



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3247

DATE FILMED _____ CAMERA NO. 4

CAMERAMAN AS

91040855434

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 7 February 1991

ANALYST: Jack MacDonald

I. COMMITTEE:

Friends of Butler Derrick (FKA Derrick
Finance Committee) (C00016212)
Lynne J. Richardson, Treasurer
(12/20/89 to present)
Mary Lynn Heyl, Treasurer
(5/25/88-12/19/89)
P.O. Box 458
Greenwood, SC 29648

II. RELEVANT STATUTE:

2 U.S.C. §434(a)(6)
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File Forty-Eight Hour Notifications

The Derrick Finance Committee ("the Committee") has failed to file the required Forty-Eight (48) Hour Notification ("48-Hour Notice") for one (1) contribution/loan totaling \$50,000 received prior to the 1990 General Election.

The candidate was involved in the 1990 General Election held on November 6, 1990. Prior Notice was sent to the Committee on October 1, 1990 (Attachment 2). The Notice includes a section titled "Last-Minute Contributions". This section reads "Committees must also file special notices if contributions of \$1,000 or more are received during the period of October 18 through November 3, 1990. The notices must reach the appropriate Federal and State offices within 48 hours of the committee's receipt of the contributions."

Schedules A and C of the 1990 30 Day Post-General Report indicates that the Committee failed to file one (1) 48-Hour Notice for a contribution received during the aforementioned period (Attachment 3). Listed below is the contribution for which no 48-Hour Notice was filed:

<u>Contributor Name</u>	<u>Date</u>	<u>Amount</u>
Butler C. Derrick (guarantor of bank loan)	10/25/90	\$50,000

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On January 18, 1991, an Informational Notice ("IN") was sent to the Committee (Attachment 4). The IN noted that the Committee may have failed to file one or more of the required 48-Hour Notices for "last minute" contributions of \$1,000 or more. The notice requested the Committee to review their procedures for checking contributions received during the aforementioned time period. In addition, the notice stated that although the Commission may take legal steps, any response would be taken into consideration.

As of this date, the Committee has not responded.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

91040855436

FEDERAL ELECTION COMMISSION
1982-1990

DATE SENT:

CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOLICIT/	PARTY	PRIMARY	GENERAL	PRIMARY	GENERAL	COVERAGE DATES	PAGES	LOC#10:		
							TYPE OF FILER				
<hr/>											
BERRICK, BUTLER C	HOUSE 03 DEMOCRATIC PARTY			SOUTH CAROLINA		1990 ELECTION		ID# H6903225			
<hr/>											
1. STATEMENT OF CANDIDATE											
1989 STATEMENT OF CANDIDATE							270000	1 89-GE/378/0246			
2. PRINCIPAL CAMPAIGN COMMITTEE											
<hr/>											
BERRICK FINANCE COMMITTEE							ID# 4086216212	HOUSE			
1989 STATEMENT OF ORGANIZATION - AMENDMENT							260000	1 89-GE/386/1984			
MID-YEAR REPORT							130489 -30JUN89	27	87-GE/381/1297X		
YEAR-END							1JUL89 -31DEC89	18	90-GE/366/1807X		
1990 STATEMENT OF ORGANIZATION - AMENDMENT							130490	1 90-GE/382/3752			
48 HOUR CONTRIBUTION NOTICE							290490	1 90-GE/386/3764			
48 HOUR CONTRIBUTION NOTICE							290490	1 90-GE/390/5340			
48 HOUR CONTRIBUTION NOTICE							1JUN90	1 90-GE/393/0736			
48 HOUR CONTRIBUTION NOTICE							6JUN90	1 90-GE/393/1528			
48 HOUR CONTRIBUTION NOTICE							11JUN90	2 90-GE/393/1643			
48 HOUR CONTRIBUTION NOTICE							23OCT90	1 90-GE/414/2974			
48 HOUR CONTRIBUTION NOTICE							23OCT90	1 90-GE/414/2973			
48 HOUR CONTRIBUTION NOTICE							24OCT90	1 90-GE/415/2313			
48 HOUR CONTRIBUTION NOTICE							26OCT90	2 90-GE/416/3449			
48 HOUR CONTRIBUTION NOTICE							29OCT90	1 90-GE/416/5138			
48 HOUR CONTRIBUTION NOTICE							31OCT90	1 90-GE/416/4936			
48 HOUR CONTRIBUTION NOTICE							6NOV90	1 90-GE/417/1936			
48 HOUR CONTRIBUTION NOTICE							6NOV90	1 90-GE/417/2873			
48 HOUR CONTRIBUTION NOTICE							7NOV90	1 90-GE/417/2518			
48 HOUR CONTRIBUTION NOTICE							8NOV90	1 90-GE/417/2959			
COUNT REPORT							6DEC90	1 90-FEC/675/1867			
APRIL QUARTERLY							1JAN90 -31MAR90	26	90-GE/353/4956X		
PRE-PRIMARY							1APR90 -23MAY90	25	90-GE/358/4894X		
JULY QUARTERLY							34,822 24MAY90 -30JUN90	34	90-GE/402/6649X		
OCTOBER QUARTERLY							235,927 1JUL90 -30SEP90	81	90-GE/408/1178X		
OCTOBER QUARTERLY - AMENDMENT							- 1JUL90 -30SEP90	2	90-GE/422/2634X		
1ST LETTER INFORMATIONAL NOTICE							1JUL90 -30SEP90	3	90-FEC/676/3235		
PRE-GENERAL							184,841 1OCT90 -17OCT90	24	90-GE/416/5230X		
POST-GENERAL							273,793 18OCT90 -26NOV90	62	90-GE/419/4377X		
1ST LETTER INFORMATIONAL NOTICE							18OCT90 -26NOV90	1	90-FEC/661/4914		
YEAR-END							22,636 27NOV90 -31DEC90	13	90-GE/424/3333		
TOTAL							313,337	534,726	227,627	788,277	422 TOTAL PAGES
3. AUTHORIZED COMMITTEES											
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CANDIDATE											

