



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

March 21, 2006

Richard L. Thomas, Esq.
Lichtman, Trister & Ross, PLLC
1666 Connecticut Avenue, N.W., Suite 500
Washington, D.C. 20009

Re: ADR 288/RR 05L-40

Dear Mr. Thomas:

Enclosed is the signed copy of the agreement between the Federal Election Commission and Progressive Majority and Thomas C. Matzzie, Treasurer, resolving the matter that arose from a referral from the FEC's Reports Analysis Division relating to the Committee's financial records. The agreement, ADR 288/RR 05L-40, was approved by the Federal Election Commission on March 17, 2006 -- the effective date of the agreement.

As you are aware, the settlement agreement will be made part of the record that is released to the public. In addition, as of January 1, 2004, the Commission also will place on the record copies of correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared by this office to assist the Commission in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement effectively resolves the issues raised in the aforementioned referral relating to the Committee's financial records.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Allan D. Silberman", is written over the word "Sincerely,".

Allan D. Silberman,
Director, ADR Office

Enclosure: a/s

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 288
Source: RAD 05L-40
Case Name: Progressive Majority

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Commission entered into negotiations with Holly Schadler, Esq. and Richard Thomas, Esq. on behalf of Progressive Majority and Thomas C. Matzzie, Treasurer (the "Respondents" or the "Committee"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the FECA and in an effort to promote compliance with the FECA on the part of Respondents. The Commission's use of ADR procedures is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. The Respondents have voluntarily entered into this agreement with the Commission.
3. The Reports Analysis Division determined that Respondents filed an Amended 2004 30 Day Post-General Report on January 24, 2005 in order to disclose additional receipts totaling \$54,943.91 and disbursements totaling \$57,383.12.
4. Respondents original 2004 30 Day Post-General Report, filed on December 2, 2004, covering the period from October 14, 2004 through November 22, 2004, disclosed \$3,295.00 for Unitemized Contributions from Individuals/Persons other than Political Committees [Line 11(a)(ii)], \$36,656.08 for Federal Share of Operating Expenditures [Line 21(a)(i)], \$54,984.12 for Non-Federal Share of Operating Expenditures [Line 21(a)(ii)] and \$250.00 for Contributions to Federal Candidates/Committees and Other Political Committees [Line 23]. In addition, the Report did not disclose any entries for earmarked receipts on Schedule A (Itemized Receipts) which support Line 11(a)(i) (Itemized Contributions from Individuals/Persons) or any entries for earmarked disbursements on Schedule B (Itemized Disbursements) which support Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) on the Detailed Summary Page.
5. Respondents Amended 2004 30 Day Post-General Report, filed on January 24, 2005, disclosed \$3,788.91 for contributions listed on Line 11(a)(ii), \$38,536.67 expenditures listed on Line 21(a)(i), \$57,806.50 expenditures listed on Line 21(a)(ii) and \$8,364.65

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contributions listed on Line 23 on the Detailed Summary Page. In addition, the Report disclosed \$54,450 in earmarked conduit receipts on Schedule A supporting Line 11(a)(i) and \$54,450 in earmarked conduit disbursements on Schedule B Line 23 on the Detailed Summary Page. Respondents Amended 2004 30 Day Post-General Report, filed on March 25, 2005, disclosed \$3,788.91 contributions listed on Line 11(a)(ii), \$22,159.19 expenditures listed on Line 21(a)(i), \$74,184.98 expenditures listed on Line 21(a)(ii) and \$8,364.65 contributions listed on Line 23 on the Detailed Summary Page. In addition, the Report disclosed \$54,450.00 in earmarked conduit receipts on Schedule A supporting Line 11(a)(i) and \$54,450.00 in earmarked conduit disbursements on Schedule B supporting Line 23 on the Detailed Summary Page.

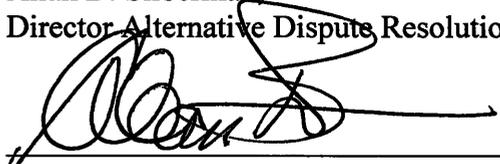
6. Treasurers of political committees are required to file reports of receipts and disbursements in accordance with the provisions of the Act and regulations. 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.1(a). Each report shall disclose for the reporting period and calendar year the total amount of all receipts and the total amount of contributions, including, among others, contributions from persons other than political committees and itemized and unitemized contributions from persons other than from committees and including contributions from individuals. 2 U.S.C. § 434(b)(2)(A) and 11 C.F.R. §§ 104.3(a)(2)(i)(A), (i)(B) and (i)(C).
7. Each report shall disclose for the reporting period and calendar year the total amount of all disbursements and expenditures, others made to meet candidate or committee operating expenditures and any other expenditures, including itemized disbursements. 2 U.S.C. §§ 434(b)(4)(A) and (H) and 11 C.F.R. §§ 104.3 (b)(1)(i).
8. All contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient. 2 U.S.C. § 441a(a)(8) and 11 C.F.R. § 110.6(c).
9. Respondents explained that the inadvertent omissions in the Committee's 2004 30-Day Post General Report did not become apparent until its records were reconciled with those of the bank and a subsequent review by the staff of pertinent invoices and related documents. Thereafter, Respondents noted amended reports were prepared and filed with the Commission. Respondents also indicated that the Committee intended to terminate and filed a request to that effect on December 15, 2005.
10. In order to conclude this matter, Respondents agree to proceed with its request to terminate and to pay a civil penalty of \$4,500.
11. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
12. The parties agree that if the Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance and/or forward any outstanding civil penalty to the US Treasury for collection.

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13. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of this settlement listed in paragraph ten (10) above within thirty (30) days of the effective date of the agreement.
14. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 288/RAD 05L-40 and effectively resolves this matter. No other statement, promise or Agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman,
Director, Alternative Dispute Resolution Office

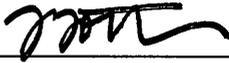


Allan D. Silberman

March 21, 2006

Date

FOR THE RESPONDENTS:



Gloria Totten, Executive Director
Progressive Majority

3.2.06

Date

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