



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

April 22, 2024

BY EMAIL AND CERTIFIED MAIL

Saurav Ghosh, Esq.
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RE: MUR 7833
Montcalm LLC, *et al.*

Dear Mr. Ghosh:

On April 3, 2024, you were notified by letter of the actions taken by the Commission regarding the complaint you filed against Montcalm LLC.

Enclosed please find the Factual and Legal Analysis which more fully explains the Commission's vote. This document will be placed on the public record as part of the file in this matter.

If you have any questions, please contact Jake Tully, the attorney assigned to this matter, at (202) 694-1404.

Sincerely,

Mark Shonkwiler

Mark Shonkwiler
Assistant General Counsel

Enclosure: Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**
2 **FACTUAL AND LEGAL ANALYSIS**

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4 Respondents: Montcalm LLC

MUR 7833

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7 **I. INTRODUCTION**

8 The Complaint in this matter alleges that, on October 8, 2020, an unknown person used
9 Montcalm LLC (“Montcalm”), a limited liability company formed just 10 days prior, to make a
10 \$150,000 contribution in the name of another to an independent expenditure-only political
11 committee (“IEOPC”), Congressional Leadership Fund and Caleb Crosby in his official capacity
12 as treasurer (“CLF”), in violation of the Federal Election Campaign Act of 1971, as amended
13 (the “Act”).¹ The Complaint also alleges that Montcalm violated the Act by failing to register
14 and report as a political committee despite meeting the legal requirements for political committee
15 status.²

16 On October 22, 2020, CLF reported a \$150,000 contribution as being made by
17 Montcalm.³ One day later, on October 23, 2020, the Complaint was filed with the Commission.⁴
18 Later that same day, CLF amended its disclosure report to attribute the contribution to
19 Montcalm’s single member, Hendrik “Hank” Meijer.⁵

20 In its Response, Montcalm states that, after receiving the Complaint and press inquiries
21 regarding the contribution, Montcalm informed CLF that the \$150,000 contribution was

¹ Compl. ¶¶ 2, 5-6, 14-16, Ex. A (Oct. 23, 2020).

² *Id.* ¶¶ 3, 17-24.

³ CLF, 2020 12-Day Pre-General Report at 192 (Oct. 22, 2020), <https://docquery.fec.gov/pdf/227/202010229336412227/202010229336412227.pdf>.

⁴ Compl. at 1 (reflecting receipt date of October 23, 2020).

⁵ CLF, Amended 2020 12-Day Pre-General Report at 193 (Oct. 23, 2020), <https://docquery.fec.gov/pdf/232/202010239336506232/202010239336506232.pdf>.

1 attributable to Meijer as Montcalm’s sole member, and that CLF amended its disclosure report
2 accordingly.⁶ While Montcalm acknowledges that, “[o]n October 8, 2020, Montcalm
3 contributed \$150,000 to CLF using capital provided by Mr. Meijer,”⁷ it argues that it did not
4 make a contribution in the name of another and merely failed to disclose the identity of its single
5 member at the time of making the contribution.⁸

6 Montcalm acknowledges that Meijer provided the funds used to make the contribution,
7 and the available information suggests that the funds were provided for that specific purpose. In
8 addition, available facts suggest that, when the contribution was transmitted via a wire transfer to
9 CLF, the wire transfer provided Montcalm’s name with no mention of Meijer. Thus, Meijer was
10 the true source of the contribution purportedly made in Montcalm’s name, and Meijer should
11 have been disclosed as the true contributor at the time of making the contribution. The
12 Commission finds no reason to believe that Montcalm violated 52 U.S.C. §§ 30102, 30103, or
13 30104 by failing to register and report as a political committee.

14 **II. FACTUAL BACKGROUND**

15 Montcalm is a limited liability company (“LLC”) formed in Michigan on September 28,
16 2020.⁹ Montcalm has a single natural person member, Hendrik Meijer, and is a disregarded

⁶ Montcalm Resp. at 2 (Dec. 15, 2020).

⁷ *Id.* at 2.

⁸ *Id.* at 3-6.

