September 27, 2006

Office of General Counsel
Federal Elections Commission
999 E. Street, N.W.
Washington, D.C. 20463

MUR # 5826

Dear Commission,

My name is Jaime MacNaughton, my mailing address is , Helena, MT 59601, and my telephone number is I am bringing a complaint for violation of campaign practices laws in Montana and at the Federal level, against Resodyn Corporation, c/o their Registered Agent, Lawrence C. Farrar, 130 N. Main Street, Suite 600, Butte, MT 59701, telephone number 406-497-5254, facsimile number 406-497-5205.

The laws that have been violated include, but are not limited to; Montana Code Annotated 2005, 13-35-227, and Federal Election Campaign Laws, Section 441b.

STATEMENT OF FACTS

1. The Resodyn Corporation, is a registered corporation, doing business in Butte, county of Butte Silver Bow, in Montana. (See Exhibit A).

2. Resodyn Corporation was a co-sponsor of the Senatorial Debate in Butte, held at the Mother Lode Theatre, on Saturday, September 23, 2006.

3. The Resodyn Corporation made a contribution or expenditure to the Montana Standard, a daily newspaper, owned by Lee Enterprises, 201 N. Harrison Street, Davenport, Iowa 52801-1939, and telephone 563-383-2100.

4. I attended the debate in Butte, at the Mother Lode Theatre on Saturday September 23rd. I stood in line outside, and waited for my seat. When the doors opened, I went inside with the other attendees, and took a seat on the far right-hand side in roughly the seventh row. As I walked down the aisle, and located a seat, I noticed that there was a round section of seats reserved to my left in the center of the theatre, with Resodyn Corporation signs on them. The number of seats that were reserved remains in question; I have heard anything from a low of 30 seats, to a high of 100 seats. I cannot attest to the actual number of seats reserved, only that I saw a large number of them with a Resodyn sign taped to the top of each seat front.

5. When I arrived at my seat around 5:00 p.m., as the auditorium was filling up, I spent time looking around at the audience members. About 15 minutes prior to the debate starting, I noticed a crowd of people, wearing Burns's t-shirts and stickers, taking the seats reserved by Resodyn Corporation. I commented on this to people around me, and started getting suspicious that a Corporate sponsor of the debate would reserve seats for the supporters of one candidate.

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6. At the end of the debate, after Jon Tester had given his closing comments, Tester supporters stood up and cheered, they were quickly quelled by Tester himself, and the mediators of the event. After Conrad Burns had given his closing comments, his supporters rose to their feet and applauded him. Notably, the section of seats reserved by Resodyn Corporation stood up and cheered, identifying themselves as Burns supporters. The supporters in the Resodyn seats were also quelled by the mediators, who then announced, "You can now applaud both of the candidates."

7. According to the editor of the Montana Standard, Gerry O'Brien, Resodyn contributed $200.00 towards the rental of the Mother Lode Theatre. The Editor of the Montana Standard admitted that as a sponsor of the debate, Resodyn Corporation was allowed to reserve thirty seats for themselves. (See Exhibit B).

8. In a follow up email, Gerry O'Brien noted "only individuals can contribute to campaigns, so the Resodyn corp itself did not make the contribution, but people associated with the company." (See Exhibit C).

9. Reports regarding the seating arrangements were quickly reported on Web logs around the state. One that stood out in particular was written by jhensley on www.bigskydemocrats.org entitled "Dirty Pool Attempted at Mining City Debate, Montana". In this post, the author relays a story regarding Resodyn Corporation's President, Mr. Farrar. Mr. Farrar asked two ladies to move from their seats because of their refusal to wear a sticker supporting Conrad Burns. (See Exhibit D).

10. Word of the reserved seating hit Montana's papers on September 24, 2006. Great Falls Tribune (Tribune) reporter Gwen Florio published a report in the Tribune, stating, "Burns highlighted his history of bringing federal money to Butte; indeed, the debate was co-sponsored by the Resodyn Corp., the beneficiary of some of that federal largesse. When Burns was introduced, those in the roughly 60 seats reserved for Resodyn employees comprised the majority of those who stood and applauded him." (See Exhibit E).

