UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA ALEXANDRIA DIVISION

| |) | |
|------------------------------|---|-----------------------------|
| STOP RECKLESS ECONOMIC |) | |
| INSTABILITY CAUSED BY |) | |
| DEMOCRATS, et al., |) | |
| |) | Civ. No. 1:14-397 (AJT-IDD) |
| Plaintiffs, |) | |
| |) | |
| V. |) | |
| |) | AMENDED ANSWER |
| FEDERAL ELECTION COMMISSION, |) | |
| |) | |
| Defendant. |) | |
| |) | |

DEFENDANT FEDERAL ELECTION COMMISSION'S AMENDED ANSWER TO PLAINTIFFS' AMENDED COMPLAINT

Defendant Federal Election Commission ("FEC" or "Commission") submits this amended answer to plaintiffs' amended complaint (Docket No. 37). Any allegation not specifically responded to below is DENIED. The amended complaint's three introductory paragraphs (pp. 1-2) and the headings used throughout the amended complaint are statements of law to which no response is required. To the extent a response is required: Admit that these portions of the amended complaint summarize or characterize certain provisions of the Federal Election Campaign Act ("FECA"), 2 U.S.C. §§ 431-57, which speak for themselves. Deny plaintiffs' characterizations of the operation and effect of these FECA provisions and deny that the provisions are unconstitutional.

The Commission responds as follows to the numbered paragraphs of the amended complaint:

1. Admit that this is a constitutional challenge to a federal statute and that this Court generally has jurisdiction over such challenges pursuant to 28 U.S.C. § 1331.

- Deny that this Court has jurisdiction over this case to the extent plaintiffs lack standing and to the extent plaintiffs' claims are moot.
- 2. Admit that to the extent jurisdiction exists in this Court, venue is proper under 28 U.S.C. § 1391(e)(1).
- 3. As to the first sentence of this paragraph, admit that plaintiff Stop Reckless

 Economic Instability caused by Democrats ("Stop PAC") registered with the FEC

 as a nonconnected political committee, but the Commission is without knowledge

 or information sufficient to admit or deny whether Stop PAC is in fact

 nonconnected. As to the first sentence of this paragraph, admit that Stop PAC has

 informed the FEC that its address is in Alexandria, Virginia, but the Commission

 is without knowledge or information sufficient to admit or deny whether Stop

 PAC's principal place of business is in Alexandria, Virginia. As to the second

 sentence of this paragraph, deny that Stop PAC filed its registration form with the

 FEC on February 24, 2014, and admit the remainder of the sentence. Plaintiff

 Stop PAC registered with the Commission on March 11, 2014, although the

 registration form was dated February 24, 2014.
- 4. As to the first sentence of this paragraph, admit that plaintiff Tea Party Leadership Fund ("Tea Party Fund") has listed Alexandria, Virginia as its address on the registration form it filed with the FEC; however, the Commission is without knowledge or information sufficient to admit or deny whether the Tea Party Fund's principal place of business is in Alexandria, Virginia. Admit the second sentence of this paragraph.
- 5. Admit.

- 6. Admit the first sentence of this paragraph. As to the second sentence of this paragraph, admit that the Commission is charged with civilly enforcing FECA, as amended by the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. No. 107-155, 116 Stat. 81 (2002).
- 7. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that FECA permits the formation of a "political committee" as defined by 2 U.S.C. § 431(4).
- 8. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that in FECA the term "person," as defined by 2 U.S.C. § 431(11), generally includes a political committee.
- 9. Admit.
- 10. This paragraph and its subparagraphs are statements of law to which no response is required. To the extent a response is required: Admit that this paragraph and its subparagraphs summarize certain provisions of FECA, which speak for themselves.
- 11. This paragraph and its subparagraphs are statements of law to which no response is required. To the extent a response is required: Admit that this paragraph and its subparagraphs summarize a provision of FECA, which speaks for itself.
- 12. This paragraph and its subparagraphs are statements of law to which no response is required. To the extent a response is required: Admit that this paragraph and its subparagraphs summarize certain provisions of FECA, which speak for themselves.

- 13. This paragraph and its table contain statements of law to which no response is required. To the extent a response is required: Admit that this paragraph and its table attempt to summarize provisions of FECA, which speak for themselves.
- 14. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph summarizes a provision of FECA, which speaks for itself.
- 15. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph summarizes a provision of Title 11 of the Code of Federal Regulations, which speaks for itself.
- 16. This paragraph contains statements of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize provisions of FECA, which speak for themselves. Deny this paragraph to the extent it suggests that the contribution limits applicable to political committees are "discriminatory" and that a multicandidate political committee is "identically situated" to a political committee that is not a multicandidate political committee.
- 17. This paragraph contains statements of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize provisions of FECA, which speak for themselves. Deny this paragraph to the extent it suggests that a multicandidate political committee is "identically situated" to a political committee that is not a multicandidate political committee.

