The Board of the Office of Congressional Ethics, by a vote of no less than four members, on January 27, 2012, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives.

SUBJECT: Representative Vern Buchanan

NATURE OF THE ALLEGED VIOLATION: Representative Vern Buchanan’s former business partner claims that Representative Buchanan made a $2.9 million lawsuit settlement agreement contingent on the business partner signing a false affidavit to be filed with the Federal Election Commission (“FEC”). The affidavit was related to allegations that individuals who contributed to Vern Buchanan for Congress received reimbursements from automobile dealerships owned by Representative Buchanan.

If Representative Buchanan attempted to influence the testimony of a witness in a proceeding before the FEC in the manner alleged, he may have violated 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Ethics further review the above allegations because there is substantial reason to believe that Representative Buchanan attempted to influence the testimony of a witness in a proceeding before the FEC in violation of 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON ETHICS: Omar S. Ashmawy, Staff Director & Chief Counsel.
FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 11-7565

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V. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS
ON January 27, 2012, the Board of the Office of Congressional Ethics (the “Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules, and standards of conduct (in italics).

The Board notes that these findings do not constitute a determination that a violation actually occurred.

I. INTRODUCTION

1. On October 2, 2008, Representative Buchanan’s attorney sent to Representative Buchanan’s Former Business Partner a seven-page Confidential Settlement Communication. The settlement was related to various legal disputes between Representative Buchanan and Former Business Partner concerning their automobile dealerships.

2. The settlement agreement was signed by Representative Buchanan and included an affidavit for Former Business Partner’s signature. The affidavit concerned reimbursements given to individuals who contributed to Representative Buchanan’s campaign committee, Vern Buchanan for Congress.

3. The affidavit required Former Business Partner to state that, prior to September 2008, he had no knowledge of any reimbursements given to individuals who contributed to Vern Buchanan for Congress. The affidavit also required him to consent to Representative Buchanan filing the sworn statement with the Federal Election Commission (“FEC”).

4. Former Business Partner refused to sign the affidavit because he said it was not true. Former Business Partner claims that Representative Buchanan continued to pressure him to sign the affidavit and he continued to refuse to sign.

A. Summary of Allegations

5. Representative Buchanan’s former business partner claims that Representative Buchanan made a $2.9 million settlement agreement contingent on Former Business Partner signing a false affidavit. The affidavit was to be filed with the FEC. If Representative Buchanan
attempted to influence the testimony of an individual in proceedings before the FEC, he may have violated federal law and House rules.

6. The Board finds that there is substantial reason to believe that Representative Buchanan violated 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1, by attempting to influence his Former Business Partner’s sworn statement to be filed with the FEC.

B. Jurisdictional Statement

7. The allegations that are the subject of this review concern Representative Vern Buchanan, a Member of the United States House of Representatives for the 13th District of Florida. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that, “[n]o review shall be undertaken . . . by the board of any alleged violation that occurred before the date of adoption of this resolution.” The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, the OCE has jurisdiction in this matter.

C. Procedural History

8. The OCE received a written request for a preliminary review in this matter signed by at least two members of the Board on September 28, 2011. The preliminary review commenced on September 29, 2011.2 The preliminary review was scheduled to end on October 28, 2011.

9. At least three members of the Board voted to initiate a second-phase review in this matter on October 28, 2011. The second-phase review commenced on October 29, 2011.3 The second-phase review was scheduled to end on December 12, 2011.

10. The Board voted to extend second-phase review for an additional period of fourteen days on December 2, 2011. The second-phase review ended on December 26, 2011.

11. The Board voted to refer the matter to the Committee on Ethics and adopted these findings on January 27, 2012.

12. This report and findings were transmitted to the Committee on Ethics on February 9, 2012.

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1 H. Res. 895, 110th Cong. §1(e), as amended (the “Resolution”).
2 A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is “received” by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is thirty days from the date of receipt of the Board’s request.
3 According to the Resolution, the Board must vote on whether to conduct a second-phase review in a matter before the expiration of the thirty-day preliminary review. If the Board votes for a second-phase, the second-phase begins when the preliminary review ends. The second-phase review does not begin on the date of the Board vote.
D. Summary of Investigative Activity

13. The OCE requested and received testimonial and, in some cases, documentary information from the following sources:

(1) Buchanan Automotive Group Chief Financial Officer;

(2) Former Business Partner;

(3) Hyundai of North Jacksonville Chief Financial Officer;

(4) Hyundai of North Jacksonville Comptroller;

(5) Sarasota Ford Finance Director;

(6) Venice Nissan Dodge Finance Manager 1;

(7) Venice Nissan Dodge Finance Manager 2; and

(8) Venice Nissan Dodge Finance Director.

14. The following individuals consented to an interview with the OCE, but declined to produce documents in response to Requests for Information and were determined to be non-cooperating witnesses:

(1) Shelby Curtsinger, Co-Owner, Venice Nissan Dodge; and

(2) Dennis Slater, Chief Operating Officer, Buchanan Automotive Group.

15. The following individuals declined to produce documentary and testimonial information in response to Requests for Information and were determined to be non-cooperating witnesses:

(1) Representative Vern Buchanan;

(2) Don Caldwell, Sales Manager, Venice Nissan Dodge;

(3) Kenneth Lybarger, Comptroller, Suncoast Ford;

(4) Gary Scarbrough, Co-Owner, Suncoast Ford; and

(5) John Tosch, President, 1099 Management Co., LLC.
II. REPRESENTATIVE BUCHANAN’S FORMER BUSINESS PARTNER WAS ASKED TO SIGN A FALSE AFFIDAVIT TO BE FILED WITH THE FEC DURING SETTLEMENT NEGOTIATIONS WITH REPRESENTATIVE BUCHANAN

A. Law, Regulations, Rules, and Standards of Conduct

18 U.S.C. § 1505

16. Pursuant to 18 U.S.C. § 1505, “[w]hoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power of inquiry under which any inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress . . . [s]hall be fined under this title, imprisoned not more than 5 years . . . or both.”

18 U.S.C. § 1512

17. Pursuant to 18 U.S.C. § 1512, “[w]hoever knowingly uses intimidation, threatens, or corruptly persuades another person, or attempts to do so, or engages in misleading conduct toward another person, with intent to— influence, delay, or prevent the testimony of any person in an official proceeding . . . shall be fined under this title or imprisoned not more than 20 years, or both . . . [w]hoever corruptly . . . obstructs, influences, or impedes any official proceeding, or attempts to do so, shall be fined under this title or imprisoned not more than 20 years, or both.”

18 U.S.C. § 201

18. Pursuant to 18 U.S.C. § 201(b)(3), “[w]hoever . . . directly or indirectly, corruptly gives, offers, or promises anything of value to any person, or offers or promises such person to give anything of value to any other person or entity, with intent to influence the testimony under oath or affirmation of such first-mentioned person as a witness upon a trial, hearing, or other proceeding, before any court, any committee of either House or both Houses of Congress, or any agency, commission, or officer authorized by the laws of the United States to hear evidence or take testimony, or with intent to influence such person to absent himself therefrom . . . shall be fined under this title or not more than three times the monetary equivalent of the thing of value, whichever is greater, or imprisoned for not more than fifteen years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States.”
19. Under House Rule 23 clause 1, Members “shall behave at all times in a manner that shall reflect creditably on the House.”

B. Representative Buchanan Asked His Former Business Partner to Sign an Affidavit to be Submitted to the Federal Election Commission

20. On October 2, 2008, Representative Buchanan’s attorney, Roger Gannam, emailed a “Revised Binding Settlement Term Sheet” to Former Business Partner’s attorney, James H. Post. The stated purpose of the letter was to “resolve existing claims among [the parties] with respect to all past and current business relationships.”

21. Among other things, the settlement agreement provided that Representative Buchanan’s company, 1099 Management Co., LLC, would transfer $2.9 million to certain dealerships owned by Former Business Partner and retire the debts of other dealerships.
Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

22. In return, the agreement required Former Business Partner, within 48 hours of execution of the agreement, to “cause all existing litigation against Vernon G. Buchanan (‘Buchanan’), 1099 and any of their affiliated businesses or entities to be immediately dismissed with prejudice and within that same time frame will furnish a copy of the notices of dismissal that have been forwarded to the respective courts for filing.”

23. Also, pursuant to the agreement, Representative Buchanan would release Former Business Partner “and his affiliated interests from all claims other than those contemplated by this agreement.”

Affidavit for the Federal Election Commission

24. The agreement provided that “further conditions to the disbursement of the [$2.9 million]” required Former Business Partner’s “execution of the Affidavit attached hereto as Exhibit A.”

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**Affidavit of Sam Kamar as to Sam Kamar**

I, Sam Kamar, under penalty of perjury, state that to the best of my knowledge:

1. I have been the person in charge of the operations of the automobile dealerships known as Premier Dodge (“Premier Dodge”) which is owned by Ostuzine, LLC, a Florida limited liability company and Hyundai of North Jacksonville (“Hyundai”) owned by 11-2001 LLC, a Florida limited liability company, during all periods relevant to the matters set forth below.

2. Vernon G. Buchanan (“Buchanan”), directly or indirectly through 1099 Management Co., LLC, a Florida limited liability company, had an economic ownership in each dealership, although Buchanan’s economic arrangement, and continuity of ownership, in each dealership changed over the years of my involvement.

3. Due in part to the economic circumstances that existed in the automobile industry, each of these dealerships experienced a financial downturn, and certain amounts that I, or the respective dealership, owed to Buchanan or entities controlled by him were delinquent in payment, and the relationship between Buchanan and me developed because of such delinquencies, commencing primarily in early 2008.

4. During the course of time and somewhat hazy negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.

5. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 4 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.

6. Since my relationship with Buchanan first commenced, I attended various meetings of other general managers or “partners” of Buchanan who were involved in other dealerships in which Buchanan, or companies controlled by him, had a direct or indirect ownership interest. At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other decision for failure to make a contribution discussed, dismissed or suggested by Buchanan, a Buchanan representative or anyone under his or their direction. Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit.

7. No one has advised me that Buchanan or any representative of Buchanan of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to the Buchanan for Congress campaign.

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8. I consent to Buchanan filing this Affidavit with the Federal Election Commission and using information contained herein in connection with campaign for re-election matters.

Sam Kamar

STATE OF: [Notary Public/State of]
COUNTY OF: [Notary Public/County of]

The foregoing instrument was acknowledged before me this ___ day of October, 2008, by Sam Kamar. He is personally known to me or has produced identification.

(SEAL)

Commission Number: [Notary Public Commission Number]

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EXHIBIT A

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7 Id. at 11-7565_0003.
8 Id. at 11-7565_0005.
9 Id.
Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

25. Exhibit A of the settlement agreement was an affidavit titled “Affidavit of Sam Kazran a/k/a Sam Khazrwan.”

26. The affidavit stated that “[d]uring the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.”

27. The affidavit consisted of eight paragraphs. Former Business Partner was to sign the affidavit, under the penalty of perjury, swearing that it was true to the best of his knowledge.

28. Finally, the affidavit required Former Business Partner to consent “to Buchanan filing this Affidavit with the Federal Election Commission . . .”

29. Former Business Partner told the OCE that he signed the Revised Binding Settlement Agreement, but did not sign the affidavit. He said that after he signed the Revised Binding Settlement Agreement, Representative Buchanan called him to congratulate him and invite him to dinner to celebrate with him and John Tosch. Mr. Tosch is the President of Representative Buchanan’s company, 1099 Management Co., LLC and one of the parties to the settlement agreement.

30. According to Former Business Partner, Representative Buchanan asked him to sign the affidavit at the dinner. Former Business Partner refused to sign the affidavit and Representative Buchanan got “very frustrated and got up and left.” Mr. Tosch then told Former Business Partner that he had five minutes to sign the document, but he did not sign it.

31. Former Business Partner said that Representative Buchanan called and left a voicemail message the next day.

10 Id. at 11-7565_0007-0008.
11 Id. at 11-7565_0007.
12 Id.
13 Id. at 11-7565_0008.
14 Memorandum of Interview of Former Business Partner, December 6, 2011 (“Former Business Partner MOI”) (Exhibit 2 at 11-7565_0013).
15 Id.
16 Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0006).
17 Former Business Partner MOI (Exhibit 2 at 11-7565_0013).
18 Id.
19 Id.
20 Id.
32. This voicemail message attributed to Representative Buchanan, stated “Sam, Vern . . . we’re willing to save what we got and work with you. But I think the threatening of political stuff and all that you got more liability that you know if you start telling people that you reimbursed people because technically you have the liability.”\(^{21}\)

33. Former Business Partner told the OCE that Representative Buchanan left another voicemail message a few days later.\(^{22}\) That message stated, “Sam, it’s Vern. I’m just calling to see how you made out with the bankers and the lawyers after I didn’t hear anything. Again, I hope that we can work something out.”\(^{23}\)

34. The message also stated, “but again, I hope we can restructure it, and it will preserve your reputation there in Jacksonville. You don’t want to go through two years of litigation.”\(^{24}\)

35. Former Business Partner did not sign the affidavit and the parties did not enter into the settlement agreement.

C. The Affidavit to be Filed with the Federal Election Commission Contained False Statements

Paragraph 5 of the Affidavit

36. The affidavit included statements concerning Former Business Partner’s involvement in reimbursing certain individuals who contributed to Vern Buchanan for Congress.\(^{25}\)

37. Specifically, paragraph 5 of the affidavit required Former Business Partner to swear that he did not know about the reimbursed contributions until September 2008, after the reimbursements first occurred.\(^{26}\)

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5. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 1 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.
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\(^{22}\) Former Business Partner MOI (Exhibit 2 at 11-7565_0013).

\(^{23}\) Buchanan Voicemails.

\(^{24}\) Id.

\(^{25}\) Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).

\(^{26}\) Id.
Paragraph 5 of the Affidavit Was False

38. Former Business Partner admitted to the OCE that paragraph 5 of the affidavit was false.27

39. Former Business Partner told the OCE that in late 2005 he began asking certain employees of HNJ to contribute to Vern Buchanan for Congress.28 He said that he had HNJ reimburse these employees for the campaign contributions.29

40. Former Business Partner told the OCE that during the period from 2005 to 2007, he directed the following HNJ employees to make contributions to Vern Buchanan for Congress and receive reimbursements: Stephanie Champ, Gayle Lephart, Dee Smith, Joe Cutaia, Eric Khazravan, Vincent Sams, and Josh Farid.30

41. Former Business Partner estimated that the total amount of HNJ reimbursements for campaign contributions to Vern Buchanan for Congress was approximately $100,000.31

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27 Former Business Partner MOI (Exhibit 2 at 11-7565_0011).
28 Id.
29 Id. at 11-7565_0012.
30 Id.
31 Id.
42. Former Business Partner provided copies of checks to the OCE that corroborate his statement that HNJ employees received reimbursements for campaign contributions to Vern Buchanan for Congress.\textsuperscript{32} For example, there is a check from one HNJ employee to Vern Buchanan for Congress that is on the same day and in the same amount as a payment from HNJ to the employee.\textsuperscript{33}

43. HNJ Comptroller corroborated Former Business Partner’s testimony that he was involved in the reimbursements to HNJ employees who contributed to Vern Buchanan for Congress in 2005, 2006, and 2007.\textsuperscript{34}

\textsuperscript{32} Collection of Checks Payable to Vern Buchanan for Congress and Checks Payable to HNJ Employees (“HNJ Campaign Contributions”) (Exhibit 4 at 11-7565_0113-0114).

\textsuperscript{33} \textit{Id.} The checks include a payment of $4,600 from Stephanie Champ to Joe Cutaia. Based on the testimony of HNJ Comptroller, this payment was made because Ms. Champ wrote a $9,200 check to Vern Buchanan for Congress and received a reimbursement of $9,200 from HNJ. However, Vern Buchanan for Congress returned the check because Ms. Champ could only contribute $4,600 pursuant to contribution limits. Ms. Champ then contributed $4,600 to Vern for Congress. Mr. Cutaia also contributed $4,600 to Vern for Congress and Ms. Champ gave him the $4,600 that she had been overpaid by HNJ. Memorandum of Interview of HNJ Comptroller, December 9, 2011 (“HNJ Comptroller MOI”) (Exhibit 5 at 11-7565_0118).

\textsuperscript{34} HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118-0119).
44. HNJ Comptroller was responsible for all of the company’s banking, including payroll payments. She told the OCE that she wrote the HNJ checks to reimburse the employees who contributed to Vern Buchanan for Congress.

45. HNJ Comptroller stated that the first occasion Former Business Partner told her to reimburse the campaign contributions to Vern Buchanan for Congress was in 2005.

46. She explained to the OCE that Former Business Partner told her to write a personal check to Vern Buchanan for Congress. She did this and then wrote a check to herself from HNJ, making sure to “gross up” the amount of the payment from the company. This meant that the gross amount HNJ paid accounted for income taxes and the net amount was the amount of the campaign contribution.

47. HNJ Comptroller explained that Former Business Partner told her which HNJ employees to reimburse for their contributions to Vern Buchanan for Congress and she handled each accordingly.

48. HNJ CFO also corroborated Former Business Partner’s testimony that he was involved in the reimbursements to HNJ employees who contributed to Vern Buchanan for Congress.

49. HNJ CFO told the OCE that he made multiple contributions to Vern Buchanan for Congress around 2006 and that he received reimbursements from HNJ. He told the OCE that Former Business Partner told him that he was to receive the reimbursements.

50. The Board notes that the FEC investigated Former Business Partner’s involvement in the reimbursements and “found that there is probable cause to believe” that he and HNJ reimbursed individuals for their contributions to Vern Buchanan for Congress.
D. **There is Substantial Reason to Believe that Representative Buchanan Knew the Affidavit Was False**

51. The affidavit stated that neither Former Business Partner nor Representative Buchanan or their representatives became aware that reimbursements had occurred at HNJ until September 2008.\(^{46}\)

52. Contrary to paragraph 5 of the affidavit, Former Business Partner was aware of the reimbursements prior to 2008 and Representative Buchanan and his representatives first knew Former Business Partner’s involvement no later than September 8, 2008.

   **Former Business Partner’s September 8, 2008 Email**

53. On September 8, 2008, Former Business Partner sent Mr. Tosch, an email titled “documents for . . . review.”\(^{47}\) Mr. Tosch is the President of Representative Buchanan’s company, 1099 Management Co., LLC and one of the parties to the settlement agreement.\(^{48}\)

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\(^{46}\) Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).

\(^{47}\) Email from Former Business Partner to John Tosch, dated September 8, 2008 (“September 8, 2008 Email”) (Exhibit 8 at 11-7565_0127-0129).

