



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Melvin C. Spain, Treasurer
Ogles for Congress
P.O. Box 681274
Franklin, TN 37068

AUG 20 2002

Identification Number: C00375170

Reference: 12 Day Pre-Primary Report (7/1/02-7/12/02)

Dear Mr. Spain:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

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

No political committee other than a qualified multicandidate committee may make contributions to a candidate for federal office in excess of \$1,000 per election. The Providence Healthcare Government Affairs Committee did not meet the requirements for qualified multicandidate status as of the date the contribution(s) was made to your committee. 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 reported, you must amend your original report with the clarifying information.

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If any contribution(s) you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within sixty (60) days of receipt, the excessive amount was properly designated for a different election, by obtaining signed written authorization from the contributor(s) pursuant to 11 CFR §110.1(b)(5) or §110.2(b)(5). Unless the forgoing conditions for redesignations are met within 60 days of receipt, the excessive amount must be refunded. See CFR §103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any refund and/ or any photocopies of 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 seek redesignation of the excessive amount will be taken into consideration.

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used personal funds or borrowed the money from a lending institution or some other source. If the candidate borrowed funds from a lending institution, or other source, please provide the name of the lending institution and the complete terms of the loan.

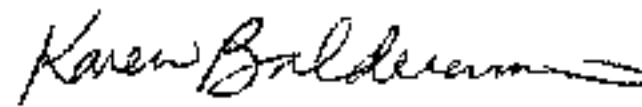
Additionally, for loans from a lending institution, you must file an FEC FORM C-1 (copy attached) and a copy of the loan agreement. If you are an electronic filer, you must submit the Schedule C-1 electronically without the original signature from the lending institution. Furthermore, you must mail a separate copy of the Schedule C-1 that contains the original signature from the lending institution.

If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission Regulations. See 11 CFR §110.10. (11 CFR §§100.7(a)(1), 104.3(d) and 104.18(h))

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A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. 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 need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Karen Balderama
Reports Analyst
Reports Analysis Division

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**EXCESSIVE
CONTRIBUTIONS ON
THE 12 DAY PRE-PRIMARY
REPORT**

**P = Primary Election
G = General Election**

CONTRIBUTOR NAME	DATE	AMOUNT	ELECTION
THE FOLLOWING COMMITTEE IS NON-QUALIFIED:			
Province Healthcare Govt Affairs Committee	07/08/2002	\$ 2,452.41	P

SCHEDULE C-1 (FEC Form 3)
LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

Supplementary for
 Information found on
 Page _____ of Schedule C

Federal Election Commission, Washington, D.C. 20483

NAME OF COMMITTEE (In Full)		FEC IDENTIFICATION NUMBER C
LENDING INSTITUTION (LENDER) Full Name	Amount of Loan	Interest Rate (APR)
Mailing Address	Date Incurred or Established	
City State Zip Code	Date Due	

A. Has loan been restructured? No Yes If yes, date originally incurred _____

B. If line of credit, Total Outstanding Balance: _____
 Amount of this Draw: _____

C. Are other parties secondarily liable for the debt incurred?
 No Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?
 No Yes If yes, specify: _____
 What is the value of this collateral? _____
 Does the lender have a perfected security interest in it? No Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? No Yes If yes, specify: _____
 What is the estimated value? _____

A depository account must be established pursuant to 11 CFR 100.7(b)(1)(i)(B) and 100.6(b)(12)(i)(B).
 Location of account: _____
 Date account established: _____
 Address: _____
 City, State, Zip: _____

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

G. COMMITTEE TREASURER
 Typed Name _____ DATE _____
 Signature _____

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:
 I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above.
 II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness.
 III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set for this at 11 CFR 100.7(b)(11) and 100.6(b)(12) in making this loan.

AUTHORIZED REPRESENTATIVE
 Typed Name _____ DATE _____
 Signature _____ Title _____

INSTRUCTIONS FOR FEC FORM 3 AND RELATED SCHEDULES

INSTRUCTIONS FOR SCHEDULE C-1, LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS (FEC FORM 3)

Background: FEC Regulations on Loans from Lending Institutions

Schedule C-1 seeks information on loans—including lines of credit—from lending institutions such as state or federally chartered banks, federally insured savings and loan associations or federally insured credit unions. The purpose of Schedule C-1 is to verify that a loan or line of credit does not result in a prohibited contribution from the lending institution, a violation of the federal campaign finance law.

