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CELA

November 7, 2016

Via U.S. Mail & Electronic Mail

Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Mary Beth deBeau, Paralegal
999 E. Street NW
Washington, DC 20463

Ref: MUR# 7152

Dear Ms. deBeau,

I am in receipt of the Complaint in the above-referenced matter and the responses are as follows:

Count 1- The receipt from Hearn and Hearn, P.A. was refunded in a timely manner (7 days) after discovering that it was an "illegal contribution." Therefore, no compliance regulation was violated. See attached Candidate Guideline pages 33-34, refund check, letter and copy of the original deposited check.

Count 2 - The receipt from Hodge & Langley Law Firm in the amount of \$250.00 was erroneously accepted by the campaign and deposited due to the donor's submission of a signed partnership attribution form stating "I attest, Hodge & Langley Law Firm, P.C., acts as a partnership for federal tax purposes." Similarly, funds in the amount of \$100.00 for debt retirement were accepted on 7/16/16 because the campaign was in possession of a signed partnership attribution form from the donor, as stated above.

After becoming aware of Hodge & Langley Law Firm's status as a corporation, even though we are in possession of a signed partnership attribution letter from them, both donations were refunded. See attached copies of the two separate refund checks for each donation, one in the amount of \$250.00 and another in the amount of \$100.00, from the campaign to Hodge & Langley Law Firm. Also, see attached Candidate Guideline page 134 and signed partnership attribution form.

Count 3 - On page 13 of the 2015 Year End report, a \$2,700.00 contribution from Ronnie L. Sabb, LLC reported on 11/27/2015 was a typo. The 11/27/2015 \$2,700.00 contribution should have been reported as Law Offices of Ronnie A. Sabb, LLC. On page 14 of the same report Ronnie A. Sabb is correctly reported as the individual contribution from the LLC in the amount of \$2,700.00. However the date on this contribution shows date of 11/27/2016 whereas it should have been dated 11/27/2015; for a total of \$2,700.00 from Ronnie A. Sabb for the 2016 primary election. Therefore, we are in compliance since he signed the partnership attribution for this contribution and did not contribute two separate \$2,700.00

Post Office Box 1238 Summerville, South Carolina 29484
Phone (843)873-1721

donations. See attached Candidate Guideline page 133, signed partnership attribution form and copy of the contribution check.

If you should have any further questions or concerns please contact me at 843-873-1721.

Sincerely,

A handwritten signature in black ink, appearing to read "Milinda A. Sullivan". The signature is fluid and cursive, with the first name "Milinda" being more prominent.

Milinda A. Sullivan,
Treasurer

Enclosures as stated

120444440118

4/16/14


Count 1

Date: October 25, 2016

Branch Banking and Trust

Page 3 of 3

17044422020

HEARN & HEARN P.A. ATTORNEYS AT LAW 1208 THIRD AVE PH. 843-248-3172 CONWAY, SC 29526		<small>FIRST CITIZENS BANK CONWAY, SC 29526-3108</small>	5216 <small>07-001/530</small>
		12/10/2015	
PAY TO THE ORDER OF	Jenny Anderson Home Campaign	\$ **2,000.00	
Two Thousand and 00/100			DOLLARS
Jenny Anderson Home Campaign 133 E. 1st North Street, Suite 6 Summerville, SC 29483			
MEMO	Political contribution	 <small>AUTHORIZED SIGNATURE</small>	

For Deposit Only

Date 20160105
Amount 200000
Serial Number 0000005216

Account Number
CR-DR
Transaction Link D

Count 1



January 11, 2016

Hearn & Hearn, P.A.
George M. Hearn, Esquire
1206 Third Avenue
Conway, SC 29526

Dear Mr. Hearn:

Thank you for your generous support of Jenny Horne for Congress. However, we must return your donation in order to comply with campaign finance regulations since federal election law prohibits contributions to campaigns for federal office that are drawn on corporate accounts. Enclosed please find our refund check #1254 for \$2,000.00.

We are also enclosing a stamped, self-address envelope if you wish to send a new contribution check drawn on a personal bank account.

Once again, thank you for your support.

