act, hereby certifies as follows:

1. The name of the corporation is Dover & Dixon, P.A.
2. The nature of the business of the corporation and the objects or purposes to be transacted, promoted or carried on by it, are as follows:

- (a) To own, operate, and maintain an establishment for the rendering of legal services;
- (b) To conduct any other business enterprise not contrary to law;
- (c) To buy, sell, lease, use, develop, mortgage, improve and otherwise deal in and dispose of all types of real or personal property in connection with the conduct of business enterprise carried on by the corporation; and
- (d) To exercise all of the powers enumerated in the Arkansas Professional Corporation Act and the Arkansas Business Corporation Act.

3. The period of existence of this corporation shall be perpetual.

4. The registered office of this corporation shall be located at 425 West Capitol, Suite 3800, Little Rock, Arkansas

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72201 and the name of the registered agent of this corporation at that address is Darrell D. Dover.

5. The total amount of the authorized capital stock of this corporation is 10,000 shares of common stock with \$1.00 par value each.

6. The number of Directors constituting the initial Board of Directors shall be one.

7. All shareholders shall be entitled to cumulate their votes for Directors.

8. The corporation elects to have preemptive rights.

9. The President and Secretary of the corporation shall have the authority on behalf of the corporation to enter into any contract between the corporation and all of its shareholders (a) vivos, by inheritance or testamentary gift), hypothecation or other disposition of its shares; (b) granting purchase options to the corporation or its shareholders with respect to its shares; or (c) requiring the corporation or its shareholders to purchase such shares upon stated contingencies.

10. No contract entered into by this corporation shall be invalid or unenforceable because of the interest of any Director in the contract, either directly or indirectly.

11. To the fullest extent permitted by the Arkansas Business Corporation Act as it now exists or may hereafter be amended, a Director of this corporation shall not be liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a Director.

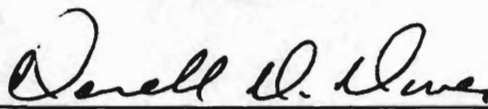
12. The corporation may indemnify any person who was, or is, a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding to the fullest extent permitted by the Arkansas Business Corporation Act as it now exists or may hereafter be amended.

13. The name and post office address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Darrell D. Dover	425 West Capitol, Suite 3800 Little Rock, Arkansas 72201

14. All of the officers, directors and shareholders of this corporation shall at all times be persons licensed to practice law in the State of Arkansas.

SIGNED this 1st day of February, 1990.



Darrell D. Dover
Incorporator

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF PULASKI)

On this day before me, the undersigned officer, personally appeared Darrell D. Dover, to me personally well known to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he had executed the same for the consideration and purposes therein contained.

WITNESS my hand and official seal this 1st day of Feb., 1990.

Marian Eades
Notary Public

My Commission Expires:
1/17/92

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W. J. "Bill" McCuen
SECRETARY OF STATE

State of Arkansas
SECRETARY OF STATE

State Capitol
Little Rock, Arkansas 72201-1094

EXHIBIT "B"

CERTIFICATE OF GOOD STANDING

OF A

DOMESTIC CORPORATION

I, Bill McCuen, Secretary of State of the State of Arkansas, and as such, keeper of the records of domestic and foreign corporations, do hereby certify that the records of this office show:

WALLACE DOVER & DIXON, P.A.

a corporation chartered under the laws of the State of ARKANSAS,
filed Articles of Incorporation AUGUST 29, 1980

I further certify that as far as the records show, this corporation is at this time chartered and in good standing, having met all the requirements governing a domestic corporation in this State.

In Testimony Whereof, I have hereunto set my hand and official seal, on this, the
26TH day of SEPTEMBER, 19 90

W. J. "BILL" MCCUEN

W. J. "Bill" McCuen, Secretary of State

by:

Diane Hartwick

Corporations Division

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OGC 8067

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

J. Cal McCastlain
24th Floor
First Commercial Building
Little Rock, Arkansas 72201

99 OCT -3 AM 10:20

October 2, 1990

HAND DELIVERED

Mr. Anthony Buckley
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Wallace, Dover & Dixon Political Action Committee, and
J. Cal McCastlain, as Treasurer; No. MUR 2978

Dear Mr. Buckley:

Attached hereto is my response to the General Counsel's brief
submitted to the Federal Election Commission. Please let me know
if you need any additional information.

Sincerely,



J. Cal McCastlain

JCM/ad
enclosure

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF

WALLACE, DOVER & DIXON
POLITICAL ACTION COMMITTEE, and
J.CAL MCCAHLAIN, as Treasurer

NO. MUR 2978

RESPONSE OF J. CAL MCCAHLAIN

I, J. Cal McCastlain, do hereby swear and affirm that the following facts are true and correct to the best of my belief and knowledge:

FACTS

1. The office of General Counsel ("General Counsel") for the Federal Election Commission ("Commission") has informed me that it has recommended that the Commission find probable cause to believe that I, as former Treasurer of the Wallace, Dover & Dixon Political Action Committee ("PAC"), have violated 2 U.S.C. §§433(c) and 441b(a). (See Exhibit 1.) I vehemently deny that I have violated any provision of the United States Code, and in particular, I have not violated any provisions of the Federal Election Laws or Regulations thereto.

2. The General Counsel asserts that the PAC received illegal loans from Wallace, Dover & Dixon, P.A. ("Firm"), the PAC's connected organization. The General Counsel asserts that these loans occurred between January 5, 1988 and February 24, 1988, and that another loan occurred on August 9, 1988.

3. As I stated in my Affidavit of October 11, 1989, and in my response to interrogatories dated March 23, 1990, I did not

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begin working with the Firm until July 18, 1988. Prior to that I was on active duty with the United States Army in Alexandria, Virginia. But for the fact I accumulated enough leave time, I would not have started with the Firm until late August, 1988. (See Exhibits 2, 3, 4, and 5.)

4. On October 14, 1988, Larry C. Wallace, the Firm's managing partner, appointed me as Treasurer for the PAC. (See Exhibits 5, 6, 7, and 8.) Prior to such appointment, I did not participate in or have any knowledge of any of the business affairs of the PAC. My signing of the Federal Election Commission Quarterly Report (FEC Form 3X) of October 15, 1988 for the PAC on October 14, 1988 was my first act as Treasurer for the PAC. The Report was accompanied by a Statement of Reorganization dated October 15, 1988, further indicating that it was not until such date that I became Treasurer. (See Exhibit 9.)

5. My first knowledge that the PAC even existed came when I was informed that I was going to be appointed as its Treasurer. The previous Treasurer, Joanne Sorn, came to my office on or about October 13, 1988 and informed me that I was to be appointed Treasurer of the PAC. In doing so, she gave me a few booklets with information on FEC Rules and Regulations. She informed me that she was preparing a Quarterly Report that the PAC would have to issue the next day, and that she would explain the items in the Report. I then went to confirm this matter with Larry C. Wallace, the Firm's managing partner. Mr. Wallace confirmed that I would be the newly appointed Treasurer for the PAC. He indicated he preferred

to have an attorney as Treasurer. But he further indicated that all the reports would be compiled by the firm's accounting department, and in particular by Joanne Sorn. He did not mention any disputed issues or otherwise indicate that any PAC matters needed review.

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6. Soon thereafter I received a phone call from Ms. Sorn. She asked the generic question of whether repayments by a political action committee on its outstanding loan from a lender counted against the total amount such lender could loan the political action committee. She did not indicate whether she was concerned about past or future loans. She did not express any concern about what constituted a proper lender or any other issues, and she did not give me any facts. This is further corroborated by Ms. Sorn's testimony where she expresses concern only for loan limits. (See Exhibit 10, Interrogatories 3 and 5.) Using information Ms. Sorn had recently provided, I made the limited determination that repayments of a political action committee loan would not count against that lender's loan limit to that political action committee. I provided this information to Ms. Sorn. But I did not review any PAC transactions with her, or anyone else, and I was not involved in any discussions as to whether or how this information might apply to the PAC.

7. The generic loan limit question was the only inquiry of any kind I ever received regarding election issues. I never advised Ms. Sorn on any matters regarding the PAC. I never opined on the propriety of any matters regarding the PAC. Further, Ms.

Sorn never sought my advice; she never requested my review, or opinion, to any degree on any matter or transaction regarding the PAC; and she never expressed any reservations of any kind about any matters or transactions regarding the PAC. She simply informed me of my appointment and presented the information in the October 1988 Report.

8. Further, I did not participate in any manner in any meeting, discussion, or conversation with or among Joanne Sorn, Larry C. Wallace, and/or anyone else, regarding the PAC. Moreover, except for allegations made by Ms. Sorn in her response of March 5, 1990, I am not aware that such a meeting ever took place. If Ms. Sorn did have such a meeting with anyone, I question whether it occurred before or after the occurrence of the transactions in issue. Ms. Sorn never indicated to me that she had refused to sign the reports for any reason. She never indicated to me that she had any reservations whatsoever about signing the reports. She indicated that I was to be appointed Treasurer simply because I was the newest associate with the Firm. Ms. Sorn's allegations implicating me in this matter are blatant lies.

9. Ms. Sorn was a staff employee of the firm and surely has a right to defend herself in this matter. But she has no reason to implicate me. I simply was not involved in any of the matters in issue. Her accusations against me, and her failure to advise me of the alleged meetings on these issues are most distasteful. If such meetings or discussions did occur, then Mr. Wallace's failure to

inform me is equally distasteful. In the very least, Ms. Sorn is grossly mistaken in her allegations against me.

10. Information included in the Federal Election Commission Quarterly Report of October 15, 1988 by the PAC represents my interpretation of information regarding events that occurred prior to my appointment as Treasurer. The information regarding these events was compiled prior to my appointment as Treasurer. T h e information contained in the Quarterly Report of October, 1988 was already entered into the Report Form when the Form was presented to me by Ms. Sorn. Ms. Sorn herself corroborates the fact that she prepared the report that I signed. (See Exhibit 10, Interrogatories 3 and 5.)

11. Ms. Sorn reviewed the information in October, 1988 Report with me and represented it to be an accurate representation of the facts. She matter of factly explained that the PAC had borrowed from the Firm during the earlier part of 1988 and that it was then utilizing payroll deductions to repay the Firm. She made no mention of any reservations on her part, or otherwise indicate that these transactions might be improper. The information contained in the October, 1988 Report was consistent with both (1) the type of transactions reported in the April, 1988 Quarterly Report and (2) the facts presented by Ms. Sorn. Given the representations by Ms. Sorn and the consistency between the reports, it appeared that the information presented in the October, 1988 Report accurately represented the manner in which the various transactions occurred during the quarter ending September 30, 1988.

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12. Further, neither Mr. Wallace nor the Firm's business manager, Steve Anders, expressed any concern or reservations about information in the October, 1988 Report. I was never advised that there had been any discussions or concern regarding the propriety of the transactions now in issue.

13. I had no election law experience prior to my appointment as Treasurer. Given the representations of Mr. Wallace and Ms. Sorn, and the apparent course of conduct reported in these matters, I had every reason to believe that the transactions in the April, 1988 Report and October, 1988 Report were proper. Inasmuch as transactions in issue occurred prior to my appointment as Treasurer, I was never confronted with how to insure that PAC had adequate funds, or the need to opine on loan transactions. My first awareness of any question regarding PAC transactions came through letters of April 5, 1989 from Mr. Todd S. Hageman of the Reports Analysis Division. (See Exhibit 11.) You will note that his letters were addressed to Joanne Sorn, who was Treasurer during the period in which the transactions in issue took place, but she no longer worked for the Firm.

14. In response to Mr. Hageman's letters, I attempted to clarify this matter. Since I was an associate attorney, I did not know whether the Firm's shareholders had discussed how the PAC was funded. Mr. Wallace indicated that the transactions in issue were never intended to be loans from the Firm. But all the information I could obtain from the Firm's accounting department treated the transactions as loans. Further, I was unable to determine whether

any Firm records made mention of the Firm's intentions regarding these transactions. It still appeared to me that these transactions were in fact loans, and I could not substantiate any allowable exceptions for which the loans could be upheld. Due to my inability to find supporting information to uphold the loans, I concurred with the Commission's suggestion that amounts appearing as loans from the Firm should be repaid to the Firm. I confirmed the repayment in a letter of April 20, 1989. I further clarified the repayment process in my letter of June 2, 1989. (See Exhibits 12 and 13.)

15. I responded to all correspondence from the Commission promptly and in cooperative fashion. Further, inasmuch as I could not find favorable information, I directed repayment of what appeared to be outstanding balances of the transactions in issue. Such repayment was consistent with Mr. Hageman's recommendations, as well as the directives found at 11 CFR 103.