11. An AP reporter, Matt Gouras, reported on September 25, 2006, "the seats clearly ended up being given to Burns supporters, who stood up and loudly applauded the Republican senator to start the debate." (See Exhibit F). I should point out that I can no longer find this article online, I still have a copy, and have attached it. The article used to be posted as this link: www.helenair.com/articles/2006/09/25/ap-state-mt/d8kc5ko80.txt.

12. In the Helena Independent Record and the Billings Gazette, Charles S. Johnson and Jennifer McKee reported on September 26, 2006, that "seating had been billed in advance as being on a first-com, first-served basis, except for the 25 seats reserved for each campaign and those set aside for media covering the debate. Some Democrats and Tester backers were irked when they were told they couldn't sit in the reserved section." (See Exhibit G).

13. In this morning's Billings Gazette and Indpendent Record, the number of seats reserved has changed again. Charles Johnson reported "At the heart of the dispute is the fact that Resodyn received 50 reserved seats in the middle of the center section of the theater, and they were used by Burns supporters, who gave the senator a loud standing

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ovation when he was introduced. Resodyn's share of the seats had been estimated at 30 seats Monday, but that estimate was expanded Tuesday." (See Exhibit H).

In my examination of the facts surrounding the reserved seats, given that support to a particular canidate was a requirement of occupying the seats, Resodyn Corporation clearly viloated Montana and Federal law, including but not limited to:

(1) Montana Code Annotated 2005: 13-35-227; by a Corporation (Resodyn Enterprises) may not make a contribution or expenditure in connection with a candidate or a political committee that supporters or opposes a candidate or a political party.

(2) and; Federal Election Campaign Laws, Section 441b, with regard to the same contribution or expenditure made in connection with a political election in Montana's Senatorial Camping, for and resulting in the right to reserve seats for specific supporters.

In the following days, as this story unfolds, I am certain that new confirmations will arise of violations. In fact, I believe they will be hard to disregard. Presently Resodyn seems to be trying to take the tactic that their employee's paid for the reserved seating, but I suspect it isn't true. I would recommend an inspection of their records, to verify that Resodyn had a separate account that employees could contribute to, and if, in fact, the check issued to the Montana Standard was issued on this account.

Should another complaint be received by your offices, that objects or challenges the contributions made by Resodyn, I wish to have the opportunity to be adjoined to their complaint.

Thanking you in advance for your expeditious handling of this matter. Should you have any further questions, please do not hesitate to contact me.

Sincerely,

Jaime MacNaughton

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VERIFICATION

State of Montana)
: ss.
County of Lewis and Clark)

JAIME MACNAUGHTON, first being duly sworn, deposes and states as follows:

That she is the Complainant in the foregoing cause, that she has read the Complaint, knows the contents thereof, and that the facts and matters contained herein are true, accurate, and complete to the best of her knowledge and belief. Further, as to any facts which are stated as facts to which she has personal knowledge, the same are hereby verified as being true. Still further, the signature on the Complaint is the signature of Jaime MacNaughton.

On this 27 day of Sept, 2006, before me, a Notary Public, personally appeared Jaime MacNaughton, known to me to be the person whose name is subscribed within this instrument, and acknowledged to me that she executed the same. Signed and sworn to before me by Jaime MacNaughton.

Jami Welch
Notary Public for the State of Montana
Residing at Townsend, Montana
My Commission Expires May 16, 2009

SEAL

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Exhibit A

MONTANA SECRETARY OF STATE BRAD JOHNSON

Business Entity Search

Instructions Search Tips Feedback

Data Current as of...

If you are ordering a Certificate of Fact or Certificate of Existence, please make sure the Foreign/Domestic Corporation or Limited Liability Company is in "Good Standing".
Enter the name of the business, and check to see whether their annual report was filed in 2005.

We are not able to provide a Certificate of Fact or Certificate of Existence unless the current annual report is filed.

