



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4008

DATE FILMED 11-24-95 CAMERA NO. 2

CAMERAMAN S.E.G.

95013700337

LAW OFFICES

MANSKER & BAROLAY

SUITE 1112

300 WEST WASHINGTON STREET

CHICAGO, ILLINOIS 60606

TELEPHONE (312) 553-0123

WILLIAM H. MANSKER
LESTER LLOYD BARCLAY

CRYSTAL L. ROBERTS
ELISE DIXON

June 23, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION

JUN 27 1994 9:16 AM
FACSIMILE
(312) 553-0127
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

VIA FACSIMILE AND REGULAR MAIL

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

Attn.: Office of the General Counsel

Re: Braun for U.S. Senate Campaign

Dear Sir or Madam:

Please be advised that our offices represent Bonsai Engineering Consultants, a division of Bonsai, Inc. ("Bonsai"). This letter expresses our concern about the propriety of certain proceedings initiated against our client which may be afoul of certain regulations for federal election campaigns.

Our client entered into an agreement with Braun regarding the latter's purchase of computer equipment and maintenance from Bonsai. While Braun paid for certain equipment initially, a substantial balance remains due and owing, at approximately \$56,000. This amount includes a \$12,000 amount which Bonsai paid Braun in advance for equipment which was to be returned to Bonsai after the election. Braun has not only kept the equipment, but refuses to return the payment to Bonsai. Despite repeated requests, Braun has failed and refused to remit the total amount due.

Recently, Bonsai received a demand for arbitration in March, 1994, from Braun which now claims that Bonsai has failed to abide by their agreement, alleging \$51,000 in damages. Aside from contractual language and other circumstances negating that contention, Braun has requested that Bonsai "wash" Braun's debt to Bonsai with Braun's contrived damages against Bonsai.

We understand that FEC regulations require that a campaign, such as Braun, report any purported settlements with creditors. Indeed, the campaign must receive prior approval prior to any type of legal proceeding against a creditor. Braun never attempted to pay the debt to Bonsai. Rather, upon information

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95043700339

Federal Election Commission
Office of the General Counsel
June 23, 1994
Page 2 of 2

and belief, Braun has conjured a disputed claim against Bonsai, like some of Braun's other creditors, in an attempt to coerce Bonsai to forgive Braun's debt. Furthermore, we believe that Braun devised this as disputed debt to circumvent express regulations which would require it to pay Bonsai in full, absent an approved settlement plan or terminating status. Upon information and belief, neither applies to Braun.

We hope that your office can assist us in clarifying this situation. We kindly request a written response to our request within the next seven (7) business days. Should you require further information, or have any questions or comments, please contact the undersigned.

Sincerely,

Crystal L. Roberts
Crystal L. Roberts

CLR/jaj

cc: Kimothy Lee



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 30, 1994

Crystal L. Roberts
Mansker & Barclay
Suite 1112
300 West Washington Street
Chicago, IL 60606

Dear Ms. Roberts:

This is to acknowledge receipt on June 27, 1994, of your letter dated June 23, 1994. The Federal Election Campaign Act of 1971, as amended ("the Act") and Commission Regulations require that the contents of a complaint meet certain specific requirements. One of these requirements is that a complaint be sworn to and signed in the presence of a notary public and notarized. Your letter did not contain a notarization on your signature and was not properly sworn to.

In order to file a legally sufficient complaint, you must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this ____ day of ____, 19__." A statement by the notary that the complaint was sworn to and subscribed before him/her also will be sufficient. We regret the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

Enclosed is a Commission brochure entitled "Filing a Complaint." I hope this material will be helpful to you should you wish to file a legally sufficient complaint with the Commission.

Please note that this matter will remain confidential for a 15 day period to allow you to correct the defects in your complaint. If the complaint is corrected and refiled within the 15 day period, the respondents will be so informed and provided a copy of the corrected complaint. The respondents will then have an additional 15 days to respond to the complaint on the merits. If the complaint is not corrected, the file will be closed and no additional notification will be provided to the respondents.

95043700340

If you have any questions concerning this matter, please
contact me at (202) 219-3410.

Sincerely,

Retha Dixon

Retha Dixon
Docket Chief

Enclosure

cc: Braun for US Senate

95043700341

LAW OFFICES
MANSKER & BARCLAY

SUITE 1112
300 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60606
TELEPHONE (312) 553-0123

WILLIAM H. MANSKER
LESTER LLOYD BARCLAY

CRYSTAL L. ROBERTS
ELISE DIXON

RECEIVED
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COMMISSION
ADMINISTRATIVE

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FACSIMILE
(312) 553-0127

July 7, 1994

MUR 4008

VIA FACSIMILE AND REGULAR MAIL

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

Attn.: Office of the General Counsel

Re: Braun for U.S. Senate Campaign

Dear Sir or Madam:

Please be advised that our offices represent Bonsai Engineering Consultants, a division of Bonsai, Inc. ("Bonsai"). This letter expresses our concern about the propriety of certain proceedings initiated against our client which may be afoul of certain regulations for federal election campaigns.

Our client entered into an agreement with Braun regarding the latter's purchase of computer equipment and maintenance from Bonsai. While Braun paid for certain equipment initially, a substantial balance remains due and owing, at approximately \$56,000. This amount includes a \$12,000 amount which Bonsai paid Braun in advance for equipment which was to be returned to Bonsai after the election. Braun has not only kept the equipment, but refuses to return the payment to Bonsai. Despite repeated requests, Braun has failed and refused to remit the total amount due.

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Federal Election Commission
Office of the General Counsel
July 7, 1994
Page 2 of 2

We understand that FEC regulations require that a campaign, such as Braun, report any purported settlements with creditors. Indeed, the campaign must receive prior approval prior to any type of legal proceeding against a creditor. Braun never attempted to pay the debt to Bonsai. Rather, upon information and belief, Braun has conjured a disputed claim against Bonsai, like some of Braun's other creditors, in an attempt to coerce Bonsai to forgive Braun's debt. Furthermore, we believe that Braun devised this as disputed debt to circumvent express regulations which would require it to pay Bonsai in full, absent an approved settlement plan or terminating status. Upon information and belief, neither applies to Braun.

We hope that your office can assist us in clarifying this situation. We kindly request a written response to our request within the next seven (7) business days. Should you require further information, or have any questions or comments, please contact the undersigned.

Sincerely,

Crystal L. Roberts

Crystal L. Roberts

CLR/jaj

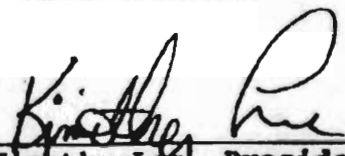
STATE OF ILLINOIS

)
) S.S.
)

COUNTY OF COOK


VERIFICATION

I, KIMOTHY LEE, hereby certify that I have read the foregoing letter, and state that the facts contained therein are true and correct to the best of my knowledge.

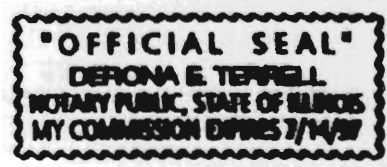


Kimothy Lee, President
Bonsai Engineering Consultants

SUBSCRIBED and SWORN
to before me this 6th
day of July, 1994.



NOTARY PUBLIC



Bonsai Engineering Consultants
117 W. Harrison
Suite 650
Chicago, Illinois 60605

95043700344



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 28, 1994

Kimothy Lee, President
Bonsai Engineering Consultants
117 W. Harrison, Suite 650
Chicago, IL 60605

RE: MUR 4008

Dear Mr. Lee:

This letter acknowledges receipt on July 22, 1994, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4008. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

95043700345



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 28, 1994

**Earl Wendell Hopewell, Treasurer
Carol Moseley Braun for U.S. Senate
201 N. Wells, Suite 900
Chicago, IL 60606**

RE: MUR 4008

Dear Mr. Hopewell:

The Federal Election Commission received a complaint which indicates that Carol Moseley Braun for U.S. Senate ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4008. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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 matter to be made public. 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.

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Earl Wendell Hopewell, Treasurer
Carol Moseley Braun for U.S. Senate
Page 2

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

95043700347

Coaxum and Hewitt
Attorneys and Counsellors at Law

Suite 650

The 820 Building

820 West Superior Avenue

Cleveland, Ohio 44113-1800

Telephone Number (216) 241-5700

Facsimile Number (216) 241-2679

Edward C. Coaxum, Jr.
James H. Hewitt, III

Christine I. Romaniw

August 9, 1994

VIA TELECOPIER FACILITIES &
REGULAR U.S. MAIL

Alva E. Smith, Esq.
Staff Attorney
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Re: MUR 4008

Dear Ms. Smith:

This law firm represents the Carol Moseley Braun for U.S. Senate Campaign ("the CMB Campaign") in connection with matters arising before the Federal Election Commission ("the Commission"). Enclosed is a fully executed Statement of Designation of Counsel prepared by Earl Hopewell, Treasurer.

On August 3, 1994, the CMB Campaign received a letter from Mary L. Taskar, Staff Attorney, Central Enforcementocket including a Complaint filed by attorneys for one of the vendors supplying computer equipment and network application software to the CMB Campaign.

The Commission's letter requests that the CMB Campaign provide its written reply within fifteen (15) days after receipt.