⁹ Compl., Ex. A (reflecting Montcalm’s articles of organization).

1 entity for federal tax purposes.¹⁰ Hendrik Meijer is the father of Peter Meijer, who was a
2 candidate in Michigan’s 3rd Congressional District during the relevant period.¹¹

3 CLF is a hybrid political committee with a non-contribution account that registered with
4 the Commission on October 24, 2011.¹² Its current treasurer is Caleb Crosby.¹³ During the
5 events at issue here, it was an independent expenditure-only political committee.¹⁴

¹⁰ Montcalm Resp. at 2. A “disregarded entity,” in the context of a single-member LLC that does not elect to be treated as a corporation, is an LLC whose taxable activities are reflected on its owner’s federal tax return. *Single Member Limited Liability Companies*, INTERNAL REVENUE SERVICE, <https://www.irs.gov/businesses/small-businesses-self-employed/single-member-limited-liability-companies> (last visited Dec. 22, 2023).

¹¹ *2020 Michigan U.S. House – District 3 Republican Primary Results*, THE DETROIT NEWS (Aug. 6, 2020), <https://www.detroitnews.com/elections/results/race/2020-08-04-house-R-MI-23754/>. Peter Meijer ultimately won the general election in Michigan’s 3rd Congressional District for the 2021-2022 term.

¹² CLF, Amended Statement of Organization at 5 (Dec. 18, 2020), <https://docquery.fec.gov/pdf/010/202012189393370010/202012189393370010.pdf>; CLF, Statement of Organization at 2 (Oct. 24, 2011), <https://docquery.fec.gov/pdf/996/11030681996/11030681996.pdf>.

¹³ CLF, Amended Statement of Organization at 3 (Feb. 1, 2023), <https://docquery.fec.gov/pdf/647/202302019578112647/202302019578112647.pdf>.

¹⁴ See CLF, Statement of Organization at 1 (Oct. 24, 2011), <https://docquery.fec.gov/pdf/996/11030681996/11030681996.pdf> (explaining that it intends to raise unlimited funds to make independent expenditures only).

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On October 9, 2020, the day after CLF received the contribution, it began making independent expenditures opposing Hillary Scholten, Peter Meijer’s opponent in the general election.¹⁵

On October 22, 2020, CLF filed its 2020 12-Day Pre-General report stating that the \$150,000 contribution was from Montcalm with no mention of Meijer.¹⁶ The next day, on October 23, 2020, the Complaint in this matter was filed and released to the public.¹⁷ Members of the press contacted Montcalm regarding its contribution.¹⁸ Montcalm states that after it received press inquiries about the contribution to CLF, it conferred with Meijer’s business associates as well as CLF, and then informed CLF that the contribution was attributable to

¹⁵ *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&q_spender=C00504530&is_notice=false&most_recent=true&candidate_office_state=MI&candidate_office_district=03&min_date=01%2F01%2F2019&max_date=12%2F31%2F2020 (last visited Dec. 22, 2023) (reflecting CLF’s independent expenditures addressing Michigan’s 3rd Congressional District during the 2020 election cycle); *see also* Compl. ¶ 7.

¹⁶ CLF, 2020 12-Day Pre-General Election Report at 192 (Oct. 22, 2020), <https://docquery.fec.gov/pdf/227/202010229336412227/202010229336412227.pdf>.

¹⁷ Compl. at 1, *also available at* <https://campaignlegal.org/sites/default/files/2020-10/10-23-20%20Montcalm%20LLC%20%28final%20signed%29.pdf>; *see also* Melissa Nann Burke, *Meijer Family Accused of Ties to ‘Straw Donor’ Scheme; Paperwork Issue Blamed*, THE DETROIT NEWS, Oct. 25, 2020, <https://www.detroitnews.com/story/news/politics/2020/10/24/meijer-family-accused-ties-straw-donor-scheme-paperwork-blamed/3733858001/> (noting that the Complaint was filed on October 23, 2020, with a public link to the Complaint).