16. In its brief to the Commission at page 2, the General Counsel indicates that I joined Larry C. Wallace in contending that information contained in the PAC's reports was an error. The General Counsel is not correct in this assertion. Larry C. Wallace takes issue with the PAC's reports. All of my responses in this matter have mentioned only my role as Treasurer and items about which I have direct knowledge. Inasmuch as the transactions in issue occurred prior to my being appointed Treasurer, I have clarified that I have no knowledge whatsoever about the Firm's intentions, or the extent to which the reports in issue do not

represent the Firm's intentions. I have further clarified that the October, 1988 Report reflects my understanding of what occurred. I stand by my understanding of how prior transactions appeared. But I make no representations regarding the Firm's intentions in this matter.

17. Mr. Wallace and I do join in asserting the fact that I was appointed Treasurer well after the transactions in issue occurred, and that submitting the October, 1988 Report was my first act as Treasurer. He also corroborates my lack of participation in the administration of the PAC and the Firm.

18. The law firm of Wallace, Dover & Dixon, P.A. ceased its law practice during the final days of January 1990. To the extent it was necessary, I submitted my formal resignation as Treasurer of the PAC effective February 1, 1990. (See Exhibit 14.) Liquidating agents for the Firm have since filed the PAC's Termination Report with the Commission, which also indicates that I am no longer Treasurer. (See Exhibit 15.) After the Firm ceased doing business, I continued to work with some of the former members of the Firm. But on March 26, 1990 I began working with a law firm separate and apart from Wallace, Dover & Dixon, P.A. and any of its former members. This was a personal career choice I made freely.

19. During the period in which I was the appointed Treasurer, to the best of my knowledge, the PAC did not conduct any activity. Since the PAC was controlled by shareholders of the Firm, I concede the fact that there may have been some activity without my knowledge. All that was required of me was to submit the reports

to the Commission. A copy of the October, 1988 Report is the only report I have. Reports subsequent to that should refer to repayment of the transactions in issue. However, to the best of my knowledge, the PAC did not receive any contributions or loans, and it did not make any contributions to candidates while I was Treasurer.

20. Given the representations of Mr. Wallace and Ms. Sorn and information in previously prepared reports, I had no reason to review actions taken prior to my appointment. Thus, it was not until Mr. Hageman's letters of April 5, 1989 that I had any reason to be concerned about PAC transactions. Upon realizing that there were questions regarding some of the transactions, I promptly attempted to resolve this matter.

ARGUMENT

Lack of Culpability. The General Counsel asserts that I personally have violated the United States Code. A review of the facts shows that this allegation is completely unfounded. The facts conclusively show that all of the transactions in issue occurred prior to my being appointed Treasurer of the PAC. Further, all but one of the transactions occurred before I was even employed by the Firm. The transaction of August, 1988 occurred well before I was even aware that the PAC existed.

As for the information submitted in the October, 1988 Report, which I signed, I again assert that the information contained therein was consistent with the information presented to me by Joanne Sorn regarding the transactions of that quarter. Further,

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the transactions of that quarter were consistent with reports and explanations of transactions that occurred in the first quarter of 1988, and which were reported in the April, 1988 Quarterly Report.

Upon Ms. Sorn's presentation of this information, I was compelled to execute the reports according to my understanding of what had transpired. Further, these events had in fact occurred prior to my appointment as Treasurer. I could not do anything to change the nature of those transactions, whatever they may have been. The only choices I had were 1) report my understanding of the facts, or 2) submit a report that was contrary to my understanding of the facts. I signed a report that reflected facts as I understood them. Any representations other than those contained in the report would have been a misrepresentation of my understandings.

Obviously, there appears to be a difference of opinion as to what did transpire, or what was supposed to have transpired. Unfortunately, I cannot offer direct testimony on this matter. I can only attest that the report I executed on October 14, 1988 accurately reflected my understanding of what had already transpired. Again, I had no role whatsoever in any of these transactions.

Throughout this matter, I have responded promptly and cooperated fully with the Commission. Further, all of my actions have been consistent with the responsibilities of a Treasurer promulgated in 11 CFR 103. Upon learning there was an issue, I immediately attempted to clarify the matter. When I could not find

clarifying information I directed that the funds in issue were repaid.

J. Cal McCastlain is not a Proper Respondent. In addition to finding that I have played no role in the violation of any Federal Election Laws, the Commission should further find that I am not a proper respondent in this matter. Likewise, I should be removed from this matter, and I should not be named in any way in the formal resolution of this matter.

I understand that I am named as a respondent herein as a matter of Commission policy. I understand the premise and wisdom of this policy. However, as with any wise policy, it must provide flexibility for instances where it is determined that facts do not warrant the application of such policy. For instance, the policy herein should provide flexibility when it is determined that (1) the policy would cause an improper respondent to be named, (2) a more appropriate respondent could be named, or (3) the policy would cause an injustice.

In this regard, it is clear that I am not a proper respondent because (1) I was not involved in the PAC during the time in which the transactions in issue occurred, (2) I have no direct knowledge of those matters, (3) I am no longer Treasurer, (4) I am no longer associated with the PAC in any way, (5) I was never a principal in the Firm, and (6) while serving as Treasurer, all my actions were proper. The transactions, and the dates thereof, are readily identified, as are the persons directly involved. Moreover, a great injustice is occurring by including me in this

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matter. The facts clearly show that I am being accused of violating the United States Code in regards to transactions the PAC executed well before I was ever associated with the PAC. Naming me as a culprit defies all the substantiated facts in this matter.

Surely the Commission does not seek a result or intend to create an environment that encourages current or replacement Treasurers to rearrange or distort the facts of prior events so as to avoid suspicious reports. That will surely be the result if the Commission holds current Treasurers responsible for the acts of others simply because the current Treasurer is the current individual of record. Why would any responsible person assume the role of Treasurer if they are subject to being found culpable for the acts of others? I take very seriously the certification language in the FEC Form 3X whereby the Treasurer certifies that the report is true, correct and complete to the best of my knowledge. Yet, I am being punished for taking the only correct action available to me.

The Commission is not justified in finding me responsible for acts that were clearly the acts of others. The injustice is furthered by the fact that I was not associated with the matter herein. The Commission is not justified in continuing to name me, in any form or fashion, to a proceeding in which I have no involvement. The injustice is again furthered after it is made clear that matters in issue occurred prior to my involvement with the PAC, and these proceedings continue to name me long after I terminated my association with the PAC.

RECOMMENDATION

I recommend that the Commission determine that I have not violated any provisions of the Federal Election Laws and Regulations thereto. I further recommend that the Commission determine that I am not a proper respondent herein, that it remove me from this matter, and that it make no mention of or reference to me in any form in the style and disposition of this and related matters.

J. Cal McCastlain

J. CAL MCCAHLAIN

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)

SUBSCRIBED AND SWORN to before me, a Notary Public, this
2nd day of Oct., 1990.

Valerie Vardaman

NOTARY PUBLIC

MY COMMISSION EXPIRES:

9-18-2000



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 2, 1990

J. Cal McCastlain, Treasurer
Wallace, Dover & Dixon Political
Action Committee
3800 TCBY Tower Building
Little Rock, AR 72201

RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer

Dear Mr. McCastlain:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by J. Cal McCastlain, Larry C. Wallace and Joanne Sorn, on September 1, 1989, the Federal Election Commission found reason to believe that the Wallace, Dover & Dixon Political Action Committee ("Committee") and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. § 441b(a) has occurred. In addition, because the Office of the General Counsel has been informed that the Committee's connected organization is no longer known as Wallace, Dover & Dixon, P.A., and because the Committee has not changed its name, the Office of the General Counsel is further prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. § 433(c) has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the

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J. Cal McCastlain, Treasurer
Page 2

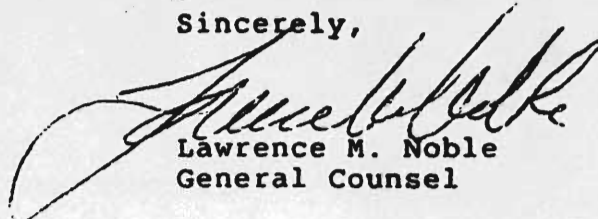
Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Wallace, Dover & Dixon Political)
Action Committee and J. Cal McCastlain,)
as treasurer)

MUR 2978

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

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The Wallace, Dover & Dixon Political Action Committee (the "Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans from the Committee's connected organization, Wallace, Dover & Dixon, P.A. (the "firm"), now Dover & Dixon, P.A.,¹ in violation of 2 U.S.C. § 441b(a). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989.

On September 1, 1989, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441b(a) by accepting corporate contributions. This Office received the responses to this finding on October 16, 1989, in which Respondents requested that the Commission find that no violation

1. On April 2, 1990, this Office was informed that the firm of Wallace, Dover & Dixon, P.A. has apparently been dissolved and that all books and records of that corporation are now maintained by Mr. Darrell Dover of the firm of Dover & Dixon, P.A. It thus appears that Dover & Dixon, P.A. is the successor firm.

had occurred and that no further action be taken against them. Respondents submitted affidavits by Larry C. Wallace, managing partner of the firm, and J. Cal McCastlain, in which they contended that the information contained in the Committee's reports, which served as the basis for the Commission's finding of reason to believe, was in error. Respondents further endeavored to relieve Mr. McCastlain of any liability by noting that he was not treasurer when any of the violations occurred.

According to Mr. Wallace's affidavit, the 1988 April and October Quarterly Reports were in error to the extent they indicated that the firm loaned funds to the Committee, and to the extent they indicated that the Committee was repaying the firm for any such loans. As Mr. Wallace explained, "[f]unds contributed to the PAC and the subject of such reports actually represent personal contributions to the PAC by the Shareholders of the Firm," and the shareholders "funded their respective contributions by receiving advances from the Firm." Further, "[i]nstead of writing separate checks to each Shareholder, the Firm merely acted as an agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions." Finally, as regards these transactions, Mr. Wallace stated that the "Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds."

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Subsequently, on January 30, 1990, the Commission rejected Respondents' request that it take no further action and, because the responses were at odds with the Committee's reports and thus rendered difficult a complete understanding of what had occurred, the Commission also authorized interrogatories and requests for production of documents to be sent to the firm, the Committee, and Joanne Sorn, the former treasurer of the Committee.

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A response was received from Ms. Sorn on March 5, 1990. She stated that "[loans] of \$2,500, \$300 and \$2,200 from [House, Wallace & Jewell, P.A.]² to the Committee were made to fund the Committee's contributions to candidates from January, 1988 to March, 1988. These [loans] were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter." Ms. Sorn continued by saying that the Committee account was normally funded through payroll deductions, but that what had been received from payroll deductions had been insufficient to cover the desired contributions for that quarter. "The transfers/loans were to be repaid through continued payroll deduction of the Committee participants." Ms. Sorn stated further that the loan of \$925 from the firm to the Committee which was reported on the 1988 October Quarterly Report was handled in a similar fashion, with the Committee wanting to make contributions for which it had inadequate funds. As a result, the firm again lent monies to

2. House, Wallace and Jewell, P.A. is the predecessor law firm to Wallace, Dover & Dixon, P.A.

the Committee for the purpose of making these contributions, and the Committee again repaid these loans through monies received from shareholders by means of subsequent payroll deductions.³

A separate response was received from Mr. McCastlain on March 27, 1990. He stated that he has no knowledge of the violations, as he was not involved with the Committee at the times they occurred.⁴ Mr. McCastlain also claims to have resigned as treasurer on February 3, 1990, but no amended Statement of Organization reflecting a change in the treasurer has been received. No party has changed its original assertion that no violation occurred and that the Commission should take no further action.

II. ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that

3. Ms. Sorn claims that she did not believe that the loans reported on the 1988 October Quarterly Report were permissible. Her understanding, however, was not based on the fact that illegal corporate contributions were involved, but rather on the belief that the firm "had already 'loaned' the maximum allowed under FEC rules."

4. Mr. McCastlain's assertions as to lack of culpability are questionable since he signed the October 1988 Quarterly Report as treasurer, and since Ms. Sorn states that she prepared that report after being told by Mr. McCastlain that the loan reported therein was legal.

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fund. While a connected organization may pay the administrative costs of its separate segregated fund, for such payment to be legally sufficient the connected organization must either pay the expenses directly or deposit funds in an account segregated from voluntary contributions received by the fund. See, e.g., MUR 1544.