Under FEC regulations at 11 CFR 100.7(b)(11) and 100.8(b)(12), a loan "made in accordance with applicable banking laws" and "in the ordinary course of business" is not considered a contribution if certain conditions are met. One of these conditions is that the loan "is made on a basis which assures repayment." Schedule C-1 documents whether or not the loan complies with these requirements.

Who Must File Schedule C-1

A political committee that obtains a loan or line of credit from a bank or other lending institution must file Schedule C-1. An authorized committee of a candidate must also file Schedule C-1 if the candidate obtains a loan or line of credit from a bank or other lending institution and the borrowed funds are used for campaign purposes. 11 CFR 104.3(d)(1). (See Schedule C instructions on Candidate Loans.)

When to File Schedule C-1

A Schedule C-1 must be filed for each loan and each line of credit obtained from a lending institution. 11 CFR 104.3(d)(1).

Loans. A committee must file a Schedule C-1 with its next report when it first obtains a loan and in succeeding reporting periods each time the terms of the loan are restructured. 11 CFR 104.3(d)(1) and (3). (A restructured loan is considered a new loan.)

Lines of Credit. A committee must file a Schedule C-1 with its next report when a line of credit is established and in succeeding reporting periods each time any draws are made on the line of credit and each time the line of credit is restructured to change the repayment terms. 11 CFR 104.3(d)(1) and (3).

Reporting Loans and Lines of Credit on Schedules A and C

Schedule A. When a candidate or committee obtains a loan, the committee must itemize the receipt on a Schedule A for the appropriate line number. However, a line of credit is itemized on Schedule A only when the candidate or committee obtains funds by making a draw on the credit.

Schedule C. As with all loans, loans from lending institutions (including lines of credit) must be continuously disclosed on Schedule C, starting with the first report due after the committee obtains the loan and continuing with each report thereafter until the loan is repaid.

Line-by-Line Instructions

Schedule C Cross-Reference. Enter the Schedule C page number where information on the loan or line of credit appears.

Name of Committee Obtaining Loan. Enter the full name of the reporting committee.

Identification Number. Enter the reporting committee's FEC identification number. If the committee is newly registered and has not yet obtained a number, enter "not yet assigned."

Name/Address of Lender. Enter the full name, address and zip code of the lending institution.

Loan Amount. Enter the amount of the loan or line of credit. If reporting a restructured loan or line of credit, enter the amount under the new terms. 11 CFR 104.3(d)(1)(i) and (3).

Interest Rate. Enter the annual percentage rate (APR) of interest on the loan or each draw on the line of credit. If reporting a restructured loan or line of credit, enter the interest rate under the new terms. 11 CFR 104.3(d)(1)(ii) and (3).

Date Incurred or Established. Enter the date the candidate or committee incurred the debt by signing the loan agreement (the original agreement or a restructured agreement, as appropriate). 11 CFR 104.3(d)(1)(j) and (3).

Due Date. Enter the date on which full repayment of the loan or line of credit is due (under the original agreement or a restructured agreement, as appropriate). 11 CFR 104.3(d)(1)(k) and (3).

A. Restructured Loans. Check yes if the loan or line of credit has been restructured to change the terms; enter the date on which the original loan or line of credit was incurred. 11 CFR 104.3(d)(3).

B. Draws on Line of Credit. If reporting a draw on a line of credit, enter the amount of the draw and the outstanding balance owed on the line of credit (cumulative draws less any repayments made). 11 CFR 104.3(d)(1)(ii).

C. Secondary Sources of Repayment. Check yes if the loan or line of credit was endorsed or guaranteed by secondary parties. 11 CFR 104.3(d)(1)(iii). Information on endorsers and guarantors must be disclosed on Schedule C. (Note that guarantees and endorsements of loans are considered contributions; see Schedule C instructions.)

D. Traditional Collateral. Check yes if the loan or line of credit was obtained using traditional sources of collateral, and list the specific assets that were pledged. Enter the total fair market