* THESE REPORTS HAVE BEEN REVIEWED

ENDING CASH-ON-HAND AS OF 12/31/90: \$106,192.04

OUTSTANDING DEBTS AS OF 12/31/90: \$0

GENERAL ELECTION REPORT NOTICE

ATTACHMENT 2

Page 1 of 2

FEDERAL ELECTION COMMISSION

CONGRESSIONAL CANDIDATES

October 1, 1990

Report	Reporting Period	Reg./Cert. Mailing Date*	Filing Date
Pre-General	10/01/90** - 10/17/90	10/22/90	10/25/90
Post-General	10/18/90 - 11/26/90	12/06/90	12/06/90

WHO MUST FILE

All 1990 general election principal campaign committees must file the pre- and post-general election reports.

WHO NEED NOT FILE

Principal campaign committees of candidates not active in the 1990 elections (i.e., committees active in past or future elections) and 1990 campaign committees not participating in the general election do not file the pre- and post-general reports.

WHAT MUST BE REPORTED

All financial activity (not previously reported) that occurred during the reporting period.

REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 32.

WHERE TO FILE

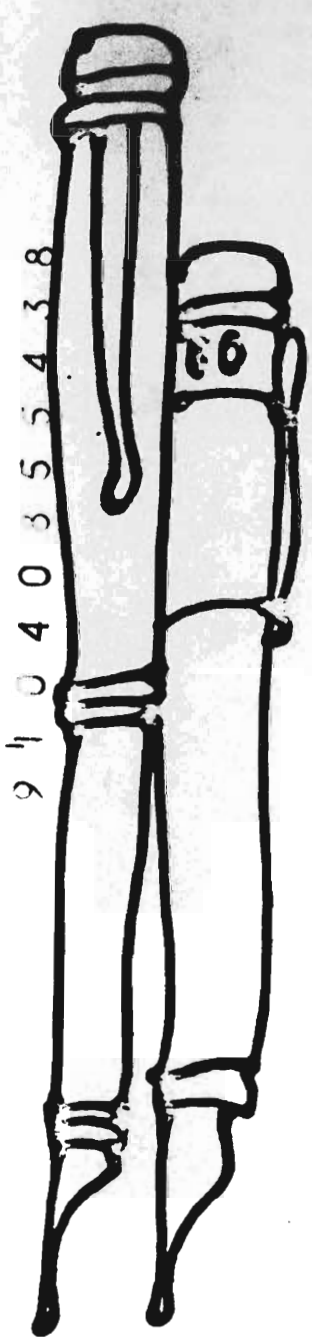
Consult the instructions on the back of the FORM 3 Summary Page. Note State filing requirements also.

LAST-MINUTE CONTRIBUTIONS

Committees must also file special notices if contributions of \$1,000 or more are received during the period of October 18 through November 3, 1990. The notices must reach the appropriate Federal and State offices within 48 hours of the committee's receipt of the contributions.

*Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

**The period begins with the close of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.



CONGRESSIONAL CANDIDATES

GENERAL ELECTION

LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Correction should be made on the label.

COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

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SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule
for each category of the
Detailed Summary PagePage 1 of 2
OF
1
FOR LINE NUMBER
13(a)

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

NAME OF COMMITTEE OR FUND

FRIENDS OF BUTLER DERRICK

A. Full Name, Mailing Address and ZIP Code

South Carolina National Bank
P.O. Box 528
Edgefield, S.C. 29824

Name of Employer

Date (month,
day, year)

10/25/90

Amount of Each
Receipt this Period

50,000.00

Occupation

Aggregate Year-to-Date > \$ 50,000.00

Receipt For: ☐ Primary ☒ 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: ☐ Primary ☒ 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: ☐ Primary ☒ 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: ☐ Primary ☒ 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: ☐ Primary ☒ 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: ☐ Primary ☒ 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: ☐ Primary ☒ General
☐ Other (specify):

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (list page this line number only)

50,000.00

9 8 4 0 4 0 8 5 4 7 4 0

Name of Commission (in full) FRIENDS OF BUTLER DERRICK			
A. Full Name, Mailing Address and ZIP Code of Loan Source South Carolina National Bank P.O. Box 328 Edgefield, SC 29824		Original Amount of Loan 50,000.00	Balance Outstanding at Close of This Period -0-
Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred 10-25-90 Date Due 11-14-90 Interest Rate 10.94% <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code Friends of Butler Derrick P.O. Box 438 Greenwood, S.C. 29648 by Butler C. Derrick		Name of Employer U.S. Congress	Amount Guaranteed Outstanding -0-
		Occupation U.S. Representative	
		Amount Guaranteed Outstanding -0-	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	Amount Guaranteed Outstanding -0-
		Occupation	
		Amount Guaranteed Outstanding -0-	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	Amount Guaranteed Outstanding -0-
		Occupation	
		Amount Guaranteed Outstanding -0-	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ 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	Amount Guaranteed Outstanding -0-
		Occupation	
		Amount Guaranteed Outstanding -0-	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	Amount Guaranteed Outstanding -0-
		Occupation	
		Amount Guaranteed Outstanding -0-	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	Amount Guaranteed Outstanding -0-
		Occupation	
		Amount Guaranteed Outstanding -0-	
SUBTOTALS This Period This Page (optional)			
TOTALS This Period (last page in this line only)			
Carry outstanding balance only to LINE 2, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20543