The purpose of this correspondence is to request a brief continuance by which we may supply a written reply. The basis for this request is that due to the press of business and a scheduled August vacation, a thirty (30) day extension is required to coordinate travel schedules, review relevant records, and finalize our reply.

The CMB Campaign is most interested in expediting and resolving this matter. This request for extension is not interposed for purposes of delay as our response will be supplied on or before September 19, 1994.

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OFFICE OF GENERAL
COUNSEL

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Coaxum and Hewitt

Page 2

Alva Smith, Esq.

August 9, 1994

As in prior dealings with your office, we request that you or another member of the General Counsel staff confirm by telephone or in writing whether this request for extension has been authorized.

Thank you in advance for your favorable consideration to this request. Please direct future inquiry or correspondence about this MUR to our attention at the address and phone number noted above.

Very truly yours,

COAXUM & HEWITT

By:


JAMES H. HEWITT, III

JHH/sm

cc: Earl Hopewell, Treasurer
Edward C. Coaxum, Jr

JHH94.219

95043700349

**CAROL
MOSELEY
BRAUN**
DEMOCRAT U.S. SENATE



STATEMENT OF DESIGNATION OF COUNSEL

August 5, 1994

To:
Federal Election Commission
Washington, D.C. 20463

Designated Legal Counsel:
Edward C. Coaxum, Jr., Attorney, and
James H. Hewitt, III, Attorney
Coaxum and Hewitt, Attorneys and
Counsellors at Law
The 820 Building, Suite 650
820 West Superior Avenue
Cleveland, Ohio 44113-1800
216-241-5700/216-241-2679 FAX

Designated Co-Counsel:
Louis F. Vitullo, Attorney
Wildman, Harrold, Allen &
Dixon
225 West Wacker Drive
Chicago, Illinois 60606

The above-named individuals, noted as counsel and co-counsel, are hereby designated as my counsel and are authorized to receive any notifications and other communications from the Federal Election Commission and to act on my behalf before the Commission.

August 5, 1994
Date


Signature

Respondent's Name:

Earl Wendell Hopewell,
Treasurer
Carol Mosley Braun For United States
Senate Committee
201 North Wells, Suite 1420
Chicago, Illinois 60606

312-541-2361/312-541-3737 (FAX)

c.c. Coaxum
Hewitt
Vitullo

201 North Wells Street • Suite 1420 • Chicago IL 60606
Phone 1-312-541-8292 • Fax 1-312-541-3737

Authorized and Paid for by Return for U.S. Senate, Treasurer Earl Hopewell
A copy of our report is on file with the Federal Election Commission, Washington D.C.

FILE COPY

95043700350



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUGUST 11, 1994

James H. Hewitt, Esq.
Coaxum and Hewitt
The 820 Building, Suite 650
820 West Superior Avenue
Cleveland, OH 44113-1800

RE: MUR 4008
Earl W. Hopewell, Treasurer
Carol Moseley Braun for U.S.
Senate

Dear Mr. Hewitt:

This is in response to your letter dated August 9, 1994, requesting an extension until September 19, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on September 19, 1994.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

95043700351

Coaxum and Hewitt
Attorneys and Counsellors at Law

Suite 650

The 820 Building

820 West Superior Avenue

Cleveland, Ohio 44113-1800

Telephone Number (216) 241-5700

Facsimile Number (216) 241-2679

Edward C. Coaxum, Jr.

James H. Hewitt, III

Chrystine I. Romanik

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COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 19 12 51 PM '94

September 17, 1994

VIA TELECOPIER & EXPRESS MAIL

Alva E. Smith, Esq.

Staff Attorney

Federal Election Commission

999 "E" Street, N.W.

Washington, D.C. 20463

Re: MUR 4008

Dear Ms. Smith:

The purpose of this correspondence is to provide to the Federal Election Commission (the "Commission" or the "FEC") the formal response of the Carol Moseley-Braun for U.S. Senate Committee and Earl W. Hopewell, as Treasurer (the "Committee" or the "Campaign") to the Complaint numbered MUR 4008 submitted by Crystal L. Roberts, Legal Counsel for Bonsai Engineering Consultants, a division of Bonsai, Inc. ("Bonsai").

By letter dated August 9, 1994, the undersigned attorneys for the Campaign received an extension to respond to the Complaint in this matter. Accordingly, this formal response is due by the close of business on Monday, September 19, 1994 and is being filed in accordance with this authorized extension.

The following explanatory information, and attached Exhibits, under oath, should demonstrate that no action should be taken by the FEC against the Campaign, and, or its Treasurer, as to any of the allegations contained in MUR 4008.

Page 2

Alva E. Smith, Esq.

September 17, 1994

The Complaint Appears To Allege A
Possible Violation of 11 C.F.R. Part
116 Regarding The Settlement Of A
Debt.

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The letter filed by Attorney Roberts for and on behalf of Bonsai appears to claim that the Campaign as an ongoing Committee has attempted to enter into an improper debt settlement arrangement which may be in violation of certain regulations for federal election campaigns. The letter improperly asserts that the Campaign has created "contrived" damages against Bonsai in an effort to coerce Bonsai to forgive the Campaign's debt. Furthermore, the letter wrongly suggests that the Campaign has inappropriately characterized its obligation as a disputed debt to circumvent expressed regulations which would require the Campaign to pay Bonsai in full. As more fully explained below, there is no merit to any of these allegations.

As you know, in enacting recent amendments to 11 C.F.R. Part 116, the Commission has adopted language prohibiting ongoing committees from settling debts for less than the full amount owed. The Braun Campaign is aware that the settlement of an ongoing committee's debt is also inconsistent with 11 C.F.R. 116.10(b) of the Act. That Section contemplates the orderly application of a political committee's assets to reduce its outstanding debts only in the situation where the committee is insolvent and preparing to terminate. However, ongoing committees may continue to resolve bona fide disputes with creditors regarding debts under provisions of 11 C.F.R. 116.10.

We believe it may be useful to inform the FEC of essential background information regarding this disputed debt. Bonsai Engineering Consultants, a branch of Bonsai, Inc., entered into an Agreement during May, 1992 with the Campaign to provide specific network hardware, computers, network components, printers and application software support, and comprehensive trouble-shooting services for the Braun Campaign. For your convenience, a copy of said Agreement is attached hereto as Exhibit "A". Described at Page 4 of the Agreement under the caption "Support Services", were provisions for "maintenance of LAN" and "trouble shoot all network problems". Also included and anticipated under Support Services was the obligation that "Bonsai will provide the means for a timed backup to be performed at the end of each day".

In other provisions of the Agreement, at Paragraph 3, Page 9, Bonsai further agreed "in the event of any failure that cannot be resolved, Bonsai will provide the Campaign with a loaner

Page 3

Alva E. Smith, Esq.

September 17, 1994

unit". At Page 9, Paragraph 7 of the Agreement states, "Bonsai may at its option elect to replace the equipment or refund the customer's most recent advance." Finally, the Agreement, at Page 9, Paragraph 1, provides that "standard maintenance calls are not limited in number".

During January or February, 1993, the tape backup drive broke. Bonsai refused to replace it or provide a loaner unit as required in the Agreement. In contradiction of the express terms of the Agreement, Bonsai demanded an advance payment for a new tape drive and informed the Treasurer that it could not back-up to a disk until a new tape unit was purchased.

When the Treasurer informed Bonsai of its unequivocal contractual obligation to replace the defective unit or to provide a loaner at no additional cost to the Campaign, the Bonsai representatives devised a "make shift" back-up system. This "make shift" back-up system involved the use of a hard disk drive computer, external to the network originally installed by Bonsai.

Further, in September, 1992, the Committee terminated its employee responsible for providing back-up entry services into the Computer System. Thereafter, an employee of Bonsai assumed such back-up entry duties and the Campaign paid Bonsai for such additional professional services.

On or about December 31, 1993, the Campaign's Computer System was subject to a power surge, causing severe physical damage to the disk drive of the "make shift" back-up system. This disk drive contained all the main files and other most important information -- the Campaign Contributors' file.

After Bonsai was unable to repair or otherwise correct this disk drive, it was eventually submitted to an outside data recovery firm, On Track, located in Eden Prairie, Minnesota via guaranteed overnight mail. An effort was undertaken to retrieve a list of unrecoverable files. Upon receiving computer tapes via overnight delivery, it was determined that much of the data base files contained garbage data. Additional efforts were initiated to recover the lost files from the various data bases, as well as to contact Grass Roots Systems, Inc. which had sold the software designed to facilitate reporting, control and compliance with the Act and related regulations.

During January, 1994, FEC Auditors Ray Lisi and Rhonda Harvey, advised Earl W. Hopewell, Campaign Treasurer that the data containing essential information on all donors which were

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Page 4

Alva E. Smith, Esq.
September 17, 1994

previously contained on the computer system must be entered for audit purposes. Accordingly, Treasurer Hopewell initiated an effort to manually retrieve this data by hiring temporary service data entry personnel and by performing a substantial amount of this work himself at significant cost to the Campaign.