Sincerely,

Milinda A. Sullivan

Treasurer for Jenny Horne for Congress

Post Office Box 1238 Summerville, South Carolina 29484
Phone (843)873-1721

17044422021

Count 1

BRANCH BANKING AND TRUST COMPANY 1254
Jenny Horne for Congress
P.O. BOX 1234
Summarville, SC 20404
FEC ID# C00681778
01/11/2016

PAY TO THE ORDER OF Hearn & Hearn P.A. \$ **2,000.00

Two thousand and 00/100 *****
DOLLARS

Hearn & Hearn P.A.
1206 Third Avenue
Conway, SC 29528

MEMO Refund

McDuller

Jenny Horne for Congress 01/11/2016 Hearn & Hearn P.A. 1254
Refund 2,000.00

BB&T Refund 2,000.00

01/11/2016 Hearn & Hearn P.A. 1254
Jenny Horne for Congress Refund 2,000.00

PAYMENT
RECORD

BB&T Refund 2,000.00

the committee has actual knowledge that the contributor is in fact a foreign national, it may not rely on these documents as a defense. 110.20(a)(7).

Contributions in the Name of Another

A contribution made by one person in the name of another is prohibited. 2 U.S.C. 441f; 110.4(b). For example, an individual who has already contributed up to the limit to the campaign may not give money to another person to make a contribution to the same candidate. Similarly, a corporation is prohibited from using bonuses or other methods of reimbursing employees for their contributions. 114.5(b)(1).

Candidate Employed by Prohibited Source

As noted in Chapter 4, Section 12, a candidate's salary or wages earned from *bona fide* employment are considered his or her personal funds. 100.33(b). However, compensation paid to a candidate in excess of actual hours worked, or in consideration of work not performed, is generally considered a contribution from the employer. 113.1(g)(6)(iii). If the employer is a corporation, federal government contractor, or another prohibited source, the excess payment would result in a prohibited contribution under the regulations applicable to that employer. See 110.20 (foreign nationals), 114.2(c) (corporations and labor organizations) and 115.2 (federal contractors).

2. QUESTIONABLE CONTRIBUTIONS

If a committee receives a contribution of questionable legality, it must follow the five procedures described below. 103.3(a) and (b). (Procedures for handling contributions that exceed the contribution limits or the campaign's net debts outstanding are described in Chapter 4, Sections 7 and 8.)

Return or Deposit Contribution

When receiving a contribution of questionable legality, a committee must, within 10 days of the treasurer's receipt, take one of two steps:

- Return the contribution to the donor without depositing it; or
- Deposit the contribution. 103.3(b)(1).

Be Prepared to Make Refund

If it decides to deposit the questionable contribution, the committee must make sure that the funds are not spent because they may have to be refunded. To ensure this, the committee may either maintain sufficient funds in its regular campaign depository or establish a separate account used solely for the deposit of possibly illegal contributions. 103.3(b)(4).

Document the Possibility of Illegal Contribution

The committee must keep a written record noting the reason why a contribution may be prohibited and must include this information when reporting the receipt of the contribution. 103.3(b)(5). See also Chapter 11, Section 2, "Recording Receipts," under the subheading "Possibly Illegal Contributions."

Seek Evidence of Legality

Within 30 days of the treasurer's receipt of a possibly prohibited contribution, the committee must make at least one written or oral request for evidence that the contribution is legal. Evidence of legality includes, for example, a written statement from the contributor explaining why the contribution is legal, or an oral explanation that is recorded by the committee in a memorandum. 103.3(b)(1) and AO 1995-19.

Confirm Legality or Refund Contribution

Within these 30 days, the committee must either:

- Confirm the legality of the contribution; or
- Refund the contribution. 103.3(b)(1).

Disgorge Prohibited Contribution Discovered Late

If a committee deposits a contribution that appears to be legal and later discovers that it is prohibited (based on new information not available when the contribution was deposited), the committee must disgorge the contribution within 30 days of making the discovery. 103.3(b)(2). This situation might arise, for example, if the committee learned that a past contributor was a foreign national or had a contract with the federal government. As another

example, the committee might find out that a corporation reimbursed employees for their contributions to the committee (and had thus made corporate contributions and contributions in the name of another).

Contributor Known

If the identity of the original contributor is known, the committee must refund the funds to the source of the original contribution. 103.3(b)(2). Alternatively, the committee may pay the funds to the U.S. Treasury. AO 1996-05; but see *Fireman v. United States*, 44 Fed. Cl. 528 (1999).⁵ To do so, send the funds to:

U.S. Department of the Treasury
Financial Management Services
Credit Accounting Branch
3700 East-West Highway
Hyattsville, MD 20782

The committee should include a cover letter that explains that the funds being sent represent potential violations of the *Federal Election Campaign Act* and requests that the funds be placed in the "general fund account."

