



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

August 5, 2010

Lynn Gilbert, Treasurer
Friends of Mike Lee, Inc.
190 West 800 North, Suite 100
Provo, UT 84601

Response Due Date:
September 9, 2010

Identification Number: C00473827

Reference: 12-Day Pre-Primary Report (4/19/10 - 6/2/10)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Senate Public Records Office by the response date noted above. Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 2 items:

1. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached). You should examine all of your contributions to check for additional excessive contributions. The Committee's procedures for processing contributions should also be reviewed.

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution to a candidate for federal office in excess of \$2,400 per election. An authorized committee may not make a contribution to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441a(a) and (f); 11 CFR § 110.1(b), (e) and (k))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If any contribution you received exceeds the limits, you may have to refund the excessive amount.

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Excessive contributions may be retained if, within sixty (60) days of receipt, the excessive portions are properly redesignated or reattributed. Guidelines for each option are provided below:

For reattributions, excessive contributions from individuals can be retained, if within sixty (60) days of receipt, the excessive amount is properly reattributed to another person. Please note that reattributions only apply to excessive contributions from individuals. An excessive contribution is considered properly reattributed if (1) the contributors provide the committee with written documentation, signed by each contributor, authorizing a reattribution and indicating the amount of the contribution to be attributed to each contributor, or (2) the committee reattributes, by presumption, the excessive portion of the contribution if the contribution was made on a written instrument from a joint account and was signed by only one of the account holders. In this case, the treasurer must notify the contributors in writing within 60 days of receiving the contribution that the committee intends to reattribute the excessive portion and must give the contributor an opportunity to request a refund. (11 CFR § 110.1(k)(3)(ii)(B))

For redesignations, the funds can be retained if, within sixty (60) days of receipt, the excessive amount is properly redesignated for a different election. An excessive contribution is considered properly redesignated if (1) the committee obtains signed written documentation from the contributor(s) authorizing the redesignation of the contribution for another election, provided that the new designation does not exceed the limitations on contributions made with respect to that election, or (2) your committee redesignates by presumption the excessive portion of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B)) Please note that you cannot presumptively redesignate an excessive contribution from a multi-candidate committee. Also, a contribution can only be redesignated to a previous election to the extent that the contribution does not exceed the committee's net debts outstanding for that election. (11 CFR § 110.1(b)(3)(i))

If the foregoing conditions for reattributions or redesignations are not met within 60 days of receipt of the contribution, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

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Please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/ or letters reattributing or redesignating the contributions in question. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR § 104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund, redesignate, and/or reattribute of the excessive amount will be taken into consideration.

2. Schedule A of your report discloses one or more contributions received after the convention election that are designated for the convention. These contributions may only be accepted to the extent that the committee has net debts outstanding from the convention election. For more information on how to calculate net debts outstanding, please see page 20 of the Campaign Guide for Congressional Candidates and Committees, which is available online at <http://www.fec.gov/pdf/candgui.pdf>. (11 CFR § 110.1(b)(3)(i))

A contribution is considered made when the contributor relinquishes control over the contribution. A contributor shall be considered to have relinquished control over the contribution when it is delivered to the candidate, when it is delivered to an authorized committee of the candidate, or to an agent of an authorized committee of the candidate. A contribution that is mailed to any of the aforementioned recipients will be considered made on the date of the postmark. Envelopes should be retained for the committee's records. (11 CFR § 110.1(b)(6))

If any contribution in question was incompletely or incorrectly reported, you must amend your original report with the clarifying information.

If a contribution exceeds the amount of net debts outstanding from the convention election, you may have to refund or redesignate the contribution.

The funds can be retained if within sixty (60) days of receipt the excessive amount was properly redesignated for a different election. An excessive contribution is considered properly redesignated if (1) the committee obtains signed written documentation from the contributor(s) authorizing

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the redesignation of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election, or (2) the committee redesignates by presumption the excessive portion of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B))

If the foregoing conditions for redesignations are not met within 60 days of receipt, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/or letters redesignating the contributions in question. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation is received. (11 CFR § 104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund or redesignate the excessive amount will be taken into consideration.

