

OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE



ELECTIONS DIVISION
STEPHEN N. TROUT
DIRECTOR
255 CAPITOL ST NE, SUITE 501
SALEM, OREGON 97310
ELECTIONS—(503) 986-1518
FAX—(503) 373-7414

December 17, 2012

Harrang Long Gary Rudnick P.C.
C. Robert Steringer
1001 SW Fifth Avenue, 16th Floor
Portland OR 97204

Re: Case 12-C&E-23

Dear Mr. Steringer:

On September 25, 2012, you filed a complaint on behalf of the Libertarian Party of Oregon alleging that Tim Reeves has failed to deliver contributions to Mark Vetanen the Libertarian Party of Oregon treasurer and that Mr. Reeves has converted the contributions to personal use. On December 7, 2012, a second letter was received from you, in which you included documentation to support the allegations raised in the first letter. Mr. Reeves was notified of both complaints; on December 13, 2012, Tyler Smith, the attorney representing Mr. Reeves, responded to the second complaint (see enclosed copy of response.)

The Elections Division has reviewed the documents and determined that there has not been a violation of Oregon Election law for the following reasons.

ISSUE ONE: Is Reeves required to forward monies collected by his group to Vetanen under ORS 260.044 or otherwise form a political committee to report the receipt and expenditures of monies collected?

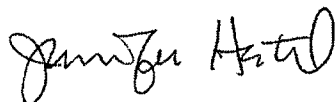
ORS 260.044 requires in part that if a person collects contributions that are designated to a political committee that person is required to forward the contributions within seven days or file as a political committee. The monies that are being collected by Reeves, while made payable to the Libertarian of Oregon (or some version thereof) are for his organization/group also known as the Libertarian Party of Oregon, a separate entity from the minor political party committee filed with our office. Further, Reeves attempted to establish a minor political party committee; the Elections Division rejected the paperwork because Reeves and the others named on the Statement of Organization were not the official officers reported on the recognized Libertarian Party of Oregon's by-laws. Therefore, there is no evidence to support a violation of ORS 260.044.

ISSUE TWO: Has Reeves converted monies that were received as contributions to personal use, a violation of ORS 260.407(2)?

ORS 260.407(2) states in part that amounts received as contributions by a political committee may not be converted to any person's personal use. The Elections Division does not recognize the Reeves group as a political committee; therefore there is no evidence to support a violation of ORS 260.407.

Not finding a violation of election law, the Elections Division determines this investigation is closed and does not intend to pursue this matter further. Contact me at 503-986-1518 if you have any questions about the contents of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Hertel". The signature is written in a cursive, flowing style.

Jennifer Hertel
Compliance Specialist

c: Timothy Reeves
7100 SW Hampton, Suite 202
Tigard OR 97223

Tyler Smith & Associates, P.C.
181 N Grant St. STE 212
Canby OR 97013

enclosure

Tyler Smith & Associates, P.C.

Rural Business Attorneys

December 10, 2012

Via First Class U.S. mail

Jennifer Hertel
Elections Division
255 Capitol St. NE STE 501
Salem, OR 97310

RE: Case 12-C&E -05

Dear Ms. Hertel:

My name is Tyler Smith. As you know from previous letters, my law firm represents Timothy Reeves, the Libertarian Party of Oregon and the Plaintiffs in Clackamas County Circuit Court case #12010345. That dispute is not new to you or to your office. There are currently two organizations/groups operating as the "Libertarian Party of Oregon" each with a different leadership. The lawsuit will resolve which one of them is legitimately entitled to that title.

However, a Mr. Robert Steringer, who represents the Defendants in that lawsuit, continues to send letters to the Secretary of State, and you, on this same issue. As we have explained before, my clients are currently in the middle of a lawsuit with Mr. Steringer's client. Each side contends they are the true and legitimate party. Mr. Trout and Mr. Pack are well aware of this dispute and the current lawsuit. The only recent change is that we have defeated their arguments and claims that the Secretary of State should be brought into the case.

Your records will show you that there is no merit to any of their complaints. The complainant simply does not know that your office has already determined that my client is not a political committee and refused their registration. The Elections Division will not allow my client to qualify or register as a political committee. The complainant obviously does not know that my clients did in fact attempt to file SEL forms and register. The SELs were filed with Candy Broucek and Stacey Jackson confirmed receipt and acceptance of the forms on May 26th and 27th of 2011 respectively. Subsequent to that time, your office recanted and has refused to allow my clients to file as an organization to which Chapter 260 would apply. Copies of correspondence was attached previously. Thus my client has no way to report.

We hope that the current lawsuit will resolve the dispute and enable your office to reverse its decision to deny my clients reporting status as a political action committee, until then it is true that my client is in limbo. My clients will be happy to register, raise funds and report those funds in accordance with ORS Chapter 260 when this lawsuit is resolved, and/or when they are again allowed to do so by your office.

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KATE BROWN
SECRETARY OF THE STATE

Tyler Smith & Associates, P.C.

Rural Business Attorneys

Anyway, my clients have the right to have an attorney to represent them and to raise funds for that purpose. An opposing party in a lawsuit does not get to know if, or how much I charge for services. Your office has already addressed this issue and explained to them that my clients have the right to raise money for a legal defense.

Obviously my clients are not interested in, nor will they raise money for their opponent (of which Mr. Vetanen is the treasurer), nor would they pay for their opponent's legal fees by giving money to Mark Vetanen as suggested in their December 7 letter. That is simply absurd for them to suggest that as they did in their letter.

As you already know from my client's attempt to register as a PAC, Greg Burnett is the treasurer of my client's organization the Libertarian Party of Oregon (under Tim Reeves as Chair). Mr. Vetanen is part of a separate organization and in direct conflict and competition with my clients via the lawsuit. Of course my client would not share resources with them! The obvious goal of the complainant is to try everything possible to get possession of, and use of, any money they can to defend themselves in the lawsuit. The Elections Division has already stated that it has to, and will be, staying out of this dispute. That same policy applies here. The complaints have no merit anyway.

If you need any further information please direct questions to my law firm. I would be happy to explain if you have any questions, otherwise we can continue to wait till the end of this lawsuit, in which my client expects to prevail and they will be happy to register and report pursuant to Chapter 160.

Best wishes,



Tyler Smith