Pursuant to 2 U.S.C. § 432(e)(5), the name of any separate segregated fund must include the name of its connected organization. Pursuant to 2 U.S.C. § 433(c), a change in information previously submitted in a statement of organization of a political committee, including the name of that committee, must be submitted to the Commission no later than ten days after the date of the change.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. As the response of Joanne Sorn makes clear, these loans were not used for the one legitimate purpose allowed of transfers from a corporation to its separate segregated fund, i.e. payment of the administrative costs of the Committee. Instead, they were used directly by the Committee to make contributions in the absence of sufficient voluntary contributions. The other two affidavits submitted do not dispute this. Accordingly, the acceptance of these

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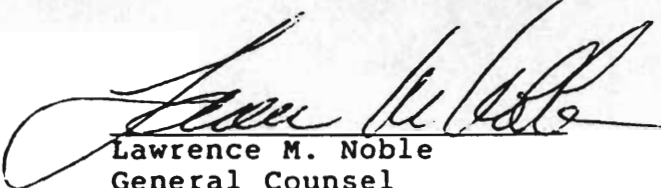
corporate loans constituted a violation of 2 U.S.C. § 441b(a). Additionally, the former managing partner of the firm has stated that the firm of Wallace, Dover & Dixon, P.A. no longer exists and has been replaced by Dover & Dixon, P.A. No amendment to the Committee's statement of organization renaming the Committee has been received by the Commission. This Office recommends that the Commission find that there is probable cause to believe that the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions totalling \$5,945, and violated 2 U.S.C. § 433(c) by failing to amend the statement of organization to reflect a new name for the Committee.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that the Wallace, Dover & Dixon Political Action Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. §§ 433(c) and 441b(a).

Date

8/2/90


Lawrence M. Noble
General Counsel

91040340159

AFFIDAVIT

3

I, J. Cal McCastlain, do hereby swear and affirm that the following facts are true to the best of my knowledge and belief:

1. I began working as an associate in the law firm of Wallace, Dover & Dixon, P.A. on July 18, 1988. Prior to that date I was on active duty in the United States Army, assigned to the Judge Advocate General's Corps (JAGC).

2. My signing of the Federal Election Commission Quarterly Report (FEC Form 3X) of October 15, 1988 for the Wallace, Dover & Dixon, P.A. Political Action Committee on October 14, 1988 was my first act as Treasurer for that Political Action Committee. Prior to the date of October 14, 1988 I did not participate in or have any knowledge of any of the business affairs of the Wallace, Dover & Dixon, P.A. Political Action Committee. Likewise, prior to October 14, 1988, I neither advised nor participated in any fund raising, contributions, accounting, or record keeping conducted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

3. Information included in the Federal Election Commission Quarterly Report of October 15, 1988 by the Wallace, Dover & Dixon, P.A. Political Action Committee represents my interpretation of the information regarding events that occurred prior to my becoming Treasurer. The information regarding these events was compiled prior to my becoming Treasurer. I did not participate in nor advise the Political Action Committee in any way prior to October 14, 1988.

4. I am not a shareholder in the law firm of Wallace, Dover & Dixon, P.A., and I have never attended a meeting of that firm's shareholders or Board of Directors. Therefore, I have no direct knowledge of the intent of the law firm or its partners regarding the information included in the reports of October 15, 1988.

5. Inasmuch as I was neither a party to such report, nor employed by Wallace, Dover & Dixon, P.A. on April 15, 1988, I have no knowledge whatsoever, whether direct or indirect, of the Federal Election Commission Quarterly Report (FEC Form 3X) of April 15, 1988, or the information included therein.

6. Upon learning that there was a question as to the propriety of the transactions reported in the Quarterly Reports of April 15, 1988 and October 15, 1988, I took immediate action to resolve the issue. (See attachments.)

J. Cal McCastlain
J. CAL MCCAHLAIN

STATE OF ARKANSAS)
) SS.
COUNTY OF Polaski)

SUBSCRIBED AND SWORN to before me a Notary Public this 11
day of October, 1989.

TERESA ANN F. NLEY
Notary Public

My Commission Expire:

3-12-93

9104080160

J. CAL McCASTLAIN
5820 Hawthorne Road
Little Rock, AR 72207

90 MAR 27 AM 10:37

CPC 5777
Buckley (4)

March 23, 1990

90 MAR 27 AM 11:48

Mr. Anthony Buckley
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

Re: MUR 2978/Wallace, Dover & Dixon, P.A.
Political Action Committee and
J. Cal McCastlain as Treasurer

Dear Mr. Buckley:

Enclosed are my responses to your interrogatories regarding the above-described matter. As I indicated earlier, the law firm of Wallace, Dover & Dixon is no longer in operation, and as of March 26, 1990, I will no longer work with any members of that firm.

As I have explained to you and in my Interrogatories, I had no role in the activities involved herein. I would like for this matter to be concluded as soon as possible, and without the mention of my name in any final order or finding.

You can imagine my frustration with this matter, and the distraction it causes from my productive work. However, please consider me as cooperative and willing to assist.

In the event you must correspond with me, please direct all correspondence to the address shown above. I anxiously await your finding that I am no longer involved in this matter.

Sincerely,

J. Cal McCastlain

J. Cal McCastlain

JCM/mke

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J. CAL McCASTLAIN
RESPONSE TO INTERROGATORIES
POSED BY THE FEDERAL ELECTION COMMISSION

INTERROGATORY NO. 1: State why the Committee reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace & Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report.

RESPONSE TO INTERROGATORY NO. 1: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988.

INTERROGATORY NO. 2: State why the Committee reported disbursements totaling \$600 to House, Wallace & Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report.

RESPONSE TO INTERROGATORY NO. 2: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988.

INTERROGATORY NO. 3: State why the Committee reported a transfer of \$925 from House, Wallace & Jewell, P.A. to the Committee as a loan on the Committee's 1988 Quarterly Report.

RESPONSE TO INTERROGATORY NO. 3: My signing of the Federal Election Commission Quarterly Report (FEC Form 3X) of October 15, 1988 for Wallace, Dover & Dixon, P.A. Political Action Committee

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on October 14, 1988 was my first act as Treasurer for that Political Action Committee. Prior to the date of October 14, 1988 I did not participate in or have any knowledge of any of the business affairs of the Wallace, Dover & Dixon, P.A. Political Action Committee. Likewise, prior to October 14, 1988, I neither advised or participated in any fund raising, contributions, accounting, or record keeping conducted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

Information included in the Federal Election Commission Quarterly Report of October 15, 1988 by Wallace, Dover & Dixon, P.A. Political Action Committee represents my interpretation of the information regarding events that occurred prior to my appointment as Treasurer. The information regarding these events was compiled prior to my appointment as Treasurer. I did not participate in nor advise the Political Action Committee in any way prior to October 14, 1988.

The information contained in the Quarterly Report of October, 1988 was already entered into the report form when the form was presented to me by the previous Treasurer, Joann Sorn. Ms. Sorn reviewed the information in the October 1988 report and represented it to be an accurate representation of the facts. The information contained in the form was consistent with the type of transactions represented in the April 1988 Quarterly Report. Given the representations by Ms. Sorn and the consistency between the reports, it appeared that the information presented in the October,

1988 Report accurately represented the manner in which the various transactions occurred.

INTERROGATORY NO. 4: State whether the amount forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April quarterly report in any way comprised the loans reported as received by the Committee on that same amount. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.

RESPONSE TO INTERROGATORY NO. 4: I did not begin work with the law firm of Wallace, Dover & Dixon until July 18, 1988. I have no knowledge whatsoever of any activities reported in the House, Wallace & Jewell, P. A. Political Action Committee Quarterly Report of April, 1988. Also, the law firm of Wallace, Dover & Dixon, P.A. is no longer in operation, and I no longer work with any of the members of that firm. I resigned as Treasurer of the Committee as of February 3, 1990. The winding down of the firm's business, and my lack of access to any of the firm's records prevents me from further supplementing my response.

INTERROGATORY NO. 5: State whether the amounts forwarded by way of payroll deductions which were reported as contributions on a Committee's 1988 quarterly report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence which supports your conclusion including, but not limited to, internal memoranda or written procedures, and provide copies of all such documents.

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RESPONSE TO INTERROGATORY NO. 5: As I indicated in my response to Interrogatory No. 3, the information presented in the October 1988 quarterly report had been compiled and entered into the report when presented to me. I can only attest to the fact that given the explanation by the previous Treasurer and earlier quarterly reports that this information appeared to be accurate. I will attest that the information presented in the 1988 October quarterly report represents my understandings of the transactions that had occurred during the previous quarter.

However, I have no direct knowledge of the intent of the law firm or its partners regarding the information included in the reports of October 15, 1988. As I indicated in my response to Interrogatory No. 4, the law firm of Wallace, Dover & Dixon, P.A. is no longer in business and I resigned as Treasurer of the Wallace, Dover & Dixon, P.A. Political Action Committee as of February 3, 1990. I no longer work with any members of that firm. I do not have access to any records that can be used to supplement my responses herein.

ADDITIONAL RESPONSE: I had no involvement whatsoever in any of the activities or transactions reported by the Wallace, Dover & Dixon, P.A. Political Action Committee quarterly reports of April and October, 1988. Inasmuch as I never was a shareholder in that firm, and I never attended a shareholder meeting, I have no direct knowledge of the intent of that law firm or its shareholders regarding the operation of the Political Action Committee or transactions involving the Committee.

As a new associate in the firm, I was appointed Treasurer of the Committee on October 14, 1988 and directed, ironically, to ensure that the Committee complied with election laws. I tried diligently to clear up this matter. I find it regrettable, in the least, that given the reason for my appointment as Treasurer, and the fact that I had no role whatsoever in the activities in question, that I have been named personally as having violated the United States Code.

I request that the Commission find that I had no role in these activities, and that no further action or response is required on my part, and that I not be named in any findings.

J. Cal McCastlain
5820 Hawthorne
Little Rock, AR 72207

J. Cal McCastlain
J. Cal McCastlain

STATE OF ARKANSAS)
COUNTY OF PULASKI)

I, J. Cal McCastlain, hereby state on oath that I have read the foregoing Response to Interrogatories and the facts contained therein are true and correct to the best of my knowledge and belief.

J. Cal McCastlain
J. Cal McCastlain

SUBSCRIBED AND SWORN TO before me this 23rd day of March, 1990.

Marian Eades
Notary Public

My Commission Expires:

1-17-92

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AFFIDAVIT

I, Larry C. Wallace, Managing Partner of Wallace, Dover & Dixon, P.A., do hereby swear and affirm that the following facts are true the best of my knowledge and belief:

1. J. Cal McCastlain joined this firm as an associate lawyer on July 18, 1988.

2. On October 14, 1988 he was appointed Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee.

3. Prior to October 14, 1988 J. Cal McCastlain never participated in, performed any work for, or attended any meetings of the Wallace, Dover & Dixon, P.A. Political Action Committee.

4. J. Cal McCastlain's first act as Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee was submitting to the Federal Election Commission the Quarterly Report (FEC Form 3X) of October 15, 1988 for the Wallace, Dover & Dixon, P.A. Political Action Committee. Information contained in those reports represents events that occurred prior to Mr. McCastlain's appointment as Treasurer for the Wallace, Dover & Dixon, P.A. Political Action Committee. Such information was also compiled and reported prior to Mr. McCastlain's appointment.

5. J. Cal McCastlain has never attended a meeting of the Shareholders of Wallace, Dover & Dixon, P.A., or its Board of Directors.

6. In summary, J. Cal McCastlain had no role whatsoever in any of the actual matters included in the Quarterly Reports (FEC Form 3X) of April 15, 1988 and October 15, 1988 submitted by the Wallace, Dover & Dixon, P.A. Political Action Committee.

Larry C. Wallace
Larry C. Wallace

STATE OF ARKANSAS)
) SS.
COUNTY OF Polaski)

SUBSCRIBED AND SWORN to before me a Notary Public this 11
day of October, 1989.

TERESA ANN FISLEY
Notary Public

My Commission Expire:

3-12-89

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6

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF

**WALLACE, DOVER & DIXON
POLITICAL ACTION COMMITTEE, and
J. CAL McCASTLAIN, as Treasurer**

NO. MUR 2978

AFFIDAVIT OF DARRELL D. DOVER

I, Darrell D. Dover, do hereby swear and affirm that the following facts are true to the best of my knowledge and belief:

1. I am a former shareholder in the Law Firm of Wallace, Dover & Dixon, P.A., Little Rock, Arkansas, ("Firm") which has ceased the practice of law and is winding down its business affairs. I have become aware that the Federal Election Commission ("Commission") is conducting an inquiry into activities of the Wallace, Dover & Dixon Political Action Committee ("PAC"). In its pursuit of these matters, the Commission's General Counsel has named J. Cal McCastlain as having personally violated certain provisions of Federal Election Laws. I have been further informed that the Commission's inquiry and these alleged violations concern PAC transactions that occurred between January 5, 1988 and February 24, 1988, and another transaction that occurred on August 9, 1988.

2. J. Cal McCastlain was not employed with the Firm until July 18, 1988. Prior to starting with the Firm, Mr. McCastlain was on active duty with the United States Army and stationed in Alexandria, Virginia. Thus, any attempt to associate Mr.

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McCastlain with transactions or matters regarding the PAC prior to July 18, 1988 totally disregards the pertinent facts.

