



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 18, 2011

STEVEN E. MCGRAW, TREASURER
ANESTHESIOLOGISTS ASSOCIATED, PC
POLITICAL ACTION COMMITTEE
2341 MCCALLIE AVENUE, SUITE 402 P. O. BOX 3549
CHATTANOOGA, TN 37404

Response Due Date
11/22/2011

IDENTIFICATION NUMBER: C00491969

REFERENCE: MID-YEAR REPORT (01/01/2011 - 06/30/2011)

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. **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 1 item(s):

- Separate Segregated Funds and Nonconnected committees that have established a federal account and a non-federal account may use only funds subject to the prohibitions and limitations of the Act, or they may allocate expenditures for administrative costs, generic voter drives, fundraising programs or events and public communications referencing only a political party between their federal and their non federal accounts. (11 CFR §106.6(b))

Separate Segregated Funds and Nonconnected committees may pay administrative expenses, costs for generic voter drives and expenses related to public communications referencing any political party from their federal account, or allocate between their federal and non-federal accounts. Committees that choose to allocate these expenses must disclose the allocation ratio to be applied to each category of activity on a Schedule H1. Administrative expenses, generic voter drive costs and expenses related to public communications referencing any political party committee (but no clearly identified candidates) must be paid for with at least 50 percent Federal funds. (11 CFR §106.6(c))

Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for allocated activity. Schedule H3 is used by all political

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committees to report transfers received by the federal account from the non federal account(s) to pay the non federal share of allocable expenses.

Any expenditures made on behalf of both federal and non federal candidates (including in kind contributions and independent expenditures) must be allocated between your committee's federal and non federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. (11 CFR §106.1(a))

Please clarify the procedures you are currently using to pay for allocable expenses. The Commission recommends that you take steps to correct any non compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

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.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. 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) 694-1393.

Sincerely,



Paul Stuetz
Campaign Finance Analyst
Reports Analysis Division