\(^{48}\) Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0006).
54. The email included attachments of “check copies” that Former Business Partner appears to have received from his former assistant at HNJ, Stephanie Champ.\textsuperscript{49}

55. The check copies attached to the email include checks from HNJ employees to Vern Buchanan for Congress.\textsuperscript{50} These checks are also included in the documents that Former Business Partner provided to the OCE to establish that HNJ employees were reimbursed.\textsuperscript{51}

56. The email states that “[t]his is the 1\textsuperscript{st} set of checks, there are more to follow, It gives me great regret to have done this for Vern when he doesn’t even hesitates [sic] for a second to sue me and my wife over 20k. Maybe he can consider taking part of this 80K+ as one month of payment . . . .”\textsuperscript{52}

\textsuperscript{49} Id.
\textsuperscript{50} Id.
\textsuperscript{51} HNJ Campaign Contributions (Exhibit 4 at 11-7565_0106-0115).
\textsuperscript{52} September 8, 2008 Email (Exhibit 8 at 11-7565_0127).
57. As of September 8, 2008, Former Business Partner had informed Representative Buchanan’s representative that: (1) the reimbursements had occurred; (2) Former Business Partner had documentary evidence of the reimbursements; and (3) Former Business Partner personally knew of the reimbursements prior to September 2008.  

Additional Contact with Representative Buchanan Regarding Contributions

58. Prior to the September 8, 2008 email, two other emails were sent to Representative Buchanan or his representatives referencing contributions from HNJ.

59. Former Business Partner’s September 8, 2008 email had been preceded by a related email from HNJ CFO to Mr. Tosch, dated August 27, 2008.

60. HNJ CFO told the OCE that he sent Mr. Tosch, a representative of Representative Buchanan, an email concerning the money taken out of HNJ’s operating fund for the reimbursed contributions.

61. In the email, HNJ CFO states that Mr. Buchanan asked for campaign contributions and HNJ supported him “to a tune of $80K.”

62. One day before the August 27, 2008 email from HNJ CFO to John Tosch, Former Business Partner sent an email to Representative Buchanan regarding the $80,000 in contributions from HNJ.

63. On August 26, 2008, Former Business Partner sent an email to Representative Buchanan, stating that “I am the only one in our group that has donated over 80k” to Vern Buchanan for Congress.

64. Although two of the three emails referenced above were sent to Mr. Tosch, Representative’s Buchanan’s knowledge of the communications is illustrated by the content of the voicemail that is attributed to him.

65. The message begins “Sam, Vern. Sorry I didn’t get your message, but, Sam, Mike Lindell told me the other day that you’re going to sue us or threatening to sue us.” It continues, “[b]ut I think the threatening of political stuff and all that you got more.

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53 Id.
54 FEC MUR 6054, General Counsel’s Report #9 (“FEC OGC Report”) (Exhibit 9 at 11-7565_0131-0159).
55 HNJ CFO MOI (Exhibit 6 at 11-7565_0123).
56 FEC OGC Report (Exhibit 9 at 11-7565_0146).
57 Id.
58 Buchanan Voicemails.
59 Id.
Conclusion

66. Former Business Partner’s testimony, the testimony of HNJ employees, and the documentary evidence discussed above establish that Former Business Partner was involved in reimbursing HNJ employees who contributed to Vern Buchanan for Congress.

67. Representative Buchanan and his representatives were aware of Former Business Partner’s years of involvement in reimbursing HNJ employees no later than September 8, 2008.

68. Therefore, there is substantial reason to believe that Representative Buchanan knew on October 2, 2008, at the time that he made the settlement agreement contingent on the affidavit that: (1) Former Business Partner had information concerning the reimbursements prior to September 2008; and (2) paragraph 5 of the affidavit was false.

69. The Board notes that following the FEC’s investigation of the reimbursements of campaign contributions from Representative Buchanan’s automobile dealerships, the Commission found that “[c]ontrary to [Representative Buchanan’s] claims, the affidavit is not ‘entirely true.’” It further found that paragraph 5 of the affidavit “contradicts one of [Representative Buchanan’s] key claims in the case – that Kazran alone directed reimbursements at HNJ during the ’06 and ’08 cycles.” The FEC concluded that “[i]t is improbable that Buchanan’s attorneys drafted the affidavit and presented it to Kazran without Buchanan’s involvement . . . .”

III. THE AFFIDAVIT INCLUDED ADDITIONAL STATEMENTS THAT MAY BE FALSE

70. In addition to Representative Buchanan having knowledge of Former Business Partner’s involvement in reimbursing the HNJ employees for campaign contributions, he may have had personal knowledge of the reimbursements and directed such reimbursements.

60 Id.
61 FEC OGC Report (Exhibit 9 at 11-7565_0149). The FEC investigation of Representative Buchanan was limited to determining whether there were violations of 2 U.S.C. §§ 441f (contributions in the name of another) and 441a(f) (prohibited contributions and expenditures). The FEC investigation, unlike this Review, was not to determine whether there may have been violations 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1. The FEC determined to take no further action against Representative Buchanan with respect to violations of 2 U.S.C. §§ 441f and 441a(f)
62 Id.
71. If Representative Buchanan had personal knowledge of the reimbursements to HNJ employees prior to September 2008, statements in the affidavit, in addition to paragraph 5, were false.

72. In addition to paragraph 5 of the affidavit, paragraphs 6 and 7 may be false.

73. Paragraph 6 required Former Business Partner to swear that “I attended various meetings of general managers or ‘partners’ of Buchanan . . . . At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other detriment for failure to make a contribution discussed, disseminated or suggested by Buchanan . . . . Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit.”

74. Paragraph 7 stated that “[n]o one has advised me that Buchanan or any representative of his knew of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to Buchanan for Congress campaign.”

75. According to Former Business Partner and several other witnesses, Representative Buchanan intended to have individuals reimbursed for campaign contributions to his campaign.

76. Former Business Partner told the OCE that around June 2006, Representative Buchanan told him to collect at least $25,000 for his campaign. When Former Business Partner told him that he could not get $25,000, Representative Buchanan asked “don’t you have someone you can trust to run it through the company, like your brother or something.”

77. Former Business Partner understood this to be an explicit direction to use the dealership to reimburse individuals for campaign contributions.

78. Former Business Partner told the OCE that although June 2006 was the first time that Representative Buchanan explicitly told him to reimburse campaign contributions, he overheard a conversation between Representative Buchanan, Dennis Slater, and David Long at a meeting of the Representative Buchanan’s business partners in late 2005 or

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63 Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).
64 Id.
65 Former Business Partner MOI (Exhibit 2 at 11-7565_0011); HNJ CFO MOI (Exhibit 6 at 11-7565_0122); HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118-0119).
66 Former Business Partner MOI (Exhibit 2 at 11-7565_0011).
67 Id.
Representative Buchanan asked Mr. Long for a campaign contribution and Mr. Long replied that he could not make a contribution. In response, Representative Buchanan told him “don’t you know you’re going to get it back.”

79. Dennis Slater, the former Chief Financial Officer of the Buchanan Automotive Group, told the OCE that Representative Buchanan did not offer to reimburse him for campaign contributions.

80. HNJ Comptroller told the OCE that around 2005 she overheard Former Business Partner speaking with Representative Buchanan over the telephone. Former Business Partner told Representative Buchanan “Vern, I’ll handle it right now.” Immediately following the call, Former Business Partner instructed her to write a personal check to Vern Buchanan for Congress and then to reimburse herself with a check from HNJ.

81. She told the OCE that Former Business Partner asked her later, around 2007, to make a second contribution and she did so because she had the feeling that her employment could be terminated by Representative Buchanan if she did not.

82. HNJ CFO told the OCE that he made contributions to Vern Buchanan for Congress and received reimbursements. He said that it was his understanding that Representative Buchanan directed Former Business Partner to reimburse employees who made campaign contributions. HNJ CFO said that Former Business Partner was on the phone with Representative Buchanan and Former Business Partner put the phone to HNJ CFO’s ear. He said that he heard Representative Buchanan say that “they could get the managers to contribute to the campaign and the dealership to reimburse them.” He explained that the reimbursements occurred prior to the end of 2006.

83. Former Business Partner told the OCE that he allowed HNJ CFO to listen to certain calls when Representative Buchanan asked for campaign contributions but that Buchanan did not explicitly discuss reimbursing campaign contributions during these calls.

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68 Id.
69 Id.
70 Memorandum of Dennis Slater, dated October 25, 2011 (Exhibit 10 at 11-7565_0163).
71 HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118).
72 Id.
73 Id.
74 Id.
75 HNJ CFO MOI (Exhibit 6 at 11-7565_0122).
76 Id.
77 Id.
78 Id.
79 Id.
80 Former Business Partner MOI (Exhibit 2 at 11-7565_0013).
84. The Board notes that the FEC investigated whether Representative Buchanan directed Former Business Partner to reimburse campaign contributions of HNJ employees and found that “[t]he evidence in this case comes close to supporting a finding that it is more likely than not that [Representative Buchanan, Vern Buchanan for Congress, and Joseph Gruters] violated §§ 441f and 441a(f).”\textsuperscript{81} Due to a lack of corroborating evidence regarding whether Representative Buchanan instructed Former Business Partner to make reimbursements, the FEC decided to take no further action against Representative Buchanan.\textsuperscript{82}

85. The OCE was unable to discuss with Representative Buchanan his involvement, if any, with directing reimbursements of campaign contributions because he refused to cooperate with the OCE Review.

86. The following witnesses, who also were identified as having information relevant to determining Representative Buchanan’s involvement in reimbursing campaign contributions, did not cooperate with the Review: Don Caldwell, Shelby Curtsinger, Kenneth Lybarger, Gary Scarbrough, Dennis Slater, and John Tosch (collectively, “Non-Cooperating Third Parties”).

IV. CONCLUSION

87. Although permitted by House Resolution 895 and OCE rules to draw a negative inference from the lack of cooperation of Representative Buchanan and the Non-Cooperating Third Parties, the Board judged the evidence adduced to be more than sufficient to support its determination that there is substantial reason to believe that Representative Buchanan violated federal law and House rules.

88. Based on the information before the OCE, Former Business Partner was involved in reimbursing campaign contributions that HNJ employees made to Vern Buchanan for Congress prior to September 2008, making the affidavit false.

89. Representative Buchanan and his representatives were made aware of this fact no later than September 8, 2008.

90. There is substantial reason to believe Representative Buchanan asked Former Business Partner to sign an affidavit to be submitted to the FEC, that he knew to be false and conditioned a $2.9 million dollar legal settlement on the signature.

91. For the foregoing reasons, Board of the Office of Congressional Ethics recommends that the Committee on Ethics further review the above allegations because there is substantial

\textsuperscript{81} FEC OGC Report (Exhibit 9 at 11-7565_0158).
\textsuperscript{82} Id.
reason to believe that Representative Buchanan attempted to influence the testimony of a witness in a proceeding before the FEC in violation of 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

V. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS

92. The following individuals, by declining to be interviewed by the OCE, did not cooperate with the OCE’s review:

   a. Representative Buchanan;
   b. Don Caldwell, Sales Manager, Venice Nissan Dodge; and
   c. John Tosch, President, 1099 Management Co., LLC.

93. The following individuals, by declining to provide documentary evidence in response to the OCE’s Requests for Information, did not cooperate with the OCE’s review:

   a. Shelby Curtsinger, Co-Owner, Venice Nissan Dodge;
   b. Kenneth Lybarger, Comptroller, Suncoast Ford;
   c. Gary Scarbrough, Co-Owner, Suncoast Ford; and
   d. Dennis Slater, Chief Operating Officer, Buchanan Automotive Group.

94. As a result, the OCE was unable to obtain certain information regarding Representative Buchanan’s involvement in the reimbursements given to HNJ employees who contributed to Vern Buchanan for Congress.

95. The Board recommends the issuance of subpoenas to Representative Buchanan, Don Caldwell, Shelby Curtsinger, Kenneth Lybarger, Gary Scarbrough, Dennis Slater, and John Tosch.
EXHIBIT 1
October 2, 2008

Via e-mail to:  
Sam Kazran  
c/o James H. Post, Esquire  
Smith Hulsey & Busey  
225 Water Street, Suite 1800  
Jacksonville, FL 32202

CONFDENTIAL SETTLEMENT COMMUNICATION

RE: REVISED Binding Settlement Term Sheet

Dear Mr. Kazran:

The purpose of this letter is to confirm the terms upon which our clients have agreed to resolve existing claims among them with respect to all past and current business relationships.

The core terms agreed upon are as follows:

1. Within 48 hours of the complete execution of this agreement, 1099 Management Co., LLC, a Florida limited liability company ("1099") will place into escrow with the law firm of Lindell & Farson, P.A. the total sum of $2.9 million (the "Escrow Amount") to be applied as provided below.

2. Of this amount, $1.1 million will be paid by 1099 at closing for the purchase of the assets of Premier Automotive on Atlantic, LLC ("Premier Atlantic"), Premier Automotive at the Avenues, LLC ("Premier Avenues") and Premier Properties on Atlantic, LLC ("Premier Properties") including, but not limited to, all rights of those companies to conduct business as a Kia dealership at the addresses of 9401 Atlantic Blvd. and 10845 Phillips Highway, Jacksonville, Florida and specifically including all real estate, parts inventory, fixed assets and all new, previously undelivered, 2008 Kia automobiles (with less than 5,000 miles thereon), free and clear of all claims and encumbrances whatsoever.

3. The conditions to the closing upon 1099's purchase of the foregoing assets are:
Sam Kazran  
oc/o James H. Post, Esquire  
October 2, 2008  
Page 2 of 5

(a) Approval by the Kia manufacturer;

(b) Approval by the first mortgage holder with respect to the existing mortgage on the 9401 Atlantic Blvd. real estate; and

(c) Clear title to all assets being conveyed (with the exception of the existing first mortgage on the real estate.)

4. Out of the Escrow Amount, $1.6 million will be applied, under the oversight of Ira Silver, CPA, to retiring the obligations of Premier Dodge and Gwinnett, LLC, including without limitation all obligations for floor plan sales out of trust and outstanding federal and state tax liabilities related to the Premier Dodge operation, which out of trust and tax liabilities will be satisfied before any other Premier Dodge liabilities. You, Sam Kazran, agree to hold Buchanan, 1099, and any other businesses or entities affiliated with them, harmless for all damages, as well as defense costs, associated with all obligations arising out of the Premier Dodge dealerships (hereinafter the “Premier Dodge Liabilities”).

5. The balance of the Escrow Amount in the sum of $200,000 is earmarked as a reserve account to be applied to any remaining obligations to the lessor of the automobile dealership facility located in Duluth, Georgia and currently occupied by the Premier Dodge Dealership. Upon full satisfaction of that obligation, you, Sam Kazran, will be entitled to receive any balance remaining on hand in that reserve account. Should satisfaction of the obligation to the lessor require an amount greater than deposited into this reserve account, Kazran agrees to hold Buchanan, 1099, and any other businesses or entities affiliated with them, harmless for all damages, as well as defense costs, associated with final resolution of that obligation (hereinafter the “Hendrick Lease Liability”).

6. Provided 1099 timely advances the Escrow Amount contemplated by paragraph 1 above, and otherwise tenders full performance hereunder, within 48 hours of the complete execution of this agreement you, Sam Kazran, will cause all existing litigation against Vernon G. Buchanan (“Buchanan”), 1099 and any of their affiliated businesses or entities to be immediately dismissed with prejudice and within that same time frame will furnish a copy of the notices of dismissal that have been forwarded to the respective courts for filing.

7. With respect to the existing working capital loan incurred in connection with the operation of the Premier Dodge Dealership in Duluth, Georgia payable to M & I Bank in the approximate principal sum of $800,000 under which Buchanan and one or more of his related entities may be obligated, you, Sam Kazran, agree that this obligation will be kept current with the lender and that you will hold Buchanan and all of his related businesses and entities harmless for all damages as well as defense costs associated with that loan (the “Cap Loan Liability”).

8. Within ninety (90) days of the full execution of this agreement, you, Sam Kazran, will repurchase from 1099 the assets of the Kia dealership located at 10845 Phillips Highway,
Jacksonville, Florida for the total sum, at closing, of $1 million, payable by promissory note bearing interest at the rate of 6%, with a term of 42 months, interest-only payments due for the first 12 months, principle and interest payments due for remaining 30 months calculated based upon a 5-year amortization, and balloon payment due for all remaining principal and interest after 42 months (the “Avenues Kia Note”). The conditions to the closing of the transaction will be:

(a) Approval by the Kia manufacturer; and

(b) Clear title to all assets which shall specifically include the new parts inventory, all new cars (subject to floor plan) and all fixed assets.

9. With respect to the required approvals by the Kia manufacturer contemplated by paragraphs 3 and 8 above, the parties agree that they will diligently, and in good faith, take all steps necessary, within their control, to satisfy the requirements of the Kia manufacturer for approval.

10. Provided you, Sam Kazran, fully perform hereunder, the promissory note dated December 29, 2006 in the original principal sum of $700,000 under which you, your wife, Gwinnett, LLC and 11-2001, LC are listed as makers, will be deemed fully paid and satisfied.

11. In order to secure your obligations under the Hendrick Lease Liability, the Premier Dodge Liabilities, the Cap Loan Liability, and the Avenues Kia Note, as defined above, you, and any of your related or affiliated businesses will grant no less than a second priority, enforceable security interest in the following described collateral no later than the first disbursement of escrow funds as contemplated above:

(a) All assets used, or to be used, in connection with the business of Hyundai of North Jacksonville both at its current location and at its anticipated new location in the vicinity of Interstate 95, Broward Road, and Dunn Avenue.

(b) All real estate owned by you, Sam Kazran, 11-2001, LLC, Jacksonville Auto Mall, LLC, Aram Askarifar, and Onyx Development Group, LLC in the vicinity of the new location of Hyundai of North Jacksonville, including without limitation the 22 acres (tax parcel no. 022105-0000) referred to during our negotiations; and

(c) All rights you, Sam Kazran, or any of your partners or affiliates have to operate as a Hyundai dealer in the North Jacksonville area.

(d) A local counsel, mutually agreeable to the parties, will provide an opinion that the security interest described is enforceable according to its terms.
In the event any portion of the real property herein, including without limitation the 22 acres, tax parcel no. 022105-0000, is conveyed to the Florida Department of Transportation (DOT) in connection with the DOT Notice to Owner dated June 12, 2008, to 11-2001, LLC, Jacksonville Auto Mall, LLC, and Aram Askari, then Buchanan and 1099 will cause any security interest arising hereunder to be released as to the property conveyed to DOT; provided, however, that any proceeds from such conveyance will be applied first to such purposes as required by Bank of America in connection with the workout or restructuring of obligations to Bank of America, then to the Cap Loan Liability, and then to the Avenues Kia Note, before such proceeds are used for any other purpose.