HQ-5

JUN 18 1991

Lynne J. Richardson, Treasurer
 Derrick Finance Committee
 P.O. Box 458
 Greenwood, SC 29648

Identification Number: C00016212

Reference: 30 Day Post-General Report (10/18/90-11/26/90)

Dear Ms. Richardson:

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 indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-General report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to make concerning this matter will be taken into consideration. (11 CFR §104.5(f))

Any amendment or clarification should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515. 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,

Jack MacDonald
 Reports Analyst
 Reports Analysis Division

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91 MAR -7 AM 9:52

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral #91L-12
STAFF MEMBER: Jeffrey Long

SOURCE: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS: Friends of Butler Derrick (FKA Derrick Finance Committee) and Lynne J. Richardson, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 434(a)(6)
11 C.F.R. § 104.5(f)

I. GENERATION OF MATTER

The Office of the General Counsel received a referral from the Reports Analysis Division ("RAD") on February 8, 1991. Attachment 1. The basis for the attached referral is the failure of Friends of Butler Derrick and Lynne J. Richardson, as treasurer, ("Committee") to file one forty-eight hour notification ("48 Hour Notice") for a contribution totaling \$50,000.00. Butler C. Derrick won the 1990 General Election in the 3rd Congressional District in South Carolina with 58 percent of the vote.

II. FACTUAL AND LEGAL ANALYSIS

See Attachment 2.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Friends of Butler Derrick and Lynne J. Richardson, as treasurer, violated 2 U.S.C. § 434(a)(6), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the appropriate letter, Factual and Legal Analysis, and proposed conciliation agreement.

Lawrence M. Noble
General Counsel

Date

3/6/91

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

1. Referral Materials
2. Factual and Legal Analysis
3. Proposed Conciliation Agreement

91040855444



FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / DONNA ROACH DK
COMMISSION SECRETARY

DATE: MARCH 12, 1991

SUBJECT: RAD REFERRAL 91L-12 - FIRST GENERAL COUNSEL'S RPT.
DATED MARCH 6, 1991

The above-captioned document was circulated to the
Commission on THURSDAY, MARCH 7, 1991 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	XXXXXX
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	XXXXXX

This matter will be placed on the meeting agenda
for TUESDAY, MARCH 19, 1991.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

(muf)
3247

In the Matter of)
) RAD Referral #91L-12
Friends of Butler Derrick (FKA)
Derrick Finance Committee) and)
Lynne J. Richardson, as treasurer.)

AMENDED CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that at the executive session on March 26, 1991, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #91L-12:

1. Open a MUR.
2. Find reason to believe that Friends of Butler Derrick and Lynne J. Richardson, as treasurer, violated 2 U.S.C. § 434(a) (6), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the appropriate letter, Factual and Legal Analysis, and proposed conciliation agreement, as recommended in the General Counsel's Report dated March 6, 1991.

Commissioners Aikens, Josefiak, McDonald, McGarry and Thomas voted affirmatively for the decision; Commissioner Elliott was not present.

Attest:

April 8, 1991
Date

Deborah Harris
for Marjorie W. Emmons
Secretary of the Commission

91040855446



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 17, 1991

Lynne J. Richardson, Treasurer
Friends of Butler Derrick
P.O. Box 458
Greenwood, South Carolina 29648

RE: MUR 3247
Friends of Butler Derrick
and Lynne J. Richardson, as
treasurer

Dear Ms. Richardson:

On March 26, 1991, the Federal Election Commission found that there is reason to believe Friends of Butler Derrick ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6), 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.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

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Lynne J. Richardson, Treasurer
Page 2

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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 Jeffrey Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,


John Warren McGarry
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

91040355448

FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS

RESPONDENTS: Friends of Butler Derrick
and Lynne J. Richardson, as
treasurer

MUR: 3247

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

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The Federal Election Campaign Act of 1971, as amended ("the Act"), requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate, the Clerk of the U.S. House of Representatives or the Commission, as appropriate, and the Secretary of State, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. Id. The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

According to 2 U.S.C. § 431(8)(A) and 11 C.F.R. § 100.7(a)(1)(B), a loan is a contribution at the time it is

made and is a contribution to the extent that it remains unpaid. Furthermore, each guarantor or endorser of a loan shall be deemed to have contributed that portion of the total amount of the loan for which the guarantor or endorser agreed to be liable until the loan is repaid. 2 U.S.C.

§ 431 (8)(B)(vii)(I) and 11 C.F.R. § 100.7(a)(1)(i)(C).

The General Election in the State of South Carolina was held on November 6, 1990. Pursuant to the Act, the Committee was required to notify the Commission, in writing, of all contributions of \$1,000 or more received from October 18 to November 3, 1990, within 48 hours of their receipt. A review of the Committee's 1990 30 Day Post-General Report identified one contribution received on October 25, 1990, of \$1,000 or more in the form of a loan guarantee totaling \$50,000. The contribution was reported on Schedules A and C, with the candidate, Butler C. Derrick, listed as the sole guarantor of a \$50,000 loan to the Committee. The Committee did not submit a 48 Hour Notice for this contribution.