During May, 1994, Treasurer Hopewell, local Chicago, Illinois legal counsel for the Campaign, Lou Vitullo and his partner, Mark J. McCombs of the law firm of Wildman, Harold, Allen & Dixon, participated in a luncheon meeting with Kimothy Lee, Principal of Bonsai. During this luncheon, the representatives of the Braun Campaign informed Mr. Lee that the Braun Campaign vigorously disputed any alleged obligation to Bonsai inasmuch as Bonsai had breached its contractual obligation to replace a defective unit or to provide an adequate loaner. The Braun representatives informed Mr. Lee that as a result of violation of specific terms, the Braun Campaign had incurred approximately Sixty-Five Thousand Dollars (\$65,000.00) in damages resulting from said breach. These damages relate to unexpected expenses associated with the cost of temporary data entry personnel, additional costs of Bonsai personnel involved in the data retrieval process, extraordinary costs associated with the services of the Treasurer, and unanticipated legal fees and expenses.

Thereafter, Attorney McCombs had a telephone discussion with legal counsel for Bonsai, Attorney Crystal Roberts, to outline the Campaign's position. During the Campaign's investigation of this matter, it was confirmed that Bonsai was involuntarily dissolved by the Illinois Secretary of State during 1993. Accordingly, Attorney McCombs attempted to suggest that there may exist certain personal liability involving Mr. Lee for damages sustained by the Campaign. (See Exhibit "B"). It was not the intent of Attorney McCombs to suggest or otherwise imply that the Campaign sought to settle any legitimate debt owed to Bonsai in a manner in contravention of the Act or the Regulations. Rather, Attorney McCombs attempted to indicate clearly that any Bonsai asserted debt would be vigorously disputed inasmuch as Bonsai had breached its agreement with the Campaign and, as a result of such breach, the Campaign had experienced substantial unanticipated damages which would exceed any amount allegedly owed to Bonsai. Further, Bonsai may not have any standing to assert any disputed claim, since its corporate franchise rights had been dissolved. It was anticipated that Bonsai's attorney would review the Campaign's analysis and supply a written reaction within the very near future. Without warning, Bonsai provided its "reaction" -- the current Complaint filed with the Federal Election Commission.

95043700355

Page 5
Alva E. Smith, Esq.
September 17, 1994

On March 28, 1994, or about four (4) months before the filing of MUR 4008, the Braun Campaign initiated its demand for Arbitration. Arbitration is scheduled for October 25 and 26, 1994. See Exhibit "C".¹ The Agreement between the parties anticipates that the Campaign and Bonsai will resolve by Arbitration any controversy or claim arising out of or related to the Agreement. The Campaign has prepared a Summary of Loss Damages as of September 1, 1994. The Campaign's current calculation of damages exceed the amount of Bonsai's claim.² See Exhibit "E". The Campaign is prepared to present its legal position to an Arbitrator or may determine to file a separate Complaint in State Court to seek an acceptable resolution as to why Bonsai or its Principal, Mr. Kimothy Lee, may be accountable to the Campaign under these circumstances. Again, 11 C.F.R. 116.10 anticipates that the Committee may continue to resolve bona fide disputes with creditors. After review of these circumstances, and attached Exhibits, it is therefore clear that Bonsai and its legal counsel, Attorney Roberts, are attempting to use the FEC as a collection agency for a vigorously disputed, unresolved debt. See Exhibit "F". Thus, there should be no reason to believe finding or no probable cause finding to believe that the Braun Campaign has violated 11 C.F.R. Part 116. As a further commitment toward full and complete compliance with the provisions of the Act, the Campaign pledges to supply, if requested, such additional information as the Commission may require to review the ultimate resolution of this debt as anticipated by 11 C.F.R. 116.8(c).

¹ The FEC might be interested in learning that the Campaign has already tendered significant sums to Bonsai for computer equipment and on-going support services. In 1992, Bonsai received \$188,417.00; in 1993, \$22,971.60; and in 1994, \$4,660.31. The Braun Debt Retirement Committee is most concerned with these circumstances and has insisted that this matter be resolved through Arbitration or litigation, as may be appropriate.

² While the exact amount of the Bonsai claim has not been fully ascertained to the satisfaction of the Committee, the disputed Bonsai claim has been reported as part of the Campaign's Mid-Year Debts and Obligations FEC Report filed on July 28, 1994. As noted within this filing, until additional supportive data is produced, the Campaign has recognized an amount owed of Thirteen Thousand One Hundred Sixty-Six Dollars and 91/100 (\$13,166.91); but in the submitted footnotes, the Campaign explains that a counter claim exists which challenges Bonsai's claim and requests damages in excess of the amount of any Bonsai claim. See Exhibit "D".

Coaxum and Hewitt

Page 6
Alva E. Smith, Esq.
September 17, 1994

Conclusion

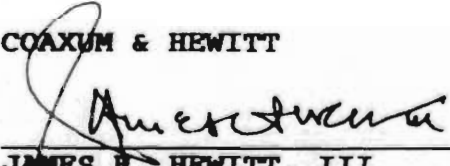
On behalf of our clients, the Carol Moseley-Braun for U.S. Senate Committee and Earl W. Hopewell, as Treasurer, urge the Commission to enter a finding that there is no reason to believe that the Committee has violated the Act, and find no probable cause to believe or to take further action in MUR 4008.

Please contact me or my partner, Edward C. Coaxum, Jr. if we may supplement this Reply with additional materials. Thank you.

Respectfully submitted,

COAXUM & HEWITT

By:



JAMES H. HEWITT, III
Associate Counsel, Carol
Moseley- Braun for U.S. Senate
Committee

JHH/sm

cc: Senator Carol Moseley Braun
Earl W. Hopewell, Treasurer
Louis P. Vitullo, Esq.
Mark McCombs, Esq.
Edward C. Coaxum, Jr., Esq.

JHH94.261

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EXHIBIT A

95043700358



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

CAROL MOSELEY BRAUN

**FOR U.S. SENATE
CAMPAIGN OFFICE**

**NETWORK
AGREEMENT**

95043700359

**Address: 201 N. Wells
Suite #900
Chicago, IL. 60606**

Date: May 27, 1992



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Boness, Inc.

PRICE SUMMARY

Hardware Costs

• FileServer	\$ 6,879.00
• Workstations	\$25,199.37
• Printers	\$ 9,144.00
• Novell Netware 20 User	\$ 2,699.00
• Additional Hardware	\$ 2,565.00

\$46,486.37

Network Installation Costs

• Cabling for 23 Offices	\$ 6,850.00
• Novell Netware Install	\$ 3,250.00
• Loading of Application Software	\$ 1,750.00

\$11,850.00

Network Application Costs

• WordPerfect 20 Users	\$ 2,955.00
• Paradox 10 Users	\$ 3,229.00
• Quattro Pro 10 Users	\$ 2,239.00

\$8,423.00

Maintenance for Computer Hardware, Network Components, and All Wiring

• 24 Hour/7 Day Coverage Including Parts & labor	\$ 4,800.00
---	-------------

\$4,800.00

GRAND TOTAL \$71,559.37



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

INVENTORY

HARDWARE (COMPUTERS)

1 386-33 FileServer

- 16MB RAM
- 525 MB Hard Drive
- 5.25" & 3.5" Floppy Drives
- 101 Enhanced keyboard
- 14" VGA Mon-Monitor

1 386sx-25 Supervisor Station

- 2MB RAM
- 5.25" & 3.5" Floppy Drives
- 700MB Tape Backup
- 14" H-Res Super VGA Monitor
- 512KB VGA Adapter
- 101 Enhanced Keyboard

20 386sx-25 Workstations

- 1MB RAM
- 40MB Hard Drive
- 3.5" Floppy Drive
- 14" H-Res Super VGA Monitor
- 512KB VGA Adapter
- 101 Enhanced Keyboard

HARDWARE (NETWORK COMPONENTS)

QTY DESCRIPTION

22 Ethernet Boards

1 24 Port Active Hub

1 800 Watt UPS Power System

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BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

INVENTORY - CONTINUE

HARDWARE (ADDITION COMPONENTS)

QTY DESCRIPTION

- 10 1MB RAM Upgrade for 10 Workstations
- 1 40MB Hard Drive (Finance)
- 3 5.25" Floppy Drives
- 1 525MB Hard Drive (File Server)

HARDWARE (LASER PRINTERS)

QTY DESCRIPTION

- 1 Hewlett Packard LaserJet IIIsi
- 1 Hewlett Packard laserJet III
- 4 Hewlett Packard LaserJet IIIp

SOFTWARE (Network and Application)

QTY DESCRIPTION

- 1 386 Novell Netware Version 3.11 (20 User License)
- 1 WordPerfect 5.1 (20 User license)
- 1 Paradox 3.5 (10 User License)
- 1 Quattro Pro 4.0 (10 User License)

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BONSAI ENGINEERING CONSULTANTS

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SYSTEM SUPPORT

Personnel Authorized to Access and Support of Network

Kimothy Lee
Kevin Kilpatrick
Lynn Smith
Buc Rogers
Tom Fobbs
Darryl Crawford
Mark Bankston

Support Services

- Maintenance of LAN
- Application Software Support
- User Training as Needed
- Troubleshoot all Network Problems

Coverage

- 5 Day/40 Hour Per Week On-Site Coverage
- On-Call 24 Hour Support for Fatal System problems (2 Hour Response Time)

TOTAL SUPPORT COST \$800.00

This service is to be provided on a scheduled weekly basis. Payment is due the Friday of the scheduled week. The on-site personnel will be available to do whatever it takes to ensure the success of the network. Bonsai will provide for system maintenance and troubleshooting 1 additional (terminal) node.