Contributor Unknown

If, however, the identity of the original contributor cannot be determined or is in question, the committee may disburse the funds to a governmental entity (federal, state or local), or to a qualified charitable organization described in 2 U.S.C. § 170(c). AOs 1995-19 and 1991-39.

Prohibited In-kind Contribution

If the prohibited contribution was an in-kind contribution, the committee should disgorge an amount equal to the value of the contribution to the appropriate party as determined above.

Insufficient Funds

If the committee does not have sufficient funds to disgorge the contribution when the illegality is discovered, the committee must use the next funds it receives. 103.3(b)(2).

Reporting

For instructions on reporting disgorged contributions, see Chapter 13, Section 22.

⁵ In *Fireman*, the Court of Federal Claims ruled that a contributor of illegal contributions has a right to have the contributions refunded to him rather than disgorged to the U.S. Treasury.

COUNT 2



Donor Information: (Name & Address of Partnership)

Hodge & Langley Law Firm PC

PO Box 2765 \$ 250.00

Spartanburg SC 29304 (Total Partnership Amount)

I attest, Hodge & Langley Law Firm PC, (Company name), acts as a partnership for federal tax purposes.

Contributed to: Jenny Horne
(Print Name)

[Signature]
(Signature)

Federal Election Law requires we request the following information:

Partner Name: J. Ryan Langley Amount: \$250

Address: PO Box 2765

Occupation: Attorney Employer: Hodge & Langley Law Firm

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

PLEASE USE REVERSE SIDE IF MORE PARTNER INFORMATION IS REQUIRED

Post Office Box 1238 Summerville, South Carolina 29484
Phone (843) 873-1721

1703444071

HODGE & LANGLEY LAW FIRM, P.C.
OPERATIONS ACCOUNT
P.O. BOX 2765
SPARTANBURG, SC 29304
PH: 864-585-3873



SPARTANBURG, SC

NUMBER

67-820/532

32005

PAY
TO THE
ORDER
OF

Two Hundred Fifty and 00/100 Dollars

Jenny Horne for Congress
P O Box 1238
Summerville, SC 29484

DATE
Mar 4, 2016

AMOUNT

*****\$250.00

OPERATIONS ACCOUNT
VOID AFTER 90 DAYS

Sharon B. Langley



Count 2

Rec'd 3/8

HODGE & LANGLEY LAW FIRM, P.C.
OPERATIONS ACCOUNT
P.O. BOX 2765
SPARTANBURG, SC 29304
PH: 864-585-3873



SPARTANBURG, SC

NUMBER

67-820532

DATE
Jun 28, 2016

AMOUNT
*****\$100.00

One Hundred and 00/100 Dollars

PAY
TO THE
ORDER
OF

Jenny Horne for Congress
P O Box 1238
Summerville, SC 29484

OPERATIONS ACCOUNT
VOID AFTER 90 DAYS

Jenny Horne



Count 2

3. PROHIBITED PARTNERSHIP CONTRIBUTIONS

Professional Corporations

Although law firms, doctors' practices and similar businesses are often organized as partnerships, some of these businesses may instead be professional corporations. Unlike a partnership, a professional corporation is prohibited from making any contributions because contributions from corporations are unlawful. 114.2.

Partnerships or LLCs with Corporate Partners or Members

Because contributions from corporations are prohibited, a partnership or LLC with corporate partners or members may not attribute any portion of a contribution to the corporate partners or members. 110.1(e) and 114.2(b). See also "Contributions from Limited Liability Companies" in Chapter 4, Section 10 of this Guide.

A partnership or LLC composed solely of corporate partners or members may not make any contributions. AOs 2001-07 and 1981-56; see also AOs 2009-14, 2003-28, 2001-18 and 1992-17 for a limited exception pertaining to exempt costs for an affiliated corporate partner's SSF.

Partnerships or LLCs with Foreign National Members

Similarly, because contributions from foreign nationals are prohibited, a partnership or LLC may not attribute any portion of a contribution to a partner who is a foreign national. 110.20. See Chapter 5, Section 1, for further information on the foreign national prohibition.

Partnerships or LLCs with Federal Government Contracts

A partnership or LLC that is negotiating a contract with the federal government or that has not completed performance of such a contract is prohibited from making contributions. However, an individual partner in such a firm may make contributions from personal funds (rather than from funds drawn

on the partnership's account). 115.4. See also AOs 2005-20 and 1991-01 and Chapter 5, Section 1.