2704164318

Name: RESODYN CORPORATION
ID #: F039465
Type: GENERAL BUSINESS CORPORATION
Jurisdiction State: DE
Status: ACTIVE
Status Reason: GOOD STANDING

Status Dates

Qualification Date: 06/25/2002
Date of Incorporation: 09/01/1999
Last AR Filed: 01/16/2006
Inactive Date:
Involuntary Intent:
Diss/Widthdr/Revoke:

Principal Office Address

Street: 130 N MAIN ST STE 600
City: BUTTE
State: MT
Zip: 59701-0000

Additional Info

Term: PERP
Description: GENERAL BUSINESS
Purpose Code: 399
Manner of Use: ENGINEERING

Agent

Registered Agent: LAWRENCE C FARRAR
Address 1: 130 N MAIN ST STE 600
City: BUTTE
State: MT
Zip: 59701-0000

If you would like to purchase a Certificate of Authorization for this business entity, select the button below. You will be assessed a $5.00 fee for this service (This fee consists of a $3.00 certificate fee from the Secretary of State's office, and a $2.00 online processing fee)

Get Certificate of Authorization

If you would like to purchase a Certificate of Fact for this business entity, select the button below. You will be assessed a $15.00 fee for this service (A $13.00 certificate fee from the Secretary of State's office, and a $2.00 online processing fee)

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Do another Search

Search

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Exhibit B

YAHOO! MAIL

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Date: Mon, 25 Sep 2006 20:08.25 -0600

From:

To:

Subject: Fwd Resodyn Sponsorship of the Debate

---------- Forwarded message ----------
From: **Gerry O'brien**
Date: Sep 25, 2006 7:20 AM
Subject: RE: Resodyn Sponsorship of the Debate
To: Don Pogreba

Resodyn was a co-sponsor of the debate, as was Rhodia Chemical. They helped rent the venue. As a co sponsor they got to reserve 30 seats, out of the 1,200 available, in the middle, not the front of the theater.

No, they did not pay $500 per seat. That's rumor.

Rental of the theater was $500, Resodyn contributed $200. Because of the flap, we may not accept their donation now. More on that later.

Seating was first-come, first served.

We accommodated, in fact bent over backwards, both the Tester and Burns campaigns for their seating requests as well.

No one from the public was turned away. And we made every effort to make the debate available to those who could not attend.

I'll address the issue in an upcoming editorial to clarify it.

At worst, there may be an appearance of bias, but we also noted at the start of the debate that one of our co-sponsors was a contributor to the Burns campaign, so it was out front from the start. They have contributed $4,000 to the Burns campaign, a drop in the bucket consindering his war chest if about $6 million.

Also, sponsors did not have a say about the questions posed at the debate, nor the outcome. Those came from the public and journalists.

Gerry O'Brien, Editor

The Montana Standard

25 W. Granite, Butte, MT 59701

(406) 496-5513

e-mail:

Gerry O'Brien, Editor

The Montana Standard

25 W. Granite, Butte, MT 59701

(406) 496-5513

e-mail

-----Original Message-
From: Don Pogreba
Sent: Sunday, September 24, 2006 11:45 AM
To: Gerry O'brien; Janet Taylor
Subject: Resodyn Sponsorship of the Debate

Hi Jerry, Gerry:

I'm wondering if you can clarify the nature of Resodyn's sponsorship of the Burns-Tester debate Saturday night. Given Resodyn and Larry Farrar's connection to Conrad Burns and the Republican Party, the fact that Resodyn was able to reserve seats for the debate, front and center, and fill them with Burns supporters, seems like a questionable decision. What did Resodyn contribute, and what did they receive in return?

I've also heard that there was another sponsor before Resodyn. Did the Standard terminate that relationship, or the other sponsor?

Thanks for your time,
Don Pogreba

--
"We must not confuse dissent with disloyalty. We must remember always that accusation is not proof, and that conviction depends upon evidence and due process of law.
"We will not walk in fear, one of another. We will not be driven by fear into an age of unreason, if we dig deep in our history and our doctrine, and remember that we are not descended from fearful men, not from men who feared to write, to speak, to associate, and to defend causes that were for the moment unpopular." --Edward R. Murrow

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Exhibit C

YAHOO! MAIL

Print - Close Window

Date: Mon, 25 Sep 2006 22:27:48 -0600

From: "Don Pogreba"

To:

Subject: Fwd: Resodyn Sponsorship of the Debate

---------- Forwarded message ----
From: **Gerry O'brien** <
Date: Sep 25, 2006 7:31 AM
Subject: RE: Resodyn Sponsorship of the Debate
To: Don Pogreba <

And, as a point of clarification, only individuals can contribute to campaigns, so the Resodyn corp itself did not make the contribution, but people associated with the company.