- 18. Deny the first sentence of this paragraph. *See* Response to Paragraph 3. As to the second sentence of the paragraph, admit that Stop PAC has more than 150 contributors and has made contributions to at least five candidates for federal office. The Commission is without knowledge or information sufficient to admit or deny the remainder of the second sentence.
- 19. Admit the first sentence of this paragraph. The second sentence of this paragraph is a statement of law to which no response is required. To the extent a response to the second sentence of this paragraph is required: Admit that Stop PAC is not a multicandidate political committee and may contribute up to \$2,600 per election to any federal candidate.
- 20. Admit that Stop PAC contributed \$2,600 to Niger Innis on or about April 4, 2014.
 Admit that Innis ran for the Republican nomination for Congress in Nevada's fourth congressional district and did not receive the nomination.
- 21. Admit that had Stop PAC contributed an additional \$2,400 to Innis in connection with the primary election, Stop PAC's total contribution to Innis in connection with the primary would have been \$5,000. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph. The Commission notes that Stop PAC reported to the FEC on April 15, 2014, that it had \$1,845 in cash on hand as of March 31, 2014. The Commission also notes that Stop PAC reported to the FEC on July 8, 2014, that it had \$7,119.70 in cash on hand as of June 30, 2014.
- 22. This paragraph contains statements of law to which no response is required. To the extent a response is required: Admit that Stop PAC could not have

- contributed more than a total of \$2,600 to Innis in connection with the June 10, 2014 Nevada primary election consistent with FECA. Admit that multicandidate political committees are permitted to contribute \$5,000 per election to any federal candidate. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.
- 23. The Commission is without knowledge or information sufficient to admit or deny this paragraph.
- 24. Admit.
- 25. Admit that if Stop PAC contributed an additional \$2,400 to federal candidate Dan Sullivan in connection with the August 19, 2014 primary election for the Republican nomination for Senate from Alaska, Stop PAC's total contribution to Sullivan in connection with the primary would be \$5,000. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph. The Commission notes that Stop PAC reported to the FEC on July 8, 2014, that it had \$7,119.70 in cash on hand as of June 30, 2014.
- 26. This paragraph contains statements of law to which no response is required. To the extent a response is required: Admit that Stop PAC, during the time it is not a multicandidate committee, may not contribute more than a total of \$2,600 to Sullivan in connection with the August 19, 2014 Alaska primary election consistent with FECA. Admit that multicandidate political committees are permitted to contribute \$5,000 per election to any federal candidate. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.

- 27. The Commission is without knowledge or information sufficient to admit or deny this paragraph.
- 28. The Commission is without knowledge or information sufficient to admit or deny the first sentence of this paragraph. Admit the second sentence of this paragraph.
- 29. Admit that Stop PAC has reported to the FEC that on April 4, 2014 it made a \$250 contribution to Congressman Joe Heck in connection with the primary election for the Republican Party nomination for the U.S. House of Representatives in Nevada's third congressional district.
- 30. Admit that if Stop PAC contributed an additional \$1,800 to Heck in connection with the November 4, 2014 general election, Stop PAC's total contribution to Heck in connection with the November 4, 2014 general election would be \$4,400. Admit that, before September 11, 2014, Stop PAC may not contribute more than a total of \$2,600 to Heck in connection with the November 4, 2014 general election consistent with FECA. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.
- 31. This paragraph contains statements of law to which no response is required. To the extent a response is required: Admit that, before September 11, 2014, Stop PAC may not contribute more than a total of \$2,600 to Heck in connection with the November 4, 2014 general election consistent with FECA. Admit that multicandidate political committees are permitted to contribute \$5,000 per election to any federal candidate.
- 32. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.

- 33. The Commission is without knowledge or information sufficient to admit or deny this paragraph.
- 34. The Commission is without knowledge or information sufficient to admit or deny whether Stop PAC's contributors live throughout the country. Deny the remainder of this paragraph.
- 35. Admit that Stop PAC will face a credible threat of civil enforcement proceedings if it makes the contribution described. Deny that Stop PAC will face a credible threat of criminal prosecution absent the required knowing and willful intent.
- Admit that the Tea Party Fund registered as a political committee with the FEC on May 9, 2012, and that it has made contributions to federal candidates. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.
- 37. This paragraph contains statements of law to which no responses are required. To the extent responses are required: Admit that the Tea Party Fund is a multicandidate political committee and is thus subject to FECA's contribution limits for multicandidate political committees, which speak for themselves. Deny this paragraph to the extent it suggests that a political committee may become a multicandidate political committee solely due to the amount of time it has been registered with the FEC.
- 38. Admit.
- 39. Admit that the first sentence of this paragraph was accurate as of April 30, 2014.