Customer Responsibilities

Customer is responsible for system backup's and data. Bonsai will provide the means for a timed backup to be performed at the end of each day. Customer will appoint a system administrator to coordinate with our staff, what services are to be provided on a need be basis.

Customer will provide an office area for work to be performed, equipped with 1 outside phone line.



BONSAI ENGINEERING CONSULTANTS

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A Branch of Bonsai Inc.

PAYMENT SCHEDULE

Payments Received \$35,000.00
(Received 5/5/92) **Balance Due** \$36,559.37

\$ 3,000.00
(Received 5/20/92) **Balance Due** \$33,559.37

Final Payments are to be made in 2 (Two) installments as follows:

<u>Installment One</u>	<u>Date Due</u>	<u>Balance Due After Installment</u>
\$18,279.00	5/26/92	\$15,280.37
<u>Installment Two</u>	<u>Date Due</u>	<u>Balance Due After Installment</u>
\$15,280.37	6/03/92	0.00*

ON-SITE SYSTEM SUPPORT

Start Date - Monday, June 1, 1992

\$800.00 Weekly - Due on the Friday of the scheduled week.



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

HARDWARE BUY BACK AGREEMENT

Bonsai Inc. Agrees to buy back all of the Network Hardware listed in the inventory list, 30 (Thirty) days following the campaign election, at the following rates:

•1 - FileServer 386DX-33MHZ and all attachments listed in inventory list	\$ 6,879.00
•21 - Workstations and all attachments listed in inventory list	\$25,199.37
• - Additional Hardware Items	\$ 2,565.00
•6 - Hewlett packard laser Printers	\$ 9,144.00
Total Network hardware	\$43,787.37

30% BUY BACK \$13,136.21

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BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai, Inc.

PRICE LIST

1 FileServer

Hast 386DX-33MHZ 64Cache
16MB Ram (70 NS Simms)
525MB Hard Disk IDE
5.35" & 3.5" Floppy Drive
700MB Tape backup
101 Enhanced Keyboard
14" VGA Mon-Monitor
400 Watt PS
Ethernet 24 Port Hub
Ethernet Board
800 Watt UPS

Per/Unit

\$6879.00

Total

\$ 6879.00

1 Supervisor & 20 WS

HAST 386SX-25MHZ
1 MB Ram (70 NS Simms)
3.5 Floppy
101 Enhanced keyboard
14" H-Res Super VGA .28DP
512KB VGA Adapter
Ethernet Board

Per/Unit

\$11,99.97

Total

\$25,199.37

Additional Hardware

10-1MB Ram Upgrade
1-40MB Hard Drive
1-525MB Hard Drive
3-5.25" Floppy Drives
1-40MB Hard Drive
1-1MB Addition Ram

Per/Unit

\$ 75.00
\$ 250.00
\$1,565.00
N/C
N/C
N/C

Total

\$ 750.00
\$ 250.00
\$1,565.00
N/C
N/C
N/C

\$2,565.00

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BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

PRICE LIST - Continue

<u>Hewlett Packard Printers</u>	<u>Per/Unit</u>	<u>Total</u>
4 LaserJet III's	\$1,039.00	\$4,156.00
1 LaserJet III	\$1,499.00	\$1,499.00
1 LaserJet III	\$3,489.00	\$3,489.00
		<hr/>
		\$9,144.00

<u>Novell Netware</u>	<u>Per/Unit</u>	<u>Total</u>
386 Version 3.11 (20 User)	\$2,699.00	\$2,699.00

TOTAL NETWORK HARDWARE COST \$46,486.00

<u>Network Installation Costs</u>	<u>Total</u>
Cabling for 23 Offices	\$ 6,850.00
Novell Netware Install	\$ 3,250.00
Loading of Application Software	\$ 1,750.00

TOTAL NETWORK INSTALLATION COST \$11,850.00

<u>Network Application Software</u>	<u>Total</u>
WordPerfect 5.1 20 User	\$2,955.00
Paradox 3.5 10 User	\$3,229.00
Quattro Pro 4.0 10 User	\$2,239.00

TOTAL APPLICATION SOFTWARE COST \$8,423.00

<u>Maintenance-Computer Hardware, Network Components</u>	<u>Total</u>
<u>And Wiring</u>	\$4,800.00

TOTAL HARDWARE MAINTENANCE \$ 4,800.00

GRAND TOTAL NETWORK COST \$71,559.00



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

EQUIPMENT SERVICE AGREEMENT - TERMS AND CONDITIONS

1). BONSAI ENGINEERING CONSULTANTS will provide maintenance services to Customer Monday through Friday, excluding holidays, 8 a.m. to 5 p.m. local time unless otherwise stated in BOWSAI'S then current published policies or specified in the applicable equipment schedule or invoice BOWSAI'S standard maintenance charges include labor during coverage hours and spare parts at any time, except as provided in paragraph 1,2, but does not include supplies or other consumable items. Standard maintenance service calls are not limited in number. Replaced parts become the property of BOWSAI.

2). Maintenance due to the following causes is subject to additional charges: an alteration or attachment to the equipment not approved by BOWSAI in writing; Customer's or any third party's negligence: misuse or abuse, including a failure to operate the equipment in accordance with the manufacturer's specifications: movement of the equipment to another location, other than 201 N. Wells, by any party other than BOWSAI; failure of equipment not maintained by BOWSAI; Improper use of or failure to use supplies; use of supplies not meeting the manufacture's specification; if applicable, use of certain equipment above designated levels; fire originating outside of the equipment; water acts of God; and damage ordinarily covered by insurance. BOWSAI may in its discretion charge for service calls for equipment in good operating condition including, but not limited to non-equipment related failures and service calls placed when there has been no failure.

3) In the event of any failure that cannot be resolved, Bonsai will provide CMB For U.S. Senate, with a loner unit. Futhermore, this agreement covers the entire system under contract, and service calls are not limited in number.

CUSTOMER'S RESPONSIBILITIES

4). Customer must at its expense prepare before the delivery of the equipment, and maintain thereafter, the site of the equipment in accordance with the manufacturer's then-current specifications.

5). Customer is solely responsible for (I) providing system backups. Customer is responsible for maintaining Backup Data.



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

GENERAL

6). Neither party will be in default or responsible for delays or failures in performance resulting from causes beyond that party's reasonable control.

7). BONSAI's liability to customer resulting from maintenance service is limited to restoring the equipment to good operating condition, if unable to restore the equipment, BONSAI may at its option elect to replace the equipment or refund the customer's most recent advance standard maintenance payment for the equipment, which shall in either case be customer's sole remedy therefore. BONSAI DISCLAIMS ALL WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF PERFORMANCE. A COURSE OF DEALING, OR TRADE USAGE. BONSAI DOES NOT WARRANT THAT THE OPERATION OF THE EQUIPMENT IT MAINTAINS WILL BE UNINTERRUPTED OR ERROR FREE OR THAT BONSAI WILL CORRECT ALL MALFUNCTIONS. BONSAI'S SOLE OBLIGATION UNDER ANY WARRANTY IS LIMITED TO SUCH MAINTENANCE, REPLACEMENT, OR REFUND.

8). BONSAI shall not be liable for any expense or damage incurred by customer, whether internal to customer or paid by customer to any third party, from a failure of the equipment to function or due to any malfunction of the equipment upon whatever cause of action any claim is based, except that BONSAI shall be liable for only bodily injury and death occasioned solely by the negligence or willful acts of BONSAI in servicing of the equipment. IN NO EVENT SHALL BONSAI BE LIABLE TO CUSTOMER FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND OR FOR ANY DAMAGES RESULTING FROM THE PERFORMANCE OF THE EQUIPMENT, A TEMPORARY OR PERMANENT LOSS OF USE OF THE EQUIPMENT, A LOSS OR CORRUPTION OF DATA, OR A LOSS OF PROFITS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN AN ACTION OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE. BONSAI IS NOT LIABLE FOR LOSS OF FUNDS OR NEGOTIABLE INSTRUMENTS CONTAINED IN, DISPENSED BY, OR ASSOCIATED WITH, ANY EQUIPMENT. THE REMEDIES PROVIDED FOR OR REFERENCED IN THIS AGREEMENT ARE EXCLUSIVE; CUSTOMER AND BONSAI WAIVE ALL OTHER LEGAL AND EQUITABLE REMEDIES. The limitations of the paragraph 8. shall survive the failure of any exclusive remedy.

9). Customer and BONSAI shall settle by arbitration any controversy or claim, including any claim of misrepresentation, arising out of or related to this agreement or any contract entered into between BONSAI and Customer, or any equipment or service BONSAI furnishes to customer. A single arbitrator shall conduct the arbitration under the then-current rules of the American Arbitration Association. Customer and BONSAI shall select the arbitrator from a panel of persons knowledgeable in business information and data processing systems. The decision and award of the arbitrator shall be final and binding and the award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held and the award shall be deemed to be made in the city where the BONSAI District Office servicing the equipment is located. The arbitrator shall not be empowered to award punitive damages to either party. Except with respect to claims alleging underpayment or overpayment of charges due under this Agreement, failure to file a notice of arbitration within 6 months after the occurrences supporting a claim constitutes an irrevocable waiver of that claim. Illinois law governs the interpretation and enforcement of this Agreement.