Gerry O'Brien, Editor

The Montana Standard

25 W. Granite, Butte, MT 59701

(406) 496-5513

-----Original Message-----
From: Don Pogreba |
Sent: Monday, September 25, 2006 7:28 AM
To: Gerry O'brien

Subject: Re: Resodyn Sponsorship of the Debate

Thanks, Gerry. I appreciate the response.

On 9/25/06, **Gerry O'brien** < > wrote:

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Exhibit D

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Dirty Pool Attempted at Mining City Debate, Montana

Before I wade into the sludge that is the Republican Party's attempt at a Senatorial campaign, I want to say THANK YOU to all those who made last night's Late Night Shimmy for Change Party a success. We packed the Silver Dollar and shimmied to the wee hours. A new friend from Washington state won the silent auction (Hiya, Kathy!), and little yellow papers telling people about Burns' big plan for a national sales tax littered the bar. I hope to recover soon...

Now to the meat. Many of the bloggers have posted on the STELLAR job done by Montana Farmer Jon Tester, but can I just add to the cheers? HE MOPPED THE FLOOR. At one point, I almost felt sorry for Sen. Burns, but stopped just short when I remembered that despite looking old and weak, he is a racist, classist, sexist, ageist bigot. After that, I just sort of smiled when he "giddyap"ed over the questions asked, and sputted when zinger after zinger went right over his head.

Now let's take a little walk down the pretty, sunshiny lane of CORPORATE DONATIONS. Say it with me, folks, A CAMPAIGN, POLITICAL ACTION COMMITTEE OR POLITICAL PARTY MAY NOT ACCEPT CORPORATE DONATIONS.

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- Repubs still brainwashing, recruiting egg-throwers.
- Butte Debate Details - MTSen.
- Late Night "Shimmy for Change", Butte Debate, and so on...
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Whew! That's a toughy, yes? I mean, you got confused with the...."may NOT"...part, right? Yeah - seems pretty straightforward to me, too.

I wonder if the Montana Standard will report on the fact that they accepted sponsorships from Resodyn and Rhodia (after shaking hands on something else entirely, but let's not get into the deception that occurred before the debate, or we'll be here all day), two enormous Conrad Burns supporters. I wonder if they will report that their alleged impartial venue was holding a central block of seats BOUGHT AND PAID FOR by Resodyn, run by Larry Farrar, who not only has maxed out to Sen. Burns' campaign, but who has given over $18,000 to the Republican party (hat tip, Left in the West).

I wonder if the Montana Standard will tell the story of the two elderly ladies who came into the theatre 20 minutes prior to debate start-time, who sat in two seats in a largely unoccupied section of the middle of the house, and who were told to GET UP AND MOVE by none other than Mr. Farrar.

"You'll have to move, unless you want to wear a Conrad Burns sticker"

These two ladies were confused about why they had to move, so I explained that a corporation had bought and paid for the seats. She said, "I just want to be clear - who is kicking me out of my seat? Conrad Burns or Jon Tester?"

"Conrad Burns' supporters, ma'am"

"Well, we were undecided until tonight. I guess that helps me make up my mind."

You see, Republicans - you can't win at this sort of nonsense. The truth will

10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Syndicate

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be told, and people will listen. I was ashamed last night - ashamed of the editorial board of the Montana Standard for allowing this blatant corporate donation, ashamed of Larry Farrar who was tossing old people up to the balcony, ashamed of the person who is currently my US Senator for so unabashedly thumbing his nose at the law.

Here's what you can do. Right letters to the editor - just like in Hamilton, the news folks that were not there will not get the whole picture. Tell them the truth:

1. A corporation purchased a block of approximately 100 seats in the middle of the theatre to consolidate the Burns supporters and make it look like there were more of them.
2. They had to scour the aisles to find enough people to fill them. At one point, it looked like a group of confused-looked folks were pulled off the street just to get warm bodies in the seats.
3. They kicked nice, undecided citizens out of the those seats if they didn't wear Burns stickers.
4. This equates to an illegal campaign donation by a corporation.
5. The Montana Standard allowed it.
6. JON TESTER MOPPED THE FLOOR WITH CONRAD BURNS

Tell everyone - make noise - do not let this go away.

By jhensley at Sep 24 2006 - 9:49pm |

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jhensley's blog | login to post comments

Paid for by Young Democrats of Montana | PO Box 1161 Billings MT 59103 | Jessica Rhoades, Treasurer

27044164331

Exhibit E

This is a printer friendly version of an article from **greatfallstribune.com**
To print this article open the file menu and choose Print.

