



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

September 11, 2014

NATE SCHOTT, TREASURER  
JOE CARR FOR SENATE  
PO BOX 192  
LASCASSAS, TN 37085

**Response Due Date****10/16/2014**

IDENTIFICATION NUMBER: C00541904

REFERENCE: JULY QUARTERLY REPORT (04/01/2014 - 06/30/2014)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 7 item(s):

1. The beginning cash balance of this report does not equal the ending balance of your 2014 Amended April Quarterly Report, received 8/12/14. Please correct this discrepancy and amend all subsequent reports that may be affected by the correction. (52 U.S.C. § 30104(b)(1) (formerly 2 U.S.C. § 434(b)(1)) and 11 CFR § 104.3(a)(1))
2. The totals listed on Lines 6(a), 6(c), 11(a)(iii), 11(e), 16, 21, and 22, Column B of the Summary and Detailed Pages appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages 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 this report 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 (11/5/08 through 11/4/14). (52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)) and 11 CFR § 104.3)
3. Schedule A of your report discloses one or more contributions that appear to be from limited liability corporation(s) (LLC) (see attached). 11 C.F.R. §110.1(g) allows the receipt of contributions from LLCs providing the LLC is treated as a partnership for tax purposes, and has not elected to be treated as a corporation by the Internal Revenue Service (IRS). Both LLCs that claim

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corporate status and those that publicly traded would be treated as corporations for FECA purposes.

Please amend your report to clarify if the LLCs in question are treated as partnerships. If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

**4.** Schedule A of your report discloses one or more contributions that appear to be from a corporation(s) and/or labor organization(s) (see attached). 52 U.S.C. § 30118(a) (formerly 2 U.S.C. § 441b(a)) and 11 CFR § 103.3(b) prohibit the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

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

If you have received prohibited contributions, you must make a refund within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(1) and (2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund is made. (11 CFR § 104.8(d)(4))

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Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

5. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached).

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of \$2,600 per election. An authorized committee may not make a contribution(s) 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. (52 U.S.C. § 30116(a) and (f) (formerly 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.

Excessive contributions may be retained if, within 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 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

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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 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).

If you have not already done so, 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(a), (b), or (c), as applicable, 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))

Although the Commission may take further legal action concerning the acceptance of excessive contributions, your prompt action to refund, redesignate, and/or reattribute the excessive amount will be taken into consideration.

**6.** On Schedule B supporting Line 17 of your report, you have itemized a

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disbursement for which you have failed to include a 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 descriptions: "Vendor Pay" and "Vendor Payment." For further guidance regarding acceptable purposes of disbursement, please refer to 11 CFR 104.3(b)(4)(i)(A).

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register is available on the FEC website at [www.fec.gov/law/policy/purposeofdisbursement/inadequate\\_purpose\\_list\\_3507.pdf](http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf). A non-exhaustive list of acceptable purposes is also available on the FEC website at <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf>.

- Your report disclosed a category of financial activity that appears to be disclosed on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, interest should be properly disclosed on a separate Schedule A, supporting Line 15 of the Detailed Summary Page. Please refer to the Form 3 instructions for each line when determining the proper categorization(s) for your next filing. (11 CFR § 104.3(a) and (b))

**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) 694-1138.

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Sincerely,

A handwritten signature in black ink that reads "Carolina Mongeon". The signature is written in a cursive style with a large, prominent 'C' at the beginning.

Carolina Mongeon  
Senior Campaign Finance Analyst  
Reports Analysis Division

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**Excessive, Prohibited, and Impermissible Contributions**  
**Joe Carr for Senate (C00541904)**

**Contributions from Possible Prohibited Entities**

<b>Contributor Name</b>	<b>Date</b>	<b>Amount</b>	<b>Election</b>
Life Watch Pharmacy	5/15/14	\$1,577.50	P, 2014
Slick Pig Bar B-Q	6/24/14	\$1,000.00	P, 2014

**Excessive Contributions from Individuals**

<b>Contributor Name</b>	<b>Date</b>	<b>Amount</b>	<b>Election</b>
Coats, Chris	9/14/13	\$250.00	P, 2014
Coats, Chris	9/28/13	\$1,000.00	P, 2014
Coats, Chris	3/6/14	\$1,000.00	P, 2014
Coats, Chris	6/14/14	\$500.00	P, 2014
Hillman, Tatnall	5/9/14	\$5,200.00	P, 2014
Kirke, Gerald	3/6/14	\$2,000.00	P, 2014
Kirke, Gerry	5/15/14	\$1,000.00	P, 2014
Kirke, Gerald	6/26/14	\$1,000.00	P, 2014
Long, Charles	5/22/14	\$2,600.00	P, 2014
Long, Charles	5/28/14	\$500.00	P, 2014
Pilkenton, Charles	2/25/14	\$2,600.00	P, 2014
Pilkenton, Charles	4/3/14	\$10.00	P, 2014
Pilkenton, Charles	5/24/14	\$10.00	P, 2014
Pilkenton, Charles	6/16/14	\$10.00	P, 2014
Smith, Edward	2/21/14	\$100.00	P, 2014
Smith, Edward	6/15/14	\$1,000.00	P, 2014
Smith, Edward	6/18/14	\$75.00	P, 2014
Smith, Edward	6/21/14	\$1,000.00	P, 2014
Smith, Edward	6/30/14	\$500.00	P, 2014
Tholen, C Philip	6/11/14	\$5,200.00	P, 2014