 Admit that if the Tea Party Fund were to contribute an additional \$5,000 to plaintiff Alexandria Republican City Committee ("Alexandria Committee") in

- 2014, the Tea Party Fund then would have contributed a total of \$10,000 to the Alexandria Committee in 2014. The Commission is without knowledge or information sufficient to admit or deny the remainder of this paragraph.
- 40. This paragraph contains statements of law to which no responses are required. To the extent responses are required: Admit that the Tea Party Fund may not legally contribute as much to the Alexandria Committee and the National Republican Senatorial Committee as a political committee that is not a multicandidate committee. Deny this paragraph's characterization of FECA's contribution limits as "discriminatory." Deny this paragraph's suggestion that the Tea Party Fund or any other multicandidate political committee is "identical" in "all material respects" to a political committee that is not a multicandidate political committee.
- 41. The Commission is without knowledge or information sufficient to admit or deny this paragraph.
- 42. Admit that Tea Party Fund contributors live in a number of different states. Deny the remainder of this paragraph.
- 43. This paragraph re-alleges and incorporates by reference the allegations contained in paragraphs 1-38 of plaintiffs' amended complaint, and the Commission therefore incorporates by reference its responses to those paragraphs.
- 44. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that limits on contributions to candidates operate in an area of fundamental First Amendment freedoms, but deny the limits impose more than a marginal restriction on First Amendment rights.

- 45. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph characterizes the holding of the Supreme Court's ruling in *Bolling v. Sharpe*, 347 U.S. 497 (1954), which speaks for itself.
- 46. Deny.
- 47. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize a provision of FECA, which speaks for itself.
- 48. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize a provision of FECA, which speaks for itself. Deny this paragraph to the extent it suggests that multicandidate political committees are "materially identical" to political committees that are not multicandidate political committees.
- 49. Deny.
- 50. Deny.
- 51. This paragraph re-alleges and incorporates by reference the allegations contained in paragraphs 1-46 of plaintiffs' amended complaint, and the Commission therefore incorporates by reference its responses to those paragraphs.
- 52. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize certain provisions of FECA, which speak for themselves.

- 53. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit this paragraph attempts to summarize certain provisions of FECA, which speak for themselves.
- 54. Deny.
- 55. Deny.
- 56. This paragraph re-alleges and incorporates by reference the allegations contained in paragraphs 1-51 of plaintiffs' amended complaint, and the Commission therefore incorporates by reference its responses to those paragraphs.
- 57. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that limits on contributions to candidates operate in an area of fundamental First Amendment freedoms, but deny the limits impose more than a marginal restriction on First Amendment rights.
- 58. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph characterizes the holding of the Supreme Court's ruling in *Bolling v. Sharpe*, 347 U.S. 497 (1954), which speaks for itself.
- 59. Deny.
- 60. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize provisions of FECA, which speak for themselves.
- 61. This paragraph is a statement of law to which no response is required. To the extent a response is required: Admit that this paragraph attempts to summarize provisions of FECA, which speak for themselves. Deny this paragraph to the

extent it suggests that multicandidate political committees are "materially identical" to political committees that are not multicandidate political committees.

- 62. Deny.
- 63. Deny.

THE AMENDED COMPLAINT'S PRAYER FOR RELIEF

1-4. Plaintiffs are not entitled to the relief requested or to any other relief.

DEFENDANT FEDERAL ELECTION COMMISSION'S AFFIRMATIVE DEFENSES

- 1. The amended complaint fails to state a claim upon which relief can be granted.
- 2. Plaintiffs' claims are moot.
- 3. Plaintiffs lack standing.

Respectfully submitted,

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/s/

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July 24, 2014

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UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA ALEXANDRIA DIVISION

| STOP RECKLESS ECONOMIC INSTABILITY CAUSED BY DEMOCRATS, et al., Plaintiffs, |))) Civ. No. 1:14-397 (AJT-IDD) |
|--|-----------------------------------|
| v. FEDERAL ELECTION COMMISSION, |))) |
| Defendant. |))) |

CERTIFICATE OF SERVICE

I hereby certify that on July 24, 2014, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system, which will then send a notification of such filing to the following counsel for plaintiff:

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/s/

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