

REGISTRY OF ELECTION FINANCE

The Registry of Election Finance met Wednesday, November 10, 2010, at Suite 104 of Parkway Towers, 404 James Robertson Parkway, Nashville, Tennessee.

Presiding over the meeting was Chairperson Patricia Heim. Attending the meeting were board members George Harding, Wade Hinton, Darlene McNeece, Lee Anne Murray and Justin Pitt.

Approval of Meeting Minutes

On motion by Murray, seconded by McNeece, the board voted unanimously to approve the minutes from the October 13, 2010 regular board meeting.

Statements Submitted

10-38 Freedom and Responsibility PAC, for failure to file a 2010 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. The organization has had no previous matters before the board.

The board voted at its October 13, 2010 meeting to issue the organization a show cause notice.

Randy Boyd, representative for the organization, filed the required report and submitted a statement for the board's consideration.

On motion by Hinton, seconded by Murray, the board voted unanimously to assess the organization a \$50 civil penalty.

Case Subject to Approval of Civil Penalty Order

10-28 Robert Spence, Jr., for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Spence has had previous matters before the board.

The board voted at its September 8, 2010 meeting to issue Mr. Spence a show cause notice.

Without objection, the board voted at its October 13, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Mr. Spence an opportunity to receive the show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

On motion by Hinton, seconded by McNeece, the board voted unanimously to assess Mr. Spence a \$10,000 civil penalty.

10-33 Jerry Smith, for failure to timely file a 2010 2nd quarter campaign financial disclosure report with the Sullivan County Election Commission. Class two (2), 37 days

late, maximum ten thousand (\$10,000) civil penalty. Mr. Smith has had no previous matters before the board.

The board voted at its September 8, 2010 meeting to issue Mr. Smith a show cause notice.

Without objection, the board voted at its October 13, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Mr. Smith an opportunity to receive the show cause notice.

Mr. Smith submitted a statement for the board's consideration.

On motion by Murray, seconded by McNeece, the board voted unanimously to assess Mr. Smith a \$50 civil penalty.

10-36 Judd Matheny, for failing to report 10 PAC contributions on his 2009 year-end supplemental campaign financial disclosure report. Class two (2), maximum ten thousand dollar (\$10,000) civil penalty. Rep. Matheny has had previous matters before the board.

The board voted at its September 8, 2010 meeting to issue Rep. Matheny a show cause notice.

Without objection, the board voted at its October 13, 2010 meeting to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Matheny an opportunity to receive the show cause notice.

Rep. Matheny requested that the board defer any action in this matter until the next regularly scheduled meeting to allow him an opportunity to respond to the board.

Without objection, the board voted to defer any action in this matter until the next regularly scheduled meeting to allow Rep. Matheny an opportunity to respond to the show cause notice.

10-39 Guthrie Castle, for failure to file a 2010 mid-year supplemental campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Castle has had no previous matters before the board.

The board voted at its October 13, 2010 meeting to issue Mr. Castle a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

A motion was made by Murray, seconded by McNeece, to assess Mr. Castle a \$100 civil penalty. A friendly amendment was made by Hinton, accepted by Murray and McNeece, to assess Mr. Castle a \$1,000 civil penalty. The motion to assess Mr. Castle a \$1,000 civil penalty passed the board unanimously.

10-42 Vicky Gilbert, for failure to file a 2010 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Gilbert has had a previous matter before the board. (see below)

Director Rawlins informed the board that the report has now been filed.

The board voted at its October 13, 2010 meeting to issue Mr. Gilbert a show cause notice.

Mr. Gilbert filed the required report and submitted a statement for the board's consideration.

On motion by Murray, seconded by McNeece, the board voted unanimously to take no further action in this matter.

10-43 Vickey Gilbert, for failure to file a 2010 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Gilbert has had a previous matter before the board. (see above)

Director Rawlins informed the board that the report has now been filed.

The board voted at its October 13, 2010 meeting to issue Mr. Gilbert a show cause notice.

Mr. Gilbert filed the required report and submitted a statement for the board's consideration.

On motion by Murray, seconded by McNeece, the board voted unanimously to take no further action in this matter.