12. Further conditions to the disbursement of the Escrow Amount are as follows:

(a) Kazran’s execution of the Affidavit attached hereto as Exhibit A.

(b) Kazran’s provision to Buchanan and 1099 of written verification from Bank of America that, as a result of the parties executing these settlement terms, and provided that the Escrow Amount is disbursed in accordance herewith, Bank of America will allow Hyundai of North Jacksonville to continue its operations and will loan additional working capital for the operation of the dealership.

13. The parties contemplate that formal agreements will be executed among them implementing these terms. Those agreements will include a release of all claims by Kazran and his affiliated interests against Buchanan and his affiliated interests by reason of any known or unknown set of facts arising before this date except for the obligations assumed under this settlement. Likewise, assuming performance by Kazran, Buchanan and his affiliated interests will release Kazran and his affiliated interests from all claims other than those contemplated by this agreement.

14. The parties agree (1) that the terms of this settlement will be kept strictly confidential except where its disclosure is necessary in order to secure approvals from persons whose consent is essential to accomplishment of the transactions described herein (2) not to disparage one another and to report to any public inquiry that “all disputes have been satisfactorily resolved;” and (3) not to commence any new litigation against one another, except to enforce the terms of this settlement.

Please indicate your agreement to these core terms by signing in the spaces provided below.

Sincerely,

s/ Roger K. Gannam

Roger K. Gannam
Sam Kazran
c/o James H. Post, Esquire
October 2, 2008
Page 5 of 5

SAM KAZRAN
Individually and on behalf of Premier Avenues, Premier Atlantic, Premier Properties, Gwinnett, LLC, 11-2001, L.C. and all other businesses and entities controlled by him

[Signature]

1099 MANAGEMENT CO, L.L.C.
By: John Tosch, President

[Signature]

VERNON G. BUCHANAN
Affidavit of Sam Kazran a/k/a Sam Khazrwan

I, Sam Kazran, under penalty of perjury, state that to the best of my knowledge:

1. I have been the person in charge of the operations of the automobile dealerships known as Premier Dodge (“Premier Dodge”) which is owned by Gwinnett, LLC, a Florida limited liability company and Hyundai of North Jacksonville (“Hyundai”) owned by 11-2001 LLC, a Florida limited liability company, during all periods relevant to the matters set forth below.

2. Vernon G. Buchanan (“Buchanan”), directly or indirectly through 1099 Management Co. L.L.C., a Florida limited liability company, had an economic ownership in each dealership, although Buchanan’s economic arrangements, and continuity of ownership, in each dealership changed over the years of my involvement.

3. Due in part to the economic circumstances that existed in the automobile industry, each of these dealerships experienced a financial downturn, and certain amounts that I, or the respective dealership, owed Buchanan or entities controlled by him were delinquent in payment, and the relationship between Buchanan and me deteriorated because of such delinquencies, commencing primarily in early 2008.

4. During the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.

5. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 1 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.

6. Since my relationship with Buchanan first commenced, I attended various meetings of other general managers or “partners” of Buchanan who were involved in other dealerships in which Buchanan, or companies controlled by him, had a direct or indirect ownership interest. At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other detriment for failure to make a contribution discussed, disseminated or suggested by Buchanan, a Buchanan representative or anyone under his or their direction. Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit.

7. No one has advised me that Buchanan or any representative of his knew of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to the Buchanan for Congress campaign.

EXHIBIT A
8. I consent to Buchanan filing this Affidavit with the Federal Election Commission and using information contained herein in connection with campaign for re-election matters.

Sam Kazran

STATE OF __________________________

COUNTY OF __________________________

The foregoing instrument was acknowledged before me this ___ day of October, 2008, by Sam Kazran. He is personally known to me or has produced __________________________ as identification.

(SEAL)

Commission Number:

Notary Public-State of

# 5640320_v1
EXHIBIT 2
CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Former Business Partner
REVIEW NO.: 11-7565
DATE: December 6, 2011
LOCATION: 225 East Coastline Drive
Jacksonville, FL 32202
TIME: 10:00 a.m. to 12:30 p.m. (approximate)
PARTICIPANTS: Omar S. Ashmawy
Kedric L. Payne

SUMMARY: The witness is a former business partner of Representative Vern Buchanan. The OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.

2. The witness is currently unemployed. He told the OCE that he is in litigation with Bank of America that was commenced in 2008 by Representative Buchanan.

3. The witness was a partner with Representative Buchanan in several business: Hyundai of North Jacksonville, Premier Dodge (legal name: Gwinnett, LLC), Premier Kia on Atlantic (legal name: Premier Automotive Group, LLC) and Premier Kia at the Avenue (legal name: Premier Automotive Group, LLC).

4. The witness was the managing director at these entities. He reported to Representative Buchanan. Representative Buchanan ran these dealerships and others through an entity called the “1099 Company” which owned everything. Representative Buchanan managed the dealerships through monthly financial reports.

5. The first time campaign contributions in relation to Representative Buchanan came up was at meeting of his various business partners meeting where Representative Buchanan gave a speech and announced he was running for Congress. Right after the speech Representative Buchanan talked to everyone. Representative Buchanan told the witness that he was depending on the witness for contributions. It was the same conversation he had with all the partners in the room.

6. The witness’s first contribution to Representative Buchanan was $9200 from him and his wife. The contribution was not reimbursed.
7. Close to the end of a calendar quarter, Representative Buchanan would become aggressive regarding contributions. Sometimes the witness would receive thirty or more calls in a week from Representative Buchanan.

8. On one occasion, Representative Buchanan asked the witness to help raise $50,000 for his campaign. This was not too long after the witness had made the $9200 contribution. The witness could not raise additional money for contributions from others, so he wrote a $4,000 check to Representative Buchanan’s campaign. The check was returned by the campaign. This was the first time the witness learned about contribution limits.

9. At that time, the witness’s contact at the campaign was a woman named Selena. A few months afterwards Representative Buchanan set up a more formal campaign staff.

10. Representative Buchanan talked to the witness and all of his other business partners about campaign contributions. The witness knew this because the partners would talk to one another and joke about it – asking each other how much Representative Buchanan “hit them up for” and then complain about it.

11. There was one partner meeting the witness recalled when Representative Buchanan was stressed. The quarter was ending and Representative Buchanan said that he needed $1 million by the end of the quarter. The witness recalled one partner asking Representative Buchanan “Hey boss, why don’t you just use your money?” Representative Buchanan said that he could not because he needed to have lots of people contribute because otherwise “it didn’t look good.”

12. The first time Representative Buchanan was explicit about reimbursing individuals for the campaign contributions was sometime in June 2006. It was part of a conversation about buying Representative Buchanan out of one of the dealerships. The witness was walking out of a partners’ meeting with Representative Buchanan, Dennis Slater, John Tosh, and Josh Farid.

13. Representative Buchanan told the witness that if he could get at least $25,000 to his campaign by the end of the quarter, Representative Buchanan would give the witness an additional two months to get money to Representative Buchanan to buy him out of Gwinnett, LLC.

14. The witness told Representative Buchanan that he could not get $25,000 to his campaign. Representative Buchanan then asked “don’t you have someone you can trust to run it through the company, like your brother or someone.”

15. Although this was the first time Representative Buchanan explicitly discussed reimbursements of campaign contributions with the witness, the witness was already clear that Representative Buchanan wanted him to do this. It first dawned on him when his check for $4,000 was returned and yet Representative Buchanan was still asking for contributions.

16. At another partners’ meeting in very late 2005 or early 2006, the witness overheard a conversation between Dennis Slater, David Long, and Representative Buchanan. They were talking about campaign contributions. Representative Buchanan asked David Long for a contribution and Mr. Long said he could not make the contribution. The witness heard Representative Buchanan say “don’t you know you’re going to get it back.”
17. The witness listed the following people as individuals who were reimbursed for the campaign contributions: Stephanie Champ, Gayle Lephart, Dee Smith, Joe Cutaia, Eric Kazran, Josh Farid, and Vincent Sams. Each individual was an employee of the Hyundai of North Jacksonville dealership. The witness estimated that in total, they gave Representative Buchanan over $100,000.

18. The witness said that one occasion he had a meeting with the employees and told them that Representative Buchanan asked him to get and reimburse contributions from them. At the meeting one person said that he did not have the money to make the contribution and wait for a reimbursement, so the witness had to write a check to the person first.

19. The witness also explained that on one occasion Representative Buchanan told the witness to use the dealership’s corporate credit card and put approximately $18,000 on it, over the course of several transactions. The witness was told to call Selena and have her “run it for Vern PAC.”

20. On another occasion in Summer 2008, Honda of North Jacksonville was having financial trouble and cash flow was becoming tight. The witness asked Representative Buchanan and his representative, John Tosh, for money. They said no. When Josh Farid heard this, he got angry and called John Tosh. Mr. Farid told Mr. Tosh that they [the dealership] gave Representative Buchanan “all the money and we’ve been expecting it back.”

21. Within a few minutes of that phone call, the witness received an angry call from Representative Buchanan who wanted to know what was going on. The witness apologized for Mr. Farid and Representative Buchanan said “what was it? A thousand? I’ll have Tosh send it to you.”

22. The witness stated that Representative Buchanan started out “normal,” but as time went on he “constantly talked about money.” Representative Buchanan started out alluding to the idea of reimbursements, but the witness thought that as the election approached and Representative Buchanan became more concerned, he became “so stressed and needed the money” that he began to ask for it explicitly.

23. The witness described Representative Buchanan as very vigilant about the financials of the dealerships. Representative Buchanan would frequently catch minute – in the $100’s – discrepancies and losses. On one occasion Representative Buchanan noticed that $230 was missing from an account.

24. The funds used to reimburse individuals for campaign contributions were listed as a Vern Buchanan Capital Contribution in the financial statements. No one was asked to explain them and no one talked about it.

25. The witness said that there have been a handful of times when he would put Ms. Lephart or Mr. Farid on the phone to let them overhear a conversation or put a call on speaker so they could hear Representative Buchanan asking for campaign contributions. There was no instance when the witness allowed someone to overhear a phone call with Representative Buchanan when reimbursements were discussed. Anyone who said that is lying.
26. Ms. Lephart was the comptroller for Honda of North Jacksonville and was therefore aware of all
the money going out for the reimbursements. Mr. Farid also helped with the finances and he was
therefore aware of money being used for reimbursements.

27. When asked about the affidavit Representative Buchanan asked him to sign, the witness
explained that in June 2008 the company was getting low on cash. Bank of America audited the
company and determined that Representative Buchanan removed $800,000 out of the company
early on in its existence.

28. Representative Buchanan was being distant with the witness and would not speak to the witness.
As a result, the witness was speaking with John Tosh. It was around this time that Mr. Farid
made the angry call to Mr. Tosh that resulted in a phone call from Representative Buchanan. As
a result of this phone call from Representative Buchanan to the witness, the two men began
speaking again.

29. Over the course of several conversations, the witness told Representative Buchanan “you’re not
in the car business anymore – let me buy you out.”

30. An agreement to buy Representative Buchanan out was proposed and eventually signed. The
day it was signed, Representative Buchanan called the witness to congratulate him and invited
him to Sarasota, FL to celebrate over dinner at a restaurant on Longboat Key.

31. When the witness arrived, Representative Buchanan showed him the affidavit and asked the
witness to sign it. The witness read it and was upset because it not only claimed Representative
Buchanan did not know about the reimbursements, but made the witness the “fall guy.”

32. The witness then called his wife and his attorney from the restaurant. He refused to sign the
affidavit, at which time Representative Buchanan got “very frustrated and got up and left.”

33. The following day, Representative Buchanan called the witness and left a voicemail. He called
again and left another voicemail a few days later. These are voicemails that were publically
released.

34. The witness went back and forth with Mr. Tosh to see if there was something they could agree
on, but they could not.

35. The last communication the witness had with Representative Buchanan was in 2008 or 2009
regarding the lawsuit. The witness has spoken with Representative Buchanan’s attorneys since
then.

36. Other dealerships were also reimbursing contributions. Those dealerships were: Sarasota Ford,
Venice Nissan, Suncoast Ford, Melbourne Toyota and Melbourne Lexus. Shelby Curtsinger of
Venice Nissan would complain a lot about the reimbursement to the witness.

37. The witness did not recall a time when Mr. Farid was privy to a phone call in which
Representative Buchanan mentioned reimbursements; however Mr. Farid “knew exactly what
was going on.” Mr. Farid was on at least two phone calls when Representative Buchanan was
asking for campaign contributions.
Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

38. Just about every time Representative Buchanan asked for money, the witness had to talk to Mr. Farid and Ms. Lephart about it.

This memorandum was prepared on January 5, 2012 after the interview was conducted on December 6, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 6, 2011.

Omar S. Ashmawy  
Staff Director and Chief Counsel
EXHIBIT 3
CONFIDENTIAL

INVESTIGATIVE DEPOSITION OF

SAM KAZRAN

November 6, 2009
10:30 a.m.

1301 Riverplace Boulevard
Suite 1609
Jacksonville, Florida

Sandra Crowley, RMR, FPR
FEDERAL ELECTION COMMISSION

CONFIDENTIAL

INVESTIGATIVE DEPOSITION OF

SAM KAZRAN

November 6, 2009
10:30 - 2:07 p.m.

1301 Riverplace Boulevard
Suite 1609
Jacksonville, Florida

Sandra Crowley, RMR, FPR
2

APPEARANCES OF COUNSEL

On behalf of the Federal Election Commission:

JACK A. GOULD, Esquire

WADE J. SOVONICK, Investigator

999 E Street, N.W.
Washington, DC 20463

202-694-

INDEX OF WITNESSES

WITNESS: Sam Kazran

EXAMINATION
By Mr. Gould

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(Exhibits 1-3 have been retained by counsel.)
MR. GOULD: Let's go on the record.

Today is Friday, November 6. The time is approximately 10:30. This is the deposition by the Federal Election Commission of Sam Kazran. This is called an investigative deposition.

I will be asking you questions and ask for your best recollection. If you cannot remember the exact words that were in part of a conversation, give us your best summary of the gist of the conversation. If I ask you for dates, if you don't know the exact date, you can tell us the month. Do the best that you can.

And again, if you need any breaks, let us know and we'll take a break.

SAM KAZRAN, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. GOULD:

Q. Please state your name for the record.

A. Sam Kazran, K-a-z-r-a-n.

Q. Mr. Kazran, what is your business, your official business?
A. I own automobile dealerships.

Q. For the record, provide us with the address of your -- the dealership where you maintain your office.

A. It would be 9401 Atlantic Boulevard, Jacksonville, Florida 32218.

Q. And what is your telephone number?


Q. Would you like --

A. Yes, let's have your business number as well.

A. 904-354-[redacted].

MR. GOULD: Please mark this as Exhibit 1.

(FEC Exhibit 1 was marked for identification.)

Q. Mr. Kazran, I'm going to hand you now a document that has been marked for identification as Exhibit 1. The document is a subpoena issued by the Federal Election Commission that compels your attendance at this deposition.

Okay. Mr. Kazran, I can see that there is not an attorney here. Is that your choice not to be represented by counsel?
A. Correct.

Q. Mr. Kazran, when did you become acquainted with Vernon G. Buchanan?

A. It was early 2004.

Q. How did you become acquainted with Mr. Buchanan?

A. I met Mr. Buchanan to discuss a partnership on an automobile dealership that he owned in Jacksonville, Florida. I met him through a colleague of ours by the name of Kevin Brodski, B-r-o-d-s-k-i.

Q. And who is Mr. Brodski?

A. Mr. Kevin Brodski is a partner or former partner of Mr. Vern Buchanan in another automobile dealership.

Q. And the name of that dealership is?

A. It was Toyota and Lexus of Melbourne.

Q. That's Melbourne, Florida?

A. Melbourne, Florida, correct.

Q. Okay. It is our understanding that you are the president of a company known as 11-2001 LLC, is that correct?

A. Correct.

Q. When did you acquire your ownership interest in 11-2001, LLC? And for the record, is
that business known as Hyundai of North Jacksonville?

A. Correct, yes. I started my partnership
with Mr. Vern Buchanan, I believe it was either April
or May of 2004.

Q. And did you acquire an ownership interest
in 11-2001, LLC?

A. Correct. In May of -- April or May of
2004, I had had a minority share of the company. I
was the managing partner, and Mr. Buchanan had a
controlling share of the company.

Q. Do you recall what percentage of the
company --

A. Yes, I was a 49 percent partner, and
Mr. Vern Buchanan was 51 percent.

Q. And that was in what year?

A. 2004, I believe it was April or May of
2004.

Q. Okay. Did you and Mr. Buchanan have
subsequent business dealings?

A. Yes. Yes, we had two more automobile --
actually three more automobile dealerships,
partnerships. One was called Gwinnett, LLC, d/b/a
Premier Dodge, located in Duluth, Georgia, outside of
the Atlanta area. And we had two other dealerships
in Jacksonville, Florida, Kia -- Premier Automotive
Q. Going to the Gwinnett company, when did you -- did you acquire an interest in that company?
A. Correct.
Q. And Mr. Buchanan also had a financial interest in that company?
A. Correct. Mr. Buchanan and I both were partners. I had 49 percent controlling share, and he had 51 percent controlling share in Gwinnett, LLC. I believe the time was December of '05, January of '06 time period. With respect to the two Kia dealerships, that was formed in December of '07, and the partnership structure I was 75 percent partners and he was 25 percent.
Q. Okay. The Federal Election Commission records show that you contributed $4,200 to Vern Buchanan's campaign for Congress in or about July of 2005. Do you recall making that contribution?
A. Correct.
Q. Who asked you to make this campaign contribution?
A. Mr. Vern Buchanan.
Q. And tell me what you recall. Was there a meeting or conversation in which he asked you?
A. Yes.

Q. Tell me what you --

A. Mr. Buchanan and I had a discussion. He had informed us that he would be running for Congress, that he would like our help in raising money for them. He had asked me to give him a check, I believe the amount is $4,600. It might have been two of them, one from me and one from my wife, I can't quite remember, and which I did. I wrote him a personal check and that was the end of it.

I -- you know, he had asked me and I gave him the check. And throughout time after I personally contributed to him, numerous times Mr. Buchanan approached me again and asked for me to raise money for him and contribute to his campaign, but he told me that I could no longer write a check myself.

Q. Okay. Did he say why you could not write a check yourself?

A. This was later. I believe the first time that I contributed he used to tell us it's the end of the quarter, we need to have money. So it would be the third and fourth and fifth round of every time that he was raising money, yes.

