

James Sanborn
825 Yellowstone Trail
Waconia, MN 55287
August 21, 2014

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CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD

Deanna Wiener
Chair,
Campaign Finance and Public Disclosure Board
658 Cedar Street
Centennial Office Building, Suite 190
St Paul, MN 55155-1603

Dear Ms Wiener:

Thank you for your letter dated August 19, 2014, and the enclosed Prima Facie Determination in the matter of the complaint of *James Sanborn* (myself) regarding the *Bob Frey MN Committee*. I appreciate your consideration of the matter and your concise explanation of your findings.

However, I must disagree with your ruling that the complaint shows insufficient evidence to state a prima facie determination based on administrative rule 4503.1500 §2.

While I understand that the Campaign Finance and Disclosure Board, in light of 4503.1500 §2, reviews outstanding loan balances at the end of the year, it appears that you are at the same time ignoring MN statute 10A.27 §8 which states, "*A candidate must not permit the candidate's principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section.*"

The important distinction to make is that the complaint is not based on the current balance of the loan (4503.1500 §2), but that the loan was accepted at all (10A.27 §8).

Bob Frey MN Committee is in violation of 10A.27 §8 by simply having accepted the \$9,000 personal loan in the first place, and regardless of the loan balance at year's end. This violation is self-evident in the Committee's own report to the Board from July 28, 2014.

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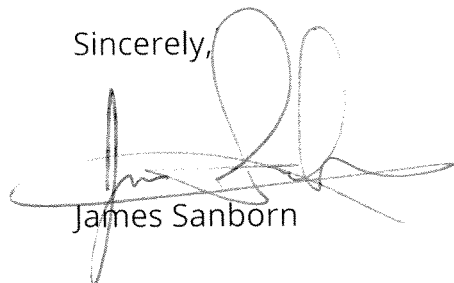
Certainly if this "loan" had been reported as a "contribution" from the candidate (as it will almost certainly become) it would be an obvious and flagrant prima facie violation of 10A.27 §10. The technicality of classifying the illegal "contribution" as an illegal "loan" should not exempt Bob Frey MN from a probable cause hearing.

Beyond the implications in this specific complaint, there appears to be nothing (outside of 10A.27 §8) to prevent a Committee from accepting a "loan," from anyone, in any amount, far in excess of the intended limits, with the *hope* that they could pay back the "loan" with future contributions that may or may not ever materialize. I believe this to be in direct violation of 10A.27 §8 as it was passed by the Legislature.

By waiting until the end of the year to review loan balances (in accordance with 4503.1500 §2), the Board in effect allows flagrant violations of 10A.27§8 (and flagrant breaches of the Public Subsidy Agreement contract) to stand until well after an election has been decided.

I ask you to reconsider your Prima Facie Determination, or in the alternative please accept the enclosed new/revised complaint specifically regarding 10A.27 §8. Please contact me if you have any questions about the complaint.

Sincerely,



James Sanborn

CC: Kyle Fisher