3. As for the transaction of August 9, 1988, at that time Mr. McCastlain had been with the Firm only three weeks. Given the responsibilities the Firm placed on new associates, and his lack of familiarity with the Firm and its operations, my opinion would be that Mr. McCastlain was not, at that time, in position to participate in any matters involving the PAC or the administration of the Firm.

4. The Firm's then managing partner, Larry C. Wallace, was in complete control of all matters and decisions having to do with the PAC. I have no knowledge of when Mr. Wallace appointed Mr. McCastlain as Treasurer, but I would think it likely that such appointment was not made until several months after Mr. McCastlain began to work for the Firm.

5. J. Cal McCastlain was an associate attorney throughout his tenure with the Firm, and he never attended a meeting of the Firm's shareholders or its Board of Directors.

6. Throughout his tenure with the Firm, Mr. McCastlain displayed a high level of competence and integrity, as I would surely expect. Of the attorneys I have come to know, and know of, in over thirty years of practice, I hold Mr. McCastlain in very high regard.

7. The Commission's finding that Mr. McCastlain was involved in any way, or finding that he is in any way culpable in this matter, would be totally inconsistent with the facts, and it would

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DARRELL D. DOVER

SUBSCRIBED AND SWORN to before me, a Notary Public, this 2nd
day of October, 1990.

NOTARY PUBLIC

4-11-91

(7)

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF

**WALLACE, DOVER & DIXON
POLITICAL ACTION COMMITTEE, and
J. CAL McCASTLAIN, as Treasurer**

NO. MUR 2978

AFFIDAVIT OF PHILIP E. DIXON

I, Philip E. Dixon, do hereby swear and affirm that the following facts are true to the best of my knowledge and belief:

1. I am a former shareholder in the Law Firm of Wallace, Dover & Dixon, P.A., Little Rock, Arkansas, ("Firm") which has ceased the practice of law and is winding down its business affairs. I have become aware that the Federal Election Commission ("Commission") is conducting an inquiry into activities of the Wallace, Dover & Dixon Political Action Committee ("PAC"). In its pursuit of these matters, the Commission's General Counsel has named J. Cal McCastlain as having personally violated certain provisions of Federal Election Laws. I have been further informed that the Commission's inquiry and these alleged violations concern PAC transactions that occurred between January 5, 1988 and February 24, 1988, and another transaction that occurred on August 9, 1988.

2. J. Cal McCastlain was not employed with the Firm until July 18, 1988. Prior to starting with the Firm, Mr. McCastlain was on active duty with the United States Army and stationed in Alexandria, Virginia. Thus, any attempt to associate Mr.

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McCastlain with transactions or matters regarding the PAC prior to July 18, 1988 totally disregards the pertinent facts.

3. As for the transaction of August 9, 1988, at that time Mr. McCastlain had been with the Firm only three weeks. Given the responsibilities the Firm placed on new associates, and his lack of familiarity with the Firm and its operations, my opinion would be that Mr. McCastlain was not, at that time, in position to participate in any matters involving the PAC or the administration of the Firm.

4. The Firm's then managing partner, Larry C. Wallace, was in complete control of all matters and decisions having to do with the PAC. I have no knowledge of when Mr. Wallace appointed Mr. McCastlain as Treasurer, but I would think it likely that such appointment was not made until several months after Mr. McCastlain began to work for the Firm.

5. J. Cal McCastlain was an associate attorney throughout his tenure with the Firm, and he never attended a meeting of the Firm's shareholders or its Board of Directors.

6. Throughout his tenure with the Firm, Mr. McCastlain displayed a high level of competence and integrity, as I would surely expect. Of the attorneys I have come to know, and know of, in over thirty years of practice, I hold Mr. McCastlain in very high regard.

7. The Commission's finding that Mr. McCastlain was involved in any way, or finding that he is in any way culpable in this matter, would be totally inconsistent with the facts, and it would

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BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF

WALLACE, DOVER & DIXON
POLITICAL ACTION COMMITTEE, and
J. CAL MCCAHLAIN, as Treasurer

NO. MUR 2978

AFFIDAVIT OF JOHN B. PEACE

I, John B. Peace, do hereby swear and affirm that the following facts are true to the best of my knowledge and belief:

1. I am a former shareholder in the Law Firm of Wallace, Dover & Dixon, P.A., Little Rock, Arkansas, ("Firm"), which is now in the process of winding down its business affairs. I have become aware that the Federal Election Commission ("Commission") is conducting an inquiry into activities of the Wallace, Dover & Dixon Political Action Committee ("PAC"). In its pursuit of these matters, the Commission's General Counsel has named J. Cal McCastlain as having personally violated certain provisions of Federal Election Laws. I have been further informed that the Commission's inquiry and these alleged violations concern PAC transactions that occurred between January 5, 1988 and February 24, 1988, and another transaction that occurred on August 9, 1988.

2. J. Cal McCastlain was not employed with the Firm until July 18, 1988. Prior to starting with the Firm, Mr. McCastlain was on active duty with the United States Army and stationed in Alexandria, Virginia. Thus, any attempt to associate Mr.

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McCastlain with transactions or matters regarding the PAC prior to July 18, 1988 is erroneous.


3. As for the transaction of August 9, 1988, at that time Mr. McCastlain had been with the Firm only three weeks. Given the responsibilities the Firm placed on new associates, and his lack of familiarity with the Firm and its operations, it is my opinion that Mr. McCastlain was in no position to participate in any matters involving the PAC or administration of the Firm. Here too, any attempt to associate Mr. McCastlain with this transaction is erroneous.

4. While I do not have direct knowledge of the exact date on which Mr. McCastlain was appointed as Treasurer of the PAC, from all I have been able to determine, such appointment was not made until several months after Mr. McCastlain began to work for the Firm. Mr. McCastlain was assigned to the corporate section of the firm, as was I, and I was assigned as his "mentor". Mr. McCastlain arrived at the Firm as a capable attorney; the mentor arrangement was merely to facilitate his becoming familiar with the Firm, its organization, and its personalities. Mr. McCastlain reported to me and informed me of all of his projects. We also worked together on a daily basis. I do not recall the exact date, but Mr. McCastlain did inform me of his appointment as Treasurer of the PAC, which, as I recall, was several months after he was employed by the firm. He indicated that his understanding of the appointment included the submission of reports that were to be compiled by the Firm's accounting department.

5. J. Cal McCastlain was an associate attorney throughout his tenure with the Firm, and he never attended a meeting of the Firm's shareholders or its Board of Directors.

6. Throughout his tenure with the Firm, Mr. McCastlain displayed a high level of competence and integrity, as I would surely expect. Of the attorneys I have come to know, and know of, in my thirteen years of practice, I hold Mr. McCastlain in very high regard.

7. The Commission's finding that Mr. McCastlain was involved in anyway, or finding that he is in any way culpable in this matter, would be totally inconsistent with the facts, and it would serve a great injustice. Likewise, Mr. McCastlain should not be named in any disposition of this matter.


JOHN B. PEACE

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STATE OF ARKANSAS)
COUNTY OF PULASKI) SS

SUBSCRIBED AND SWORN to before me, a Notary Public, this 2nd
day of October, 1990.

Marian Eades
Notary Public

MY COMMISSION EXPIRES:

1-17-92

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STATEMENT OF ORGANIZATION

(see reverse side for instructions)

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1. (a) Name of Committee (in Full) Wallace, Dover & Dixon, Political Action Committee	2. Date October 15, 1988
(b) Address (Number and Street) 3800 TCBY Tower Building	3. FEC Identification Number C00206508
(c) City, State and ZIP Code Little Rock, AR 72201	4. Is this an amended Statement? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

5. TYPE OF COMMITTEE (check one):

- ☐ (a) This committee is a principal campaign committee. (Complete the candidate information below.)
- ☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)
- | | | | |
|-------------------|-----------------------------|---------------|----------------|
| Name of Candidate | Candidate Party Affiliation | Office Sought | State/District |
|-------------------|-----------------------------|---------------|----------------|
- ☐ (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)
- ☐ (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)
- ☒ (e) This committee is a separate segregated fund.
- ☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship
Wallace, Dover & Dixon	3800 TCBY Tower Bldg. Little Rock, AR 72201	Sponsoring Organization

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

☒ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number - optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Cal McCastlain	3800 TCBY Tower, Little Rock 72201	Treasurer

8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Cal McCastlain	Same as above	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
First Commercial Bank, N.A.	Capitol at Broadway Little Rock, AR 72201

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

☒ Cal McCastlain
Type or Print Name of Treasurer

Cal McCastlain
SIGNATURE OF TREASURER

10/16/88
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

For further information contact:

Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

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FEC FORM 1 (3/80)

CHISENHALL, NESTRUD & JULIAN, P.A.

ATTORNEYS AT LAW
2840 FIRST COMMERCIAL BANK BUILDING
400 WEST CAPITOL
LITTLE ROCK, ARKANSAS 72201
TELEPHONE (501) 372-5800
FAX (501) 372-4841

90 MAR -5 AM 10:46

90 MAR -5 PM 2:05

March 2, 1990

Mr. Anthony Buckley
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2978


Dear Mr. Buckley:

Following my telephone conversation with you of February 12, 1990 wherein I advised you I was unable to read the Quarterly Reports which had been provided with your February 7, 1990 letter, I received photocopies of the Quarterly Reports on February 19, 1990. As I was to respond to the Commission's Interrogatories within 15 days of receipt, I am within 15 days from February 19, 1990, the date of receipt of the needed quarterly reports. I am sure you will agree that I could not respond before I had information I could review.

I hope that you find these Interrogatory Responses in satisfactory form. I am not an attorney and therefore, they are not prepared as an attorney would prepare them. I have answered each question to the best of my ability. I cannot provide you with information as to written documentation, because to my knowledge there was none. All instructions received by me were verbal. Any notes which I may have made should be in the Committee's file folder. Because I resigned employment with Wallace, Dover & Dixon in January, 1989, I do not know the location of the Committee's file. At the time I refused to continue serving as the Committee's Treasurer, I gave the Committee's file to J. Cal McCastlain. The only other written documentation which I can think of would be general ledger postings for House, Wallace & Jewell, P.A. Again, I do not know who would presently have those records. Any general ledger postings would have been made at Mr. Anders' instruction. Mr. Anders left employment of Wallace, Dover & Dixon in approximately October, 1989.

Should you have any questions, I will do my best to assist you.

Very truly yours,



Joanne Sorn

JS
Enclosures

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RE: MUR 2978

INTERROGATORY ANSWERS

Definitions:

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatory answers which may otherwise be construed to be out of their scope.

"Committee" shall refer to the Wallace, Dover & Dixon Political Action Committee, and shall be construed to include all predecessor committees including, but not limited to, the House, Wallace, & Jewell, P.A. Political Action Committee.

"HW&J" shall refer to House, Wallace & Jewell, P.A. and shall be construed to include all predecessor and following names of the professional association.

"FEC" shall refer to the Federal Election Commission.

1. State why, as treasurer of the Committee, you reported transfers of \$2,500, \$300 and \$2,200 from House, Wallace & Jewell, P.A. to the Committee as loans on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loans including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s).

ANSWER: Transfers of \$2,500, \$300 and \$2,200 from HW&J to the Committee were made to fund the Committee's contributions to candidates made from January, 1988 to March, 1988. These transfers were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter. The Committee checking account was normally funded through payroll deductions. The payroll deductions were insufficient to cover that quarter's desired candidate contributions. The transfers/loans were to be repaid through continued payroll deduction of the Committee participants. I do not know who the FEC would call the lender(s), but it would be either HW&J or the Committee participants. Therefore, because of my uncertainty, when referring to loans hereinafter, I will use the word in quotes, i.e. "loans".

It is unknown to me who determined what candidate contributions would be made, or the amounts. It is also unknown to me if all Committee participants were aware of the fact that the Committee did not have adequate funds to cover the contributions made. At all times while I was Treasurer of the Committee, my

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direct supervisors were the President of the Committee, the Vice President of the Committee, who I believe at the time were Larry C. Wallace and Steve L. Riggs, respectively, and Steve Anders, HW&J's Business Manager. Mr. Anders reported directly to Mr. Wallace, who was HW&J's managing partner. All information relayed to me as to candidate contributions to be made and "loans" to be made came from Mr. Wallace, Mr. Riggs and/or Mr. Anders. Mr. Wallace, Mr. Riggs and/or Mr. Anders were well aware of the fact the Committee did not have adequate funds to make the desired contributions. At the very least, Mr. Anders and Mr. Wallace approved the "loans" to the Committee. Because Mr. Anders was HW&J's Business Manager, he was the person who authorized writing the "loan" checks on the HW&J checking account to the Committee. Mr. Anders is presently living in Warren, AR and may be employed by Georgia-Pacific. He is definitely employed by a forest industries/paper products company.

House, Wallace & Jewell, P.A. changed its name to Wallace, Dover & Dixon. Since February, 1990, Wallace, Dover & Dixon is in the process of dissolved.