Q. Let's go back to the first time. Was
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this in a meeting that he asked you to make this
contribution?

A. Both in a meeting and also in private,
yes.

Q. In the meeting, where did that meeting
take place?

A. We used to conduct a monthly partners
meeting in Sarasota, Florida. All partners would
meet once a month to discuss progress of our
businesses.

Q. Who was present at this particular
meeting where Mr. Buchanan asked for the campaign
contribution?

A. We had several partners that attended
there on a regular basis. Kevin Brodski would be
one. I'm going to do my best to remember everyone.
Mr. Dennis Slater was another, Steve Silverio was
another, Jeff King was another, Scott Tomasso is
another, Jim Gruisko was another, and several other
folks. I have to write down and remember all of
them, but I'll certainly do that.

Q. I can give you a note pad.

A. Yes, if you would. I'm sorry. I
remember four more. Mr. John Tosch, Mr. Mark
Ornstein was the company's attorney. Josh Farid,
which was a partner of mine, David Long, Scott
Tomasso, Tom Moore. Shelby -- I can't remember the
last name, Shelby's last name.

MR. SOVONICK: Is it possible it's
Curtsinger?

THE WITNESS: Correct.

MR. SOVONICK: C-u-r-t-s-i-n-g-e-r.

THE WITNESS: Yes. We had had -- there's
probably another handful of names that I can't
remember now, but as we're talking I'll jot them
down and share that with you.

Q. Okay. As I previously stated, the FEC
records indicate that this contribution, $4,200
contribution, was received by the campaign committee
in July of 2005. Is that the approximate time that
this meeting occurred?

A. Correct. Mr. Buchanan held several
meetings, and we discussed business, but as time went
along, his intensity, if you will, with raising funds
grows, so those discussions has taken place on
numerous occasions.

Q. Where did this meeting take place?

A. Sarasota in the corporate office for
Buchanan Enterprises. Sarasota, Florida. And the
ones that him and I had in private would be in a
Q. Let's go back to the particular meeting when Mr. Buchanan first asked you to make the campaign contribution to his campaign committee, Vern Buchanan for Congress.

A. Yes.

Q. Tell me what you can recall regarding his request for the contribution.

A. Mr. Buchanan, he told me that he's going to be running for Congress, that he was very excited. And he said, I'm going to be running for Congress, and my next position would be the governor. I need you to help me. I need to gather as much money as possible. I'm going to put your name on $50,000 that you've got to raise by the end of the quarter -- I can't remember what month that was.

And he says, I need you to write me a check for -- he first asked me, he says, You and your wife both on the checking account? I said, I'm not sure. My wife writes all the checks. He says, Okay, well, it's 9,000-something and change. And I did that for him, no problem. And that was the end of it, but --

Q. Let me stop you there. Did you write a check during that meeting when he asked for the
contribution?

A. No. I went back to Jacksonville, and I overnighted a check to him.

Q. To his office in Sarasota?

A. Correct, yes. What Mr. Buchanan did with respect to payments, he would talk to us and someone else would follow up in the event that the payments, you know -- they would expect it to be there the very next day.

Q. Okay. Let's go through the list of names that were at this meeting where Mr. Buchanan asked you to make contribution.

A. Okay.

Q. Okay. The first person?

A. Mr. John Tosch, who is Mr. Vern Buchanan's right-hand man, Mr. Mark Ornstein, Josh Farid, David Long, Tom Moore, Shelby Curtsinger, Scott Tomasso, Dennis Slater, Kevin Brodski, Steve Silverio, Jeff King, Josh Farid.

I would like to share with you -- as I mentioned before, the level of intensity, if you will, of campaign contributions intensified as time went on. We got to a point where the partners were just joking around, we would walk in a meeting and partners would talk about, well, how much did he hit
you for? I'm not going to make any money this month
so I won't be able to provide any money. Did anybody
-- did Vern say to anybody I'm going to -- are you
going to get the money back? Do you know who's going
to be paying this money back, et cetera?

The first round, I wrote the check to him
because he had asked me. I did not reimburse myself
for that money. He asked me to do it and I did. But
later he asked me to raise money, and when I told him
that I can't do that anymore, that's when he told me
-- in fact, I remember we were at a corporate office,
my partner and I. This is right about the time that
we were discussing the partnership for Dodge.

I had asked him -- he wanted -- I'd asked
him to consider taking less for our partnership's
buyout. And he said, Okay, I'm going to do this, but
I need you to raise -- I can't remember if it was 25-
or 50,000. And he says, By Friday I want you to
raise that.

And when I indicated to him that I don't
have that money, he said, Well, don't you have
somebody at the dealership you can trust? Just run
it through the corporation. And Josh Farid was
present with me. He was right behind me when he said
that.
So we went to the dealership. I asked several key employees that I had trusted, had been with us for a long time, to write the check. They all told me that they don't have money, but I said, Go ahead and reimburse yourself.

So that's what we did. They wrote a personal check, but at the same time -- in fact, before they -- the personal check went out, we issued a check from the company to them. We were not in a position to write $9,000 checks and then get reimbursed later, so we had to get the money up-front.

Q. What was your understanding when Mr. Buchanan told you: Run it through the company? What did you understand he would be telling you?

A. My understanding was that he said to have someone write the check personally and then give them back the money through the corporation.

Q. To your knowledge, did Mr. Buchanan tell any of the other partners they should do the same?

A. Yes, I'm very confident that Mr. Buchanan had individual talks with everyone just like he did with me. One of the things that -- a couple of discussions that I overheard, and one particular meeting I remember I was with Mr. Dennis Slater who
is the company COO. And Vern came up to us and he
said, Dennis, I haven't gotten your check yet. And
he mentioned something like, Boss, I was hoping to
take a pass or something within that nature that no,
he had not. And Vern said, Don't worry. You know
you're going to get it back. And he kind of tapped
him on the shoulder and walked away.

And Dennis smiled and he said, You know,
this is just getting too much. He's always pounding
us, and he doesn't care, we just need to get that
money.

I also had several other discussions
prior to the meeting starting, just having a cup of
coffee. Everyone would talk about, you know, the
intensity, and how much money Vern needs to collect
from them. So Mr. Buchanan spoke more freely, if you
will, with the partners, and then that trickled down
to the dealership.

Typically what would normally happen is
partners like me -- I was one of the partners that
did better than the rest with respect to our
operations, but the rest of them -- I would have
general managers or partners who would go to their
lower level managers and ask them to write a check
for $500 or a thousand dollars, and then they'd just
reimburse them with cash. That was happening a lot.

Mr. Buchanan directly was mostly involved
with partners. And the general managers and lower
level managers were contacted for much smaller
portions, with salespeople, financial managers, et
cestera.

Q. Do you recall who it was that told you
that they were reimbursing employees with cash?

A. I can't remember which one of the
partners. I believe it was David Long at the Ford
store in Sarasota. I had -- a part of my expertise
was finance department. And quite often I used to go
to other dealerships to train their finance
personnel. And I'm also a unique operator, if you
will. I was a partner but I was also very, very
involved as a hands-on partner.

And most other partners were not as
active as I am. So for that reason, I was very much
involved with everyone from lower level up. And
discussions like that took place all the time. I
remember I was at a Ford dealership once, and the
finance manager was talking to another manager, and
he said, I got hit by a thousand bucks, and I'm not
giving him the money -- I'm not going to give him a
check until they pay me up-front, because I'm not
going to wait for it.

This was probably -- I don't know if this was the first, the second election time at the Ford store. With respect to other partners, we had regular talks. I mean, in the partners meetings behind closed doors we spoke pretty freely about Mr. Buchanan's campaign contributions.

Mr. Buchanan would -- initially he asked for money, and I think if we go back to records and show, as we got closer to the campaign, he became pretty aggressive and was just -- in my case, I'm not sure with the rest of the partners, but right before the end of a quarter or the close time, you would see phone call after phone call after phone call after phone call to me.

And Mr. Buchanan, he's not like that, he's very reserved if you will. He does not -- he does not have interactions with partners on a daily basis. But for the campaign contribution, he was just calling -- phones would ring off the hook. And I'm sure -- I don't know when your quarter ends, that's...

In one incident, one of the partners had asked him, he says, Vern, you got a lot of money. Why don't you put the money in yourself? And he
said, Well, you know, I can't do that. If I put the
money out of me directly that I'm putting my own
money in there, it doesn't look as strong as if the
money was raised. And he always talked about how he
needed to raise 3 million, then it went to 4 million,
then it went to $5 million when the campaign got
closer to the actual election date.

Q. Let's go back to the list of partners.

Why don't you tell us what company they were
associated with and whether Vern Buchanan also had a
financial interest.

A. Yes, Mr. Buchanan was involved in every
dealership that the partners had come in. And he had
a -- I don't know for certain, but the vast majority,
in fact, I'm pretty confident that 99 percent of
those he had controlling share in all the companies.

The only incident that I know that was
not the case was the most recent partnership that him
and I had in the Kia dealerships, so I'll go ahead
and share with you who they are.

David Long was at Sarasota Ford. Tom
Moore was initially at Ocala Honda and later into a
Ford and Chevy dealership. Ford store in Tampa area
and Chevy store also in the Tampa area. Shelby was a
partner at Venice Dodge and Nissan. Scott Tomasso
was a partner at the Honda store, I think Space Coast
it was called. Kevin Brodski was partners -- Kevin
was also one of the senior partners, had involvement
in multiple dealerships. Toyota and Lexus in
Melbourne, the Chevy store in Tampa -- the name has
changed a couple times -- a Toyota store in North
Carolina, and I believe there was another -- oh, and
Kevin Brodski was also partners with Scott Tomasso.

Steve Silverio was a partner at the Chevy
store in Tampa. Jeff King was a partner at the
Toyota store in Jacksonville, Florida. Dennis Slater
was chief operating officer of the company. He used
to travel to all the dealerships to help out with the
business' pro formas, et cetera.

Q. You said Mr. Slater was a C...
A. COO, chief operating officer.
Q. What company are you referring to?
A. Mr. Buchanan's. The company's name is
1099 Management Company.

Q. And you said it was Mr. Buchanan's
company. Do you know what percentage of the company
he owns?
A. I believe he owns 100 percent of 1099
Management Company. I'm not sure exactly how the
structure is. I do know that Mr. Buchanan is 100
percent decision-maker of that, but normally after
the deals are done, then he puts up 1099 Management
Company. That was the management company that all
the dealerships were reporting to and were paying
their fees to.

Q. You say paying fees. What do you mean by
that?

A. Mr. Buchanan had various fees on each
dealership. For every car that was sold, the
corporate office collected money. The offshore
accounts that collected money for extended
warranties, et cetera, they had set up accounts, I
guess for tax purposes. They called it a Vern's PAC.
The partners joked around, it was for his jet, for
his office staff, et cetera.

Anything that Mr. Buchanan did, he pushed
it down to the dealerships and raised the cost on it.

Q. Okay. The Federal Election Commission
records -- I'm sorry, were you done with the list of
partners?

A. Correct, yes. There may be a couple
more, but I'm jotting them down as I go forward, but
for the most part I gave you all that I remember
right now.

Q. The Federal Election Commission records
show that on or about November 2005 some of the
employees at the North Jacksonville Hyundai made
contributions to Mr. Buchanan's campaign for
Congress. The records show that Gail Lephart, Ernest
Lephart, Gary Smith and Diana Smith contributed a
total of $16,800 to Mr. Buchanan's campaign for
Congress.

Did you ask any of these individuals to
make a contribution to Mr. Buchanan's campaign?

A. Yes, I did.

Q. Why did you do that?

A. I instructed them to write a check and
reimbursed themselves for -- because Mr. Buchanan had
asked me to get money. And he specifically told me
get someone you trust and run it through the

Q. Okay. And did you get someone that you
trusted?

A. Yes, Ms. Gail Lephart and D. Smith, he's
no longer with us, they were the office managers.

Ms. Gail Lephart was our comptroller that I had known
and had a good relationship with. And she was going
to cut the check. She's the person that cuts the
check.

And the first time that -- and I think
she's contributed on multiple times, but the first
time that I did, I told her that we'd be getting this
money back from Mr. Buchanan. I said, I don't know
when, he just asked me to do it.

But on the second time, in fact, she was
at the office when I was talking to Mr. Buchanan.
And at the time in 2007, I think, or 2008 was the
second one, the company was not doing very good, so
-- and she was not very happy about us writing those
large amount of checks.

D. Smith -- another person that
contributed was Josh Farid. I'd asked my brother,
Eric Kazran, to do so. He wanted -- Mr. Buchanan
wanted to get, I think it's nine thousand two or nine
thousand four hundred dollars, and he was always
wanting to make sure the personal checking account
has husband and the wife on it to do both.

Who else was it? Oh, Joe Cutaia was
general manager of the store. He also wrote a
personal check and was reimbursed afterwards. And a
couple of times just several days before -- he always
used to call at the end of reporting time. He had
called and asked me how much money I have gotten for
him. And I told him -- I'm not sure if it was 25- or
30,000. And what he said, he said, I need more. I
want you to charge $10,000 on the credit card that you have and call it Vern's PAC. I'm not sure what that meant, but that's what I did. I charged $10,000 on the company credit card, and I classified it as Vern's PAC.

Q. And do you recall what year that was?
A. You know, I think it was -- I'm not sure if it was '05 or '06. It might have been '07. I had numerous discussions with Mr. Buchanan with respect to campaign contributions, so forgive me. I have to give you blocks.

Q. I'll help you with information from the FEC database for campaign contributions. The FEC records indicate that you contributed $4,600 to what you've called Vern PAC on or about September 2, 2007. Is this the contribution that you were just telling us about?
A. Yes. I remember with the credit card he'd asked me to do $10,000. It's possible that we used another credit card. I don't know where Vern PAC goes. I had thought that money was going to his management company, because it's called Vern's PAC. It's possible that the $4,600 might have changed.

They have sent checks back in the past because it was for the wrong amount, and they said
this check needs to be redone and send it for a different amount.

Q. When you say "they sent it back," who are you referring to?

A. The folks that work with Mr. Vern Buchanan. I remember one incident was a check sent out for 9,000 and change. They sent it back and said, That's not correct, there's only one person on that. You need to change it to 4,000 and whatever.

Q. When you say the people that work for Mr. Buchanan, are you speaking of the people that worked at 1099 Management Company?

A. Yes, there was a -- I can't remember her name. It was not Mr. Buchanan's assistant, it was another lady that helps specifically with the campaigns. And so what Mr. Buchanan would do, he would -- I'm going to use me as an example.

He would talk with me, tell me how much money I needed to send and by when. And then that lady would call and follow up to make sure that the check came out. And if the check was an hour late, they would call and apply serious pressure on sending that money.

Q. Now, just so I'm clear on this, the woman who would call you, was she an employee of the 1099
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Management Company or was she a staff person for the campaign?
A. I'm not sure. I don't know how
Mr. Buchanan did his deal with them. I don't know --
I do know that she became -- she came in the picture
after the campaign stuff started, so my guess would be she worked for the campaign part.
Q. Okay. I do not want you making any guesses.
A. Yes.
Q. If you're not sure, you can say so.
A. Okay.
Q. Do you recall her name?
A. I do not. I apologize, I don't know what her name is.
Q. If it comes to you --
A. She was a spokesperson, I think. I read in an article somewhere that she introduced herself as a spokesperson. But if I recall the name, which is very possible, I'll give you that name.
Q. The campaign contribution checks that you wrote, they were sent -- do you recall the address that they were sent to?
A. Yes, mostly they would go to the Sarasota address that they would give us. I'm not quite sure
of the exact one, but the initial address was 707
something. I can't remember that. They relocated
since, so that address is not... But I know that
it's been sent to Sarasota. I also know that it has
been sent to another address where they had -- it's
possible it was Washington, but I'm not sure. But I
do know I have sent to two separate addresses.

Q. Do you know whether or not the address in
Sarasota is the Ford dealership in Sarasota?
A. Correct, yes. The Ford dealership is
where Mr. Buchanan used to stay before they moved. I
don't know how their mail got there, but I do know
that Vern had an office upstairs in the Ford
dealership. That's how I met him for the first time.

Q. And you said they moved later on. Do you
know where they moved to?
A. They moved also in Sarasota, somewhere
downtown in a separate building.

MR. GOULD: Mr. Sovonick has some
questions.

BY MR. SOVONICK:
Q. Mr. Kazran, first off, do you know a
person named Vincent Sams?
A. Yes.

Q. Who is that?
A. Vincent Sam is a former partner of mine that I worked with, and he might be another one of the folks that I dealt with when I was asked to help with the campaign. Vincent Sam was -- I met Vincent Sam several years ago. We worked together, and we purchased a dealership together in Waycross, Georgia.


A. Yes.

Q. Was he a person that was also reimbursed for his contribution?

A. Correct, yes.

Q. Was he reimbursed through funds from --

A. The company, yes.

Q. -- from your company? From Hyundai of North Jacksonville?

A. Correct. None of the people that contributed to Mr. Buchanan, with the exception of me, which he asked me for the first time, he said write the check, they were all reimbursed the same day. Actually, they got -- the money was deposited into their personal account so that the checks could cash, because none of these folks -- these are ordinary folks that make 2-, $3,000 a month. They
would not be in a position to write that.

Q. With regard to Vincent Sams, did you ask him to do that?

A. Correct.

Q. And did you tell him that he would be reimbursed?

A. Correct. Yes, Vincent Sam, because he was a partner, I spoke freely with him and he was aware.

Q. Do you know who Patricia Sams is?

A. Patricia Sams is Vincent Sams' wife.

Q. Do you know if she also made contributions?

A. You know, I think the check that Vincent wrote had both of them. That was one of the things that I was told you got to make sure there's two people on the check to get the most amount.

Q. So did you discuss with him that his wife should contribute as well and be reimbursed?

A. No, what I told him is, I said, Do you have a checking account that has both your names on it? He said, Yes. I said, Okay, so this will work. Then write the check for that.

Q. You mentioned when you were talking about the partners of Vern Buchanan's earlier, you
mentioned a person named David Long.

A. Yes.

Q. And you also mentioned that you might have had a conversation with him about reimbursing employees at his dealership?

A. Yes. David Long and I had -- as I said before, in partners meeting during break and afterwards, before, as time went along, the partners were not too happy about this money we were giving. And David was not very happy about that, you know. Him and I discussed, I said, you know -- I asked him, I said, How much are you writing this time? How much is this costing you?

And he goes, Man, I'm getting tired of this every day. I'm getting phone calls, and I just don't have that kind of money.