Also, an individual, who is, in his or her own right or as a sole proprietor, a federal government contractor or negotiating a contract with the federal government may not make contributions using any funds (business or personal) under his or her control. 115.5. Note that the spouse of such an individual is not prohibited from making a personal contribution in his or her own name (as long as he or she is not otherwise prohibited from making contributions in connection with a federal election).

4. REPORTING PARTNERSHIP/LLC CONTRIBUTIONS

Included in Total Figure

Partnership or LLC contributions are included in the total figure reported for "Contributions from Individuals/Persons Other Than Political Committees" on the Detailed Summary Page of Form 3 (Line 11a).

Itemization

If a contribution from a partnership or LLC exceeds \$200 or aggregates over \$200 during an election cycle, the committee must itemize the contribution on a Schedule A used for "Contributions from Individuals/Persons Other Than Political Committees" (Line 11(a)).

Additionally, if an individual partner's share of the contribution exceeds \$200 when combined with other contributions received from that partner in the same election cycle, the committee must disclose, as a memo entry, itemized information on the partner (name, address, occupation, date contribution received, partner's share of contribution and aggregate cycle-to-date total of contributions made by that partner). 104.8 and 110.1(e). (See example B-1.)

Count 2



November 2, 2016

Hodge & Langley Law Firm P.C.
Ryan Langley, Esquire
PO Box 2765
Spartanburg, SC 29304

Dear Mr. Langley:

Thank you for your generous support of Jenny Horne for Congress. We received a \$250.00 contribution on March 8, 2016 and a \$100.00 debt retirement contribution on July 06, 2016. However, we must return your donation in order to comply with campaign finance regulations since federal election law prohibits contributions to campaigns for federal office that are drawn on corporate accounts. Enclosed please find a refund check #1320 for \$250.00 and a refund check #1321 for \$100.00.

We are also enclosing a stamped, self-address envelope if you wish to send a new contribution check drawn on a personal bank account.

Once again, thank you for your support.

Sincerely,

A handwritten signature in dark ink, appearing to read "Milinda A. Sullivan".

Milinda A. Sullivan

Treasurer for Jenny Horne for Congress

Post Office Box 1238 Summerville, South Carolina 29484
Phone (843)873-1721

Jenny Horne for Congress
P.O. BOX 1238
Summerville, SC 29484
FEC ID# C00591776

BRANCH BANKING AND TRUST COMPANY
16-154/540

Count 2 1320

11/02/2016

PAY TO THE
ORDER OF

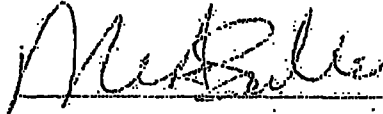
Hodge & Langley Law Firm, P.C.

\$ **250.00

Two hundred fifty and 00/100

DOLLARS

Hodge & Langley Law Firm, P.C.
PO Box 2765
Orangeburg, SC 29304



MEMO.

refund from contribution on 3/8/2016

Jenny Horne for Congress

1320

11/02/2016

Hodge & Langley Law Firm, P.C.

250.00

BB&T

refund from contribution on 3/8/2016

250.00

Jenny Horne for Congress

1320

11/02/2016

Hodge & Langley Law Firm, P.C.

250.00

BB&T

refund from contribution on 3/8/2016

250.00

BB&T

Jenny Horne for Congress
P.O. BOX 1239
Summerville, SC 29484
FEC ID# C00591776

BRANCH BANKING AND TRUST COMPANY
15-154/510

Count 2 1321


11/02/2016

PAY TO THE
ORDER OF Hodge & Langley Law Firm, P.C.

\$ **100.00

One hundred and 00/100***** DOLLARS

Hodge & Langley Law Firm, P.C.
PO Box 2765
Orangeburg, SC 29304



MEMO.

refund from debt retirement 7/6/2016

Jenny Horne for Congress

1321

11/02/2016

Hodge & Langley Law Firm, P.C.

100.00

BB&T

refund from debt retirement 7/6/2016

100.00

Jenny Horne for Congress

1321

11/02/2016

Hodge & Langley Law Firm, P.C.

100.00

BB&T

refund from debt retirement 7/6/2016

100.00

RONNIE A. SABB

KIMBERLY V. BARR
ADRIAN D. DUKES

THE LAW OFFICES
OF
RONNIE A. SABB, L.L.C.
ATTORNEYS AND COUNSELORS AT LAW

108 WEST MAIN STREET
POST OFFICE BOX 88
KINGSTREE, SOUTH CAROLINA 29556
TELEPHONE: (843) 355-8349
FACSIMILE: (843) 355-8434

November 24, 2015

Count 3

Rec'd 11/27

Jenny Horne, Esquire
Jenny Horne Law Firm, LLC
133 East 1st North Street, Suite 5
Summerville, South Carolina 29483

RE: Jenny Horne for Congress

Dear Jenny:

Enclosed please find the campaign donation check in the amount of \$2700.00 in reference to the above matter.