Therefore, there is reason to believe that Friends of Butler Derrick and Lynne J. Richardson, as treasurer, violated 2 U.S.C. § 434(a)(6) by failing to report a campaign contribution in excess of \$1,000 received after the 20th day, but more than 48 hours before the general election, within 48 hours of receipt of the contribution.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 13, 1991

Lynne J. Richardson, Treasurer
Friends of Butler Derrick
5505 North 10th Street
Arlington, Virginia 22205

RE: MUR 3247
Friends of Butler Derrick and Lynne
J. Richardson, as treasurer

Dear Ms. Richardson:

On April 17, 1991, you were notified that the Federal Election Commission, on March 26, 1990, found reason to believe Friends of Butler Derrick and Lynne J. Richardson, as treasurer, violated 2 U.S.C. § 434(a)(6). Enclosed are copies of the material that was sent to you at that time. Under the Federal Election Campaign Act of 1971, as amended, and Commission regulations, you have an opportunity to demonstrate that no action should be taken against the Committee and you.

A review of our files indicates that to date you have not responded to the Commission's findings. Unless we receive a response from you within 15 days, this matter will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: George F. Rishel
Assistant General Counsel

Enclosure

910403551

Butler

Our Congressman

DERRICK

06C 1328
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 MAY 27 AM 10:15

1530 North Fant Street • Anderson, South Carolina 29621 • (803) 226-9878

May 23, 1991

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3247
Friends of Butler Derrick
and Lynne J. Richardson, as
Treasurer

Dear Mr. Chairman:

Thank you very much for your letter of April 17, 1991, and accompanying materials concerning the above-referenced matter. We have reviewed your letter and other documents and wish to negotiate a conciliation agreement to settle this matter without further proceedings.

We believe it worth noting at the outset that we have never contested any factual determination made by the Commission in its course of finding reason to believe this violation occurred. To the contrary, we have acknowledged not only the facts constituting the violation, but also our ignorance of the fact that the loan in question constituted a contribution reportable under 2 U.S.C. Sec. 434(a)(6)(A). Moreover, we did not fail to include the loan and its repayment on the next scheduled report.

Perhaps a brief description of the circumstances might help to explain how we failed to consider the loan a contribution and hence to report it as required. Rather than redeem prematurely a large certificate of deposit (CD) held by Friends of Butler Derrick and incur a substantial penalty for early withdrawal, we chose to negotiate a short-term loan from South Carolina National Bank to fund certain pressing campaign activities close to the election.

Given the alternative, we considered short-term borrowing a smart business decision since the interest on the loan for three weeks would be significantly less than the early withdrawal penalty. Since we had on deposit at all times sufficient sums to repay the loan (and in fact used the principal of the CD to repay the loan when it came due), we regarded the loan merely as a cash-management tool. Obviously we could not have considered this decision a smart one had we known our failure to report the loan as a contribution constituted a violation which would result in the imposition of civil penalties.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

91 MAY 28 PM 3:00

2 5 4 5 3 0 4 0 1 9

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Thank you for your attention to this matter. Should you require additional information, please do not hesitate to contact us. We would like to take this opportunity to reassure the Commission of our strong support for the election laws administered by the Commission, and of our desire to comply fully therewith in every respect in the future.

Sincerely,

Lynne J. Richardson

Lynne J. Richardson
Treasurer
Friends of Butler Derrick

Our Congressman
Butler DERRICK

1530 North Fant Street • Anderson, South Carolina 29621 • (803) 226-9878
June 11, 1991

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3247
Friends of Butler Derrick
and Lynne J. Richardson,
as Treasurer

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 JUN 17 PM 3:29

Dear Mr. Chairman:

In further reference to the above MUR, enclosed find additional materials that may be useful in this matter.

Specifically, please find copies of the loan documents filed with South Carolina National Bank for the bank loan received from South Carolina National Bank payable to Friends of Butler Derrick in the amount of \$50,000.00 and received on October 25, 1990.

These documents were executed by Butler C. Derrick and Lynne J. Richardson, in our fiduciary responsibilities as candidate and treasurer of Friends of Butler Derrick, respectively.

You will note that the commercial note was "secured by collateral in the possession of the holder." That is to say, the note was secured by SCN Certificate of Deposit #4182917, and same certificate was assigned to and returned to South Carolina National Bank for safekeeping while the note was in force (see attachments). Additionally, as you will note from the copy of the letter dated November 14, 1990, to South Carolina National Bank, the proceeds of the certificate were used to satisfy the bank note.

As was indicated in earlier correspondence, we failed to consider this bank note a contribution in that we chose to negotiate a short-term loan from the bank rather than redeem prematurely a large certificate of deposit held by the Friends of Butler Derrick at the same bank. We had on hand, at all times, sufficient resources to repay the loan and considered it a cash-management tool in that the interest on the note was significantly less than the penalty for early withdrawal of the certificate.

The Honorable John Warren McGarry
June 11, 1991
Page 2

Hopefully, these documents will assist you in further considering this matter and reconsidering the Commission's finding of reason to believe that Friends of Butler Derrick violated 2 U.S.C. Sec. 434(a)(6)(A). It is our belief that this note constituted a bank loan, not subject to the 48-hour reporting requirement, as opposed to a contribution.