Article published Sep 24, 2006

U.S. Senate candidates trade jabs

By GWEN FLORIO
Tribune Capitol Bureau

BUTTE — The audience was better behaved, but the candidates mixed it up more in the second fall debate between Republican U.S Sen. Conrad Burns and his Democratic challenger, state Senate President Jon Tester.

"He wants to weaken our families, weaken our security and to basically cut and run" from the war in Iraq, Burns said of his opponent, reprising a campaign theme that Tester is soft on terror.

Likewise, Tester leveled an allegation against Burns that has dogged the three-term senator for most of the campaign.

"I won't sell Montanans down the road by cutting deals with K Street lobbyists like Jack Abramoff," Tester said.

The comment brought murmurs from the capacity crowd at the 1,200-seat Mother Lode Theatre here, but the debate was no repeat of the one two weeks ago in Hamilton that was repeatedly interrupted by catcalls aimed at Burns. Saturday evening, each candidate quieted the crowd when it threatened to grow restive, as happened when Burns was asked point-blank about Abramoff.

Burns accepted in excess of $150,000 in campaign contributions, more than any other member of Congress, from convicted lobbyist Abramoff and his associates. Burns returned or otherwise donated the money.

"Here we go again, down the baseless allegations road," Burns said. He spent most of his two-minute response time repeatedly objecting to "baseless allegations and untruths" before saying, finally, "I have never shorted my state, never."

"Nobody forced you to take the money," Tester said.

The Abramoff issue, along with that of Iraq, has been raised in previous debates. But Saturday's confrontation covered new ground, including a who's-been-better-to-Butte discussion, and clear delineations on the Patriot Act.

Burns highlighted his history of bringing federal money to Butte; indeed, the debate was co-sponsored by the Resodyn Corp., the beneficiary of some of that federal largesse. When Burns was introduced, those in the roughly 60 seats reserved for Resodyn employees comprised the majority of those who stood and applauded him. Despite Republican appeals for Burns' supporters within 100 miles to attend the debate, the crowd seemed largely made up of Tester's backers, many of them wearing yellow "Fire Burns" T-shirts.

"I'm proud of this town," Burns said. "...I've helped it along with some federal investments."

The state invests in Butte, too, Tester said, asking the crowd to ignore the suggestion that if Burns isn't re-elected, "Butte, America is going to dry up and blow away. Don't buy it for a minute."

As state Senate president, he helped obtain numerous advantages for the beleaguered mining city, including the headquarters of the state's new public defender system, he said.

Burns tried to ding Tester on the price of copper — the metal that made Butte — but Tester had the $3.43 per pound price at his fingertips. He drew a blank when Burns asked him about platinum or palladium, and parried:

"What's the cost of an acre of land in Chouteau County?" At which point, the contest became a draw.

When it came to the USA Patriot Act, Burns called it a useful tool, saying it lets law enforcement fight terrorism with the same tactics used against organized crime. He said that people "need to be able to go to the movies or football games without worrying about being blown up. I don't think Mr. Tester understands the enemy," he said.

Burns said he also supported programs monitoring international telephone calls against those suspected of terrorism.

"He wants to weaken the Patriot Act," he said of Tester.

Tester sought to clarify:

"I don't want to weaken the Patriot Act, I want to repeal it What it does, it takes away your freedom ... and when you take away our freedoms, the terrorists have won," Tester said

He came back to the subject near the end of the debate, when Burns tried to link him to New York Democratic Sen. Chuck Schumer, who is, Burns said, pro-gun-control.

"With things like the Patriot Act," Tester said, "We'd damn well better keep our guns."

Each candidate accused the other of raising taxes. Burns characterized Tester as a man who "never met a tax bill he didn't vote for."

Tester responded that if he'd voted to cut certain state taxes, then local property taxes would have gone up.

And he accused Burns of responding favorably to a survey supporting a national sales tax. Burns said a sales tax would work only if accompanied by other tax reforms.

At its end, the debate circled back to familiar themes: Burns reminded people of Tester's stated desire to leave Iraq.

"Has anyone ever thought of the consequences?" he asked. "...You just don't pick up your marbles and come home without ramifications."

Tester recited his campaign theme — "It's time for a change" — and said that he mostly ignores Burns' campaign commercials painting him as an ultra-liberal.