The Committee participants are as listed on each quarterly report filed with the FEC. Each Committee participant is an attorney. The following is an alphabetical list of the Committee participants' current addresses to the best of my knowledge:

Lawrence E. Chisenhall
Chisenhall, Nestrud & Julian, P.A.
400 W. Capitol, Suite 2840
Little Rock, AR 72201

John Clayton
Wallace & Clayton
425 W. Capitol
Little Rock, AR 72201

J. Bruce Cross
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Donna Galchus
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Russell Gunter
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Don F. Hamilton
Little Rock Wastewater Utility

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P. O. Box 879
Little Rock, AR 72203

Jim L. Julian
Chisenhall, Nestrud & Julian, P.A.
400 W. Capitol, Suite 2840
Little Rock, AR 72201

Joe Luker
1920 N. Main
North Little Rock, AR 72114

Steven Morley
Morley Law Firm
301 N. Broadway
North Little Rock, AR 72114

Chuck Nestrud
Chisenhall, Nestrud & Julian
400 W. Capitol, Suite 2840
Little Rock, AR 72201

Dean Overstreet
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Joe Purvis
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Charles Reynolds
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Steve Riggs
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

Charlie Smith
practicing law somewhere in Benton, AR

Paul Stanfield
Systematics, Inc.
4001 N. Rodney Parham
Little Rock, AR 72211

Scott Vaughn
Hilburn Law Firm

Twin City Bank Building
One Riverfront Place
North Little Rock, AR 72114

Larry C. Wallace
Wallace & Clayton
425 W. Capitol
Little Rock, AR 72201

Ann Wilson
present occupation unknown
Home Address: 804 N. Ash
Little Rock, AR 72205

Carolyn Witherspoon
Cross & Gunter
425 W. Capitol
Little Rock, AR 72201

Jim Pitts
present addresses unknown, it may
be the same as reported on the
quarterly reports.

John Peace (3rd quarter report)
Dover & Dixon
425 W. Capitol
Little Rock, AR 72201

All instructions received were verbal. There were no internal memoranda or written procedures. As I was not involved in the HW&J general ledger data input, I do not know where the "loans" were posted to. However, they should be reflected in the HW&J general ledger somewhere pertaining to the Committee. The whereabouts of the HW&J general ledger is unknown to me.

2. State why, as treasurer of the Committee, you reported disbursements totalling \$600 to House, Wallace & Jewell, P.A. from the Committee as loan repayments on the Committee's 1988 April Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that these amounts were loan repayments including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures. Identify who you believed to be the lender(s) to whom the repayments were being made.

ANSWER: The \$600 disbursement from the Committee to HW&J resulted from payroll deductions made throughout the quarter. The deductions were credited to HW&J at the instruction of Steve Anders. Based on information from Mr. Anders, it was my understanding the "loans" were to be paid off through the payroll deductions. Mr. Anders further advised me no further substantial

contributions to candidates would be made until the "loan" was repaid. The lenders making the repayments were the Committee participants as listed in the answer to Question No. 1. Each Committee participant had executed a payroll deduction authorization form. Said forms did not state that the deductions were to cover "loans". Other than these payroll deduction authorization forms, and the quarterly reports, to my knowledge there is in existence no written memoranda, correspondence, written procedures, etc. in any fashion pertaining to any subject. All communications were verbal from either Mr. Wallace, Mr. Riggs, or Mr. Anders.

3. State why, as treasurer of the Committee, you reported a transfer of \$925 from House, Wallace & Jewell, P.A. to the Committee as a loan on the Committee's 1988 October Quarterly Report. In your answer, identify all evidence presented to you which caused you to believe that this amount was a loan, including, but not limited to, verbal instructions from any superior and internal memorandum or written procedures. Identify who you believed to be the lender(s).

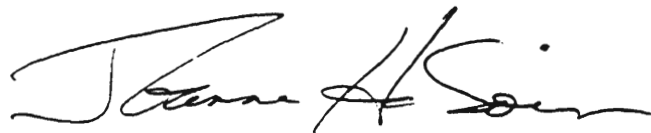
ANSWER: I cannot Answer this question as Treasurer of the Committee as I was not the Treasurer at the time of filing. That return was filed by J. Cal McCastlain, presently employed by Dover & Dixon, 425 W. Capitol, Little Rock, AR 72201. During the third quarter, Mr. Wallace, Mr. Riggs or the Committee participants decided the Committee wanted to make more contributions to candidates once again in excess of the funds available to the Committee. I advised Mr. Wallace, Mr. Riggs, Mr. Anders and Mr. McCastlain there were insufficient funds available to cover the desired contributions and that HW&J had already "loaned" the maximum allowed under FEC rules. I advised each of those gentlemen the only way further political contributions could be made was through increased payroll deductions, when in reality the number of Committee participants was decreasing due to dissatisfaction with the Committee's management and HW&J's management. It was made clear to me by Mr. Anders, Mr. Riggs and/or Mr. Wallace that I may not know what I was talking about and that Mr. McCastlain would look at all applicable regulations to determine if another "loan" could be made. I know that Mr. McCastlain reviewed the FEC Guidelines pamphlet, as well as a volume of the United States Code. After Mr. McCastlain's review, he advised me that the loan could be made. I advised Mr. Riggs, Mr. Anders and Mr. McCastlain I did not believe the loan was proper and that I would not sign the October Quarterly Report and that I resigned as Treasurer of the Committee. I was instructed by Mr. Anders that I would prepare the October Quarterly Report, which I believe I may have done, but once again advised Mr. Anders that I would not sign it. The October Quarterly Report was signed by Mr. McCastlain. Other than those persons named in this Answer, I am not sure if any of the remaining Committee participants were aware of this matter.

4. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 April Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.

ANSWER: If I understand your question correctly, the payroll deductions which were reported on the April, 1988 Quarterly Report as contributions were only that - deductions reported as contributions. All "loans" received by the Committee were reported as "loans", not as payroll deductions or contributions. Conversely, payroll deductions were used to repay the loans.

5. State whether the amounts forwarded by way of payroll deductions which were reported as contributions on the Committee's 1988 October Quarterly Report in any way comprised the loans reported as received by the Committee on that same report. In your answer, identify all evidence presented to you which supports your conclusion including, but not limited to, verbal instructions from any superior and internal memoranda or written procedures.

ANSWER: I cannot Answer this question as Treasurer of the Committee as I was not the Treasurer at the time of filing. That return was filed by J. Cal McCastlain, presently employed by Dover & Dixon, 425 W. Capitol, Little Rock, AR 72201. As I stated in Answer to Question #3, I believe I may have prepared the October, 1988 Quarterly Report. As is clear on that report, I did not sign that Report. Based on the belief that I prepared the October, 1988 Quarterly Report, and if I understand your question correctly, the payroll deductions which were reported on the October, 1988 Quarterly Report as contributions were only that - deductions reported as contributions. All "loans" received by the Committee were reported as "loans", not as payroll deductions or contributions. Conversely, payroll deductions were used to repay the "loans".



Joanne H. Sorn



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

APR 5 1989

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: April Quarterly Report (1/1/88-3/31/88)

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report discloses the receipt of funds from your connected organization (pertinent portion(s) attached). 2 U.S.C. §441b prohibits the receipt of funds from national banks, corporations, and labor organizations.

The Commission recommends that you refund the full amount to the donor in accordance with 11 CFR 103.3(b). Alternatively, if you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor in writing and provide the contributor with the option of receiving a refund. You may wish to seek a written authorization (either before or after the transfer-out) from the donor for any transfer-out to protect the donor's interests.

Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In the best interests of the committee, all refunds and transfers-out should be made within thirty (30) days of the treasurer's receipt of the funds. See 11 CFR 103.3(b). Refunds and transfers-out should be disclosed on a supporting Schedule B for Line 26 or 20 of the report covering the period during which they are made.

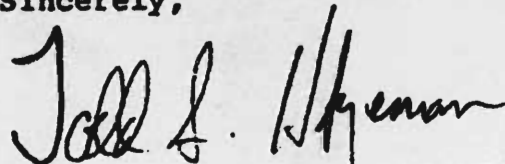
If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information.

91040340187

Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Todd S. Hageman
Reports Analyst
Reports Analysis Division

91040840188

SCHEDULE A

11 SIZE RECEIPTS

to be attached to each copy of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 13

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code House, Wallace & Jewell 3800 Capitol Tower Little Rock, AR 72201	Name of Employer N/A	Date (month, day, year) 1-5-88 2-8-88 2-24-88	Amount of Each Receipt this Period 2500.00 300.00 2200.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): loan	Occupation law firm	Aggregate Year-to-Date > \$ 5000.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

SUBTOTAL (Receipts This Page, optional)

5000.00

-910408A0189



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

APR 5 1989

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: October Quarterly Report (7/1/88-9/30/88)

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule C of your report discloses the receipt of funds from your connected organization (pertinent portion(s) attached). 2 U.S.C. §441b prohibits the receipt of funds from national banks, corporations, and labor organizations.

The Commission recommends that you refund the full amount to the donor in accordance with 11 CFR 103.3(b). Alternatively, if you choose to transfer the funds to an account not used to influence federal elections, the Commission advises that you inform the contributor in writing and provide the contributor with the option of receiving a refund. You may wish to seek a written authorization (either before or after the transfer-out) from the donor for any transfer-out to protect the donor's interests.

Please inform the Commission immediately in writing and provide a photocopy of your check for the refund or transfer-out. In the best interests of the committee, all refunds and transfers-out should be made within thirty (30) days of the treasurer's receipt of the funds. See 11 CFR 103.3(b). Refunds and transfers-out should be disclosed on a supporting Schedule B for Line 26 or 20 of the report covering the period during which they are made.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information.

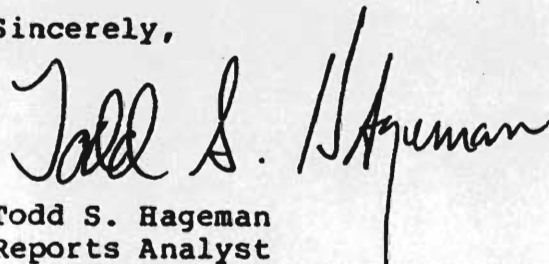
910403190

Please be advised that all loans received must be itemized on Line 13 of the Detailed Summary Page as well as separate Schedules A and C. 2 U.S.C. §434(b)(3)(E) and 5(D)

The Commission notes the partial loan repayments made to your connected organization. Although the Commission may take further legal steps concerning the acceptance of a prohibited contribution, prompt action by your committee to refund or transfer-out the amount will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Todd S. Hageman
Reports Analyst
Reports Analysis Division

9104080191

Name of Committee (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code of Loan Source

House, Wallace & Jewell, P.A.
3800 Capital Tower
LR AR 72201

Original Amount
of Loan

2,500.00

Cumulative Payment
To Date

1,662.50

Balance Outstanding at
Close of This Period

837.50

Election: ☐ Primary ☐ General ☐ Other (specify):

Terms: Date Incurred 1/15/88

Date Due 8/31/88

Interest Rate -0- % (apr)

☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code

N/A

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

2. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

B. Full Name, Mailing Address and ZIP Code of Loan Source

House, Wallace & Jewell, P.A.
3800 Capital Tower
LR AR 72201

Original Amount
of Loan

300.00

Cumulative Payment
To Date

-0-

Balance Outstanding at
Close of This Period

300.00

Election: ☐ Primary ☐ General ☐ Other (specify):

Terms: Date Incurred 2/8/88

Date Due 9/15/88

Interest Rate _____ % (apr)

☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code

N/A

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

2. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:

\$

SUBTOTALS This Period This Page (optional)

1,137.50

TOTALS This Period (last page in this line only)

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

880345018932

Name of Committee (in Full)

House, Wallace & Jewell, P.A. Political Action Committee

A. Full Name, Mailing Address and ZIP Code of Loan Source

House, Wallace & Jewell, P.A.
3800 TCBY Tower Building
Little Rock, Ar 72201

Election: ☐ Primary ☐ General ☐ Other (specify):

Original Amount
of Loan
2,200.00

Cumulative Payment
To Date
-0-

Balance Outstanding at
Close of This Period
2,200.00

Terms: Date Incurred 2/24/88 Date Due 5/89

Interest Rate 0% (apr)

☐ Secured

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

2. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

B. Full Name, Mailing Address and ZIP Code of Loan Source

House, Wallace, & Jewell, P.A.

3800 TCBY Tower Building
Little Rock, AR 72201

Election: ☐ Primary ☐ General ☐ Other (specify):

Original Amount
of Loan
925.00

Cumulative Payment
To Date
-0-

Balance Outstanding at
Close of This Period
925.00

Terms: Date Incurred 8/9/88 Date Due

Interest Rate % (apr)

☐ Secured

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

2. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

3. Full Name, Mailing Address and ZIP Code

Name of Employer

Occupation

Amount Guaranteed Outstanding:
\$

SUBTOTALS This Period This Page (optional) 3,125.00

TOTALS This Period (last page in this line only) 4,262.50

Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.

