



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Paul E. Sullivan, Esq.  
Sullivan & Associates, PLLC  
601 Pennsylvania Ave., NW  
Suite 900  
Washington, DC 20004

**MAY 19 2014**

RE: MUR 6413

Dear Mr. Sullivan:

On May 14, 2014, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 434(f) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Shonkwiler", with a horizontal line extending to the right.

Mark Shonkwiler  
Assistant General Counsel

Enc:  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the matter of )  
 ) MUR 6413  
Taxpayer Network )  
 )

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by Alissa Ko and California Young Democrats. The Federal Election Commission ("Commission") found probable cause to believe that Taxpayer Network ("Respondent") violated 2 U.S.C. §§ 434(f) and 441d.

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Taxpayer Network was a section 501(c)(4) non-profit corporation. It filed its Certificate of Dissolution with the California Secretary of State on January 9, 2014, and is now dissolved. It is not and never was registered with the Commission as a political committee.

2. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires that every person who makes aggregate disbursements of \$10,000 or more to produce and air electioneering communications must file disclosure reports with the Commission within 24 hours of making the communication. 2 U.S.C. § 434(f). The Act defines "electioneering

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communication” as a broadcast, cable, or satellite communication that refers to a clearly identified federal candidate, is publicly distributed within 60 days before a general election or 30 days before a primary election, and is targeted to the relevant electorate. 2 U.S.C.

§ 434(f)(3)(A); 11 C.F.R. § 100.29.

3. When a person who is not a candidate or authorized political committee makes a disbursement for an electioneering communication, such communication must include a disclaimer stating the name and permanent street address, telephone number or World Wide Web address of the person who paid for the communication, and state that the communication was not authorized by any candidate or candidate’s committee. 2 U.S.C. § 441d(a); 11 C.F.R. § 110.11(b)(3). Further, disclaimers on television ads must include an audio statement as to who or what group is responsible for the content of the advertisement. 2 U.S.C. § 441d(d)(2); 11 C.F.R. § 110.11(c)(4)(i)-(ii).

4. During the 60 day period prior to the 2010 general election, Taxpayer Network aired two television advertisements in California that referred to and included photographs of one of the U.S. Senators from California, Barbara Boxer, who was a candidate for re-election at the time. Taxpayer Network spent \$192,185 to produce and air these advertisements (“Boxer Ads”), which constitute electioneering communications, but did not file any electioneering communication reports with the Commission.

5. The Boxer Ads both included a written disclaimer stating, “Paid for by Taxpayer Network,” but did not include Taxpayer Network’s permanent street address, its telephone number or World Wide Web address, a statement that the communication was not authorized by a candidate or candidate’s committee, or an audio statement as to who or what group is responsible for the content of the advertisement.

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V. 1. Respondent violated 2 U.S.C. § 434(f) by failing to report the Boxer Ads to the Commission.

2. Respondent violated 2 U.S.C. § 441d by failing to fully comply with the disclaimer requirements for electioneering communications.

VI. 1. In ordinary circumstances, the Commission would seek a substantially higher civil penalty based on the violations outlined in this agreement. However, the Commission is taking into account the fact that Taxpayer Network is a dissolved corporation that represents that it has limited funds and no ability to raise additional funds. Respondent will pay a civil penalty to the Commission in the amount of \$5,000, pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondent will cease and desist from committing violations of 2 U.S.C. §§ 434(f) and 441d.

3. Respondent will file electioneering communication reports disclosing the activity referenced in Paragraph IV.4 within 30 days.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

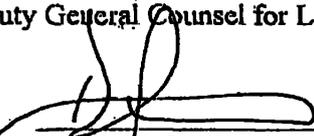
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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson  
Deputy General Counsel for Law

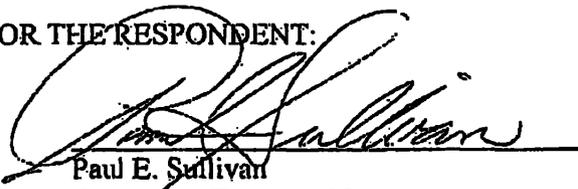
BY:

  
\_\_\_\_\_  
Daniel A. Petalas  
Associate General Counsel  
for Enforcement

Date

5/16/14

FOR THE RESPONDENT:

  
\_\_\_\_\_  
Paul E. Sullivan  
Counsel to Taxpayer Network

Date

5/2/14

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