"The fact is," he said, "I'm one of you."

Four debates remain before the election: In Bozeman, Helena, Billings and Great Falls.

Contact Gwen Florio at 406-442-9493, or

Exhibit F

2704416435

Burns, Newspaper Under Fire For Debate's Corporate Sponsor
The Associated Press
Matt Gouras
Published 9/25/2006

Democrats are complaining that supporters of U.S. Sen. Conrad Burns got choice seats at the debate with Jon Tester in Butte on Saturday night, thanks in part to a debate sponsor close to Burns.
Resodyn Corp. co-sponsored the debate and was given some reserved seats near the front of Butte's 1,230-seat Mother Lode Theater. The seats clearly ended up being given to Burns supporters, who stood up and loudly applauded the Republican senator to start the debate.

The move rankled Democrat Tester's supporters, who outnumbered the Burns supporters. The Tester backers claimed they were forced to sit behind the Burns people.

But the Montana Standard, which organized the debate, said Resodyn received only 30 reserved seats. Those seats were in the front section but were about 10 rows back from the stage, the newspaper said.

Any other Burns supporters occupying the very front rows took advantage of first-come, first-serve seating to surround the Resodyn seats, said Montana Standard Editor Gerry O'Brien.

"Quite frankly, it is just Tester's campaign grasping at straws here," he said.

The Tester campaign said the arrangement gave Burns supporters an advantage.

"A Burns contributor bought premium seats from the Montana Standard exclusively for Burns supporters," said Tester spokesman Matt McKenna. "To me that doesn't sound like first-come, first-serve _ and the Montana Standard needs to answer to that."

The Tester campaign said it planned to file a complaint with the Federal Election Commission.

The ties between Burns and Butte-based Resodyn involve federal contracts Burns has said he helped secure for the company, and campaign contributions the company's senior officers or spouses gave to the GOP or Burns.

O'Brien said there was adequate seating for everyone and noted that each campaign was given some reserved seats on the sides of the theater's front section. The candidates were questioned by professional journalists and the format was not dictated by sponsors, he said.

"I think we bent over backward for the Tester campaign. They had a lot of access," O'Brien said.

He said the reserved seating or sponsorship did not affect the debate.

As a sponsor, Resodyn contributed $200 toward the $500 cost of theater rental, O'Brien said. Now, he said, the newspaper may not accept the donation because of the appearance of bias.

O'Brien said it was the newspaper's decision to approach Resodyn, and the company did not seek the sponsorship.

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McKenna said the newspaper can't fix the situation by now refusing to accept the donation. "Now Resodyn was allowed to come in and reserve seats just because?" he said.

O'Brien said the only complaints the paper has received about the seating came from the Tester campaign. No member of the public has complained, he said.

The Burns campaign said it agrees with O'Brien that the seating arrangement did not influence the debate.

"What a whiner," Burns spokesman Jason Klindt said of Tester. "Maybe he can get his buddies at the ACLU (American Civil Liberties Union) to file suit against Montanans for sitting quietly and watching him at a debate."

Unlike a prior debate in Hamilton, the crowd was not allowed to cheer or interrupt during the Butte debate. Applause was limited to the opening introductions and the end of the debate.

Rhodia Chemical also was given some reserved seats near the back of the theater's front section for its sponsorship, but O'Brien said he did not think the company used the seats.

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Exhibit G

Debate sponsorship comes under fire

By CHARLES S. JOHNSON - and JENNIFER McKEE - IR State Bureau - 09/26/2006

HELENA - Senate candidate Jon Tester's campaign complained Monday that some of the best seats in the theater at a Butte debate Saturday night were reserved for backers of Sen. Conrad Burns, who has close ties to one of the event's sponsors.

Tester's campaign said it expects to file a complaint with the Federal Election Commission over the controversy. Details were unavailable Monday.

At issue is the fact that Resodyn Corp., one of three sponsors of the debate, was given 30 reserved seats in the center section near the front of the Mother Lode Theater. The theater, which holds 1,230 people, drew a crowd estimated at 1,000 people.

Seating had been billed in advance as being on a first-come, first-served basis, except for the 25 seats reserved for each campaign and those set aside for media covering the debate. Some Democrats and Tester backers were irked when they were told they couldn't sit in the reserved section.