8903458 100619993



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-2

APR 5 1989

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: 30 Day Post-General Report (10/1/88-11/28/88) ✓

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Please provide a Schedule B to support the entry reported on Line 24 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B, regardless of the amount. 2 U.S.C. 434(b)(5)(D).

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Todd S. Hageman
Reports Analyst
Reports Analysis Division

9104080194



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RC-2

APR 5 1989

Joanne H. Sorn, Treasurer
Wallace, Dover and Dixon Political
Action Committee
3800 Capitol Tower
Little Rock, AR 72201

Identification Number: C00206508

Reference: Year End Report (11/29/88-12/31/88) ✓

Dear Ms. Sorn:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Please provide a Schedule B to support the entry reported on Line 24 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B, regardless of the amount. 2 U.S.C. 434(b)(5)(D).

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Todd S. Hageman
Reports Analyst
Reports Analysis Division

910403A0195

LARRY C. WALLACE
GARRELL D. DOVER
PHILIP E. DIXON
EDWARD S. DILLON, JR.
DON F. HAMILTON
JOHN R. CLAYTON
JOHN L. LEBE
THOMAS S. STONE
STEVE L. RIDGE
J. BRUCE CROSS
RUSSELL GUNTER
JOSEPH H. FURMAN
SCOTT T. VAUGHN
CHARLES W. REYNOLDS
CHARLES E. SMITH
JOHN B. PEACE
ANNE OWINGS WILSON
CAROLYN S. WITHERSPOON
MR. DEAN OVERSTREET
GARYL G. RANEY
STEPHEN E. WISLEY
DONNA SMITH GILCHRIST

GARY S. ROGERS
HEARTSILL RAGON, III
JANICE W. VAUGHN
W. MICHAEL REIF
J. CAL MCCASTLAIN
DAVID A. COUCH
ROBERT H. FREEMAN
JAMES R. FENDER
FIELD R. WASSON, JR.
MARK F. HAMPTON
ALLEN C. DOBSON
LESA BRIDGES JACKSON
SUSANNE ANTELEY
H. DARREN GUNNIN
TERRI L. TOLLETT
KATHLEEN A. HILLEGAS
THOMAS S. WILLIAMS

OF COUNSEL
W. MORRIS JEWELL
JAMES R. RHODES, III
DEAN R. MORLEY

WALLACE, DOVER & DIXON

ATTORNEYS AT LAW

A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

CAPITOL & BROADWAY

SUITE 3600

LITTLE ROCK, ARKANSAS 72201

TELECOPIER (501) 375-6484

(501) 375-9151

To file

WASHINGTON OFFICE
JAMES T. FITTS
1400 L STREET, N.W.
WASHINGTON, D.C. 20005
(202) 371-8883
TELEX 440874 INTLAW UI
TELECOPIER (202) 371-8980

CROSSETT OFFICE
RICHARD EARL GRIFFIN
PAUL RAINWATER
GARY M. DRAPER
SHAY J. HUBBELL
310 MAIN STREET
CROSSETT, ARKANSAS 71638
(501) 364-8111

FORT SMITH OFFICE
HUGO SHAW
BRUNWICK PLACE, SUITE D
101 NORTH 10TH STREET
FORT SMITH, ARKANSAS 72901
TELECOPIER (501) 783-8200
(501) 783-8200

ALSO ADMITTED IN
TEXAS & KENTUCKY & DISTRICT OF COLUMBIA

JOE T. ROBINSON
(1872-1937)

JOSEPH HOUSE
(1880-1924)

WILLIS HOLMES
(1889-1978)

April 20, 1989

Mr. Todd S. Hageman
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE: Wallace, Dover & Dixon Political Action Committee
30 Day Post-General Reports of
1. 1/88 thru 3/31/88
2. 7/1/88 thru 9/30/88
3. 10/1/88 thru 11/28/88
4. 11/29/88 thru 12/31/88

Dear Mr. Hageman:

This correspondence is in response to your inquiries of April 5, 1989 regarding the above-listed reports. As for reports 1 and 2 above and the loans reported therein, as of this writing the balance owed by the PAC to the connected organization was \$837.50. This balance was paid off by a check of even date, a copy of which is enclosed.

As for reports 3 and 4 above and the need for schedules B, such schedules are enclosed herein.

I hope the information included herein is sufficient for your inquiry. If you need additional information, please let me know. Thank you for your guidance in this matter.

Sincerely,

WALLACE, DOVER & DIXON

J. Cal McCastlain
J. Cal McCastlain

JCM/bkd

9104080196

WALLACE, COVER & DIXON, PA
POLITICAL COMMITTEE
3800 TOLBY TOWER
5-86 LITTLE ROCK, ARKANSAS 72201

000514

81-10/820

April 20, 1989

PAY
TO THE ORDER OF

Wallace Cover & Dixon

\$ 837.50

Eight hundred thirty-seven and 59/100

DOLLARS



FIRST COMMERCIAL BANK, N.A.
LITTLE ROCK, ARKANSAS

FOR

To payoff loans

Betty Patterson

⑆000514⑈ ⑆082000109⑆ 0-21109-5⑈

91040800197

LARRY S. WALLACE
DARRELL S. DOVER
PHILIP E. DEON
EDWARD S. DRILLO, JR.
DON F. HAMILTON
JOHN R. CLAYTON
JOHN L. LEBE
THOMAS S. STONE
STEVE L. ROOS
J. BRUCE CROSS
RUSSELL GUNTER
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WM. DEAN OVERSTREET
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GARY S. ROGERS
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JAMICE W. VAUGHN
W. MICHAEL REIF
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SUZANNE ANTLEY
M. DARREN GOURN
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KATHLEEN A. HILDEBRAND
THOMAS G. WILLIAMS

OF COUNSEL
W. HORACE JEWELL
JAMES R. RHODES, III
DEAN R. MORLEY

ALSO ADMITTED IN
1 TEXAS 2 KENTUCKY 3 DISTRICT OF COLUMBIA

WALLACE, DOVER & DIXON
ATTORNEYS AT LAW
A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
CAPITOL & BROADWAY
SUITE 3800
LITTLE ROCK, ARKANSAS 72201
TELECOPIER (501) 375-8484
(501) 375-9151

JOE T. ROBINSON
(1972-1977)

JOSEPH HOUSE
(1980-1984)

WILLIS HOLMES
(1988-1978)

WASHINGTON OFFICE
JAMES T. FITZ
1400 L STREET, N.W.
WASHINGTON, D.C. 20005
(202) 371-8993
TELEX 440574 INTLAW UI
TELECOPIER (202) 371-8990

CROSSETT OFFICE
RICHARD E. GRIFFIN
PAUL R. WATERS
GARY W. GRAPER
BILLY J. HUBBELL
310 MAIN STREET
CROSSETT, ARKANSAS 71632
(501) 384-8111

FORT SMITH OFFICE
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BRUNWICK PLACE, SUITE C
101 NORTH 10TH STREET
FORT SMITH, ARKANSAS 72901
TELECOPIER (501) 783-8800
(501) 783-8800

June 2, 1989

Mr. Todd S. Hageman
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

RE: Wallace, Dover & Dixon Political Action Committee

Dear Mr. Hageman:

This correspondence is in response to your inquiry of May 4, 1989 and our conversation of May 24, 1989. Specifically, your agency requested that we document the repayment of \$2,200.00 from the Political Action Committee back to the connected organization, Wallace, Dover & Dixon. As I explained in our conversation, the Political Action Committee and the connected organization maintained bank accounts in the same bank. Repayments of the amounts in issue were made over a period of time from January 1, 1989 through April 15, 1989. Instead of actual payments, the repayments were facilitated through mere account transfers and corresponding book entries. A Schedule B is included herein showing the dates of the account transfers. These payments have not been reported earlier because the report in which they would be included is not yet due.

As I indicated in our correspondence of April 20, 1989, the balance previously owed by the Political Action Committee to the connected organization has been paid in full. I hope that such payment has now been finally documented. If you need additional information, please let me know. Thank you for your assistance in this matter.

Sincerely,

WALLACE, DOVER & DIXON

J. Cal McCastlain

JCM/bkd

SCHEDULE B

DISBURSEMENTS

schedule(s)
Category of the
Detailed Summary Page

PAGE OF

FOR LINE NUMBER

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Wallace, Dover & Dixon PAC Committee

A. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Loan Repayment Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-1-89	Amount of Each Disbursement This Period 287.50
B. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of Loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-15-89	Amount of Each Disbursement This Period 262.50
C. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Loan repayment Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-1-89	Amount of Each Disbursement This Period 275.00
D. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-15-89	Amount of Each Disbursement This Period 275.00
E. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 3-1-89	Amount of Each Disbursement This Period 275.00
F. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 3-15-89	Amount of Each Disbursement This Period 275.00
G. Full Name, Mailing Address and ZIP Code Wallace, Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 4-1-89	Amount of Each Disbursement This Period 275.00
H. Full Name, Mailing Address and ZIP Code Wallace Dover & Dixon PAC 3800 TCBY Tower Building Little Rock, AR 72201	Purpose of Disbursement Repayment of loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 4-15-89	Amount of Each Disbursement This Period 275.00
I. Full Name, Mailing Address and ZIP Code 	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

2,200.00

9104080199

**Official Business
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Federal Election Commission
617

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14

MEMO

DATE: February 3, 1990
TO: Wallace, Dover & Dixon, P.A.
FROM: J. Cal McCastlain
RE: Political Action Committee

As of February 1, 1990, for all practical purposes, the law firm of Wallace, Dover & Dixon, P.A. was no longer in business. Also, as of that same date I became an employee of Dover & Dixon, P.A. a separate legal entity.

To the extent I must clarify, I hereby resign as Treasurer of the Wallace, Dover & Dixon, P.A. Political Action Committee.

J. Cal McCastlain
J. Cal McCastlain

9104080201

REF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee
(Summary Page)

15

USE FEC MAILING LABEL
OR
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) Wallace, Dover & Dixon Political Action Committee	
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported 425 W. Capitol, Suite 3800	2. FEC IDENTIFICATION NUMBER C00206508
CITY, STATE and ZIP CODE Little Rock, AR 72201	3. <input type="checkbox"/> This committee qualified as a multicandidate committee DURING THIS Reporting Period on _____ (date).

4. TYPE OF REPORT

- (a) ☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☒ Termination Report See attached explanation

Monthly Report Due On:

<input type="checkbox"/> February 20	<input type="checkbox"/> June 20	<input type="checkbox"/> October 20
<input type="checkbox"/> March 20	<input type="checkbox"/> July 20	<input type="checkbox"/> November 20
<input type="checkbox"/> April 20	<input type="checkbox"/> August 20	<input type="checkbox"/> December 20
<input type="checkbox"/> May 20	<input type="checkbox"/> September 20	<input type="checkbox"/> January 31

☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____ in the State of _____

(b) Is this Report an Amendment? ☐ YES ☒ NO

SUMMARY		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period	<u>1/01/90</u> through <u>6/30/90</u>		
6. (a) Cash on Hand January 1, 19 <u>90</u>			\$ 3,553.04
(b) Cash on Hand at Beginning of Reporting Period		\$	
(c) Total Receipts (from Line 18) <u>Interest</u>		\$	\$ 80.47
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)		\$	\$
7. Total Disbursements (from Line 28)		\$	\$ -0-
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))		\$	\$ 3,633.51
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)		\$ -0-	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-376-3120
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)		\$ -0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Darrell Dover, Dean Overstreet and Charles Reynolds,

Signature of Treasurer Liquidating Agents for Wallace, Dover & Dixon, P.A.

Date

Darrell O. Dover, Liquidating Agent Charles Reynolds, Liquidating Agent

7/30/90

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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FEC FORM 3X
(revised 4/87)

INSTRUCTIONS FOR PREPARING FEC FORM 3X

WHO MUST FILE

Any political committee which is not an authorized committee is required to file periodic Reports of Receipts and Disbursements on FEC FORM 3X.

ALL POLITICAL COMMITTEES AUTHORIZED IN WRITING BY A CANDIDATE FOR THE OFFICE OF PRESIDENT OR VICE PRESIDENT MUST FILE ON FEC FORM 3P.

ALL POLITICAL COMMITTEES AUTHORIZED BY A CANDIDATE FOR THE HOUSE OF REPRESENTATIVES OR SENATE MUST FILE ON FEC FORM 3.

WHEN TO FILE

All political committees required to file on FEC FORM 3X must file either: election and non-election year reports as specified in (A) below; or monthly reports as specified in (B) below.