If additional information is needed, please let us know.
Thank you for your attention to this matter.

Sincerely,

Lynne J. Richardson

LYNNE J. RICHARDSON

Treasurer

Friends of Butler Derrick

91040855455



FLEX BANKING
South Carolina National
Member FDIC

Commercial Note

Secured by Collateral in The Possession of The Holder

\$ 50,000.00
October 25 19 90

For value received, the undersigned (jointly and severally if more than one) promises to pay to the order of THE SOUTH CAROLINA NATIONAL BANK (the "Holder", which term shall include any holder hereof, the sum of Fifty Thousand & no/100 Dollars, payable at The South Carolina National Bank, Edgefield

S.C. (or at such other place as the Holder may designate) with

☐ Interest discounted at the yearly rate of _____ % per annum being authorized;

☒ Interest on the outstanding principal balance from 10-25-90 at the yearly rate of 10.00 % ☐ _____ % of the prime interest rate

☐ the prime interest rate ☐ the prime interest rate + _____ %

☐ other _____

☐ If this box is checked, the rate of interest on this loan will not exceed the yearly rate of _____ % nor fall below the yearly rate of _____ %.

If the words "prime interest rate" or similar words are used in this Note, they mean the yearly rate which _____ publicly announces as its prime interest rate. Each time the prime interest rate changes, the rate of interest which the undersigned owes will change _____ with each change in the prime interest rate.

Principal and interest to be paid as follows:

☐ TIME: The face amount of this Note is payable in full _____ days from date with interest having been discounted.

☒ TIME: The principal amount of this Note is payable in full 20 days from date with interest thereon payable at maturity beginning 11-14 19 90

☐ DEMAND: The principal amount of this Note is payable on demand with interest thereon payable _____ beginning _____

☐ INSTALLMENT: This Note is payable in _____ consecutive _____ installments of: _____

☐ (a) \$ _____ which includes interest, beginning on the _____ day of _____ 19 _____ and due on the same day of each period thereafter until paid in full, with a final payment of the balance of said principal and interest due and payable on the _____ day of _____ 19 _____

☐ (b) \$ _____ principal plus interest, beginning on the _____ day of _____ 19 _____ and due on the same day of each period thereafter until paid in full, with a final payment of the balance of said principal and interest due and payable on the _____ day of _____ 19 _____

☐ INSTALLMENT: This Note is payable in installments as follows:

Late Charge: A late charge equal to 5% of the payment amount, but not more than \$100, shall be assessed on any payment remaining unpaid on the tenth day after the payment due date, except that if the Note is payable in one payment, a late charge shall be assessed on the 30th day after maturity if the payment remains unpaid on that date.

Interest shall be computed on the entire outstanding principal balance on the basis of a 360 day year for the actual number of days elapsed. All payments received shall be applied first to interest accrued and due, and the remainder, if any, to late charges, if any, and then to reduction of principal. All prepayments of principal, at the option of the Holder, shall be applied in inverse order of maturity.

This Note and any and all other indebtedness or liabilities of the undersigned to the Holder, however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent (the "Obligations") shall, at the option of the Holder, become immediately due and payable in full, without presentment, demand, notice of dishonor or protest, in the event of non-payment when due of any amount payable on any of the Obligations, or if the Holder should deem itself insecure or the prospect of payment or performance is impaired for any reason whatsoever, including, but not limited to, the occurrence as to the undersigned, any endorser, guarantor, or surety of any of the following events: death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws, or entry

of any judgment, or failure to provide the Holder with financial information promptly when requested, or upon the occurrence of a default under the provisions of any agreement relating to or securing the payment of the Obligations. Upon the occurrence of any such event, the Holder hereof shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted in South Carolina and under all other applicable law including the right to sell the collateral and any notice of sale, lease, or other intended disposition of the collateral (as defined below) mailed, postage prepaid, to the undersigned at the address specified herein or at such other address furnished to the Holder by the undersigned at least five (5) days prior to such action, shall constitute reasonable notice to the undersigned.

The undersigned grants a security interest in and has deposited with the Holder as collateral security for the payment of the Obligations the following property

SCN Cert of Dep #4182917

Together with any and all proceeds additions, accessions and substitutions in respect to the above property (the "Collateral"). The undersigned agrees upon request of the Holder to execute any documents and take any other action Holder deems necessary to acquire and perfect any security interest in the Collateral. If, with respect to any of the Collateral in the form of investment securities, a stock dividend is declared or any stock split is made or right to subscribe is issued all certificates for the shares representing such stock dividend or stock split or right to subscribe shall be immediately delivered, duly endorsed, to the Holder as additional Collateral.

The undersigned further agrees from time to time to either pledge and deliver to the Holder additional Collateral or reduce the total Obligations by an amount sufficient to satisfy the Holder should the aggregate market value of any of the Collateral pledged hereunder at any time decline, or should any of the Collateral fail to conform to legal requirements, or should the Holder in good faith deem itself insecure. The undersigned also agrees that all other property of the undersigned at any time coming into the possession of the Holder and any balance of any deposit account of the undersigned with the Holder shall constitute additional Collateral for the Obligations of the undersigned to the Holder so long as any of the Obligations are outstanding and owed to the Holder by the undersigned.