Judging by the cheering, Tester backers outnumbered the Burns supporters by at least three or four to one at the debate in the theater in heavily Democratic Butte.

Those people sitting in the reserved Resodyn section, sporting Burns stickers, were among the Republican's loudest backers, greeting the senator with a standing ovation when he was introduced.

It cost $500 to rent the theater for the event. The Montana Standard, Butte's daily newspaper, organized the debate and recruited two other corporations as sponsors. Resodyn and Rhodia Chemical each paid $200, with the Standard kicking in $100, plus lots of in-kind time, the newspaper's editor, Gerry O'Brien said.

O'Brien called the Resodyn connection "an honest mistake." The newspaper wanted to rent the theater because it held far more people than a Montana Tech site it had used for past debates, he said.

Because of the bias accusations, O'Brien said the newspaper may not accept the Resodyn check. In the future, he said the Standard probably won't co-sponsor a debate with another corporation, "especially one that gets money from the federal government."

O'Brien defended the debate itself, saying Resodyn's sponsorship didn't influence the debate or affect the questions asked by journalists.

"I think it was a good debate," he said. "It was fair, the public had adequate access, we didn't have to turn anyone away from the door."

Strongly disagreeing was Tester spokesman Matt McKenna.

"It looks like the Montana Standard and Resodyn tried their best to rig this debate," he charged. "Despite their efforts, Jon Tester still won and more of his supporters showed up to watch him do it. That's got to be frustrating for those guys to cheat and lose."

Burns spokesman Jason Klindt countered, "Jon Tester gets trounced at a debate in a Democratic stronghold where he was unable to defend his extreme liberal voting record, and somehow it's the audience's fault. Maybe he can get his buddies at the ACLU (American Civil Liberties Union) to file suit against Montanans for sitting quietly and watching him at a debate."

O'Brien said he doesn't believe the dispute rises to the level of a campaign violation, accusing Democrats of "just blowing smoke."

Burns, as a member of the Senate Appropriations Committee, has obtained a number of federal grants to Resodyn, a Butte company that develops technical products.

Asked about the media soliciting other corporate sponsors for political debates, Dennis Swibold, a University of Montana journalism professor and former Bozeman Daily Chronicle editor, said, "I think it looks better if you have sort of nonpartisan groups sponsoring the debate. It removes any suspicion that anyone's playing around with the rules."

The Butte debate is the only one of the eight past and future Senate debates involving corporate sponsorships other than media companies.

Resodyn started out as a Butte company called Montec. In 2003, the company changed its name to Resodyn. That same year, the company hired Van Scoyoc and Associates as its lobbyist. Van Scoyoc is ranked as Burns' 14th largest campaign contributor between 2001 and 2006, according to the Center for Responsive Politics, a nonprofit research group in Washington, D.C., that tallies campaign donations.

Until 2005, former Burns aide Randy Popelka was one of three registered lobbyists for Resodyn. Popelka had worked for Burns for seven years before leaving in 2003 to lobby for Van Scoyoc. He left the lobby house in July of 2005 and returned to Burns' Senate office as legislative director.

On Sept. 7, just over two weeks before the debate, Burns announced $10 million in federal dollars involving Resodyn.

One of Resodyn's directors, Jeffrey C. Barrows of Woodland, Calif., and his wife, Starr, have each given Burns the maximum $4,200 in campaign donations this campaign. Resodyn's president, Lawrence Farrer, has donated $10,080 to the Montana Republican Party the past 10 months.

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Story available at http://billingsgazette net/articles/2006/09/26/news/state/45-sponsorship.txt

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Sponsorship bedevils debate

By CHARLES S. JOHNSON and JENNIFER McKEE
Gazette State Bureau

HELENA - Senate candidate Jon Tester's campaign complained Monday that some of the best seats in the theater at a Butte debate Saturday night were reserved for backers of Sen. Conrad Burns, who has close ties to one of the event's sponsors.

Tester's campaign said it expects to file a complaint with the Federal Election Commission over the controversy. Details of the complaint were not available Monday.

At issue is the fact that Resodyn Corp., one of three sponsors of the debate, was given 30 reserved seats in the center section near the front of the Mother Lode Theater. The theater, which holds 1,230 people, drew a crowd estimated at 1,000 people.