(A) Election Year and Non-Election Year Reports

In any calendar year in which there is a "Regular" November General Election, the following reports are required:

- Quarterly reports must be filed no later than April 15, July 15, October 15 and January 31 of the following calendar year. Each such report must disclose all transactions from the last report filed through the last day of the calendar quarter. A quarterly report is not required to be filed if a pre-election report is required to be filed during the period beginning on the 5th day and ending on the 15th day after the close of the calendar quarter.

- Pre-election reports must be filed no later than the 12th day before any primary or general election in which the committee supports (i.e., makes contributions to or expenditures on behalf of) or opposes a candidate and must include all transactions from the closing date of the last report filed through the 20th day before the election. A 12 Day Pre-election Report sent by certified or registered mail must be mailed no later than the 15th day before the election. A pre-primary election report is not required where the contribution(s) or expenditure(s) has been disclosed on a previous report. All committees must file a 12 Day Pre-general Election Report.

- A 30 Day Post-general Election Report must be filed no later than 30 days after the general election and include all transactions from the closing date of the last report filed through the 20th day after the general election.

In any other calendar year, the following reports are required:

- A Mid Year Report must be filed no later than July 31 and include transactions beginning January 1 and ending June 30.

- A Year End Report must be filed no later than January 31 of the following calendar year and include transactions beginning July 1 and ending December 31.

(B) Monthly Reports

Monthly reports must be filed no later than 20 days after the last day of the month and must disclose all transactions from the last report filed through the last day of the month. In lieu of the monthly reports due in November and December for a year in which there is a "Regular" November General Election, a 12 Day Pre-general Election Report must be filed including all transactions from the closing date of the last report filed through the 20th day before the election and a 30 Day Post-general Election Report must be filed including all transactions from the closing date of the pre-election report through the 20th day after the general election. A Year End Report must be filed no later than January 31 of the following calendar year and include transactions from the closing date of the Post-general Election Report through the last day of the calendar year.

A political committee may elect to change the frequency of its reporting from quarterly and semi-annually under (A) to monthly under (B) or vice versa. A committee may change its filing frequency only after notifying the Commission in writing of its intention at the time it files a required report under its current filing frequency. The committee will then be required to file the next required report under its new filing frequency. A committee may change its filing frequency no more than once per calendar year.

A document is timely filed upon delivery to the appropriate office (see "Where To File") by the close of the prescribed filing date or upon deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day the report is due, except that Pre-election Reports so mailed must be postmarked no later than midnight of the 15th day before the date of the election. Reports and statements sent by first class mail must be received by the appropriate office by the close of business of the prescribed filing date to be timely filed.

WHERE TO FILE

An original and any amendments to an original report must be filed as follows:

- Committees which support or oppose only a candidate(s) for the House of Representatives must file with the Clerk of the House of Representatives, Office of Registration and Administration, 1036 Longworth House Office Building, Washington, D.C. 20515-6612.

- Committees which support or oppose only a candidate(s) for the Senate must file with the Secretary of the Senate, Office of Public Records, 232 Hart Senate Office Building, Washington, D.C. 20510-7116.

- All other committees must file with the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463.

- Political committees filing FEC FORM 3X must file with the Secretary of State (or

appropriate State officer) of each State a copy of that portion of the report applicable to candidates seeking election in that State.

OVERVIEW OF RECORDKEEPING & REPORTING REQUIREMENTS

A political committee may use any recordkeeping or accounting system which will enable it to comply with the Act. The Commission recommends that the recordkeeping or accounting system of a political committee keep a separate accounting for each of the various categories of receipts and disbursements on the Detailed Summary Page. This separate accounting will assist the political committee in filling out the reporting forms, since separate reporting schedules are required for each category. The reporting schedules should be filled out so that totals can be derived for each category. The total figures should be carried forward to the Detailed Summary Page and then (where appropriate) from the Detailed Summary Page to the Summary Page.

TREASURER'S RESPONSIBILITIES

A copy of this Report must be preserved by the treasurer of the political committee for a period of not less than three years from the date of filing. The treasurer of the political committee is personally responsible for the timely and complete filing of the report and the accuracy of any information contained in it.

LINE BY LINE INSTRUCTIONS

It is recommended that committees complete the Detailed Summary Page before completing the Summary Page.

LINE 1 Please use the mailing label we sent you. If your address has changed or you do not have a label, print or type the complete name and mailing address of your committee. (Note: If your mailing label has a mistake on it simply mark through and correct any errors on it.)

LINE 2 Enter the FEC Identification Number assigned to the committee.

LINE 3 If the political committee qualified as a "multicandidate committee" during the reporting period, check this box. "Multicandidate Committee" means a political committee which: (i) has been registered with the Commission, Clerk of the House of Representatives or Secretary of the Senate for at least six months; (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to five or more Federal candidates. Include the date the committee met the above criteria on the line provided.

LINE 4(a) Check the appropriate box for "Type of Report". If the report is a 12 Day Pre-election or 30 Day Post-general Election Report, supply the type of election (primary, general, convention, special or run-off), the date of the election, and the State in which the election is held.

LINE 4(b) If this is an original report, check the "NO" box. If this is an amendment to a previous report, check the "YES" box.

LINE 5 Enter the coverage dates for this report. All activity from the ending coverage date of the last report filed must be included.

LINE 6(a) Enter the total amount of cash on hand at the beginning of the calendar year. The term "cash on hand" includes: currency; balance on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks owned by the committee; certificates of deposit, treasury bills and other committee investments valued at cost.

LINE 6(b) Enter the total amount of cash on hand at the beginning of the reporting period.

LINE 6(c) Transfer the amounts from Column A and Column B of Line 18 to the corresponding Columns on Line 6(c).

LINE 6(d) Add Lines 6(b) and 6(c) to derive the figure for Column A, and add Lines 6(a) and 6(c) to derive the figure for Column B.

LINE 7 Transfer the amounts from Column A and Column B of Line 28 to the corresponding Columns on Line 7.

LINE 8 For both Column A and Column B subtract Line 7 from Line 6(d) to derive the figure (which should be the same for both columns) for cash on hand at the close of the reporting period of Line 8.

LINE 9 Transfer the total amount of debts and obligations owed TO the committee from Schedule C or D.

LINE 10 Transfer the total amount of debts and obligations owed BY the committee from Schedule C or D.

ATTACHMENT TO FEC FORM 3X

Wallace, Dover & Dixon, P.A., an Arkansas professional corporation, whose employees were contributing to the Wallace, Dover & Dixon Political Action Committee, ceased the active practice of law as of February 1, 1990. The corporation has been in the process of liquidating its assets since that time, and has had no employees since that time.

The Treasurer for the PAC resigned effective February 1, 1990, and no successor has been named.

As part of the liquidation of Wallace, Dover & Dixon, P.A., Darrell Dover, Dean Overstreet and Charles Reynolds were named as liquidating agents to supervise the orderly liquidation of the corporation.

As required by 11 CFR §102.3, and 2 U.S.C. 433(d)(1), the Federal Election Commission is hereby notified that the residual funds of the PAC will be paid to Wallace, Dover & Dixon, P.A. as the sponsoring employer of the PAC, since there is no longer an active PAC to authorize any other use of such funds.

91040310204



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SECRETARIAT

90 DEC 17 AM 11:54

SENSITIVE

December 14, 1990

MEMORANDUM

TO: The Commission
FROM: Lawrence M. Noble
General Counsel *[Signature]*
SUBJECT: MUR 2978 -- Wallace, Dover & Dixon, P.A.

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues regarding the above-captioned respondent in MUR 2978. Copies of this brief and letters notifying the liquidating agents for this respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on December 14, 1990. Following receipt of the agents' replies to these notices, this Office will make a further report to the Commission.

A similar brief was mailed to Dover & Dixon, P.A. on August 2, 1990. This was done because this Office had been informed during the investigation of this matter that Wallace, Dover & Dixon, P.A. had been dissolved and had been succeeded by Dover & Dixon, P.A. In its response to this brief, Dover & Dixon, P.A. provided documentary evidence establishing that Wallace, Dover & Dixon, P.A. is presently a corporation in good standing chartered under the laws of Arkansas. Accordingly, a new brief is being mailed to the proper corporate respondent.

Also on December 14, 1990, this Office mailed a letter to Dover & Dixon, P.A. informing them that, based on their response, this Office would not recommend that the Commission find probable cause to believe against them.

Attachments

1. Brief
2. Letter to liquidating agent (Sample)
3. Letter to Dover & Dixon, P.A.

Staff person: T. Buckley

91040840205



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 14, 1990

John B. Peace, Esq.
Dover & Dixon, P.A.
3700 TCBY Tower
Little Rock, Arkansas 72201

RE: MUR 2978
Dover & Dixon, P.A.

Dear Mr. Peace:

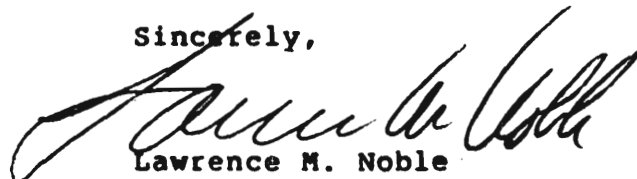
On August 2, 1990, this Office informed Dover & Dixon, P.A. that it was prepared to recommend to the Federal Election Commission that it find probable cause to believe that Dover & Dixon, P.A. had violated 2 U.S.C. § 441b(a). This recommendation was to be made based on the conclusions that Wallace, Dover & Dixon, P.A. had committed such a violation, and that Dover & Dixon, P.A. was the successor to the firm.

On September 27, 1990, this Office received your response to this notification. As a result of that response, this Office now believes that Dover & Dixon, P.A. is not the successor firm to Wallace, Dover & Dixon, P.A. Accordingly, this Office will not recommend that the Commission find probable cause to believe that your firm violated 2 U.S.C. § 441b(a).

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) will remain in effect until the entire file has been closed. The Commission will notify you when that occurs.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Lawrence M. Noble
General Counsel

91040340206



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 14, 1990

**Darrell Dover, Esq.
Dean Overstreet, Esq.
Dover & Dixon, P.A.
3700 TCBY Tower
Little Rock, Arkansas 72201**

**RE: MUR 2978
Wallace, Dover & Dixon, P.A.**

Dear Gentlemen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by J. Cal McCastlain, Joanne Sorn and Larry C. Wallace, on September 1, 1989, the Federal Election Commission found reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred. You are being notified of this action due to your status as a liquidating agent for Wallace, Dover & Dixon, P.A. A notification is also being sent to Charles Reynolds.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing

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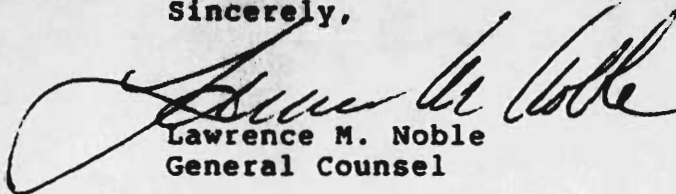
Darrell Dover, Esq.
Dean Overstreet, Esq.
Page 2

five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

91040340208



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

December 14, 1990

Charles Reynolds, Esq.
Cross & Gunter
425 West Capitol
Suite 3900
Little Rock, Arkansas 72201

RE: MUR 2978
Wallace, Dover & Dixon, P.A.

Dear Mr. Reynolds:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by J. Cal McCastlain, Joanne Sorn and Larry C. Wallace, on September 1, 1989, the Federal Election Commission found reason to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred. You are being notified of this action due to your status as a liquidating agent for Wallace, Dover & Dixon, P.A. A notification is also being sent to Messrs. Darrell Dover and Dean Overstreet.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing

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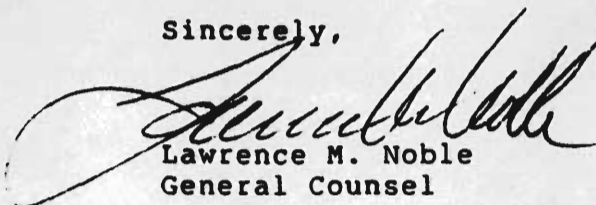
Charles Reynolds, Esq.
Page 2

five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

91040840210

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Wallace, Dover & Dixon, P.A.) MUR 2978

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

91040340211
The Wallace, Dover & Dixon Political Action Committee (the "Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans from the Committee's connected organization, Wallace, Dover & Dixon, P.A. (the "firm"). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989.

On September 1, 1989, the Commission found reason to believe that the firm had violated 2 U.S.C. § 441b(a) by making corporate contributions to the Committee. This Office received responses to this finding on October 16, 1989, in which Larry C. Wallace, the managing partner of the firm, requested that the Commission find that no violation had occurred and that no further action be taken against the firm. Affidavits were submitted by Mr. Wallace and J. Cal McCastlain, in which they contended that the information contained in the Committee's reports, which served as the basis for the Commission's finding of reason to believe, was in error.