3. Column B figures for the Summary and Detailed Summary Page information should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for Line(s) 7(a), 7(c), 17 and 22 and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the election cycle-to-date totals. (2 U.S.C. § 434(b))

4. The beginning cash balance of this report does not equal the ending balance of your 12-Day Pre-Convention report. Please correct this discrepancy and amend all subsequent reports(s) that may be affected by the correction. (2 U.S.C. § 434)(b)(7))

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5. Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12-Day Pre-Convention report (see attached). A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. The failure to file 48-hour notices may result in civil money penalties or legal enforcement action. If any contribution of \$1,000 or more was incorrectly reported, you must amend your original report with the clarifying information. (11 CFR § 104.5(f))

6. On Schedule B of your report, you have itemized disbursements for which you have failed to include the complete address and purpose. Please amend your report to include the missing information. (11 CFR § 104.3(b)(4))

7. Itemized disbursements must include a brief statement or description of why each disbursement was made. Please amend Schedule B supporting Line 17 of your report to clarify the following: "**convention**", "**fundraising (to an individual)**." For further guidance regarding acceptable purposes of disbursement, please refer to 11 CFR 104.3(b)(4)(A).

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf.

8. Schedule B of your report discloses reimbursements to individuals for expenses other than travel and subsistence. Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in an election cycle, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. If itemization is not necessary, you must indicate so in an amendment to this report. Please correct your report to include the missing information. (11 CFR §§ 104.3(b)(4)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20)

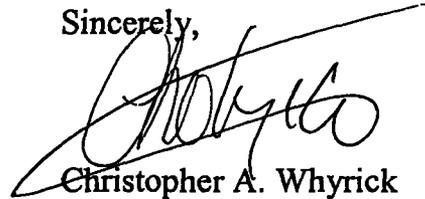
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9. Schedule B of your report discloses reimbursements to staff for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by staff to any one vendor that make up the reimbursement may have to be itemized. For example, if the campaign related payments to any one vendor by the campaign/staff aggregate in excess of \$200 for the election cycle, the staff advance payment to the vendor must also be itemized in a memo entry for that reimbursement. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and detailed purpose of the advance. If itemization is not necessary for a particular reimbursement to staff in excess of \$500, you must indicate so in an amendment to this report. Please amend your report to include the missing or clarifying information. See Advisory Opinion 1996-20 for additional clarification. (11 CFR § 104.9)

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

A written response or an amendment to your original report(s) correcting the above problems should be filed with the Senate Public Records Office. Please contact the Senate Public Records Office at (202) 224-0322 for instructions on how and where to file an amendment. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1161.

Sincerely,



Christopher A. Whyrick
Senior Campaign Finance Analyst
Reports Analysis Division

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Excessive and/or Prohibited Contributions
 Friends of Mike Lee, Inc. (C00473827)
 12-Day Pre-Primary Report (4/19/10 - 6/2/10)

P = Primary Election
 C = Convention Election

| CONTRIBUTOR NAME | DATE | AMOUNT | ELECTION |
|--|-----------|------------|----------|
| Olpin, Paul | 2/8/2010 | \$2,400.00 | C2010 |
| Olpin, Paul | 5/6/2010 | \$1,000.00 | C2010 |
| Platt, Mitchell | 5/20/2010 | \$1,000.00 | P2010 |
| Platt, Mitchell | 6/1/2010 | \$2,400.00 | P2010 |
| Spence, Corinne | 5/11/2010 | \$2,400.00 | P2010 |
| Spence, Corinne | 5/29/2010 | \$500.00 | P2010 |
| <i>Convention Contribution received after the Convention Election:</i> | | | |
| Bunn, Daniel | 5/18/2010 | \$600.00 | C2010 |
| Osmond, Aaron | 5/21/2010 | \$1,400.00 | C2010 |
| Pedersen, Andrea | 5/27/2010 | \$2,400.00 | C2010 |
| Pedersen, Todd | 5/27/2010 | \$2,400.00 | C2010 |
| Galland, Virginia | 6/1/2010 | \$200.00 | C2010 |
| Lund, Steven | 6/1/2010 | \$600.00 | C2010 |
| Mumford, Drew | 6/1/2010 | \$600.00 | C2010 |
| Platt, Mitchell | 6/1/2010 | \$600.00 | C2010 |

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Missing 48-hour notices
Friends of Mike Lee, Inc. (C00473827)
12-Day Pre-Primary Report (4/19/10 - 6/2/10)
Convention Election
48-hour notice period (4/19/10 - 5/5/10)

| CONTRIBUTOR NAME | DATE | AMOUNT | ELECTION |
|------------------|----------|------------|----------|
| Thelin, Jason | 5/1/2010 | \$1,100.00 | C, 2010 |

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