BONSAI ENGINEERING CONSULTANTS

Specialists in Computer Solutions and Modular Networks

A Branch of Bonsai Inc.

ACCEPTANCE OF AGREEMENT

All Material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner, according to specifications submitted, per standard practices.

* This Agreement Begins Upon Receipt of Signed Contract and Payment in Full.

The parties have read this agreement and agree to be bound by all of its provisions, and further agree that it constitutes the complete and exclusive statement of the agreement between, and all prior agreements and understandings between them, pertaining to the subject matter of this agreement. This agreement may be amended only in writing signed by both parties.

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified Contract begins

and will conclude

unless extended.

CAROL MOSELEY BRAUN
FOR U.S. SENATE
CAMPAIGN OFFICE

BONSAI ENGINEERING CONSULTANTS
"BONSAI, INC."

9504310000

SIGN -- Date

PRESIDENT -- Date

SIGN -- Date

EXHIBIT B

95043700371

WILDMAN, HARROLD, ALLEN & DIXON

325 WEST WACKER DRIVE

CHICAGO, ILLINOIS 60606-4229

(312) 201-2000

FAX: (312) 201-2045

MARK J. McCOMBS
(312) 201-2201

COPY

May 23, 1994

Ms. Crystal L. Roberts
Mansker & Barclay
300 West Washington Street
Suite 1112
Chicago, Illinois 60606

Re: Braun for U.S. Senate and Bonsai Engineering Consultants

Dear Ms. Roberts:

This letter confirms our May 20, 1994 telephone conversation about the above-referenced matter. Our client, Braun for U.S. Senate, has previously offered to settle all claims between the above-referenced parties by releasing each party from all outstanding debts purportedly due from the other. Your client has responded with a counter-offer requiring Braun for U.S. Senate to pay Bonsai Engineering Consultants \$40,000 to settle the matter.

Braun for U.S. Senate rejects this offer. Given the extraordinary damages occasioned upon the campaign by Bonsai, Mr. Kimothy Lee and others, the campaign insists upon acceptance of its original offer, i.e., a simple exchange of reciprocal releases without payment to or from either party. The damage incurred by the campaign as a result of actions taken by Bonsai Engineering and Lee are far in excess of any amounts even arguably due from the campaign to Bonsai Engineering.

It is also in Bonsai's and Mr. Lee's best economic interests to accept the campaign's offer in order to avoid costly and complex litigation over Mr. Lee's personal liability to the campaign. Mr. Lee and others argue that they performed services for the campaign after Bonsai Engineering was involuntarily dissolved during 1993. Under Chicago Title & Trust Company v. Brooklyn Bagel Boys, Inc., 222 Ill. App. 3d 413, 584 N.E. 2d, 142 (1st Dist. 1992), Mr. Lee and those other persons would be personally liable for any damages occasioned by that work, since it was not performed under the auspices of a corporation. A copy of the case and our analysis of it are enclosed. Litigation to determine the extent of personal

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WILDMAN, HARROLD, ALLEN & DIXON

COPY

Ms. Crystal L. Roberts
May 23, 1994
Page 2

liability attributable to Mr. Lee and others will be complex and costly, but necessary to protect the campaign's rights if this matter cannot be resolved. It is in all parties' best interests to avoid such costs.

If the campaign's offer to settle this matter is not accepted within fifteen (15) days from the date of this letter, the campaign will proceed with the arbitration and file suit for damages against Mr. Lee and all others who performed work after Bonsai's involuntary dissolution.

I will be out of my office from May 27, 1994 to June 12, 1994. Please contact Louis Vitullo if you wish to discuss this matter during that period. He can be reached at (312/201-2590).

Very truly yours,

WILDMAN, HARROLD, ALLEN & DIXON

Mark J. McCombs

MJM:mo

Enclosure

cc: Edward Coaxum
Barl Hopewell

bcc: Louis P. Vitullo

950437003/3

MEMORANDUM

TO: Mark J. McCombs
FROM: Scott E. Hochfelder ~~ST~~
DATE: May 24, 1994
RE: Liability of Officer and Director
of Dissolved Corporation

QUESTION PRESENTED

Can an officer or a director of an involuntarily dissolved corporation be held personally liable for actions undertaken after dissolution?

BRIEF ANSWER

Yes. Under Illinois law, an officer and a director of an involuntarily dissolved corporation can be held personally liable for actions undertaken after dissolution.

DISCUSSION

An officer or director of an involuntarily dissolved corporation, who continues to carry on business activities, is personally liable for those post-dissolution activities. The basis of this liability is set out in the Illinois Business Corporation Act ("Act"). See 805 ILCS 5/8.65 and 805 ILCS 5/12.30. Illinois courts have also imposed personal liability on officers and directors of dissolved corporations.

Under the Act, dissolution does not immunize officers or directors from personal liability. First, Section 8.65, entitled "Liability of directors in certain cases," continues director liability beyond dissolution. The pertinent part of this section provides:

(3) The directors of a corporation that carries on its business after the filing by the Secretary of State of articles of dissolution, otherwise than so far as may be necessary for the winding up thereof, shall be jointly and severally liable to the creditors of such corporation for all debts and liabilities of the corporation incurred in so carrying on its business.

95043700374

805 ILCS 5/8.65(3). The Act further states that a dissolved corporation is limited in its ability to carry on business. Section 12.30, addressing the "Effect of dissolution," states:

(a) Dissolution of a corporation terminates its corporate existence and a dissolved corporation shall not thereafter carry on any business except that necessary to wind up and liquidate its business and affairs"

805 ILCS 5/12.30(a). These statutory sections, and their predecessors, have been interpreted to impose personal liability on offending officers and directors of dissolved corporations.

Illinois courts have consistently held that officers and directors acting on behalf of a dissolved corporation are personally liable for their post-dissolution business dealings. See Steve's Equipment Services, Inc. v. Riebrandt, 459 N.E.2d 21 (Ill. App. 2d 1984); Estate of Plepel v. Industrial Metals, Inc., 450 N.E.2d 1244 (Ill. App. 1st 1984) (holding an officer of a dissolved corporation personally liable for debts incurred during period of dissolution). In Steve's Equipment, for example, the court considered whether the trial court erred in entering judgment against an involuntarily dissolved corporation, rather than against its officer. Reversing the trial court, the appellate court held that a person who enters a contract on behalf of an involuntarily dissolved corporation does assume personal liability if the person is in such a position where he or she should know about the dissolution. Steve's Equipment, 459 N.E.2d at 24.

In order to vitiate this personal liability, some officers and directors have attempted to file for corporate reinstatement in order to bind the corporation to all interim acts of its officers and directors. In a recent Illinois appellate court decision, Chicago Title & Trust Co. v. Brooklyn Bagel Boys, Inc., the court held that corporate reinstatement does not absolve a director of personal liability. Chicago Title & Trust Co. v. Brooklyn Bagel Boys, Inc., 584 N.E.2d 142, 146 (Ill. App. 1st 1991). The Bagel Boys decision reenforces Illinois' jurisprudential position that personal liability attaches to an officer's and a director's post-dissolution activities.

EXHIBIT C

95043700376

COMMERCIAL ARBITRATION RULES

To institute proceedings, please send three copies of this demand and the arbitration agreement, with the administrative fee as provided in the rules, to the AAA. Send the original demand to the respondent.

DEMAND FOR ARBITRATION

DATE: March 28, 1994

To: Name Bonsai Engineering Consultants, a division of Bonsai, Inc.

(of the Party on Whom the Demand is Made)

Address 117 W. Harrison St., Suite 650

City and State Chicago, Illinois

ZIP Code 60605

Telephone (312) 939-4499

Fax 312/461-0075

Name of Representative Kimothy Lee

(if known)

Name of Firm (if Applicable) same

Representative's Address _____

City and State _____

ZIP Code _____

Telephone () _____

Fax _____

The named claimant, a party to an arbitration agreement contained in a written contract, dated May 27, 1992 and providing for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration thereunder.

THE NATURE OF THE DISPUTE:

Failure to provide and maintain portions of the computer network described in above-referenced contract.

THE CLAIM OR RELIEF SOUGHT (the Amount, if Any): \$51,000.00

TYPES OF BUSINESS: Claimant Campaign Committee Respondent Computer Consultants

HEARING LOCALE REQUESTED: Chicago, Illinois

(City and State)

You are hereby notified that copies of our arbitration agreement and this demand are being filed with the American Arbitration Association at its Chicago, Illinois office, with a request that it commence administration of the arbitration. Under the rules, you may file an answering statement within ten days after notice from the administrator.

Signed [Signature] Title Attorney

(May Be Signed by a Representative)

Name of Claimant Braun For U.S. Senate

Address (to Be Used in Connection with This Case) 201 N. Wells St., Suite 1420

City and State Chicago, Illinois

ZIP Code 60606

Telephone (312) 541-9292

Fax 312/541-3737

Name of Representative Mark J. McCombs, Louis P. Vitullo

Name of Firm (if Applicable) Wildman, Harrold, Allen & Dixon

Representative's Address 225 W. Wacker Dr., Suite 3000

City and State Chicago, Illinois

ZIP Code 60606

Telephone (312) 201-2000

Fax 312/201-2555

☒ X

MEDIATION is a nonbinding process. The mediator assists the parties in working out a solution that is acceptable to them. If you wish for the AAA to contact the other parties to ascertain whether they wish to mediate this matter, please check this box (there is no additional administrative fee for this service).