The undersigned and all endorsers, guarantors or sureties, jointly and severally, waive presentment, demand, notice of dishonor and nonpayment or protest of this Note and all defenses on the ground of any extension of time or renewal (whether or not for longer than the original period) or the release or discharge of any party or the release, sale, exchange, substitution or impairment of any Collateral with or without consideration.

Unpaid principal, unpaid charges and interest due at maturity, or upon demand, shall bear interest at the rate set forth above until paid in full. In the event that this Note is not paid at maturity, either as originally provided or as accelerated under the terms hereof, the undersigned agrees to pay all costs and expenses of the Holder in the collection of this Note, including reasonable attorneys' fees.

This Note is made under and governed by the laws of the State of South Carolina and any applicable federal law and the undersigned hereby consents to the jurisdiction of all courts in South Carolina.

FRIENDS OF BUTLER DERRICK

Butler C. Derrick (SEAL)
(Type or Print Name)

201 Cannon Office Bldg, Washington, DC

Lynne J. Richardson (SEAL)
(Type or Print Name)

5505 N. 10th St., Arlington, Va 22205

Address _____ (SEAL)

Address _____

By _____ Its _____

Am't of Note \$ 50,000.00
Proceeds \$ 50,000.00

Renewal of \$ _____
☐ Cr. Acct. # 249001877

Filing Fees _____ Int. Rate 10.00

Sec. Uns.-Pd. Sec. Discount _____ Collateral 8100

Ins. _____ Birthdate _____ Due Date 11-14-90
Val. Date 10-25-90 Days Int. 20 Off. OK 205

Edgefield

, S.C.

October 25

1990

In consideration for a loan made by The South Carolina National Bank ("SCN") to Friends of Butler Derrick (the "Borrower"), as evidenced by the note or agreement dated 10-25-90, in the amount of \$50,000.00, the undersigned assign(s) to The South Carolina National Bank, its successors and assigns, as security for this loan the following account(s) and/or certificate(s) of deposit, including not only all amounts currently due the undersigned but also all amounts to become due on the accounts and/or certificate(s):

☐ SCN Savings Account Number _____☒ SCN Certificate of Deposit Number 4182917☐ _____ Savings Account Number _____

Certificate of

☐ Deposit Number _____☒

This assignment secures any renewals, refinancings, extensions, and/or modifications of the above-described loan.

☐ If checked, this assignment secures any and all other debts and liabilities of the Borrower to SCN of any kind or nature, whether now or hereafter in existence, whether absolute or contingent, whether individual or joints and/or several.

The undersigned appoints SCN its attorney-in-fact for the purpose of executing and/or endorsing any documents necessary and otherwise taking action necessary to protect and/or realize on the security interest evidenced by this assignment.

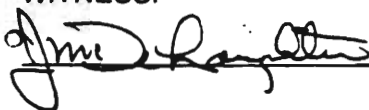
The undersigned authorizes SCN to charge against the security described above any unpaid amounts due SCN which are secured by this assignment, if not paid when due, or authorizes and directs SCN to pay over to SCN amounts from the security described above sufficient to pay SCN any unpaid amounts due SCN which are secured by this assignment, if not paid when due, upon receipt of a statement from SCN which sets forth the amount to be paid to SCN.

The undersigned represents and warrants that the undersigned is the owner free and clear of the described account(s) and/or certificate(s) and has full power and authority to execute and deliver this assignment.

The undersigned agrees to hold harmless any party paying over amounts to SCN pursuant to the statement described above.

FRIENDS OF BUTLER DERRICK

WITNESS:

 (L.S.)
Lynne J. Richardson, Treas.

(L.S.)

Assignment Acknowledged and Accepted

this 25th day of October
1990.Name of Institution: SCNBy: 

Title: _____

ACKNOWLEDGEMENT OF SATISFACTION

We hereby acknowledge payment in full of the indebtedness for which this Assignment is given and cancel this Assignment this _____ day of _____, 19____.

SOUTH CAROLINA NATIONAL BANK

By: _____

_____, South Carolina

Title: _____



South Carolina National

Due 11-14-90

Customer Number 296030364

Certificate Number 4182917

This certificate of deposit certifies that

NAME Friends of Butler Derrick
Lynne J. Richardson, Teas.
ADDRESS P. O. Box 458

CITY, STATE Greenwood S C

ZIP CODE 29648

Soc. Sec. No. 57-0675223
Tax ID No.

A - Non Resident Alien

B - Business

P - Personal

B X - Foreign Payer Phone ()

has deposited the sum of \$ 144,856.10 with The South Carolina National Bank on (date) 5-18-90

The deposit evidenced by this certificate will mature (# days or months) 180 days from the date of issue. Interest will be paid at 8.15 % per annum until the original maturity date. Interest will not be compounded at any time during a term of this certificate.

The amount of the deposit shall be paid to the depositor(s) upon surrender of this certificate properly endorsed. Interest will be paid (frequency) at maturity in the form of a (method of payment) credit to cert bal.

Amount

Date

Customer Signature

Withdrawals made
from Health Care CD

At maturity the deposit (will/will not) will not automatically renew for another term at the interest rate in effect at that time for certificates with that term. If interest is payable at maturity only and this certificate is automatically renewed, interest will be added to principal at renewal unless otherwise directed. Except for an automatically renewed certificate which is not redeemed during any applicable grace period, interest will not be paid after the applicable maturity date. There is a substantial penalty for early withdrawal. This certificate is not transferable, except on the books of the Bank and with the Bank's consent.

