



**Federal Election Commission  
Washington, DC 20463**

March 27, 2014

Mark J. Block, Treasurer  
Friends of Herman Cain, Inc.  
P.O. Box 2158  
Stockbridge, GA 30281

Re: ADR 665 (RAD 13L-47)  
Friends of Herman Cain, Inc. and Mark J. Block, Treasurer

Dear Mr. Block:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on October 30, 2013 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on March 27, 2014— the effective date of the agreement.

Note the specific time frames for compliance in Paragraph 6 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6, and contain the ADR caption and case number. The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before September 27, 2014 – March 27, 2015.<sup>1</sup> Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist 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.

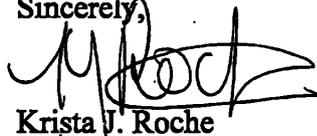
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<sup>1</sup> Please note, if the Commission refers an unpaid civil penalty to the US Treasury or third party collection agent, additional costs and fees will be assessed.

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This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche  
Assistant Director

Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office

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**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 665  
Source: RAD 13L-47  
Case Name: Friends of Herman Cain, Inc.

### **NEGOTIATED SETTLEMENT**

This matter was initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with Mark J. Block representing Friends of Herman Cain, Inc. and Mark J. Block, in his official capacity as Treasurer (the Committee or Respondents). 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 addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division referred Respondents for receiving prohibited, excessive, and other impermissible contributions totaling \$186,871.98 for the 2012 Primary and General Elections which were not remedied within the permissible timeframes. The Committee did not timely refund, reattribute, or redesignate, as applicable, excessive and prohibited contributions for the 2012 Primary Election totaling \$99,091.96 from sixty-six individuals and two corporate entities. In addition, the Committee did not timely refund 2012 General Election contributions totaling \$87,780.08 from forty-three individuals and one political committee after the candidate announced on December 3, 2011 that he was no longer participating in the 2012 Primary Election.
4. If a committee receives a contribution that appears to be excessive, the committee must return the check to the donor, deposit the contribution and maintain sufficient funds to potentially make a refund until the legality of the contribution is established, or seek a reattribution or a redesignation of the excessive portion. If the committee

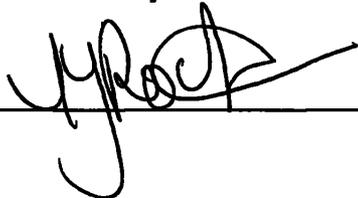
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does not receive a proper reattribution or redesignation within 60 days of receiving the excessive contribution, the excessive portion must be refunded to the donor. 2 U.S.C. § 441a(a)(1)(A), 11 C.F.R. § 103.3(b)(3), (4), and (5).

5. Respondents acknowledge that excessive contributions were received by the Committee and not remedied within the permissible timeframes. The Committee contends it is working diligently to ensure the appropriate refunds or disgorgements to the US Treasury are made so that all excessive contributions are resolved.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) continue to remedy the excessive contributions through refunds and disgorgements to the US Treasury and provide an accounting of these transactions on a quarterly basis (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup>) to the Alternative Dispute Resolution Office until such time as all outstanding excessive contributions in this matter are resolved; and (b) pay a civil penalty of \$19,000, paid in installments beginning no later than six (6) months from the effective date of this agreement with a final payment of the balance due within twelve (12) months of the effective date of this agreement.
7. 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.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 6 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 665 (RAD 13L-47), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

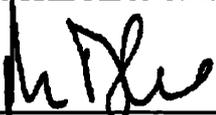
**FOR THE COMMISSION:**

**Krista J. Roche, Assistant Director  
Alternative Dispute Resolution Office**

  
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3/27/14  
Date Signed

**FOR THE RESPONDENTS:**

  
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**Mark J. Block  
Representing Friends of Herman Cain, Inc.  
and Mark J. Block, Treasurer**

3/12/14  
Date Signed

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