With respect to David Long, I know he had employees that -- there was a finance manager, I think, and a couple of other people. I know there's a lot more, but in a couple of incidents I was made aware of it because I understand that they had a problem with one and that employee came out and -- I don't know if they hadn't paid him the amount of money or he had a problem with his paycheck. And once that came out, then Mr. Buchanan was kind of put
-- distanced himself. He still talked with us, his
inner circle, if you will, but with respect to David
Long, I did not talk to him. I was in the finance
department, and he had a couple of people in there,
and one of them were saying, I'm not going to give
him any money until they pay me up front.

Q. Do you remember who that person was?
A. He was the finance director. This was
several years ago.

Q. Of the dealership that David Long was
managing?
A. Correct.

Q. Okay. We'll get back to that.
Is it possible that the person's name was
Joe Keezer? Does that ring a bell?
A. Yes, it is Joe. He was the finance
manager. Now, I think he had a couple positions.
Joe was kind of a five-seven, five-eight gentleman.
Yes, I think it's Joe.

Q. Did you ever have any conversations with
David Long specifically regarding reimbursing any of
his employees? Did he ever mention that he was asked
to do it or if he hadn't done it?
A. We all -- this is -- the discussion I
remember having with Dave, he was just tired. We
just don't have this kind of money. We're getting
pounded all the time about get money, get money, get
money. Our cash flow is bad. He was frustrated.

My store was one of the more profitable
ones, so cash flow was not as big a deal. Obviously
I -- but I thought from the beginning that we're all
going to get reimbursed for this money.

Q. Do you know what Long's relationship with
Vern Buchanan is now?
A. I don't know. I haven't spoken to him in
some time. The last I talked with him was maybe a
year ago, two years ago.

Q. Are there any other of the partners that
you have a clear recollection of them acknowledging
that they reimbursed any of their employees for
contributions they made to Buchanan's campaign?
A. Yes, Mr. -- I was in a partners meeting,
I was talking to Mr. Dennis Slater. I can't remember
what it was, pro formas, et cetera, and Mr. Buchanan
approached and said, Dennis, I've not gotten your
check yet.

And he said, Boss, I'm hoping to take a
pass on it. He looked at him and smiled, Don't
worry, you know you're going to get it back. He
tapped him on the shoulder and left.
Mr. Josh Farid is my partner. We were walking out of the hallway when Mr. Buchanan asked me to raise -- he told me -- I don't remember what day it was, but that Friday was the end of quarter. And he said to me, he says, Get somebody you trust and get the money out of the corporation.

He had asked me to get money, I told him, I said, I thought you said that I'm maxed out? I've already given you that money. And he said, Well, just get somebody you trust and run it through the corporation.

Q. Do you have -- do you recall ever having any conversations with this person Kevin Brodski?
A. Kevin -- with respect to specifics, no, but Kevin Brodski was also, you know, he was one of the more profitable dealerships. But we all talked. I mean, the discussions that we had, it was a result of repeated and numerous requests for money. And they were expressing disappointment of it, you know, but I did not have a specific talk with him, Kevin Brodski.

BY MR. GOULD:

Q. Mr. Kazran, you used the term "at the end of the quarter." Was this fiscal, financial quarter?
A. You know, it's a good question. To this
day I don't know, but I know that Mr. Buchanan used
to say, I've got to report this money by this date,
and we got to have more than the other candidate.

    And that's what he said. This is the end
time, this is the end time. It's a reporting. The
first couple of times I thought that this was the end
for him, there's no more campaigning but, you know,
the following day, Well, we got another one that
we're starting.

    But whatever that is, I don't know if
it's fiscal year or quarters or whatever that is.
Q. Did Mr. Buchanan ever say "this is the
end of the quarter"?
A. Yes, yes.
Q. Okay. Let's go back to the credit cards
you made contributions with. Was this your personal
credit card or was it the company credit card?
A. It was the company's credit card. There
were a couple of times we attempted to contribute to
it, one time I know the credit card was maxed out and
we weren't able to do that. But all of the
reimbursements were through the company with the
exception of the first time that he asked me and I
gave him the money out of my own pocket, which really
came out of my paycheck.
Q. Okay. Now, going back to the time frame when Mr. Buchanan was asking you to make these contributions and asking you to get your employees to make contributions, what was the business relationship with Mr. Buchanan?

A. I have had a great relationship with Mr. Buchanan up until June of '08. That's when I discovered that he had taken some $800-or-so thousand out of the company without my consent of the partnership in Gwinnett. At the time the company was not doing good. Him and I had a bad -- once I discovered that that was the case, then our relationship became sour.

Q. Okay. And I believe I read this somewhere -- and you can correct me if I'm wrong -- the agreement that you entered into with Mr. Buchanan to buy an interest or Mr. Buchanan's interest in Gwinnett, LLC, was in June of 2006?

A. That's correct.

Q. Now, as we've said, the Federal Election Commission records show that a lot of contributions were made by employees' relatives in June of 2006. Did the contributions have any connection with your business dealings?

A. That's the time that he had talked with
me when we were walking in the hallway. The reason you'll see a lot of contributions at that time is that's when I think the corporate office wanted to add another $10,000 of fee into the dealership, and I didn't want to do that. So we just discuss it. I said, Let me just buy you out. And I was supposed to give him 300,000, I think, or 400,000, but I didn't have the money at the time. So I said I needed to cut that down and do lower amounts and pay you on payments.

That's when he told me, he said -- in fact, that Tuesday before the end of the month on that June, I bet you it's one of the close of time, because he told me, he said, Friday is the end and I need you to raise -- I don't remember if it was 25- or $50,000.

And he said, if you do that, then I'm going to take care of that payment. So instead of paying him all at once, he agreed to let me make payments on his buyout portion, but I had to raise that money.

If you go back and check, I bet you that whatever that end of June is, my agreement was in June, I don't know what, but it's probably going to be towards the end of June, or maybe beginning, I'm
not sure, but I remember clearly that's when he asked
me.

Q. And just for the record, as I said
before, this is based on information in the FEC
database, these contributions were reported as
received by the Buchanan campaign committee on
June 28, 2006.

A. Correct.

Q. Okay. That's your understanding that
that's the time frame in which you had these
discussions with Mr. Buchanan about him not requiring
you to make these payments to his --

A. Correct. The way I can remember, I don't
know what the FEC report says, but the way I can
remember is while we were negotiating to buy him out
out of the Gwinnett Place Dodge, that's when he asked
me, he said, I will agree to take payments instead of
one lump sum, but you got to raise that money for me.
And when I told him that I don't have it, he says,
Well, get somebody you trust and run it through the
corporation.

BY MR. SOVONICK:

Q. Can I ask you a question. You said that
he instructed you to get people you could trust.

A. Uh-huh.
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Q.  What did you understand that to mean?
A.  When I told him that -- he said he wants
more money, I think he had assumed that I already
know what to do. And I said, You already told me I
can't give any money. He says, Don't you have
somebody, like your brother or someone you trust that
you can get them to write a check for me? And I said
sure. That -- and the date that we were walking out
of the hall is when he said, Run it through the
corporation.

So my understanding was: Get someone you
can trust, have them write a personal check and
reimburse them.

Q.  Well, what I'm getting to is the trust
issue. Was it ever -- was he -- did Buchanan ever
instruct you or did he ever imply to you that what
this -- what was going on, what he was asking you to
do was something that you should keep quiet or not
discuss?
A.  After that day, I got it. I knew that
we're not supposed to be discussing this, that that's
-- there's -- you have to know, I'm ignorant about
this stuff up to that point. I've never contributed
to any campaign. I don't know what the laws and
procedures are.
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I became very aware once we had a problem
at the Ford store. But Vern and I had a very, very
close relationship. And I think when he told me
about trust, I think he just assumed I know what I'm
supposed to do.

BY MR. GOULD:

Q. You said something about a problem at the
Ford store. Can you elaborate.

A. Yes. Well, the -- a couple of people in
the Ford store started to talk about this publicly.
And they, you know -- and they were upset at
something. And then later it escalated where then
the partners were talking about it. And ever since
that then, you know, things became very different.

Mr. Buchanan, to my knowledge, never
would go and talk to entry-level salespeople or all
that. If it was a manager that had been with the
company for a long time, he would go and talk with
them. He would ask them for contribution, but he
would promise things, you know. He'd always have
some sort of carrot out there, you know. A weekend
on my boat or a promotion, things like that. He's
always selling.

I know that when he was at our
dealerships with our senior management, he'd always
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tell them, you know, You guys stay with us. You're
going to do very good. You know, Sam, why don't you
maybe want to get the jet and bring them out and
we'll take them out and show them. Then right
afterwards, you know, You need to go get money from
these people, you know. We need to raise money.

Q. You said "raise money." Was it your
understanding it was for the campaign?
A. Campaign, absolutely.

Q. Going back to the Ford dealership, you
said that there was a problem with it. Do you recall
the names of any of the individuals who were going
public with the --
A. I know Joe was one, but the day that I
was talking -- the Ford store, those two folks were
talking, it was the finance director, Joe, and
another person. They were just pissed. They said,
I'm not going to give him any more money. I need to
get that money up front.

And for the most part, I would say the
vast majority of people, they didn't care, you know.
Their boss is telling them to write the check and
they'll do it as long as they get reimbursed. But I
would be willing to bet that as far as -- I know for
certain that with respect to my dealerships, no one
would have extra 500 or a thousand dollars or two --
in my case is was $9,000 -- to contribute. These
folks were just -- they're not in that -- they can't
do that.

Q. You said that Joe was talking to someone
else. Was that person a man or a woman?
A. He was -- no, the two people in the
office, they're both men, yes.

Q. Do you recall the name of that other
person?
A. No, I do not. I apologize. You know,
that was the only incident that I heard myself, but
there was -- after a while there was rumors
everywhere. In fact, I know that it got so bad that
Mr. John Tosch had an emergency meeting and says, you
know, in the event of possible litigations that are
coming and challenges that we have, we're changing
company policies.

He wanted all the partners to get there
and discuss this to -- you know, he said he wants to
change some rules of the company. And I know that we
discussed the lawsuit in the partners meeting. I
can't remember when it was.

I'm trying to remember if it was in '07
or '06. I can't remember what the date was.
Q. The lawsuit, what lawsuit was that?
A. Well, Mr. Tosch sent out a memo, and he says, In light of all possible litigations, we are changing some policies. And it was kind of an important unexpected meeting that he wanted to talk to everyone about what's going on.

Q. So it was basically an invitation to a meeting?
A. Correct.

Q. And did this meeting take place?
A. Yes. I did not go to that meeting. I had an arrangement with a manufacturer that -- those days before that.

Q. Did anyone who attended the meeting tell you what had happened at the meeting?
A. I know that Mark Ornstein had come by -- Mark is the company's attorney. He represented various dealerships for various matters. And he had -- I guess my recollection is that he had come by and told them -- he had told them that this guy is pissed off, we need to be more careful. From now on we're not hiring people that are -- have money problems.

He indicated that this guy had been fired somewhere else for running his mouth and trying to sue people. I don't know who he was referring to. I
wasn't there, but this is kind of a trickle-down rumor.

Q. Do you know who this person -- this guy who was being referred to?

A. I'm not sure. At the time I was much more focused on dealing with my own business affairs, and I've never actively looked or investigated or learned more about this. In fact, quite to the contrary, I always wanted to be as far away as possible.

I wouldn't even be here if Josh, my former partner, did not express to John Tosch how frustrated he was with this campaign stuff and, obviously, a phone call from you folks. This is not the type of things that I like to do.

So you folks had called one of my employees or sent him a letter, I don't know which one it was, and they were very scared. They said, you know, they didn't even know who federal campaign commission was. They just heard "federal" and they got scared, so that's why I wanted to make sure that I cleared they had nothing to do with this.

Q. Now we can go back on the record.

Mr. Kazran, you had mentioned a gentleman by the name of Shelby Curtsinger. Remind me, which
dealership was he associated with?

A. Curby was a partner in Venice Dodge and Venice Nissan. Curby is a store that they had -- I think that's the one that they had paid cash -- I can't remember if it was a GM or GSM that had spoken to their salespeople and the lower level management and they just give them cash to write the check for Mr. Buchanan's campaign. I'm sorry, go ahead.

Q. You used the term GSM or GM?

A. Yes, general sales managers, I apologize, and general managers. They're senior management. Typically speaking, the partners would have the general managers who are their right-hand man, and obviously they probably work together for some time. And they're the ones who would help raise money and run the company.

So, you know, in that particular instance I know that there was a problem because they were too open about it. I can't quite recall, but I think that's when one of the senior managers had gone to a meeting and said, We're raising money for Vern and write me a check. And he was reimbursing them right there and then. And this type of thing was happening pretty often.

And again, as I said before, these are
regular folks. We're not involved in this type of thing. It's no big deal. I mean, all along up to the very last few months that Mr. Buchanan became very aggressive and threatened me, I thought he just doesn't want anybody to know that it's his own money. He told me that if I use my own money it's not going to look good, I've got to have other people, you know, write me checks to show that -- you know.

He says, I know I've got my own money, but it's just never going to look as good. He even used an example. Some other guy, he said, put his own money in there but he didn't win because it was not the people.

So that was my impression of why he wanted to do all this stuff. As far as it being illegal, I'm very confident no one knew that these type of things are federal violations.

Q. Did you ever have any conversations with Mr. Curtsinger about these contributions and the reimbursements?

A. Specifically after that, no. As I said, once these things -- you know, there was a couple of problems that blew up and they were all over the media, the finance director in Sarasota, Florida, I know a couple at Venice Nissan. But once that
happened, Vern -- I know he spoke with me, John Tosch was also speaking, it kind of stopped. We cannot be doing it in this open manner.

I think Vern applied too much pressure on the partners, and it just -- you know, when your boss tells you you need to get this money for me, you just go get it, you know. And at any given time every partner or general manager or general sales manager is either hoping to get a promotion or a new partnership and that was always leverage, so...

Q. At any of the partners meetings that you attended, was there a discussion about these problems about people talking about the reimbursements?

A. Yes. We -- you know, we kind of had off record and on record talk. Mark Ornstein normally would be the person who explains the rules. Off record, you know, with Shelby, I remember one time him, me and a couple -- I want to say it was Steve Silverio and Dennis. And Shelby was expressing -- because cash flow was really, really bad, we're not going to be doing this, plus all the headaches and problems with the store. He expressed he was pretty much done with it.

Steve Silverio was another guy that had a talk with me, and he said -- I think he was one of
the guys that gave Vern some money. I don't know how much, but he told me, he says, I am not -- he says, Vern has got plenty of money himself. If he wants to give me the money upfront, then I'll do it, but I'm not advancing the money upfront anymore.

BY MR. SOVONICK:

Q. Yes, you said that during this conversation that you remember with Curtsinger he said that he's not going to be doing this anymore, was he referring to reimbursing his employees?

A. Yes. We used to joke a lot about this before the meetings, having coffee, you know. I remember the partner in Bowling Green from Mercedes Benz being -- I can't remember what his name was.

Q. Is that in Kentucky?

A. Correct. Scott -- I don't know what his name is, because it's been quite some time. That dealership had several partners, but he said, So how much are you guys getting hit for? You know, I got hit for five grand last week or ten grand. Numbers like this. And we would just joke around about it.

But as I said, I think this was kind of a favor for Mr. Buchanan at first, but then nobody got their money, and then pressure applied and, you know, after a while everybody was just kind of fed up with
it.

BY MR. GCOULD:

Q. Let me go back to something that we've discussed a little bit, and that's the use of the company credit card to make contributions. I believe you told us that you made a contribution to a committee called Vern PAC with the company credit card. Do you recall contributions to other political committees where you used the credit card?

A. No. The only person I’ve ever donated money to with -- is what Mr. Buchanan told me. Just for his. I know he’s been involved in several other ones. I don’t know much of the detail. I know that he was actively involved with Senator Mel Martinez. I know he had several discussions about him helping Senator Mel Martinez and that, you know, he said he’s going to be senator, I’m going to be governor, but I don’t really know the details in that.

Q. And just so I’m clear on this, did Mr. Buchanan tell you to use the credit card?

A. Himself, yes. Mr. Buchanan had direct discussions with me every single time. He would have someone to call. I don’t know what discussions they had, but they would say, Mr. Buchanan told me that you would be sending a check. I want to make sure
you have the address. Have you sent it?

    But he would call me directly and talk
with me. What he said to me with respect to the
credit card, he says, I want you to get the card --
whomever it was, the lady, I gave them my card
number, but Vern said ten grand.

    There was another time that I give credit
card. She called me and said the credit card wasn't
-- the limit on it was maxed out at the time, but we
would just give this lady the credit card. I don't
know how, where they charged it for, but what he told
me, he said, Classify it as Vern's PAC.

Q. Can you give me -- to the best of your
recollection, how much of the Hyundai of North
Jacksonville Company money was used for contributions
to Mr. Buchanan's 2006 campaign?

A. Well, it wasn't just Hyundai of North
Jacksonville. It was other -- specifically Gwinnett
Place Dodge as well. What happens is we had a
centralized accounting with almost everything, the
payroll, the insurance, et cetera, would go through
Hyundai. So Hyundai would pay, then the other store
would do an intercompany transfer.

    Over all, I believe we were over
$100,000. I know that at one point when I was
talking with Mr. Tosch, I sent him an e-mail, had
some $80-something thousand did not include the
credit card and it did not include the money that I
wrote, which I never expected to get back. But very,
very close to $100,000 is what...

Q. Were there any employees at Gwinnett who
made the contributions and then were reimbursed?

A. Well, Vincent Sams and Josh were helping
-- and Gail Lephart, they worked for both the
dealerships. They had -- Gail was overseeing the
office there. Josh also would help me with that, and
so did Vincent Sams. And, as you know, we don't have
access to our records now with the receivership, but
I'm pretty confident that it's close to 100,000. I
don't know how much the ones we gave you, so there is
possibly two or three more names there.

If you folks give me -- I don't know if
you guys keep track of the people that donate money
to -- if you have the names, I can read them and I
can share with you if I recognize any of them.

Q. Were there any of those partners that --
you had said before if you thought -- if you could
remember any other names that you would tell us.

A. Yes. Well, here's a couple. I shared
with you the conversation Vern had with Dennis
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Slater. I know the partner in North Carolina, Gruisko, I believe that's Jim, and I know that Jim had spoken to someone, to another partner who shared with me. He said, You know, Jim went out and paid Vern, but he turned around and bought furniture for himself.

Q. Can you explain. He bought furniture for himself with -- why don't you explain that.

A. Yes. So after this, you know, the level of intensity that went up, and when this -- these things happened with Sarasota Ford and the managers complaining, the contributions were -- Jim Gruisko apparently, from my understanding, that he contributed to the campaign and then went out and bought furniture for himself for the company.