With kind regards, I am

Very truly yours,

Ronnie A. Sabb

RAS/rh

Enclosure

LAW OFFICES OF RONNIE A. SABB, LLC
108 W. MAIN ST.
KINGSTREE, SC 29556

14865

DATE: 11-24-15

PAY to the order of: Jenny Horne for Congress

\$ 2,700.00

Two Thousand Seven Hundred & 00/100 Dollars

First Citizens Bank

FOR Campaign Donation

Regina Hollaway



11/27/2015 18:07

(FAX)

P.001/001

Count 3



Donor Information: (Name & Address of Partnership)

Ronnie A Sabb, LLC

PO Box 88

\$ 2700.00

Kingstree SC 29556

(Total Partnership Amount)

Low

Offices of
I attest, Ronnie A Sabb, LLC

(Company name), acts as a partnership for federal tax purposes.

Contributed to: Jenny A Horne for Congress

(Print Name)

(Signature)

Federal Election Law requires we request the following information:

Partner Name: Ronnie A Sabb

Amount:

2700.00

Address: PO Box 88 Kingstree SC 29556

Occupation: Attorney/owner

Low Off. of

Employer: Ronnie A Sabb, LLC

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

Partner Name: _____ Amount: _____

Address: _____

Occupation: _____ Employer: _____

PLEASE USE REVERSE SIDE IF MORE PARTNER INFORMATION IS REQUIRED

Post Office Box 1238 Summerville, South Carolina 29484
Phone (843)873-1721

Count 3

APPENDIX B

Contributions from Partnerships¹

Outlined below are special rules concerning contributions received from partnerships and from limited liability companies taxed as partnerships.

I. CONTRIBUTION LIMITS

Contributions Made by Partnerships

Contributions received by a candidate's authorized committees from a partnership may not exceed \$2,600 per election. In addition, a contribution from a partnership also counts proportionately against each participating partner's own limit with respect to the same candidate. 110.1(b)(1) and (e).

Contributions Made by Individual Partners

Each individual partner may make contributions of \$2,600 per election, per candidate. 110.1(b)(1). Although contributions made by the partnership as a whole count proportionately against each participating partner's \$2,600 limit, contributions made by individual partners from their own funds do not count against the partnership's limit. 110.1(e). See "Attribution among Partners," below.

Note, however, that certain partnerships and partners may be prohibited from contributing. See "Prohibited Partnership Contributions," below.

Limited Liability Companies

In some cases, limited liability companies (LLCs) are treated as partnerships. For the purposes of contribution limitations and prohibitions, an LLC is treated as a partnership if:

- It does not have publicly traded shares, and
- It has chosen to file, under IRS rules, as a partnership; or

¹ For information on contributions from limited liability companies, see Chapter 4, Section 10.

- It has made no choice, under IRS rules, as to whether it is a corporation or a partnership. 110.1(g)(2) and (3).

Under these conditions, an LLC may make contributions to candidates, subject to the rules described in this appendix. See also Chapter 4, Section 10.

2. ATTRIBUTION AMONG PARTNERS

Formula

A portion of the partnership contribution must be attributed to each contributing partner.² If all partners within the organization are contributing, the partnership may attribute the contribution according to each partner's share of the firm's profits.

However, if the partnership attributes a contribution on another basis agreed to by the partners, the following rules must be observed:

- The profits of only the partners to whom the contribution is attributed are reduced (or their losses increased); and
- The profits (or losses) of those partners are reduced (or losses increased) in the amount of the contribution attributed to them.

The portion attributed to each partner must not, when aggregated with other contributions from that person, exceed his or her individual contribution limit. 110.1(e). See also "Partnerships or LLCs with Corporate Partners or Members" in the next section, below and AO 2009-02 regarding independent expenditures by single member LLCs.

Notice to Recipient Committee

Because a contribution from a partnership is a joint contribution, the partnership must provide to the recipient committee, along with the contribution, a written notice listing the names of the contributing partners and the amount to be attributed to each. However, unlike other joint contributions, the signature of each contributing partner is not required. 110.1(k)(1).

² A portion of a contribution drawn on a partnership account may not be attributed to the spouse of a partner, unless the spouse is also a member of the partnership. AO 1980-67.