Form C2-3/93

American Arbitration Association

225 N. Michigan, Suite 2527, Chicago, IL 60601-7601
Telephone: (312) 616-6560 Fax: (312) 819-0404



DAVID SCOTT CARFELLO

Regional Vice President

Full Dispute

Resolution Services:

- Arbitration
- Mediation
- Mini-Trials
- Election Services
- Education and Training
- Alternative Dispute Resolution

August 8, 1994

Via Certified and Registered Mail

Mark J. McCombs

Wildman, Harrold, Allen & Dixon
225 W. Wacker Dr. S-3000
Chicago, IL 60606

Offices:

- Atlanta
- Boston
- Chicago
- Cincinnati
- Denver
- East Hartford
- Garden City, NY
- Houston
- Los Angeles
- Los Angeles, CA
- Miami
- Middleburg Heights
- Minneapolis
- Newark
- New Orleans
- New York
- Oakbrook
- Philadelphia
- Pittsburgh
- Portland
- San Diego
- San Francisco
- Seattle
- Stamford, CT
- Syracuse
- Washington, DC
- Wichita, KS

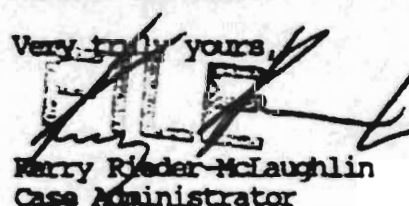
Crystal L. Roberts
Munster & Barclay
Suite 1112
300 West Washington Street
Chicago, IL 60606

Re: 51 117 00110 94
BRAIN FOR U.S. SENATE
and
BONSAI ENGINEERING CONSULTANTS, A DIVISION OF BONS
AI, INC.

Dear Mr. McCombs and Ms. Goodman:

Pursuant to Section 21 of the Rules, the Arbitrator has set October 25 and 26, 1994 as the dates of hearing in this matter. A formal notice of same is enclosed.

Very truly yours,


Harry Rieder-McLaughlin
Case Administrator
Writer's Direct Line:
312-616-6578

Enclosure(s)
cc: Michael Baraz

Headquarters:

1400 North Dearborn Street
Chicago, IL 60610-1000

EXHIBIT D

95043700379

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
Carol Moseley-Braun for U.S. Senate C00256610				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor The White Truffle 1020 Green Bay Road Winnetka, IL 60093	1,545.15		1,545.15	0.00
--Nature of Debt (Purpose): Fundraising Expense (Banquet).				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Tynan Marketing, Inc. 101 West Grand Ave, Ste.5 Chicago, IL 60610	4,353.29			4,353.29
--Nature of Debt (Purpose): Campaign Materials (Stickers).				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor Washington, Pittman & McKeever CPAs 819 South Wabash Avenue Suite 600, IL 60605	9,000.00			9,000.00
--Nature of Debt (Purpose): Professional Services				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor Z.Disputed:Austin & Sheinkopf 7700 River Edge Drive Columbus, OH 43245	0.00			0.00
--Nature of Debt (Purpose): Disputed claim under terminated contract.				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor Z.Disputed:Bonsai Engineering 117 West Harrison Street Chicago, IL 60605	13,166.91	3,035.00	3,035.00	13,166.91
--Nature of Debt (Purpose): Computer Servicing, Programming, Consulting and Maintenance. SEE "NOTE 4" following.				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor Z.Disputed: JEDCO, Inc. 2313 Hoffman Drive Effingham, IL 62401	0.00			0.00
--Nature of Debt (Purpose): Campaign Signage--Paid by state party.				
1) SUBTOTALS This Period This Page (optional)				
2) TOTAL This Period (last page this line only)				26,520.20
3) TOTAL OUTSTANDING LOANS from Schedule D (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last Page only)				

95043700330

Notes to Debts and Obligations
(Schedule D)

January 1, 1994 through June 30, 1994

Note 1. Kiplinger/KCMS.

The Committee understands the obligation to this vendor has been reduced through the rental of the Committee's direct mailing list, by the activities of the Committee's Direct Mail Consultant. Although requested by the Committee but not provided, an accounting of all direct mail rental activities including the debt reduction has also be made to Kiplinger/KCMS.

Note 2. Sheads and Associates.

The Committee understands the obligation to this vendor may have been reduced through the rental of the Committee's direct mailing list, by the activities of the Committee's Direct Mail Consultant. Although requested by the Committee but not provided, an accounting of all direct mail rental activities including the debt reduction has also be made to Sheads and Associates.

Note 3. Kezio Properties.

The Committee's lease agreement expired January 31, 1992. This vendor and the Committee have undertaken discussions. A higher amount has been presented to the Committee, however, no documentation has been provided to the Committee supporting the amount presented.

Note 4. Bonsai Engineering Consultants.

The Committee disputes the amount. A complaint in arbitration was filed. Further, a counterclaim has been submitted which challenges the claim and request damages in excess of the amount of the claim.

Note 5. Losser and Associates.

The Committee understands that an obligation to this vendor may have been reduced through the rental of the Committee's direct mailing list, by the activities of this direct mail consultant. Although requested by the Committee, but not provided to the Committee, an accounting of all direct mail rental activities.

9504370031

EXHIBIT 1

95043700382

Summary of Loss Damages

Data Entry Personnel (Employed 1/1/94-7/18/94)	\$ 37,704.23
Treasurer's Services	31,500.00
Computer Vendors	4,035.00
Arbitration Fee	1,500.00
Legal Fees	<u>4,607.44</u>

Summary of Loss Damages	<u>\$ 79,346.67</u>
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95043700333

EXHIBIT 7

95043700384

LAW OFFICES

MANSKER & BARCLAY

SUITE 1112

300 WEST WASHINGTON STREET

CHICAGO, ILLINOIS 60606

TELEPHONE (312) 553-0123

WILLIAM H. MANSKER
LESTER LLOYD BARCLAYCRYSTAL L. ROBERTS
ELISE DIXONFACSIMILE
(312) 553-0127

August 17, 1994

VIA FACSIMILE AND REGULAR MAIL

Mark J. McCombs, Esq.
Wildman, Harrold, Allen & Dixon
225 W. Wacker Drive
Suite 3000
Chicago, Illinois 60606-1229

Re: Braun for U.S. Senate and
Bonsai Engineering Consultants

Dear Mr. McCombs:

After conveying your offer stated during our telephone conversation last week regarding the above-referenced matter, our client has rejected the same.

We have always hoped that Sen. Moseley-Braun's campaign would honor its obligations to Bonsai. We remain confident that it will pay its long, delinquent account. Upon information and belief, we believe our client is neither able nor obligated to forgive your client's debt. Our client, a creditor notwithstanding your position, would accept a reasonable installment plan. Based upon your representation that other creditors are allegedly being paid, this creditor deserves the same consideration.

Thank you for your prompt attention to this matter. We look forward to hearing from you in the near future to schedule the campaign's payments to Bonsai.

Sincerely,


Crystal L. Roberts

CLR/jaj

cc: William H. Mansker
Kimothy Lee

EXHIBIT C

95043700386

BEFORE THE FEDERAL ELECTION COMMISSION
UNITED STATES OF AMERICA

IN THE MATTER OF:) MUR 4008
)
CAROL MOSELEY BRAUN FOR) AFFIDAVIT OF EARL W. HOPEWELL
UNITED STATES SENATE AND EARL) NATIONAL TREASURER
W. HOPEWELL, AS TREASURER)
)
Respondent.)

Earl W. Hopewell, after being first duly sworn alleges
and states that:

1. I am the National Treasurer for the Carol Moseley
Braun for United States Senate Committee, the Respondent in MUR
4008, currently under investigation by the Commission.

2. I have read the attached Response to MUR 4008
prepared by the principal Campaign legal counsel, the law firm of
Coaxum & Hewitt, together with annexed Exhibits and state that the
facts contained therein are true as I verily believe.

FURTHER AFFIANT SAYETH NAUGHT.

EARL W. HOPEWELL

SWORN TO AND SUBSCRIBED in my presence this _____ day of
September, 1994.

NOTARY PUBLIC

95043700387

Coaxum and Hewitt
Attorneys and Counsellors at Law

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 22 12 40 PM '94

Suite 650

The 820 Building

820 West Superior Avenue

Cleveland, Ohio 44113-1800

Telephone Number (216) 241-5700

Facsimile Number (216) 241-2679

Edward C. Coaxum, Jr.

James H. Hewitt, III

Christine I. Romanik

September 21, 1994

VIA EXPRESS MAIL

Alva E. Smith, Esq.
Staff Attorney
Federal Election Commission
999 "E" Street, N.W.
Washington, D.C. 20463

Re: MUR 4008

Dear Ms. Smith:

Enclosed herein please find the fully executed and notarized Affidavit of Earl W. Hopewell, National Treasurer of the Carol Moseley-Braun for U.S. Senate Committee in reference to the above-captioned matter.

The Affidavit was attached as an exhibit to our correspondence of September 17, 1994.

Please contact James H. Hewitt, III or Edward C. Coaxum, Jr. if further questions or concerns arise. Thank you.