See, what happens is Vern's a percentage partner and the other partners are percentage. Well, if you take $10,000 or $5,000 out of the company, his shares are not going to be there too. But it's my understanding that the money that was contributed to the campaign, he paid for himself with his check and then he went out and got the money out of the company and bought furniture with it.

I don't know what kind of furniture, all that, I just overheard that's what Jim had done.
BY MR. SOVONICK:

Q. Mr. Kazran, I'm going to take you back to Josh Farid, how do you spell his last name?

A. It's F-a-r-i-d.

Q. Do you know his wife's name?

A. Yes, it's A-t-e-f-e-h.

Q. Do you know approximately when Josh contributed?

A. Well, I know when we went back from the partners meeting in '06, but it's very possible that he contributed later too. As I mentioned, Mr. Buchanan frequently talked to me about this so, you know...

Q. Do you know if his wife contributed as well?

A. Well, the check that they wrote, Josh was very well aware because he knew Mr. Buchanan and several discussions I had on the phone, Josh had been with me, so he knew that he was -- it was supposed to be two checks.

Josh was very frustrated, and he sent out an e-mail to Mr. John Tosch expressing he was very mad at me when Mr. Buchanan -- when he took this money out of the bank -- not the campaign but several hundred thousand dollars, we -- our company was
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having cash problems. And Josh several times told
me, You need to go to Vern and ask to pay this money
back. We need it. And then John Tosch really made
Josh upset, he never was paid any of his...
Q. Just one other question about Josh, then
I'm done, Jack. Do you happen to know where he
lives? What his home address is?
A. He lives in Jacksonville. I don't know.
He lives on Southside. I don't know his exact
address, but it's right -- Southside, Deer Creek
area.

MR. SOVONICK: Okay, great.

BY MR. GOULD:
Q. If at a later time you recall his
address, will you please contact us?

A. Yes, of course. I just have to call him.
He does not actively work with me anymore, but we...

Q. Okay. Getting back to contributions made
by your employees, the FEC records show that you
contributed $4,600 to Vern Buchanan for Congress on
or about September 2, 2007. Was this contribution
made in connection with any of your business dealings
with Mr. Buchanan?

A. Correct. All of -- every contribution
made to Mr. Vern Buchanan was not because we wanted
to -- I mean, the first check that I wrote, I had
assumed that he wanted me -- you know, my senior
partner wants me to write a check, so I'm not going
to question it. But afterwards, every money that we
gave him, we had to -- we reimbursed out of the
company.

Q. What business dealings did you have going
on with Mr. Buchanan in that time period, which again
is the end of 2007?

A. Well, Mr. Buchanan had a first right of
refusal with me when the Gwinnett Place Dodge was a
dealership that was awarded to me by Chrysler
Corporation for free. But when I went to purchase
it, Mr. Buchanan said that I have a first right of
refusal and I can't have it, so I was forced to give
him 51 percent. But then later when I wanted to buy
it, he says, You can pay me a million dollars, but in
lieu of doing payments, he wanted me to commit to
money to the campaign.

And that -- and the second time that he
was running, we were in the process of buying the Kia
dealership. But, you know, I was a pretty good
partner, if you will, with Mr. Buchanan, so he always
-- he always said, I'm counting on you now. You're
the only one that can raise this kind of money. Make
sure you get it. Make sure you get it.

There would be times that Mr. Buchanan
would call me in a week's time several times. I
mean, very aggressively too. I mean, I remember
having two, three phone calls in a two, three-day
period.

Now, if you guys go and check the close
of reporting, that quarterly reporting, you'll see
that, you know, at the beginning you get a small
amount, but then towards the end of it he would
always expect us to do more.

(FEC Exhibit 2 was marked for
identification.)

Q. Mr. Kazran, I'm going to hand you a
document that has been marked for identification
Exhibit 2. It is a five-page document and the first
page has a heading that says Confidential Settlement
Communication. Please take a look at that document.

A. Yes, I recognize this.

Q. Please tell us what this document is.

A. This document is an agreement between me
and Mr. Vern Buchanan after I discovered that he had
embezzled money from the company. And the e-mail to
Josh had said he came in the picture, and prior to
that he hadn't spoken to me.
And just to make a long story short, he agreed to pay me back the one and a half million dollars that was a result of the damage that was caused to the company from $900,000 of money he had taken out plus the payments that I had made to him. Plus at the time I did not want to have any more partnership with him. And I wanted him to buy out the partnership from the Kia store. So he agreed to pay me $2.9 million. This was shortly -- this was right before the election.

But I decided not to go through this. 2.9 million, and I'm glad you brought this up because I want to put on record at no time I ever acted to financially benefit from this. In fact, quite the contrary, I've been doing my best to avoid this.

But Mr. Buchanan told me that he will pay the money that he owes, and he will buy out his portion of the company and we were going to split the company. He signed the contract, and this is what he wanted me to do.

Q. Mr. Kazran, will you turn to the last page of Exhibit No. 2, the signature lines.

A. Yes.

Q. Do you recognize the signature of -- tell me which signatures you recognize.
A. It's Mr. Vern Buchanan's signature and Mr. John Tosch.
Q. And how is it that you recognize these signatures?
A. I have seen these signatures several times. Mr. Buchanan and I have had several contracts together. I'm confident that's his. Plus this document came from their attorneys, and I have an e-mail that says Mr. Buchanan signed the documents. We need Mr. Kazran to sign so that we can proceed with funding.
Q. Mr. Kazran, Exhibit 2, does this appear to be a true and correct copy of the Confidential Settlement Communication that was given to you by Mr. Buchanan's attorney?
A. Correct.
Q. Do you know who prepared this document?
A. Yes, Mr. Vern Buchanan's attorneys, their name is Lindell & Farson and Mr. Mike Lindell.
Q. Was Mr. Buchanan present during the settlement negotiations?
A. I had spoken to him several times on the phone. We did discuss on a conference call this agreement and the dollar amounts of it. Most of our communications were on the phone.
Q. Was this agreement important to you?
A. Yes. This agreement would have saved my company and almost 500 employees that were working. I was very, very much in need of this money.
Q. Okay. Mr. Kazran, I would like you to turn to page 4 of Exhibit No. 2, and I want to draw your attention to what appears to be paragraph No. 12.
A. Okay.
Q. For the record, paragraph 12 says:
Further conditions to the disbursement of the escrow amount are as follows: Subparagraph A, Kazran's execution of the affidavit attached hereto as Exhibit A.
And you had seen this paragraph in this agreement?
A. Yes, but that was -- I thought the affidavit that they're talking about -- and, in fact, there should be an affidavit that described the schedules of the contract. But the reason I chose not to sign this contract was because... I'm sorry. I apologize. I didn't mean to talk over you.
(FEC Exhibit 3 was marked for identification.)
Q. Would you mark this as Exhibit 3.
Mr. Kazran, I'm handing to you a document that has been marked for identification as Exhibit No. 3. It is a two-page document. The heading of the document is, it says Affidavit of Sam Kazran, a/k/a and it has a different spelling of your last name.

A. Correct.

Q. And at the bottom of this document, Exhibit No. 3, the word Exhibit A. Would you take a moment to look at this document.

A. Yes. Yes, I remember this.

Q. Okay. This Exhibit No. 3 you've seen this before?

A. Yes.

Q. Is this the affidavit that is referred to in Exhibit No. 2 with the Confidential Settlement Communication?

A. No, this was an affidavit that Mr. Buchanan did not want to talk, in fact --

Q. Hold on. Mr. Kazran, maybe I'm all wrong about this. This talks about the attachment --

A. This right here.

Q. Right. Which is --

A. This affidavit. I'll show it to you.

Q. Well, I'm just telling you, Mr. Kazran,
execution of the affidavit attached hereto as Exhibit A, and this document at the very bottom says Exhibit A. I just want to know --
A. Correct.
Q. My assumption that this Exhibit A and that Exhibit A --
A. Yes. No, I apologize.
Q. No, no, please. If I'm wrong about that, you know, tell me.
A. I'm telling you what happened is they tried -- this exhibit was...
Q. Mr. Kazran, I previously asked you questions about Exhibit No. 3, the affidavit of Sam Kazran that at the bottom of that exhibit is the words "Exhibit A" typed on it. And my question, I believe, was: Is this document, Exhibit A, is this the Exhibit A that is referred to in the Confidential Settlement Communication which we have marked for identification as Exhibit 3?
A. Yes. Sorry about that. The A and the 3 confused me. This is the affidavit that Mr. Buchanan wanted me to sign, and it was going to be a condition of this contract except they never brought it up with me until afterwards. Initially, I had thought that, you know, normally when you do a contract there are
exhibits there, but after Mr. Buchanan signed this he called me a couple of hours later and he said, Congratulations. He asked me to come to Sarasota and meet him.

When I went there, he had told me his attorney had prepared this affidavit and he wanted me to sign it. And I was so desperate to save my company that I would probably have signed it had it not been because of my wife and my attorney, who my attorney said, Sam, this is a bad person. I'm surprised that he would go to this extent. And I knew exactly why he did that. He knew how desperate I was, and he wanted to use that opportunity to get that.

But this affidavit basically wanted me to say that Vern had no idea about this and that I'm the one who did all of it, which is absolutely incorrect.

Q. When you say "about this," what are you referring to?
A. The campaign contributions. He wanted me to say that Vern had nothing to do with campaign contributions. When I said no to them, Mr. John Tosch said, Sam, you want this money? You have five minutes to sign this contract -- to sign this affidavit or the contract is not going to go through.
Q. Let me go through some of this affidavit. First of all, who gave this document, this affidavit to you?
A. My attorney. This was sent -- this was prepared by Mr. Vern Buchanan's attorneys and sent to our attorneys.
Q. Does this document which we have marked for identification as Exhibit No. 3, does this appear to you to be a true and correct copy of the affidavit that you had just told us about?
A. Correct.
Q. Did Mr. Buchanan discuss this affidavit with you?
A. Absolutely.
Q. When was that?
A. This was right after he signed the contract, he asked me to meet him in Sarasota. I did. And he said, I need a favor. I need you to sign this affidavit. He mentioned that there's so much heat and lawsuits going on that he did not want any more of this.
You know, I was so excited to save the company, I said, Sure. But when I read it, I became very uncomfortable. And I wanted to be honest, I said, Look, Vern, you know, I've never wanted to
bring this up. You want me to sign something that's fine, but I can't be lying and putting myself in a spot. So when I said no to him, he was, Okay, no problem, we'll talk about that. And then he began talking to me about how he's going to be the governor and I shouldn't be this -- I don't want him to be against me but on my side.

But the following day Mr. John Tosch told me he was frustrated, very frustrated with me when I told him I can't sign this. Mr. John Tosch told me, Sam, you got five minutes to sign this document or the deal is off. And when he said that, I became frustrated, and I said, That's fine. We're going to go to court.

And I want to put on record here I was very, very tempted -- this was just before his election -- to go public with this, but I did not do it. My wife prevented me from doing so but this -- by not signing this, I lost my company. And I'm very frustrated about it because this has nothing to do with the other, absolutely nothing to do with the other.

Q. When you say "nothing to do with the other," what do you mean?
A. The contract. What -- this money that he
is going to pay was money he took out. Now, there
are two sets, the campaign contributions and the
contract that he signed to buy out my shares and his
shares had absolutely nothing to do with each other,
but he made it a condition afterwards and he did --
if I did not sign the affidavit, to blame everything
on me, then there would be no agreement and contract
to purchase out the dealership and give me back the
money.

Q. Let me just ask a question for
clarification. You said that there was two
categories of money. Was this agreement intended to
give back money to the company that the company had
spent reimbursing employees and others to make
contributions?
A. This contract, the one that -- it's for
$2.9 million?
Q. Which is Exhibit...
A. It's Exhibit 2. No, this has nothing to
do with the other one. Up to the point --
Q. The "other one" being?
A. The affidavit.
    I have never asked or brought this up
with Mr. Buchanan. He's the one who started it.
He's the one who filed the lawsuit, otherwise I would
have never filed a lawsuit against him. He's the one
that brought this up, otherwise I wouldn't -- you
know I've been trying to avoid you folks for some
time.

The agreement that I made with him on
this is exactly the dollar amounts, not a penny more
than what he cost the company. And I have receipts.
That's sales tax, health coverage and the money that
he took out of the bank account. I have -- I know
that I've had so many people have attempted to get
their hands on this. I've been offered to have
complete immunity if I go public, if I give him this.

I've had offers to go public and they
would not mention my name. And I know that this -- I
know what he did was wrong. He thought that because
I'm so desperate I'm going to sign this. And I know
that the consequences was so bad, but he's just not a
good person.

I could not see -- I mean, I was tempted.
I was tempted to sign and get him off; I would have
done anything to save my company, but I didn't. And
after they backed us out, I wanted to destroy him by
going public and showing this. And my wife prevented
me from doing it.

And you're the only other person that
I've shared this with. Although it's very tempting
to expose him because he's not the person that he
said he is.

Q. So, Mr. Kazran, then why have you given
us the information? Why have you cooperated with the
FEC by answering subpoenas and appearing here at the
deposition?

A. Two reasons. It's not about money. The
money part of it was gone a long time ago. I wanted
to make sure my employees are not harmed, and I
wanted to make sure that Vern Buchanan has several
times discussed -- he doesn't come out and say, I'm
going to get you, but he makes comments, Look, I'm
going to be the governor some day. You want me to be
on your side. I'm the only person that can help you.

And he's also said, And you don't want to
be in litigation with me. I knew that I would create
an enemy. And just shortly after this, he started to
-- he sued my wife for this. And that's -- and at
that time I decided that, Look, I don't care about
the money. I'm not doing this to get money out of
him. I've had several opportunities and I have not.
I'm doing this because it's the right thing to do.
I'm doing this because I want Mr. Buchanan to be seen
as he is and not anything else, so...
Q. Mr. Kazran, referring you back to Exhibit No. 3, which is titled the Affidavit of Sam Kazran, drawing your attention to paragraph No. 4 which states: During the course of tense and somewhat hostile negotiations between my lawyers and me and representatives for Mr. Buchanan, I advised a representative of Mr. Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.

A. That’s an inaccurate statement. I never had a hostile...I have been -- I've been frustrated, but I've never been hostile to them. And this paragraph is far from the truth. Josh Farid sent out an e-mail to John Tosch because he wanted me and Vern Buchanan -- he wanted me to tell Vern Buchanan to put this money back in the company. This was almost $100,000.

And I sent out an e-mail to John Tosch when he made a comment that, you know, your company is going to -- the cookie is going to crumble and we’re going to take it over if you don't work with us. And I sent him an e-mail and I said, you know,
You're a dirt bag. I've done so much for you guys, and I'm not even asking for anything other than give me back the money which you've taken business which is going to go for payroll. That has been the only discussion. I don't find that to be hostile.

And he tried to make it sound like he had nothing to do with this. This is far from the truth.

Q. When you say he said he wanted it to sound like he had nothing to do with it --

A. That's what I'm talking about.

Q. Who are you referring to?

A. Mr. Vern Buchanan. Mr. Vern Buchanan. He has been involved all along. Nothing goes on in that company without his knowledge.

Q. In paragraph 4 it says: I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control, had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.

Who is the representative that you were referring to?

A. I don't know what he's talking about.

The only thing -- I sent out an e-mail to John Tosch, told him that if this money could go towards payroll, but this -- this is why I wanted you folks to grab
that e-mail because it will clearly show -- this
thing was not something that he knew right then and
there. This is something that has been ongoing for
several years.

Q. Okay. Well, I didn't mean to imply that
you wrote this affidavit. You've already told us
that someone else wrote it.

A. Correct, yes.

Q. But this affidavit says that one or more
of the dealerships. At the time that this was
occurring when they were asking you to sign this
dealerships -- to sign this affidavit, which
dealerships were you operational -- did you have
operational control of?

A. I had -- the ones that Mr. Buchanan and I
were involved were Premier Dodge, Kia of The Avenues,
Kia on Atlantic. And I had already purchased in
2008, I had already finished making the payments for
Hyundai of North Jacksonville.

MR. SOVONICK: What about the dealership
in Georgia?

THE WITNESS: Gwinnett Place is Premier
Dodge, Gwinnett, LLC.

MR. SOVONICK: That's the one you had
 operational control of?
THE WITNESS: Correct.

BY MR. GOULD:

Q. Mr. Kazran, going back to the affidavit, at that time period did you have a list of the individuals who had contributed and were reimbursed for contributions?

A. The e-mail that I sent John Tosch, I sent him the check -- I said, This is the dollar amounts that you guys took that I'm supposed to get back. Remember, this is the campaign money. Mr. Buchanan was supposed to put back the money he took out of the company.

And I sent out the checks to show him the money that Vern got. And I can't remember when that was. And I don't remember specifically which ones, but...

Q. You sent a copy of the actual checks?

A. Correct, the checks that we wrote to Mr. Buchanan's campaign. And I basically said, Look, we need this money back in the company to operate.

Q. And that was in an e-mail, an attachment to an e-mail?

A. Yes, that's correct.

Q. That you sent to Mr. Tosch?

A. Correct. This is why I wanted you guys
to see this.

MR. SOVONICK: This is the e-mail that you already told us that you had saved on the computer?

THE WITNESS: Correct.

MR. SOVONICK: At your Kia office?

THE WITNESS: Correct.

Q. Drawing your attention back to the affidavit, paragraph 5 states: Before September 2008, neither I nor to my knowledge any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in paragraph 1 reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.

Is that a correct statement?

A. That is an absolute lie. Mr. Vern Buchanan -- well, let's put it this way. I'm surprised that they're putting that in there, because not only he's had personal talks with me, I've had -- Josh Farid has heard him, Gail LePhart on the phone has heard him. All these partners know. For them to put this in this affidavit, I find that to be ridiculous that he says no one had information.

I would invite you to check my phone
records. You'll see it's always congruent with the
dates that they closed the campaign quarter, whatever
you call it. You'll see a few days before that, it
starts, the phone calls increase from Mr. Buchanan to
me.

Q. Mr. Kazran, you remember you are under
oath.

A. Yes.

Q. Is it your sworn testimony that
Mr. Buchanan was aware of these reimbursed
contributions?

A. Of course. Absolutely.

Q. And please state how he was made aware of
the reimbursed contributions to his campaign.

A. How he was made aware?

Q. Yes.

A. Well, he knew it when we were reimbursing
him. As far as this what he says in the affidavit,
we never had a hostile -- the only thing that I did
was send him an e-mail with copies of checks to get
money back.