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Exhibit H

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Tester files debate complaint

By CHARLES S. JOHNSON
Gazette State Bureau

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HELENA - Democratic U.S. Senate candidate Jon Tester's campaign filed a complaint Tuesday charging that a corporate sponsor with close ties to Republican Sen. Conrad Burns received premium reserved seats at a Butte debate in violation of federal election law.

Montanans for Tester filed the six-page complaint with the Federal Election Commission over what happened in a debate between Tester and Burns Saturday night in Butte. The Montana Standard, Resodyn Corp. and Rhodia Chemical Co., sponsored the debate, with Resodyn and Rhodia each paying $200 to help rent the theater, while the Standard kicked in the other $100, plus some in-kind time.

The Tester complaint named Friends of Conrad Burns, its treasurer, James Swain of Billings, Resodyn Corp., and the Montana Standard.

At the heart of the dispute is the fact that Resodyn received 50 reserved seats in the middle of the center section of the theater, and they were used by Burns supporters, who gave the senator a loud standing ovation when he was introduced. Resodyn's share of the seats had been estimated at 30 seats Monday, but that estimate was expanded Tuesday.

Rhodia received 10 seats at the back of the theater, and each Senate candidate was allotted 25 reserved seats in front of the left and right sections,

The remainder of the seats in the 1,230-seat Mother Lode Theater were available on a first-come, first-served basis. Attendance was estimated at 1,000 people, with the vast majority appearing to be Tester supporters.

Resodyn and Burns have a history of "mutual cooperation," the Tester complaint said, with Burns obtaining a number of federal grants for the Butte company, including a $10 million grant announced earlier this month.

"The facts demonstrate that Resodyn's contribution to the debate was a violation of the statutory ban on corporate contributions and expenditures in connection with a federal election," the Tester complaint said. "Resodyn, as a co-sponsor, structured the debate seating to ensure that Burns supporters were given prominent and visible positions and appears to have provided stickers supporting Burns to those who used Resodyn's reserved seating."

It said Resodyn used its $200 contribution to the debate to promote Burns' candidacy "in direct

violation of the statutory prohibition on corporate contributions and the strict regulations requiring fair and nonpartisan candidate debates," the Tester complaint said. "The Montana Standard, if aware of Resodyn's conduct, failed to meet its obligations to structure the debate to avoid promoting or advancing one candidate over another."

Because of the "long-standing close relationship between Resodyn and Burns," it's "likely that Burns and/or those in his campaign knew of Resodyn's activities to support Burns and his campaign committee," the Tester complaint said. "Therefore, Resodyn's expenditures may constitute illegal in-kind contributions to Burns' campaign."

The Tester complaint cited a federal law explicitly prohibiting corporations from making donations or expenditures in federal elections. FEC regulations permit corporations to make certain donations for nonpartisan activities, including to help defray the expenses for candidates' debates, but only under limited circumstances, the complaint said.

"Chief among them is a strict requirement that the 'staging organization(s) does not structure the debates to promote or advance one candidate over another,' the Tester complaint said, quoting FEC regulations.

Erik Iverson, senior adviser to the Burns campaign, characterized the Tester complaint as "bizarre."

"But who are we to stand in the way of a campaign that seems intent on self-destructing before our eyes," Iverson said. "So I'm more than happy to step back and watch them hang themselves in the court of public opinion. This may actually put Butte in play (politically)."

Iverson pointed out the complaint was filed by John Mudd, a Missoula lawyer and son of Jack Mudd, a Democrat whom Burns defeated in 1994.

"This is obviously politically motivated," Iverson said. "You've got the son of a guy that Conrad handily beat in 1994 as the only attorney that they were able to find to sign his name to this thing."

Montana Standard editor Gerry O'Brien said, "The Montana Standard believes it has staged a fair, impartial, successful debate for the voting public. The debate format, the questions posed to the candidates and the outcome of the debate, attended by more than 1,000 people, was not influenced at all by the corporate sponsors."

Resodyn President Larry Farrar could not be reached for comment.

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Tester files complaint over Butte debate

By CHARLES S. JOHNSON - IR State Bureau - 09/27/06

HELENA—Democratic U.S. Senate candidate Jon Tester's campaign filed a complaint Tuesday charging that a corporate sponsor with close ties to Republican Sen. Conrad Burns received premium reserved seats at a Butte debate in violation of federal election law.

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Resodyn President Larry Farrar could not be reached for comment.

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