10-44 Mitzi Turnage, for failure to file a 2010 2nd quarter campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Ms. Turnage has had no previous matters before the board.

The board voted at its October 13, 2010 meeting to issue Ms. Turnage a show cause notice.

Director Rawlins informed the board that there has been no response to the show cause notice and that the report still has not been filed.

On motion by Murray, seconded by Pitt, the board voted unanimously to assess Ms. Turnage a \$10,000 civil penalty.

Cases Considered for Issuance of Show Cause Notice

William Vandever, for failure to file a 2010 pre-primary campaign financial disclosure report. Class two (2), no report filed, maximum ten thousand (\$10,000) civil penalty. Mr. Castle has had no previous matters before the board.

On motion by Murray, seconded by Pitt, the board voted unanimously to issue a show cause notice.

The CEA Group PAC, for failure to timely file a 2010 3rd quarter campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

On motion by Hinton, seconded by Murray, the board voted unanimously to take no action.

D.R.I.V.E. (TN PAC), for failure to timely file a 2010 3rd quarter campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

On motion by Hinton, seconded by Murray, the board voted unanimously to take no action.

Perry County Republican Party, for failure to timely file a 2010 3rd quarter campaign financial disclosure report. Class one (1), two days late, maximum fifty (\$50) civil penalty. The organization has had previous matters before the board.

On motion by Hinton, seconded by Murray, the board voted unanimously to take no action.

Weakley County Democratic Party, for failure to timely file a 2010 3rd quarter campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

On motion by Hinton, seconded by Murray, the board voted unanimously to take no action.

Wedge PAC, for failure to timely file a 2010 3rd quarter campaign financial disclosure report. Class one (1), one day late, maximum twenty-five (\$25) civil penalty. The organization has had no previous matters before the board.

On motion by Hinton, seconded by Murray, the board voted unanimously to take no action.

Stephanie Nails-Colbeck, for failure to file a 2010 appointment of treasurer statement. Class one (1), seven days late, maximum one hundred seventy-five (\$175) civil penalty. Ms. Nails-Colbeck has had no previous matters before the board.

On motion by Heim, seconded by Murray, the board voted unanimously to issue a show cause notice.

Sworn Complaints

Director Rawlins provided the board with a sworn complaint filed with the Registry from Tommy Kesterson against Willie (Butch) Borchert alleging the following violation:

- Mr. Borchert accepted a campaign contribution from a registered lobbyist.

On motion by Murray, seconded by McNeece, the board voted unanimously to dismiss the complaint and recommend that Mr. Kesterson file the complaint with the Ethics Commission because the matter is not under the Registry's authority.

Director Rawlins provided the board with a sworn complaint filed with the Registry from Jean Keeling Jernigan against Bill Sanderson alleging the following violations:

- Failing to report campaign expenditures.
- Failing to report in-kind contributions received.
- Personal use of campaign funds.

On motion by Hinton, seconded by Murray, the board voted unanimously to issue Rep. Sanderson a show cause notice for failing to timely report campaign expenditures,

for failing to timely report in-kind contributions received and for possible personal use of campaign funds.

Appearance of Use of a Conduit

Director Rawlins provided the board with information that the Freedom and Responsibility PAC appears to have been used as a conduit by contributors to make contributions to Bill Haslam's gubernatorial campaign.

On motion by Murray, seconded by Hinton, the board voted unanimously to issue show cause notices to Randal Boyd, Randall Gibson, Rodney Lawler and Rich Ray for exceeding the contribution limits thru the use of a conduit.

On motion by Pitt, seconded by Hinton, the board voted unanimously to issue the Freedom and Responsibility PAC a show cause notice for failure to report the original source and the intended recipient to the Registry and to Gov. Haslam.

Executive Director's Report

- Director Rawlins provided the board with a letter from the Institute for Justice concerning campaign finance statutes that they feel should be changed in Tennessee's laws.
- Director Rawlins informed the board that the contested case hearing requested by Rep. Joe Towns, Jr. for Case No. 10-06 has been scheduled for February 25, 2010 and February 28, 2010.

Other Business

On motion by, seconded by, the board voted unanimously to adjourn the meeting until the next regularly scheduled meeting.