91040840212

According to Mr. Wallace's affidavit, the 1988 April and October Quarterly Reports were in error to the extent they indicated that the firm loaned funds to the Committee, and to the extent they indicated that the Committee was repaying the firm for any such loans. As Mr. Wallace explained, "[f]unds contributed to the PAC and the subject of such reports actually represent personal contributions to the PAC by the Shareholders of the Firm," and the shareholders "funded their respective contributions by receiving advances from the Firm." Further, "[i]nstead of writing separate checks to each Shareholder, the Firm merely acted as an agent for each Shareholder and forwarded the Shareholders' contributions to the PAC in lump sums. Those contributions were intended to be actual contributions to the PAC and not loans. Likewise, the PAC was not required, nor expected, to repay those contributions." Finally, as regards these transactions, Mr. Wallace stated that the "Shareholders repaid their respective advances through subsequent payroll deductions. The Shareholders have paid these amounts in full from their personal funds."

Subsequently, on January 30, 1990, the Commission rejected Respondent's request that it take no further action and, because the responses were at odds with the Committee's reports and thus rendered difficult a complete understanding of what had occurred, the Commission also authorized interrogatories and requests for production of documents to be sent to the firm, the Committee, and Joanne Sorn, the former treasurer of the Committee.

91040340213

A response was received from Ms. Sorn on March 5, 1990. She stated that "[loans] of \$2,500, \$300 and \$2,200 from [House, Wallace & Jewell, P.A.]¹ to the Committee were made to fund the Committee's contributions to candidates from January, 1988 to March, 1988. These [loans] were necessary because the Committee checking account had insufficient funds for all desired candidate contributions for the quarter." Ms. Sorn continued by saying that the Committee account was normally funded through payroll deductions, but that what had been received from payroll deductions had been insufficient to cover the desired contributions for that quarter. "The transfers/loans were to be repaid through continued payroll deduction of the Committee participants." Ms. Sorn stated further that the loan of \$925 from the firm to the Committee which was reported on the 1988 October Quarterly Report was handled in a similar fashion, with the Committee wanting to make contributions for which it had inadequate funds. As a result, the firm again lent monies to the Committee for the purpose of making these contributions, and the Committee again repaid these loans through monies received from shareholders by means of subsequent payroll deductions.²

1. House, Wallace and Jewell, P.A. is the predecessor law firm to Wallace, Dover & Dixon, P.A.

2. Ms. Sorn claims that she did not believe that the loans reported on the 1988 October Quarterly Report were permissible. Her understanding, however, was not based on the fact that illegal corporate contributions were involved, but rather on the belief that the firm "had already 'loaned' the maximum allowed under FEC rules."

While a response was received from Mr. Wallace on April 2, 1990, he merely stated that he had resigned as a shareholder, officer and director of Wallace, Dover & Dixon, P.A. in January, 1990.. Wallace, Dover & Dixon, P.A. has not responded. Respondent has not changed its original assertion that no violation occurred and that the Commission should take no further action.

II. ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with a federal election. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. While a connected organization may pay the administrative costs of its separate segregated fund, for such payment to be legally sufficient the connected organization must either pay the expenses directly or deposit funds in an account segregated from voluntary contributions received by the fund. See, e.g., MUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization

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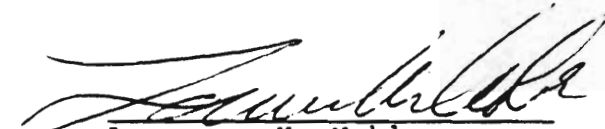
in the amount of \$925. As the response of Joanne Sorn makes clear, these loans were not used for the one legitimate purpose allowed of transfers from a corporation to its separate segregated fund, i.e., payment of the administrative costs of the Committee. Instead, they were used directly by the Committee to make contributions in the absence of sufficient voluntary contributions. The other two affidavits submitted do not dispute this. Accordingly, the making of these corporate loans constituted a violation of 2 U.S.C. § 441b(a). This Office recommends that the Commission find that there is probable cause to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a) by making corporate contributions totalling \$5945.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).

Date

12/14/90


Lawrence M. Noble
General Counsel

91040840215

SENSITIVE
EXECUTIVE SESSION
MAR 26 1991

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARY

MAR 19 PM 4:54

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Wallace, Dover & Dixon, P.A.)

Wallace, Dover & Dixon Political)

Action Committee and J. Cal McCastlain,)
as treasurer)

MUR 2978

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Wallace, Dover & Dixon Political Action Committee (the "Committee") and J. Cal McCastlain, as treasurer, were referred to the Office of the General Counsel by the Reports Analysis Division ("RAD") for receiving loans totalling \$5,945 from the Committee's connected organization, Wallace, Dover & Dixon, P.A. (the "firm"), in violation of 2 U.S.C. § 441b(a). The Committee had reported the receipt of three loans totalling \$5,020 from the firm between January 5, 1988 and February 24, 1988, and the receipt of yet another \$925 loan from the firm on August 9, 1988. The Committee also reported making 21 repayments to the firm between March 1, 1988 and April 20, 1989. On September 1, 1989, the Commission found reason to believe that the firm and the Committee each violated 2 U.S.C. § 441b(a) by making and accepting corporate contributions respectively.

II. ANALYSIS (the General Counsel's Briefs are incorporated herein by reference)

Pursuant to 2 U.S.C. § 441b(b)(2)(C), a corporation may legally participate in financing federal political activity by setting up a separate segregated fund and soliciting voluntary contributions to that fund. Pursuant to 2 U.S.C. § 441b(a), it

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is unlawful for any political committee to knowingly accept a contribution from a corporation. Included within the definition of contributions are loans. 2 U.S.C. § 441b(b)(2). While a connected organization may pay the administrative costs of its connected organization, for such payment to be legally sufficient, the connected organization must either pay the expenses directly or deposit funds in an account segregated from political contribution funds. See, e.g., NUR 1544.

On its 1988 April Quarterly Report, the Committee reported three loans from its connected organization: a January 5, 1988 loan in the amount of \$2,500; a February 8, 1988 loan in the amount of \$300; and a February 24, 1988 loan in the amount of \$2,220. On its 1988 October Quarterly Report, the Committee reported an August 9, 1988 loan from its connected organization in the amount of \$925. As the response of Joanne Sorn makes clear, the funds which comprised these loans were not used for the one legitimate use allowed of transfers from a corporation to its connected organization: payment of the administrative costs of that connected organization. Instead, they were used directly by the Committee to make contributions. The other two affidavits submitted do not dispute this. Accordingly, the making and acceptance of these loans constitute violations of 2 U.S.C. § 441b(a).

The treasurer of the Committee, J. Cal McCastlain, has submitted a brief in which he argues only that he personally is not liable for any violations committed by the Committee, as he was not treasurer at the time of the violations, and that he no

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longer is treasurer. Attachment 1. Mr. McCastlain states that he became treasurer of the Committee in mid-October 1988, and that he signed the 1988 October Quarterly Report as treasurer.

According to Mr. McCastlain, the Commission's policy as to naming the treasurer as a respondent along with the committee "must provide flexibility when it is determined that (1) the policy would cause an improper respondent to be named, (2) a more appropriate respondent could be named, or (3) the policy would cause an injustice."

Mr. McCastlain contends that it is clear he is not the proper respondent for several factors. He was not involved with the Committee at the time of the violations.¹ He has no direct knowledge of the violations. He is no longer treasurer and is no longer associated with the Committee. He was never a principal in the firm, and indeed was only with the firm three months when he was appointed treasurer and had only known of the Committee's existence for two days before he signed the 1988 October Quarterly Report. Finally, Mr. McCastlain states that while serving as treasurer all of his actions were proper.

Under Commission policy, the current treasurer of a committee is named as a respondent along with that committee so as to give the Commission one individual with whom to deal regarding a matter under review. Thus, of all of the reasons given by Mr. McCastlain as to why he should not be considered a

1. However, he signed (although he did not prepare) the 1988 October Quarterly Report which disclosed the \$925 loan which was made to the Committee by the firm in August 1988.

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respondent as treasurer of the committee, the only relevant one is that Mr. McCastlain is purportedly no longer treasurer. However, although Mr. McCastlain has claimed to have resigned as treasurer, the Committee has not amended its statement of organization so as to designate a new treasurer, nor is this Office aware that a successor treasurer has been selected. Accordingly, J. Cal McCastlain remains as treasurer of the Committee in the Commission's eyes, and should remain as a respondent.

Mr. McCastlain does not argue that the Committee did not commit any violations. No response brief has been received on behalf of Wallace, Dover & Dixon, P.A.²

Therefore, this Office recommends that the Commission find that there is probable cause to believe that Wallace, Dover & Dixon, P.A. and the Wallace, Dover & Dixon Political Action

2. Initially, this Office intended to recommend to the Commission that it find probable cause to believe against Dover & Dixon, P.A., a firm which this Office had been informed was the successor firm to Wallace, Dover & Dixon, P.A., and a brief was mailed to Dover & Dixon, P.A. informing them of this intended action. In their response, Dover & Dixon, P.A. informed this Office that Wallace, Dover & Dixon, P.A., although in the process of dissolving, was still a valid corporation. Accordingly, this Office determined that no recommendation would be made against Dover & Dixon, P.A. and mailed a new General Counsel's Brief to the three liquidating agents for Wallace, Dover & Dixon, P.A. No response has been received to this second brief.

Committee and J. Cal McCastlain, as treasurer, violated 2 U.S.C. § 441b(a) by making and accepting corporate contributions totalling \$5945, respectively.³

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Find probable cause to believe that Wallace, Dover & Dixon, P.A. violated 2 U.S.C. § 441b(a).
2. Find probable cause to believe that the Wallace, Dover & Dixon Political Action Committee violated 2 U.S.C. § 441b(a).

3. The Committee has already repaid the entire amount of the loans. Repayments had commenced in March, 1988 and were completed in April 1989. Repayments were reported on the 1988 April Quarterly, 1988 July Quarterly, Amended 1988 30 Day Post-General, and Amended 1988 Year-End Reports. Repayments made in 1989 were reported to RAD by the Committee's treasurer in a letter dated June 2, 1989. At that time, the treasurer included a Schedule B which itemized the date and amount of each repayment, but which was unattached to any quarterly report.

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3. Approve the attached conciliation agreements and appropriate letters.

Date

3/19/91


Lawrence M. Noble
General Counsel

Attachments:

1. Respondent's Brief
2. Conciliation Agreements (2)

Staff assigned: Tony Buckley

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Wallace, Dover & Dixon, P.A.;) MUR 2978
Wallace, Dover, & Dixon Political)
Action Committee and J. Cal)
McCastlain, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that at the executive session of March 26, 1991, the Commission decided by a vote of 4-0 to reject the recommendations contained in the General Counsel's report dated March 19, 1991, and instead take the following actions in MUR 2978:

1. Take no further action and close the file in this matter.
2. Direct the Office of General Counsel to send an appropriate letter pursuant to the discussion held at the meeting of March 26, 1991.

Commissioners Aikens, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioners Elliott and Thomas were not present.

Attest:

4-8-91
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1991

Darrell Dover, Esq.
Dover & Dixon, P.A.
3700 TCBY Tower
Little Rock, Arkansas 72201

RE: MUR 2978
Wallace, Dover & Dixon, P.A.

Dear Mr. Dover:

On September 29, 1989, Wallace, Dover & Dixon, P.A. (the "firm") was notified that the Federal Election Commission found reason to believe that the firm violated 2 U.S.C. § 441b(a). On October 16, 1989, the firm submitted a response to the Commission's reason to believe finding.

On December 14, 1990, this Office informed you, Dean Overstreet, and Charles Reynolds, as liquidating agents of the firm, of its intention to recommend to the Commission that it find probable cause to believe that the firm violated 2 U.S.C. § 441b(a). A copy of the General Counsel's Brief was sent to you at that time. No response to this notification was received.

After considering the circumstances of the matter, the Commission determined on March 26, 1991, to take no further action against the firm, and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1991

J. Cal McCastlain, Esq.
5820 Hawthorne Road
Little Rock, Arkansas 72207

CLOSED

RE: MUR 2978
Wallace, Dover & Dixon
Political Action Committee
and J. Cal McCastlain, as
treasurer

Dear Mr. McCastlain:

On September 21, 1989, you were notified that the Federal Election Commission found reason to believe that the Wallace, Dover & Dixon Political Action Committee (the "Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a). On October 16, 1989, you submitted a response to the Commission's reason to believe finding.

On August 2, 1990, this Office informed you of its intention to recommend to the Commission that it find probable cause to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 441b(a). A copy of the General Counsel's Brief was sent to you at that time. On October 2, 1990, you submitted a response to the General Counsel's Brief.

After considering the circumstances of the matter, the Commission determined on March 26, 1991, to take no further action against the Committee and you, as treasurer, and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 8978

DATE FILMED 4/25/91 CAMERA NO. 1

CAMERAMAN AS

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