Very truly yours,

Susan L. McNear

Susan L. McNear
Legal Secretary

/slm

Enclosure

cc: James H. Hewitt, III
Edward C. Coaxum, Jr.

95043700338

SEP 22 12 40 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION
UNITED STATES OF AMERICA

IN THE MATTER OF:) MUR 4008
)
CAROL MOSELEY BRAUN FOR)
UNITED STATES SENATE AND EARL) AFFIDAVIT OF EARL W. HOPEWELL
W. HOPEWELL, AS TREASURER) NATIONAL TREASURER
)
Respondent.)

Earl W. Hopewell, after being first duly sworn alleges
and states that:

1. I am the National Treasurer for the Carol Moseley
Braun for United States Senate Committee, the Respondent in MUR
4008, currently under investigation by the Commission.

2. I have read the attached Response to MUR 4008
prepared by the principal Campaign legal counsel, the law firm of
Coaxum & Hewitt, together with annexed Exhibits and state that the
facts contained therein are true as I verily believe.

FURTHER AFFIANT SAYETH NAUGHT.


EARL W. HOPEWELL

SWORN TO AND SUBSCRIBED in my presence this 20 day of
September, 1994.


NOTARY PUBLIC



95043707369

LAW OFFICES
MANSKER & BAROLAY

SUITE 1112
300 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60606
TELEPHONE (312) 553-0123

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 13 1 00 PM '94

WILLIAM H. MANSKER
LESTER LLOYD BARCLAY
CRYSTAL L. ROBERTS
ELISE DIXON

FACSIMILE
(312) 553-0127

October 11, 1994

VIA FACSIMILE AND REGULAR MAIL

Mary Taksar, Esq.
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Attn.: Office of the General Counsel

Re: Braun for U.S. Senate Campaign
MUR 4008

Dear Ms. Taksar:

This letter supplements the Complaint forwarded to your office on or about June 20, 1994, by Bonsai Engineering Consultants, Inc. ("Bonsai") concerning the above-referenced campaign ("Braun").

Even though Braun initiated the arbitration claim, Braun subsequently withdrew its claim on or about August 4, 1994. Copies of Braun's letter to the American Arbitration Association ("AAA") and the AAA's confirming letters to that effect are attached hereto for your reference. Such withdrawal occurred prior to any hearing being scheduled or an arbitrator being selected, suggesting that Braun was not acting to resolve this matter, but to avoid its obligations to Bonsai. Bonsai subsequently withdrew its counterclaim. Further, Braun has refused to reimburse Bonsai for the \$1,500 (Fifteen Hundred Dollars) filing fee incurred only because of Braun's denial of its obligations.

Moreover, Bonsai would like to underscore to the FEC that it provided software support to Braun, even when certain circumstances arose whereby Braun lost certain data beyond Bonsai's control. Bonsai does not want to be Braun's scapegoat for any consequences to Braun for failure to submit timely reports to the FEC. Indeed, Bonsai worked with Braun for approximately three (3) months to retrieve the data, only to be served with an arbitration claim while assisting them in that endeavor. Further, Bonsai should not be held accountable for Braun's failure to maintain and purchase certain equipment to ensure proper document storage per its agreement with Bonsai.

Mary Taksar, Esq.
September 26, 1994
Page -2-

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Bonsai had no prior notice of Braun's alleged claims or disputes with the amount billed. For sure, this outstanding balance existed more than a year before the incident occurred. At no time prior to the claim did Braun dispute the outstanding balance or/and Bonsai's quality of service. Even though Braun's initial software prior to Bonsai's involvement was not the best-equipped to generate the data needed, Bonsai took innovative measures to provide Braun with software designed to accomplish its goals effectively. Indeed, the outstanding balance is for services rendered during the course of 1993 when Bonsai assisted Braun generate reports and provide other data to the FEC. Braun acknowledged its obligation for full payment to Bonsai in accordance with FEC regulations. A copy of the letter dated April 3, 1993, is enclosed for your reference also. For Braun to now deny such obligation, even threatening litigation against at least one of Bonsai's officers, is a major disappointment to say the least.

We want to provide you with as much information as possible to aid you in conducting an accurate and thorough investigation.

Thank you for your assistance and prompt attention to this matter. Should you require further information, please contact the undersigned.

Sincerely,

Crystal L. Roberts

Crystal L. Roberts

CLR/jaj

cc: Kimothy Lee

9 5 0 4 3 7 0 0 3 9 2
WILDMAN, HARROLD, ALLEN & DIXON

225 WEST WACKER DRIVE

CHICAGO, ILLINOIS 60606-1229

(312) 201-2000

FAX: (312) 201-2999

MARK J. MCCOMBS
(312) 201-2501

August 4, 1994

Via Telecopier (312/819-0404)

Ms. Kerry Rieder-McLaughlin
American Arbitration Association
225 North Michigan Avenue
Suite 2527
Chicago, Illinois 60601-7601

Re: Braun for U.S. Senate and Bonsai Engineering Consultants
No. 51 117 00110 94

Dear Ms. Rieder-McLaughlin:

Pursuant to our previous telephone conversation, Braun for U. S. Senate hereby withdraws its March 28, 1994 Demand for Arbitration reflected by the above-referenced matter.

Very truly yours,

WILDMAN, HARROLD, ALLEN & DIXON

Mark J. McCombs

MJM/mm

✓cc: Crystal L. Roberts

American Arbitration Association

225 N. Michigan, Suite 2527, Chicago, IL 60601-7601
Telephone: (312) 616-6560 Fax: (312) 819-0404



DAVID SCOTT CARFELLO

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• Phoenix

• Pittsburgh

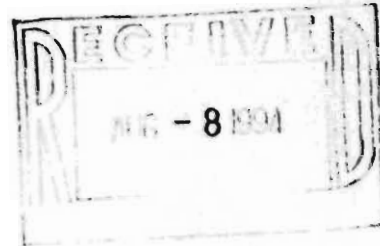
• Portland

• San Francisco

August 4, 1994

Mark J. McCombs
Wildman, Harrold, Allen & Dixon
225 W. Wacker Dr. S-3000
Chicago, IL 60606

Crystal L. Roberts ✓
Mansker & Barclay
Suite 1112
300 West Washington Street
Chicago, IL 60606



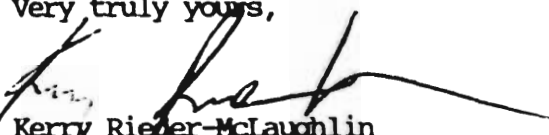
Re: 51 117 00110 94
BRAUN FOR U.S. SENATE
and
BONSAI ENGINEERING CONSULTANTS, A DIVISION OF BONSAI, INC.

Gentlemen:

This will acknowledge receipt of a letter dated August 4, 1994, from Mark J. McCombs, a copy of which we note has been sent to Respondent.

At this time, we request the comments of Respondent with respect to Mr. McCombs' letter on, or before August 14, 1994.

Very truly yours,


Kerry Rieher-McLaughlin
Case Administrator
Writer's Direct Line:
312-616-6578

Headquarters:

**CAROL
MOSELEY
BRAUN**
DEMOCRAT U.S. SENATE



venrepl

April 1, 1993

Bonsai Engineering Consultants
Credit Manager
117 West Harrison, Suite 650
Chicago, Illinois 60605

Re: Account No. Many Invoices

Dear Collection Manager

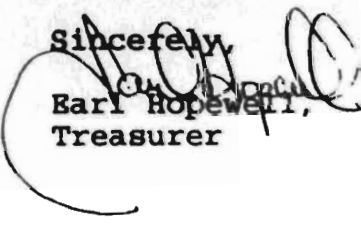
Thank you for your recent invoice relating to our account balance with Bonsai Engineering Consultants.

Your invoice will keep our files updated as we continue with our fundraising efforts to liquidate the balance outstanding.

We remind you that the Federal Election Commission requires that federal campaigns, such as the Braun For U.S. Senate Committee, fully pay all outstanding obligations to prevent a potential prohibited contribution.

Your support and understanding of our position would be most gratifying.

Sincerely,


Earl Hopewell,
Treasurer

201 North Wells Street • Suite 900 • Chicago IL 60606
Phone 1-312-541-9292 • Fax 1-312-541-9297

Authorized and paid for by Braun for U.S. Senate, Treasurer Earl Hopewell
A copy of our report is on file with the Federal Election Commission, Washington, D.C.



STATE OF ILLINOIS

)

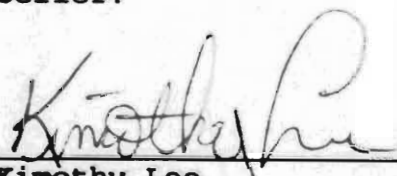
) S.S.

COUNTY OF COOK

)

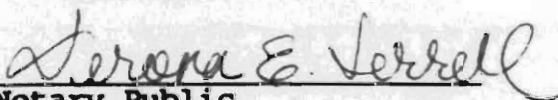
VERIFICATION

I, Kimothy Lee, hereby certify that I have read the foregoing document, and that the facts contained therein are true and correct to the best of my belief.



Kimothy Lee

Subscribed and sworn to
before me this 11th day
of October, 1994.