And other than that, he's had a talk with
me after Josh Farid had sent, and he said, Sam, you
know what I'm going through right now. This is not
the kind of thing I want to do. We'll work this out.
Don't worry about it. I've had numerous discussions with him. For him to come and say that he had no knowledge of it is...

MR. SOVONICK: Mr. Kazran, going back to the previous testimony that you've made today, isn't it true that you were initially approached by Mr. Buchanan who instructed you --

THE WITNESS: Every time.

MR. SOVONICK: -- to reimburse your employees with the company money and contribute to his campaign?

THE WITNESS: Right. He said get somebody you trust, run it through the corporation. And Josh Farid was present there.

But, you know, what I would really like for you folks to do, I'm sure that probably mine was more because my store was more profitable, but you guys should go and look at the rest of those dealerships and look at the campaign contributions, and you'll find very similar stories.

Q. Mr. Kazran, you said that you had conversations with Mr. Buchanan. Have you had any conversations with him regarding all the news that had been coming out regarding the campaign
contributions and reimbursements?

A. The last time that I talked with him was
one conversation after I did not sign this affidavit.
He told me, Sam, you know I'm in this heated race.
Towards the end he was very nervous. He said, I'm
going to help you. I've already signed the contract.
You know all these things that are going on, all
these Democrats trying to ruin my name and
reputation. I've been very good to you. Why do you
want to do this?

And I said, Vern, I've never been a
person that's been -- I told him, I said, You know,
As much as I liked to go to these newspaper companies
or columnists, I've never done it. I don't intend to
do so. He was very, very concerned about his name
coming out anymore.

He -- while he was signing this contract,
at about the same time, he filed a lawsuit against
me, which was later dismissed, in Duval County for
one purpose only, and that's to prevent me from ever
filing anything that would damage his name in
Sarasota. And later the judge dismissed it and said
the venue here is in Sarasota. You've got to go back
there. But he's very concerned about this.

I'm honestly surprised that he would make
comments as if he's unaware of all this. As I said, and I don't know, I may get myself in trouble for saying this. I was so desperate I would have signed it had it not been because of my wife.

I wanted to save my company, and he saw an opportunity, someone who's very desperate who would do anything. And when this did not go through, he became very defensive.

I know he's attempted to sue me. He's told me that he's very powerful, and I don't want to be against him. He has partnered up with Bank of America to take the company away several, several times. And all along he wants, he wants me to give him a release and not mention anything.

Now, I have never used this against him. Not only this is the proof, as much as I'd like to, as much as he deserves it, I've never gone public with this information. And I wouldn't be sitting talking to you folks -- as you know, I've done my best to run away from everybody, but I'm here because it's time for Mr. Buchanan to stop threatening people.

I'm not doing this for money. I'm not going to go after him for this money or what -- I've already written that off. And I want to put on
record this is not for money. This is just to come out and tell the truth.

And I know that this might create problems for me. You folks have been very clear that this is not a -- this is not legal. I chose myself not to have an attorney. I chose to provide you all this information because it's just time for everybody to know who Mr. Buchanan is.

And I guarantee you if you go out and search the others, you'll see so much of this going on. I don't know if it's of this magnitude, but you'll find that everybody's story is more like me and not his.

Q. Mr. Kazran, you said that you had conversations with Mr. Buchanan regarding these reimbursed contributions and the affidavit that he wanted you to sign but you didn't sign. Tell me, were all these conversations in person?

A. I've had conversations in person and I've had conversations through the phone. In fact, I provided you a couple voice mails that he had left me. The first voice mail that he had left was the first time that he had learned about Josh's e-mail that expressed how disappointed he was of this. And he popped out of the blue after three months or so of
not speaking to me and several discussions. Now, you
got one or two of those voice mails, but he wanted to
make very clear that I'm going to have serious
problems if I proceed.

I think in that voice mail it says
technically you're the one who's got problems or
liabilities or something of that nature. But
simultaneously, he's a politician; he uses his words
very carefully. He wanted to make me go away, if you
will. And he was willing to pay for it too as long
as I signed the affidavit. And after I didn't, he's
making good on his threats.

That voice mail was -- the first one was
before this contract was signed, and then the next
one, I'm not sure if it was during or afterwards.
But he -- the content of the message was: I'm not
worried about the election. I'm going to win it
anyway. You probably don't know it, but you got the
one who's got problems, but I'd really like to work
it out. That message was left in my voice mail late
at night.

If you know Mr. Buchanan, you can have
him listen to that. Anyone that knows him will know
that voice is not like Mr. Buchanan's, very nervous.
He's normally very confident, and he carries himself
very well, so...

Q. You said that the voice message was left on your phone?
A. Correct.
Q. What phone is that?
A. I had a -- I had an Apple phone and a palm pilot. And after he left the message, I had transferred it to my Apple phone and then after that I downloaded all that in my computer and voice recorder.

Q. Take me through the steps that you did.
You had a voice message on your phone?
A. Correct.
Q. And how did you get that message to the voice recorder?
A. Okay. I had the phone play. In other words, I had the two phones right next to each other, and I turned one on and the speakerphone on one and just put it on the other one and let it record.

MR. SOVONICK: You used a recording function on the other phone?

THE WITNESS: Correct, correct. I'm not very savvy with those electronics.

Q. Okay. And then what did you do with the recording on the second phone?
A. Okay. I put that -- I mean, I asked my assistant to download -- she periodically downloads all my information from my phone onto my computer. And with Apple phone, all you have to do is synch it and it dumps everything in there. And that was -- the voice mail, that's another reason you folks want my computer, that was on the old phone. It was transferred from the old phone. You have some static and all that. I think while I was recording it somebody called me and it had all that.

Q. Mr. Kazran, pursuant to the subpoena for records that the Commission issued to you on or about August 18, 2009, you provided to the FEC a digital voice recorder. We have that with us, and I want to ask you just to make sure, is this the original -- is this the digital voice recorder that you provided to Mr. Sovonick and myself?

A. Correct.

Q. Okay.

A. It also has some of my personal recordings on there as well.

Q. We don't want to know anything about the personal recordings.

A. I understand.

Q. Mr. Kazran, since this is your digital
voice recorder, can you play for us the voice
messages that Mr. Buchanan left on your phone.

A. Correct. Sure.

Q. Mr. Kazran, can you please operate this
voice digital device so that we can hear the voice
message that Mr. Buchanan left on your phone.

A. Sure.

Q. Mr. Kazran, you said you had two
recordings of that conversation?

A. Correct.

Q. One that had a lot of static on it?

A. Correct.

Q. Would you play for us the one --

A. Yes. When I was recording it, somebody
called me and it had that static.

Q. Then what did you do?

A. I just rerecorded it, and there was no
one calling me so it's a bit more clear.

(Playing recording: "Sam, Vern. Sorry I
didn't get your message, but, Sam, Mike Lindell
told me the other day that you're going to sue
us or threatening to sue us. All that we're
trying to do is in the event you go through
chapter 11 or unfortunately, hopefully not, but
if something happens, we sell the store, they're
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recommending to protect our interests. And I want to resolve it, work it out.

"I can't put -- I put two and a half million in cash -- nobody has done that for you ever -- this year in the business. I trust that you -- that everything is going to be great.

"And the bottom line, I understand people have problems, have challenges but, you know, this should be something we should be able to work out. We're willing to save what we got and work with you. But I think the threatening of the political stuff and all that, you got more liability than you know if you start telling people that you reimbursed people, because technically you have that liability.

"All I told you, and I've always made it clear is that you can't reimburse people. They've got to give it under their free will. You know that. At 12, 18 points, we're going to win the election anyway.

"But the bottom line is I think I've been your best friend, best asset. I heard the other day too that the banks were not shipping cars to Kia, and so that rumor is out there. And again, we're just trying to protect our interest and do
what's right for us and ideally for you.

"And I think that it would be a good idea
if we tried to figure out how to work together.
Get a good lawyer and get what you want, but get
a good lawyer in Tampa. Mike is a very
honorable person, Mike Lindell. And let us sit
down and work together and work this out where
it's in everybody's best interest.

"I've been through situations and
lawsuits before, for 30 years being in business,
and I can tell you at the end of the day the
only ones that win is the lawyers.

"So again, nothing personal. You know, I
feel bad that it's come to this, but the lawyer,
Mike Lindell could not recommend to John Tosch
me putting in two million unsecured on the first
deal with you on a signature and put another two
million in in a couple three days without
knowing the extent of the whole exposure.
Nobody in their right mind would do that, you
know, would look at it, a bank, and not know
that you put two million in there and somehow
once it gets in bankruptcy and we're back in the
same position we're in right now.

"So again, I've trusted you. We've had a
great relationship. I never give people money, 
like I gave you two and a half million 
unsecured. I did that based on your reputation, 
based on the relationship. We've had a 
successful relationship in the past.

"I feel bad, I really do, in terms of us 
having to protect our interests, but again, we 
can stay that. Nonissue. I think it's 
important that we sit down and work together and 
work this out. Give me a buzz. Thanks."

Q. Mr. Kazran, you've said that this is a 
voice message from Mr. Vernon Buchanan. How do you 
know it's his voice?

A. I'm very familiar with Mr. Vern 
Buchanan's voice. Plus at the beginning of the voice 
mail he says: Sam, it's Vern. But anyone that knows 
Mr. Buchanan will tell you that's his voice. I'm 
confident that's him.

And he had left that voice mail because I 
was incredibly frustrated. While we were negotiating 
this contract, to trick me and protect himself, he 
committed that we would go through with this deal, 
but then he filed a suit in Jacksonville. And he 
called right back after that and says: Oh, don't 
worry about that. That's just to protect ourselves.
Because he knew that I may go and sue him in Sarasota.

Q. His home turf?

A. That's correct. So while he was working on this, he files a suit in Duval County, which later the judge threw it out, to prevent me from going there. He just wanted to let me know, Don't worry about it. It's just a technicality, and we're just protecting ourselves.

But I was very frustrated about that, because he acted in bad faith, so...

Anyway, I'd like to play the second one for you if you like.

Q. Yes, please.

(Playing recording: "Sam, it's Vern. I'm just calling to see how you made out with the bankers and the lawyers after I didn't hear anything. Again, I hope that we can work something out. I do believe there's a restructure that makes sense for everybody. That's the best path to take. Again, I've done that before in these situations. "If you decide to go the other way, I hope that, you know, we talk about paying back and that gets off on a lot of tangents because..."
that will only make it worse for everybody.
And, you know, I don't see how that helps you
long-term. But again, I hope we can restructure
it, and it will preserve your reputation there
in Jacksonville.

"You don't want to go through two years
of litigation. (Inaudible) So, you know, just
make sure you get good advice, people that don't
have an ax to grind, and you get good lawyers.
Anybody that's got any sense, any lawyer is
going to tell you get a restructuring done,
get this recapitalized.

"Like I said, if I can find a way to
help secure this, I'm willing to work with you.
But again, we get down the road and things start
to get, you know, personal and nasty, then I'm
out.

"So give me a holler. I'm still hoping
we can get something done. Give me a buzz
when you get this. Bye-bye."
A. He was -- so that one was while we were
negotiating. So, you know, he tells me we're going
to work something out. He files suit. I get upset
at him, and I send an e-mail to John Tosch. Then he
calls back, and he says: Look, don't worry about it.
We'll do this.

But before and after that on several other occasions, he's made it very clear that I'm going to have consequences. But, you know, he contradicts himself, because I've never gone to the newspapers, all that. I've never used this against him. I've never -- all I've asked him to do is put back the money that he took out of our bank account.

He's very, very nervous in there, and he keeps saying I'll work it out, I'll work it out, but the whole intent of him was for me to give him some sort of an affidavit like he typed so that he can go through election.

Now, it's important that you know that he got what he wanted without me taking any actions. He did not have to make good on his contract, and I did not expose him. So he turned out to be a happy man, because I did not hold him accountable to the contract that he signed, nor did I make his information public.

And I tell you, it's very tempting, it's -- a person like that, he's just not a nice person. And my attorney said, you know, Sam, sometimes people like that deserve to get hurt, but you're just not the type of person and you shouldn't get involved
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1 with this. And I took their advice. The cost of it
2 was the loss of my company, but it is what it is, I
3 guess.
4 BY MR. SOVONICK:
5 Q. Mr. Kazran, I just had a couple of
6 follow-up questions about Josh. When he sent that
7 e-mail, who specifically did he send it to?
8 A. He sent it to me and to John Tosch. He
9 was frustrated at me because, you know, while we're
10 going through this, I told him that, look, Vern has
11 told me he's going to give this money back; we're
12 going to take care of it. I got a second mortgage on
13 my home. He had gone and gotten a mortgage on his
14 home.
15 And John Tosch came out to him and said,
16 What you need to do is file bankruptcy and sign over
17 the company to us, and we're not going to give you
18 anything. And he, Josh, became very frustrated at
19 this. And he was mad at me and them. And that's why
20 it prompted that, John Tosch and me. So that's
21 where the original...
22 Q. Had he told you he was going to send that
23 e-mail before he sent it?
24 A. No, I had no knowledge of it.
25 Q. Okay.
A. In fact, I sent an e-mail to John Tosch now I remember it, and I said, I'm sorry, John, I really didn't have anything to do with this. That's why I wanted you to have my computer. You'll see that, you know, up to the last point when I saw him sue my wife, and then I said, Forget about the money, I'm going to go public with this; but I still didn't do that.

But up until then all I wanted to do is save my company, and he took advantage of that, so...

BY MR. GOULD:

Q. Mr. Kazran, you've played for us the message from your digital voice recorder, a voice message that Mr. Buchanan left on your cell phone.

A. Correct.

Q. And prior to that voice message in which Mr. Buchanan is saying that you have liability for all this, had Mr. Buchanan ever told you that what he told you to do, namely to reimburse your employees for their contributions to his campaign by running it through the company, did he ever tell you that was illegal?

A. No, sir. Absolutely not. Up to the point where this affidavit came where he became defensive and he wanted to force me into signing it,
if you will, prior to that I had no idea.
And I tell you, even up to, you know,
'07, '08 I just thought that he wants to make himself
look better by having lots of supporters. I mean, if
I knew that this was -- there's a law against this, I
wouldn't -- I would not -- I'm a law-abiding citizen.
I would not break the law, especially something as
serious as this.
You know, Mr. Vern Buchanan was my senior
partner, and I just did what he told me. But had he
told me, Hey, this is illegal and you're going to get
in trouble, of course I would not get involved in
this.
Q.     Okay. Thank you, Mr. Kazran. Appreciate
your cooperation sitting for this deposition,
providing us material documents -- well, things that
we had subpoenaed. But I appreciate your
cooperation. And have a good day, sir.
A.     And thank you for having me and thanks
for your patience in working with all the documents.
Thank you.
(The deposition was concluded at 2:07 p.m.)
EXHIBIT 4
TO: Stephanie COMPANY:

Amount: $9,200.00
Account: [Redacted]
Bank Number: [Redacted]

Sequence Number: 3892018150
Capture Date: 12/28/2007
Check Number: 35421

HYUNDAI OF NORTH JACKSONVILLE
5333 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
904-334-1234

CHECK# 35421

PAY **NINE THOUSAND TWO HUNDRED DOLLARS AND 00/100**

DATE: 12/28/07
AMOUNT: $9,200.00

TO THE ORDER OF STEPHANIE K CHAMP
JACKSONVILLE FL 32216

AUTHORIZED SIGNATURE

Electronic Endorsements
Date    Sequence       Bank #  BOFD  Bank Name
12/28/2007  0091631334  N       Y    VYSTAR CU
12/28/2007  0091631334  N       N    SOUTHWEST CORPORATE
12/28/2007  003892018150  N       N    BANK OF AMERICA, NA

SK_0002
11-7565_0106
Stephanie K. Champ
Jacksonville, FL 32216

Pay to the order of Vern Buchanan Campaign $14,600.00
Four Thousand Six Hundred Dollars

Vystar Credit Union
P.O. Box 45005
Jacksonville, FL 32203-5005

for VB Office Mang. And S.F. Stephanie G.

Money Talks...Mine Says Goodbye!

[Signature]

THE BANK OF TAMPA
904.967.3484

VERN BUCHANAN FOR CONGRESS
FOR DEPOSIT ONLY

BANK OF AMERICA 904.967.3484
06999202 71175 55 065
01/01/00

9040695447

https://www.vystarcu.org/onlineserv/HB/CheckImage.cgi?data=2QUNDVCoxNTArMDU1MDMu*EFUW...

9/5/2008
On Stephanie K. Champ
Jacksonville, FL 32218

12/31/07

To the order of
Joe Cutlera

Four Thousand Six Hundred

VYSTAR CREDIT UNION
P.O. BOX 43328
JACKSONVILLE, FLORIDA 32243-9985
PHONE (800)777-6363

Money Talks...Mine Says Goodbye

Stephanie Champ

Cash to

https://www.vystarcu.org/onlineserv/HB/CheckImage.cgi?data=2QUNDVCqxNTArMDUtNDMu*EFUW... 9/5/2008
TO: Stephanie COMPANY:

Amount: $8,400.00
Account: [Redacted]
Bank Number: [Redacted]
Sequence Number: 6540233710
Capture Date: 11/30/2005
Check Number: 20514

PAY **EIGHT THOUSAND FOUR HUNDRED DOLLARS AND 00/100**

TO THE
ORDER
OF Gayle Lephart

11/26/05 $8,400.00

[Signature]

**Note: The check is payable to Gayle Lephart.**
TO: Stephanie COMPANY:

Amount: $8,511.00
Account: [Redacted]
Bank Number: [Redacted]

Sequence Number: 6540015605
Capture Date: 06/30/2006
Check Number: 24502

HYUNDAI OF NORTH JACKSONVILLE
3333 N. MAIN STREET
JACKSONVILLE, FLORIDA 32208
904-354-1224

CHECK# 24502

171U15

PAY **EIGHT THOUSAND FIVE HUNDRED ELEVEN DOLLARS AND 00/100**

DATE 06/28/06
AMOUNT $8,511.00

TO THE ORDER OF ERIC KHAZRAVAN
JACKSONVILLE FL 32246

For Deposit Only
6540015605

JUN 29 2006
Community First Credit Union

SK_0006
11-7565_0110
TO: Stephanie COMPANY

Amount: $8,511.00
Account: [Redacted]
Bank Number: [Redacted]
Sequence Number: 5740786469
Capture Date: 06/29/2006
Check Number: 24501

HYUNDAI OF NORTH JACKSONVILLE

2000 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
824-2324

PAY
**EIGHT THOUSAND FIVE HUNDRED ELEVEN DOLLARS AND 00/100**

TO THE
ORDER OF JOSEPH CUTAIA

[Signature]

BANK OF AMERICA N.A.