Certificate Owner
Co-Owner

FRIENDS OF BUTLER DERRICK

NOT PRESENT TO SIGN

SCN by

Issue date

May 18, 1990

Refer to Certificate of Deposit Agreement for additional terms and conditions

SEE REVERSE SIDE FOR REDEMPTION OF CERTIFICATE

FOR VALUE RECEIVED, and to induce THE SOUTH CAROLINA NATIONAL BANK, Edgefield
SOUTH CAROLINA, (the "Bank") at its option, from time to time, to make loans, advances, or otherwise extend credit to
Friends of Butler Derrick

(the "Debtor"), the undersigned (whose obligations and liability hereunder shall be joint and several if more than one) hereby absolutely and unconditionally guarantees to the Bank the prompt and full payment when due, whether by acceleration or otherwise, of any and all existing and future indebtedness and liability of every kind, nature and character of the Debtor to the Bank, however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent, joint or several (including all renewals, extensions and modifications thereof), together with all interest thereon and all attorneys' fees, costs and expenses incurred by the Bank in collecting any such indebtedness and liability (the "Obligations").

In the event bankruptcy or insolvency proceedings, or proceedings for reorganization, or for the appointment of a receiver, trustee or custodian for the Debtor or over its property or any substantial portion thereof, should be instituted by or against the Debtor, or if the Debtor becomes insolvent or makes an assignment for the benefit of creditors, or attempts to effect a composition with creditors, or encumbers or disposes of all or a substantial portion of its property, or if the Debtor defaults in the payment of any indebtedness or liability of any kind, nature or character of the Debtor to the Bank as the same falls due, or fails promptly to make good any default in respect of any undertaking, then the liability of the undersigned hereunder shall at the Bank's option and without notice become immediately fixed and be enforceable for the full amount thereof, whether then due or not, the same as though all said indebtedness or liability had become past due.

The undersigned waives notice of acceptance of this Guaranty and notice of the Obligations and also waives presentment, demand, notice of dishonor and non-payment or protest of the Obligations and all defenses on the ground of any extension of time, or of renewal (whether or not for longer than the original period), or the release or discharge of any party with or without consideration, or the release, sale, exchange, substitution or impairment of any collateral securing the payment thereof.

This is a continuing Guaranty of Payment and not of collection and the undersigned agrees that the Bank shall be under no obligation to preserve any collateral given by the Debtor to the Bank or preserve the liability of any person on the Obligations, nor shall the Bank be required to pursue or exhaust any remedy or bring suit against the Debtor, any other person, endorser, guarantor or surety, any collateral, or take any other action before requiring payment from the undersigned, any of whom may be sued separately by the Bank with or without joining the Debtor or any other person, endorser, guarantor or surety, and without first or contemporaneously suing such other persons, or otherwise seeking or proceeding to collect from them.

The undersigned agrees to furnish to the Bank such balance sheets, statements of income and other financial statements as the Bank may require from time to time.

This Guaranty shall remain in full force and effect and be binding upon the undersigned until receipt by the Bank of written notice from the undersigned terminating this Guaranty, but it is agreed that such notice of termination shall not release the undersigned from any liability upon the Obligations then existing, nor shall such notice of termination affect the continuing liability of any other undersigned party. Death of one or more of the undersigned shall not revoke or terminate this Guaranty nor the liabilities hereunder as to the deceased or as to any other undersigned party.

It is understood that, while the amount of credit that may be extended to, and the amount of indebtedness or liability that may be incurred by, the Debtor may not be limited, the liability of the undersigned to the Bank hereunder shall not exceed \$50,000.00 Dollars, principal plus all accrued interest and all costs of collection.

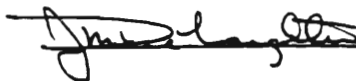
This Guaranty is made under and governed by the laws of the State of South Carolina and the undersigned hereby consents to the jurisdiction of all courts in said State. It is further agreed that the undersigned shall pay all costs and expenses, including reasonable attorneys' fees of not less than 15% of the liabilities of the undersigned hereunder, incurred by the Bank in collecting such liabilities.

This Guaranty shall bind the heirs, personal representatives, successors and assigns of the undersigned and shall inure to the benefit of the Bank, its successors and assigns.

IN WITNESS WHEREOF, the undersigned have duly executed this Guaranty this 25th day of October, 1990

WITNESSES:

For
Individual
Guarantors



GUARANTORS:

 (SEAL)

Butler C. Derrick

(Type or Print Name)

201 Cannon Office Bldg, Washington,

Address DC 20519

(SEAL)

(Type or Print Name)

Address

For
Corporate
Guarantors

(CORPORATE SEAL)

Attest

Secretary

By:

Its:

Corporate
Resolution
Required

(CORPORATE SEAL)

Attest

Secretary

By:

Its:

91040855459

Our Congressman
Butler DERRICK

1530 North Fant Street • Anderson, South Carolina 29621 • (803) 226-9878

November 14, 1990

South Carolina National Bank
P.O. Box 528
Edgefield, South Carolina 29824
Attention: Janice Riley

Dear Sirs:

Please pay Loan #2856755-9001, due 11/14/90, Friends of Butler Derrick, in the amount of \$50,277.78 with the proceeds of redeeming Certificate #4182917, Friends of Butler Derrick, maturing 11/14/90 in the amount of \$150,678.12.

When the loan is paid, please reinvest the balance of the certificate, \$100,400.34, in a 6-month certificate.

Many thanks for your assistance.