Notary Public



95043700395



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 17, 1994

Crystal L. Roberts, Esq.
Mansker & Barclay
Suite 1112
300 West Washington Street
Chicago, Illinois 60606

RE: MUR 4008

Dear Ms. Roberts:

This letter acknowledges receipt on October 13, 1994, of a supplement to the complaint you filed on behalf of your client on July 22, 1994 against the Carol Moseley Braun for U.S. Senate Committee. The respondents will be sent copies of the supplement. You will be notified as soon as the Federal Election Commission takes final action on the complaint.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

95043700396



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

October 17, 1994

James H. Hewitt, III
Coaxum and Hewitt
Suite 650, The 820 Building
820 West Superior Avenue
Cleveland, Ohio 44113-1800

RE: MUR 4008
Carol Moseley-Braun for U.S.
Senate Committee and Earl Hopewell,
as treasurer

Dear Mr. Hewitt:

On July 28, 1994, your clients were notified that the Federal Election Commission received a complaint from Bonsai Engineering Consultants alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On September 19, 1994, the Commission received a response to the complaint which you filed on behalf of your clients.

On October 13, 1994, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

Enclosure

95043/00327

BEFORE THE FEDERAL ELECTION COMMISSION
OCT 2 10 52 AM '95

In the Matter of

)
) Enforcement Priority
)

GENERAL COUNSEL'S REPORT

SENSITIVE

I. INTRODUCTION

This report is the General Counsel's Report to recommend that the Commission no longer pursue the identified lower priority and stale cases under the Enforcement Priority System.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission-approved criteria and cases that, based on their rating, do not warrant pursuit relative to other pending cases are placed in this category. By closing such cases, the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 34 cases which do not warrant further pursuit relative to the other pending cases.¹ A short description of

1. These matters are: PM 309 (Attachment 1); RAD 95L-12 (Attachment 2); MUR 4118 (Attachment 3); MUR 4119 (Attachment 4); MUR 4120 (Attachment 5); MUR 4122 (Attachment 6); MUR 4123 (Attachment 7); MUR 4124 (Attachment 8); MUR 4125 (Attachment 9); MUR 4126 (Attachment 10); MUR 4130 (Attachment 11); MUR 4133 (Attachment 12); MUR 4134 (Attachment 13); MUR 4135 (Attachment 14); MUR 4136 (Attachment 15); MUR 4137

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each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-34. As the Commission requested, this Office has attached the responses to the complaints for the externally-generated matters and the referral for the matter referred by the Reports Analysis Division because this information was not previously circulated to the Commission. See Attachments 1-34.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 11 cases that

do not

(Footnote 1 continued from previous page)
(Attachment 16); MUR 4138 (Attachment 17); MUR 4140
(Attachment 18); MUR 4142 (Attachment 19); MUR 4143
(Attachment 20); MUR 4144 (Attachment 21); MUR 4145
(Attachment 22); MUR 4148 (Attachment 23); MUR 4149
(Attachment 24); MUR 4153 (Attachment 25); MUR 4155
(Attachment 26); MUR 4158 (Attachment 27); MUR 4163
(Attachment 28); MUR 4164 (Attachment 29); MUR 4169
(Attachment 30); MUR 4179 (Attachment 31); MUR 4195
(Attachment 32); MUR 4196 (Attachment 33); and MUR 4205
(Attachment 34).

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warrant further investment of significant Commission resources.² Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate narratives for these cases. As the Commission requested, in matters in which the Commission has made no findings, the responses to the complaints for the externally-generated matters and the referrals for the internally-generated matters are attached to the report because this information was not previously circulated to the Commission. See Attachments 35-45. For cases in which the Commission has already made findings and for which each Commissioner's office has an existing file, this Office has attached the most recent General Counsel's Report.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the cases listed below effective October 16, 1995. By closing the cases effective October 16, 1995, CED and the Legal Review Team will respectively have the additional time necessary for preparing the closing letters and the case files for the public record.

2. These matters are: PM 250 (Attachment 35); PM 272 (Attachment 36); MUR 3188 (Attachment 37); MUR 3554 (Attachment 38); MUR 3623 (Attachment 39); MUR 3988 (Attachment 40); MUR 3996 (Attachment 41); MUR 4001 (Attachment 42); MUR 4007 (Attachment 43); MUR 4007 (Attachment 43); MUR 4008 (Attachment 44); and MUR 4018 (Attachment 45).

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III. RECOMMENDATIONS

A. Decline to open a MUR and close the file effective October 16, 1995 in the following matters:

- 1) PM 309
- 2) RAD 95L-12
- 3) PM 250
- 4) PM 272

B. Take no action, close the file effective October 16, 1995, and approve the appropriate letter in the following matters:

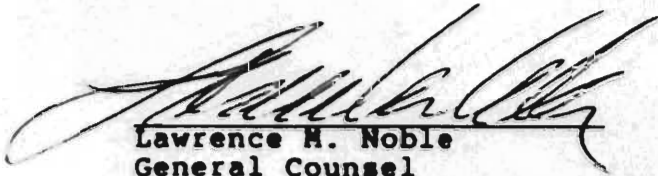
- 1) MUR 3554
- 2) MUR 3623
- 3) MUR 3988
- 4) MUR 3996
- 5) MUR 4001
- 6) MUR 4007
- 7) MUR 4008
- 8) MUR 4018
- 9) MUR 4118
- 10) MUR 4119
- 11) MUR 4120
- 12) MUR 4122
- 13) MUR 4123
- 14) MUR 4124
- 15) MUR 4125
- 16) MUR 4126
- 17) MUR 4130
- 18) MUR 4133
- 19) MUR 4134
- 20) MUR 4135
- 21) MUR 4136
- 22) MUR 4137
- 23) MUR 4138
- 24) MUR 4140
- 25) MUR 4142
- 26) MUR 4143
- 27) MUR 4144
- 28) MUR 4145
- 29) MUR 4148
- 30) MUR 4149

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- 31) MUR 4153
- 32) MUR 4155
- 33) MUR 4158
- 34) MUR 4163
- 35) MUR 4164
- 36) MUR 4169
- 37) MUR 4179
- 38) MUR 4195
- 39) MUR 4196
- 40) MUR 4205

C. Take no further action, close the file effective October 16, 1995 and approve the appropriate letter in MUR 3188.

9/29/95
Date


Lawrence H. Noble
General Counsel

95043700402

95043700403

In the Matter of)
) Agenda Document #X95-85
Enforcement Priority)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 17, 1995, do hereby certify that the Commission decided by votes of 5-0 to take the following actions:

- A. Decline to open a MUR and close the file effective October 17, 1995 in the following matters:
- 1) PM 309
 - 2) RAD 95L-12
 - 3) PM 250
 - 4) PM 272
- B. Take no action, close the file effective October 17, 1995, and approve the appropriate letter in the following matters:
- 1) MUR 3554
 - 2) MUR 3623
 - 3) MUR 3988
 - 4) MUR 3996
 - 5) MUR 4001
 - 6) MUR 4007
 - 7) MUR 4008
 - 8) MUR 4018
 - 9) MUR 4128

(continued)

**Federal Election Commission
Certification: Enforcement Priority
October 17, 1995**

Page 2

9 5 0 4 3 7 0 0 4 0 4

- 10) MUR 4119
- 11) MUR 4120
- 12) MUR 4122
- 13) MUR 4123
- 14) MUR 4124
- 15) MUR 4125
- 16) MUR 4126
- 17) MUR 4130
- 18) MUR 4133
- 19) MUR 4134
- 20) MUR 4135
- 21) MUR 4136
- 22) MUR 4137
- 23) MUR 4138
- 24) MUR 4140
- 25) MUR 4142
- 26) MUR 4143
- 27) MUR 4144
- 28) MUR 4145
- 29) MUR 4148
- 30) MUR 4149
- 31) MUR 4153
- 32) MUR 4155
- 33) MUR 4158
- 34) MUR 4163
- 35) MUR 4164
- 36) MUR 4169
- 37) MUR 4179
- 38) MUR 4195
- 39) MUR 4196
- 40) MUR 4205

- C. Take no further action, close the file effective October 17, 1995 and approve the appropriate letter in MUR 3188.

(continued)

Federal Election Commission
Certification: Enforcement Priority
October 17, 1995

Page 3

Commissioners Aikens, Elliott, McDonald, McGarry, and
Thomas voted affirmatively for each of the decisions;
Commissioner Potter was not present.

Attest:

10-20-95
Date

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

95043700495



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 23, 1995

Kimothy Lee, President
Bonsai Engineering Consultants
117 W. Harrison, Suite 650
Chicago, IL 60605

RE: MUR 4008

Dear Mr. Lee:

On July 22, 1994, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on October 17, 1995. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar (HES)
Mary L. Taksar, Attorney
Central Enforcement Docket

95043709406



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 23, 1995

Edward C. Coaxum, Jr., Esq.
James H. Hewitt, III, Esq.
Coaxum and Hewitt
820 W. Superior Ave., Suite 650
Cleveland, OH 44113-1800

RE: MUR 4008
Carol Mosely Braun for U.S. Senate and Earl Wendell
Hopewell, Treasurer

Dear Messrs. Coaxum and Hewitt:

On July 28, 1994, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on October 17, 1995.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (428)
Mary L. Taksar
Attorney

cc: Louis P. Vitullo, Esq.

95043709407



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4008

DATE FILMED 11-24-45 CAMERA NO. 2

CAMERAMAN S.E.G.

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