¹⁸ Montcalm Resp. at 2 (stating that CLF reported the \$150,000 contribution on October 22, 2020, and “[o]ne day later, . . . Montcalm received press inquiries about the disclosures.”); *see* Melissa Nann Burke, *Meijer Family Accused of Ties to ‘Straw Donor’ Scheme; Paperwork Issue Blamed*, THE DETROIT NEWS, Oct. 25, 2020, <https://www.detroitnews.com/story/news/politics/2020/10/24/meijer-family-accused-ties-straw-donor-scheme-paperwork-blamed/3733858001/> (reporting that a “spokesman for the Meijer family attributed the problem to a paperwork issue that’s since been corrected”).

1 Meijer as Montcalm’s sole member.¹⁹ Upon receiving the information from Montcalm, CLF
2 amended its 2020 12-Day Pre-General Election Report later that day, attributing the \$150,000
3 contribution to Meijer as the sole member of Montcalm.²⁰

4 According to Montcalm, it “contributed \$150,000 to CLF using capital provided by Mr.
5 Meijer.”²¹ In addition, there appears to be no publicly available information indicating that
6 Montcalm engaged in any activity during the 10 days between the date of its formation and the
7 date it purported to make the \$150,000 contribution to CLF, nor has Montcalm represented that it
8 engaged in any particular activity. This contribution, along with another \$100,000 contribution
9 to CLF made on October 23, 2020, which was accompanied by information that Meijer was its
10 sole owner and attributed to Meijer by CLF, appear to be the only federal contributions ever
11 reported as having been made by Montcalm.²²

12 III. LEGAL ANALYSIS

13 The Act defines a political committee as “any committee, club, association, or other
14 group of persons” that receives aggregate contributions or makes aggregate expenditures in
15 excess of \$1,000 during a calendar year.²³ Notwithstanding the threshold for contributions and
16 expenditures, an organization is considered a political committee only if its “major purpose is

¹⁹ Montcalm Resp. at 2.

²⁰ *Id.*; see also CLF, Amended 2020 12-Day Pre-General Report at 193 (Oct. 23, 2020), <https://docquery.fec.gov/pdf/232/202010239336506232/202010239336506232.pdf>.

²¹ Montcalm Resp. at 2.

²² *FEC Individual Contributions: Filtered Results*, FEC.GOV, https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=Montcalm+LLC&contributor_name=Montcalm%2C+LLC (last visited Dec. 22, 2023) (reflecting contributions made by either “Montcalm LLC” or “Montcalm, LLC”); Montcalm Resp. at 2; CLF, 2020 Amended 30-Day Post-General Report at 367 (Jan. 27, 2021), <https://docquery.fec.gov/pdf/166/202101279413459166/202101279413459166.pdf>.

²³ 52 U.S.C. § 30101(4)(A).

1 Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate).²⁴ Political
2 committees are required to register with the Commission, meet organizational and recordkeeping
3 requirements, and file periodic disclosure reports.²⁵

4 The Complaint alleges that Montcalm was both a conduit for the contribution of another
5 person *and* a political committee that failed to register and report as required. However, by
6 definition, a person can be either a conduit that transmits the contribution of another person, or
7 the source of that contribution — not both.²⁶ Because the record indicates that Montcalm merely
8 transmitted Meijer’s contributions to CLF, by implication, Montcalm did not make those
9 contributions. Montcalm therefore does not appear to have satisfied the statutory threshold for
10 political committee status. Accordingly, the Commission finds no reason to believe that
11 Montcalm violated 52 U.S.C. §§ 30102, 30103, or 30104.

²⁴ Political Comm. Status, 72 Fed. Reg. 5,595, 5,597 (Feb. 7, 2007); *see Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Mass. Citizens for Life, Inc.*, 479 U.S. 238, 262 (1986).

²⁵ *See* 52 U.S.C. §§ 30102, 30103, 30104.

²⁶ *See Campaign Legal Ctr. v. FEC*, 952 F.3d 352, 358 (D.C. Cir. 2020) (finding that the Commission provided a reasonable basis for its decision to not investigate the allegations that the LLCs were political committees where the Commission found that the LLCs acted as conduits rather than political committees).