Sincerely,

Lynne J. Richardson

Lynne J. Richardson
Treasurer
Friends of Butler Derrick

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91 JUL 18 PM 4:21

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
)
Friends of Butler Derrick) MUR 3247
and Lynne J. Richardson,)
as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 26, 1991, the Commission found reason to believe the Friends of Butler Derrick committee and Lynne J. Richardson, as treasurer ("Respondents"), violated 2 U.S.C. § 434(a)(6) and offered to enter into preprobable cause conciliation. The alleged violation was based on the reported guarantee by the candidate, Rep. Butler Derrick (D-S.C.), of a \$50,000 loan to the Respondents from the South Carolina National bank of Edgefield, S.C., on October 25, 1990.

II. DISCUSSION

Ms. Richardson pointed out that the loan had been obtained on a short term basis for campaign activities close to the election rather than redeem a large certificate of deposit and incur a substantial penalty for early withdrawal. She contended that the failure "to report the loan as a contribution was under the circumstances innocent and inadvertent."

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Because this letter raised a question whether there had actually been a guarantee or whether one was even necessary and because it appeared that Ms. Richardson was confusing the loan with the candidate's guarantee for purposes of how the Act defines contribution, staff of this Office contacted Ms. Richardson. As a result, she submitted an additional letter on June 17, 1991, together with key documents relating to the subject loan. Attachment 2.

The copy of the commercial note for the loan shows that it was executed on October 25, 1990, between the South Carolina National bank and Friends of Butler Derrick with Butler C. Derrick and Lynne J. Richardson signing on behalf of the committee. The note also shows that the loan was guaranteed by a certificate of deposit, #4182917, held by the South Carolina National bank. The loan carried an interest rate of 10 percent and a due date of November 14, 1991.

Along with this document, Ms. Richardson submitted an assignment of savings account/certificate of deposit form that evidences the bank's security interest in the certificate of deposit. It is also dated October 25, 1990, and signed by Ms. Richardson. A copy of the certificate of deposit, #4182917, shows that it was issued to Friends of Butler Derrick on May 18, 1990, in an amount of \$144,856.10 at an interest rate of 8.15 percent and a due date of November 14, 1990, without automatic renewal. The certificate was redeemed on November 14, 1990, the principal and interest on the loan, totaling \$50,227.78, was paid, and a new six-month certificate of deposit in the amount of

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\$100,400.34 was issued.

Ms. Richardson also submitted a copy of the guarantee signed by Butler C. Derrick, dated October 25, 1990, for \$50,000. This guarantee is treated as a contribution under the Act, and its reporting by the Respondents is what triggered the apparent requirement for filing a 48 Hour Report. Ms. Richardson notes in her June 11 letter:

[W]e failed to consider this bank note a contribution in that we chose to negotiate a short-term loan from the bank rather than redeem prematurely a large certificate of deposit held by the Friends of Butler Derrick at the same bank. We had on hand, at all times, sufficient resources to repay the loan and considered it a cash-management tool in that the interest on the note was significantly less than the penalty for early withdrawal of the certificate.

Although Ms. Richardson did not so state in her letter, she had previously informed staff of this Office in a telephone call that she had contacted the Commission and was informed that if they had to have a guarantee to make sure it was the candidate and not anyone else. Ms. Richardson evidently interpreted this comment as requiring a candidate's guarantee. As the documentation makes clear, the loan was fully collateralized by the certificate of deposit, which was several times the amount of the loan. Thus, the guarantee from the candidate was unnecessary and superfluous.

Taking these circumstances into account, this Office recommends that the Commission take no further action against the Respondents and close the file in this matter.

III. RECOMMENDATIONS

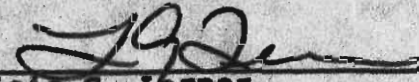
1. Take no further action with respect to Friends of Butler Derrick and Lynne J. Richardson, as treasurer.

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2. Close the file.
3. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

7/18/91
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. May 23, 1991, letter
2. June 11, 1991, letter

Staff person: Jeffrey D. Long

91040355464



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1991

Lynne J. Richardson, Treasurer
Friends of Butler Derrick
5505 North 10th Street
Arlington, Virginia 22205

RE: MUR 3247
Friends of Butler Derrick and Lynne
J. Richardson, as treasurer

Dear Ms. Richardson:

On April 17, 1991, you were notified that the Federal Election Commission, on March 26, 1990, found reason to believe Friends of Butler Derrick and you, as treasurer, violated 2 U.S.C. § 434(a)(6). On May 28 and June 17, 1991, you submitted responses to the Commission's reason to believe finding.

After considering the circumstances of the matter, the Commission determined on July 23, 1991, to take no further action against Friends of Butler Derrick 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.

The Commission reminds you that failure to properly report bank loans is a violation of the Federal Election Campaign Act of 1971, as amended. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

CLOSED

91040355466

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Friends of Butler Derrick and
Lynne J. Richardson, as treasurer.

MUR 3247

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 23, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3247:

1. Take no further action with respect to Friends of Butler Derrick and Lynne J. Richardson, as treasurer.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated July 18, 1991.

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

Attest:

7-23-91
Date

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

Received in the Secretariat: Thurs., July 18, 1991 4:21 p.m.
Circulated to the Commission: Fri., July 19, 1991 12:00 p.m.
Deadline for vote: Tues., July 23, 1991 4:00 p.m.

bjf

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3297

DATE FILMED _____ CAMERA NO. 4

CAMERAMAN AS

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