MDS MANAGERS 1150 N. MAIN STREET
JACKSONVILLE, FL 32206
352-3790

BANK OF AMERICA N.A.

D5-4

24501

DATE AMOUNT
06/28/06 $8,511.00

[Signature]

VERIFIED PURCHASER

[Signature]

AUTHORIZED SIGNATURE
HYUNDAI OF NORTH JACKSONVILLE
2800 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
904-364-1294

PAY EIGHT THOUSAND FOUR HUNDRED DOLLARS AND 00/100

TO THE ORDER OF DIANA SMITH
MIDDLEBURG FL 32068

[Signature]

[Bank of America Logo]

CHECK NO. 20510

DATE

11/29/09

AMOUNT

$8,400.00

Bank of America

11/30/2009

Sequence Number: 654324678
Capture Date: 11/30/2009
Check Number: 20510

Amount: 58,400.00
Account:
Bank Number:
TO: Stephanie COMPANY:

Amount: $9,200.00
Account: 
Bank Number: 

Sequence Number: 4192858163
Capture Date: 01/02/2008
Check Number: 35420

HYUNDAI OF NORTH JACKSONVILLE
333 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
904-394-1224

CHECK# 35420

PAY **NINE THOUSAND TWO HUNDRED DOLLARS AND 00/100**

TO THE
ORDER OF GAYLE LEPHART

DATE AMOUNT
12/28/07 $9,200.00

Electronic Endorsements
Date Sequence Bank # BCFD Bank Name
01/02/2008 004192858163 N BANK OF AMERICA, NA

SK_0009
11-7565_0113
PAY TO THE ORDER OF: Virla Buehner-Cab

Compass Bank
Beach Blvd
Jacksonville, FL 32237

$9,200.00

Gayle Lephart
Ernest Lephart Jr.
Jacksonville, FL 32209

Date: 01/03
Amount: $9,200.00

https://online.compassweb.com/cpc/servlet/compassonline/checkimage-front.jsp?tranID=08... 9/5/2008
EXHIBIT 5
CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Hyundai of North Jacksonville Comptroller
REVIEW NO.: 11-7565
DATE: December 9, 2011
LOCATION: 225 East Coastline Drive
Jacksonville, FL 32202
TIME: 10:00 a.m. to 10:45 a.m. (approximate)
PARTICIPANTS: Kedric L. Payne
Omar S. Ashmawy

SUMMARY: The witness is a former employee of several of Representative Vern Buchanan’s auto dealerships. The OCE requested an interview with the witness and she consented. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning prior to the interview, which will be placed in the case file in this review.

2. The witness is currently employed as a payroll practitioner at Jacksonville Electric Authority. She has been employed there since January 2, 2011.

3. The first automobile dealership that she worked for that was affiliated with Representative Buchanan was M & L Motors. She worked as an accountant for the dealership from approximately 1995 to 2002.

4. From 2002 to 2004, she worked as the office manager for Buchanan Jenkins Hyundai.

5. In 2004, Sam Kazran became an owner of Buchanan Jenkins Hyundai and it became Hyundai North Jacksonville (“HNJ”). The witness worked there was comptroller until HNJ closed.

6. Her duties as comptroller included responsibility over the company’s bank records, weekly payroll, and insurance. She also prepared the company’s financial statements which included records of all income and expenses.

7. After she prepared the monthly financial statements, Dennis Slater and Sam Kazran reviewed the records.

8. The witness reported directly to Mr. Kazran. She managed employees who reported to her, including Jill Oaks, Stephanie Champs, and Jan Martin.

9. The witness told the OCE that the financial statements for HNJ were ultimately given to Representative Buchanan. It is her understanding the Representative Buchanan reviewed
the financial statements with Mr. Kazran. Her understanding is based on Mr. Kazran’s conversations with her at the time.

10. The witness never met Representative Buchanan.

11. The witness told the OCE that she contributed to Representative Buchanan’s campaign around 2005 and 2008.

12. Mr. Kazran told her to make the contributions.

13. She described the first contribution. She told the OCE that Mr. Kazran was at HNJ on the phone with Representative Buchanan.

14. Mr. Kazran said, “Vern, I’ll handle it right now.”

15. Mr. Kazran then told her to write a personal check to Representative Buchanan’s campaign. Then she was to write a check to herself from the company and “gross it up”. This meant that she was to make the check from the company large enough to cover taxes such that after taxes it was enough.

16. The witness said that at the time she did not know that the transaction was illegal.

17. She described the second time that she made a contribution to the campaign.

18. When Mr. Kazran asked her to make the second contribution she said she screamed at him and said that the company could not afford to make the contribution at the time.

19. She said that she contributed because she had the feeling that her employment could be terminated if she did not. She felt as though Representative Buchanan had the ability to tell Mr. Kazran to terminate an employee because he was the majority owner of the company.

20. The witness told the OCE that other HNJ employees made contributions to Representative Buchanan’s campaign.

21. Mr. Kazran told her who contributed and the witness wrote checks from HNJ to reimburse the employees.

22. The witness recalls that Stephanie Champ contributed to the campaign, but Diana from Representative Buchanan’s campaign committee returned the check to Ms. Champ. The witness did not know Diana’s last name, but she recalled that Diana assisted Representative Buchanan’s campaign.

23. The witness told the OCE that the check was returned because Ms. Champ was not married.

24. However, Ms. Champ had already received the reimbursement from HNJ. As a result, another HNJ employee, Joe Cutaia, made the contribution to the campaign. In return, Ms. Champ wrote a check to Mr. Cutaia to reimburse him for the contribution for which she had already received a reimbursement.
25. The witness told the OCE that the payments were listed in HNJ’s financial statements as salary.

26. She does not recall any specific designation for the payments other than salary.

27. She told the OCE that Representative Buchanan had to be aware of the reimbursements because the salary entries for individuals were higher during certain months than others.

28. She also stated that Dennis Slater would have known about the reimbursements.

29. The witness said that during the summer of 2010 the Federal Election Commission (“FEC”) contacted her and asked about what happened with the contributions to Representative Buchanan’s campaign from HNJ employees.

30. The FEC then asked her to write a statement, which she sent to FEC.

31. She has not been deposed by anyone concerning this matter.

32. When asked how Mr. Kazran received reimbursement for campaign contributions, the witness stated that she does not believe that he was reimbursed through salary.

33. She believes that he may have been reimbursed through partnership distribution. She explained that as partners, Buchanan had to receive 51% of any distribution. Any such distribution to Mr. Kazran had to be approved by Dennis Slater.

This memorandum was prepared on January 3, 2012, based on the notes that the OCE staff prepared during the interview with the witness on December 9, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 9, 2011.

Kedric L. Payne
Deputy Chief Counsel
EXHIBIT 6
MEMORANDUM OF INTERVIEW

IN RE: Hyundai of North Jacksonville CFO
REVIEW NO.: 11-7565
DATE: December 5, 2011
LOCATION: 225 East Coastline Drive
Jacksonville, FL 32202
TIME: 7:10 p.m. to 8:30 p.m. (approximate)
PARTICIPANTS: Omar S. Ashmawy
Kedric L. Payne

SUMMARY: The witness is the former Chief Financial Officer of an automobile dealership affiliated with Representative Buchanan. The OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.

2. The witness is currently the managing director of U.S. Outfitters, LLC. He has held that position since 2007. Prior to this position, the witness was the Chief Financial Officer for Honda of North Jacksonville (“HNJ”). This was the only Representative Buchanan affiliated entity with which he was involved.

3. He initially joined HNJ because of his background in construction. There were plans to build-out HNJ and some other projects. Sam Kazran asked the witness to come work with him to help out with the building. Sam Kazran has been the witness’s brother in law since 1998. The witness was involved in the construction, planning the interiors, and purchasing furniture. The title of Chief Financial Officer was a “title that was bestowed” on the witness.

4. The witness mainly reported to Mr. Kazran. Regarding his duties, the witness said that the more involved in the construction side of his work, the less he was involved in the financial side. The dealership’s finances were not his day to day work. Each dealership had its own comptroller who did the day-to-day financial management. The witness was involved in the banking side because the dealership had to put together “packages” for the construction projects.

5. The witness left HNJ in 2008 because Bank of America audited the dealership and determined they had defaulted on the loan. The bank shut down the business.

6. At the end of each month, the witness reviewed HNJ’s financial statements with Mr. Kazran and Ms. Gayle LePhart, the comptroller for HNJ. The statements contained sales figures, expenses, and other data on the incomes and expenses of the dealership.
7. Dealership expenses included salaries and bonuses for employees, rent, other compensation, etc. Ms. Lephart and the witness would review the statements to see if they were “in or out of line.”

8. The witness knew Representative Buchanan. He first met Representative Buchanan in 2004 when Mr. Kazran bought into a dealership with Representative Buchanan. The witness also met Representative Buchanan a couple of times at a partners’ meeting and at a fundraiser in Sarasota, FL that was attended by Vice President Dick Cheney. The witness thought the fundraising event was in 2006.

9. The partners’ meetings were held on a regular basis. All of the partners of the automobile dealerships Representative Buchanan owned would meet. They would review all the sales figures and report on each dealership, including the numbers of vehicles sold, whether they were new or used, and other categories of sales.

10. The witness only attended two of the partners’ meetings. On each occasion it was because Mr. Kazran asked him to attend. Mr. Kazran was the person who attended all the meetings.

11. At the first partners’ meeting that the witness attended, the witness was walking to Representative Buchanan’s office with Mr. Kazran, John Tosh, and Representative Buchanan. Representative Buchanan said that he needed help with getting money for his campaign.

12. Prior to this occasion, the witness was with Mr. Kazran at the HNJ location. They were in the sales tower and were walking from the sales tower towards their office. Mr. Kazran was on the phone with Representative Buchanan. He knew this because Mr. Kazran put the phone to the witness’ ear while Representative Buchanan was speaking so that the witness could hear what was being said. The witness heard Representative Buchanan say that “they could get the managers to contribute to the campaign and the dealership would reimburse them.”

13. This happened on two occasions. The witness did not recall the second occasion as clearly, however he remembered that he was at the HNJ location with Mr. Kazran and that they were also walking from one place to another. He recalled that Representative Buchanan told Mr. Kazran to “reimburse” people who gave contributions to his campaign.

14. The witness made contributions to Representative Buchanan’s campaign and was reimbursed for them. Mr. Kazran told the witness he would be reimbursed. The witness’ understanding of Representative Buchanan’s role in the reimbursement process was that Representative Buchanan directed it. When asked why he had that understanding, the witness said that it was because Representative Buchanan told Mr. Kazran to do it and because of Representative Buchanan mentioned that he needed help at the partners’ meeting.

15. The witness did not recall how the reimbursements were categorized in the financial statements that he reviewed with Ms. Lephart at the end of each month. They may have been categorized as “bonus.” The witness also stated that at the point in time when reimbursements were being made he was not involved in the financial side of the business – he got involved a little later, in the latter part of 2006. Before he got involved, the financial side was managed by Mr. Kazran and Ms. Lephart. However, the witness knew the reimbursements were taking place because he was privy to the conversations.
16. When asked about the affidavit that Representative Buchanan asked Mr. Kazran to sign, the witness said that he learned about it the day it was presented to Mr. Kazran. Mr. Kazran called the witness when he received it and emailed it to the witness. The content of the affidavit is nothing but a cover-up by Representative Buchanan. Representative Buchanan offered Mr. Kazran the affidavit while a deal that Mr. Kazran needed was pending.

17. The witness also referred to an email he sent to John Tosh. The email was written “well before” the affidavit was presented to Mr. Kazran.

18. The witness told the OCE that the email concerned the money taken out of the operating fund of the company for the campaign contributions that were reimbursed.

19. The witness was then shown an August 5, 2011 newspaper article from the Florida Independent, titled “More Former Buchanan Employees Speak Out about Pressure to Donate, Reimbursement Scheme.” He was asked if the quotes attributed to him in the article were accurate and true. The witness said yes.

20. The witness never worked on Representative Buchanan’s campaign or communicated directly with Representative Buchanan.

This memorandum was prepared on January 5, 2012 after the interview was conducted on December 5, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 5, 2011.

Omar S. Ashmawy
Staff Director and Chief Counsel
EXHIBIT 7
FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 28, 2010

Via Personal Service

Sam Kazran
1531 Harrington Park Drive
Jacksonville, FL 32225

Re: MUR 6054
Sam Kazran
11-2001 LLC d/b/a
Hyundai of North
Jacksonville

Dear Mr. Kazran:

On September 21, 2010, the Federal Election Commission found that there is probable cause to believe that you and 11-2001 LLC d/b/a Hyundai of North Jacksonville ("HNJ"), violated 2 U.S.C. § 441f, and that HNJ violated 2 U.S.C. § 441a(a), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with contributions to Vern Buchanan for Congress that were reimbursed using HNJ funds.

The Commission has a duty to attempt to correct such violations for a period of at least 30 days and no more than 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement after 30 days, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter.

Sincerely,

Mark Allen
Assistant General Counsel

Enclosure
EXHIBIT 8
this is the 1st set of checks, there are more to follow. It gives me great regret to have done this for Vern when he doesn't even hesitate for a second to sue me and my wife over 20K. Maybe he can consider taking part of this 80k as one month of payment so my wife doesn't cry out of fear of losing our home. I thank Vern for giving me permission to set aside my moral character...
1. 1.5 million of loan on Hyundai that was never disclosed nor mentioned in agreement
2. Purposefully deceiving lender by injecting cash and taking it right back to qualify for a loan, "fraud"
3. Borrowing money as capital contribution when that's a direct lender violation
4. 1.4 million in qwinette in outstanding bills plus 1.6 million in lease payments
5. A total of 2.2 million of capital required by Vern as per our agreement and manufacture requirement
6. A total of 15 million in damages caused by lack of capital in companies that Vern contributed
7. Major reason for the loss of 423 employees and their families because I made a bad decisions and believed Vern at his word........
8. I am sure the other 5 partners can add on to this list....

Let's dissolve our partnership and remain friends...... If Vern wants to take Kia stores it will be 1.5 million...
what's not optional is qwinette.... based on my agreement the best way to resolve this is to go back to what we agreed. he is owed 10k per month as a partner, all other money needs to be paid back to me. once that is done we both can work together and dissolve the company as partners..... other option is wait until tomorrow to find out if

-----Original Message-----
From: [redacted]@aol.com
To: [redacted]@aol.com
Sent: Mon, 8 Sep 2008 4:18 pm
Subject: check copies

These are the copies that I have. Let me know if you need anything else.

Thank you!

Stephanie Looking for spoilers and reviews on the new TV season? Get AOL's ultimate guide to fall TV.

4 Attached Images
December 20, 2011

VIA ELECTRONIC MAIL
AND FIRST CLASS MAIL

William J. McGinley, Esq.
Patton Boggs LLP
2550 M Street, N.W.
Washington, DC 20037
----------------------------------------------------------------------------------@PattonBoggs.com

RE: MUR 6054
Vern Buchanan for Congress and
Joseph Gruters, in his official
capacity as Treasurer

Dear Mr. McGinley:

On February 7, 2011, you were notified that the Federal Election Commission determined on February 1, 2011, to take no further action and close the file as to your clients, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as Treasurer. This letter is to advise you that the file in this matter has been closed and this matter is now public. Documents related to this matter will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel’s Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009).

Enclosed is a copy of MUR 6054 General Counsel’s Report #9 in which the Office of the General Counsel recommended that the Commission take no further action as to Vern Buchanan for Congress and Joseph Gruters, in his official capacity as Treasurer, the recommendation approved by the Commission on February 1, 2011.

If you have any questions, please contact Michael Columbo at (202) 694-____.

Sincerely,

Michael A. Columbo
Attorney

Enclosure
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Vernon G. Buchanan

Vern Buchanan for Congress and Joseph R. Gruters,
in his official capacity as treasurer

GENERAL COUNSEL'S REPORT #9

I. RECOMMENDATION

Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as treasurer, and close the file as to those respondents.

II. INTRODUCTION

This matter concerns $67,900 of campaign contributions received by Vern Buchanan for Congress ("VBFC" or "Committee"), during the 2006 and 2008 election cycles that were reimbursed with the funds of Hyundai of North Jacksonville ("HNJ"), a car dealership in which Representative Vernon G. Buchanan ("Buchanan") held a majority ownership interest. On March 17, 2010, the Commission found reason to believe that Rep. Vernon G. Buchanan, Vern Buchanan for Congress, and Joseph Gruters, in his official capacity as treasurer, knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(f) and conducted an investigation. On September 21, 2010, the Commission determined to enter into pre-probable cause conciliation with Respondents, who rejected conciliation shortly thereafter. After we served the General Counsel's Brief, Respondents served their brief, which substantively responded to the allegations in this matter for the first time. On December 9, 2010, the Commission held a probable cause hearing.
This case turns on whether Buchanan directed his minority business partner Sam Kazran ("Kazran") to reimburse contributions at HNJ in 2005, 2006, and 2007. Kazran testified that he did, and Buchanan testified that he did not. We have reviewed the entire record, including Respondents’ evidence and arguments regarding the credibility of witnesses and exculpatory information.

Since we served the General Counsel’s brief, we learned of evidence that bears directly on Kazran’s credibility. This new information raises significant concerns regarding the credibility of Kazran, the principal witness in this case, and there is no testimonial or documentary evidence that sufficiently corroborates his testimony that Buchanan directed Kazran to reimburse contributions of HNJ employees, a claim that Buchanan denies. Other witnesses gave statements that are in some ways consistent with Kazran’s testimony, but these witnesses either did not testify that they heard Buchanan instruct Kazran to reimburse contributions, or their testimony did not align with Kazran’s as to Buchanan’s alleged direction to reimburse contributions. Given the concerns about Kazran’s credibility and other gaps in the evidentiary record, the lack of direct support is significant. Further, the circumstantial evidence does not sufficiently corroborate Kazran’s testimony to overcome our present concerns with his credibility because in many cases, this evidence supports Buchanan’s claims or is ambiguous.

Accordingly, we recommend that the Commission to take no further action as to Buchanan and VBFC.

III. NEW INFORMATION REGARDING KAZRAN’S CREDIBILITY

After we filed the General Counsel’s brief, Respondents provided a copy of an order finding Kazran in contempt of court. This order, coupled with Kazran’s actions at about the
same time we filed the General Counsel’s brief, influences our reasoning and recommendation in this case.

Respondents attach to their reply brief a 2008 order from a civil case in Georgia finding Kazran in contempt and ordering him jailed, and a 2010 motion seeking sanctions in the same case against Kazran’s companies. Reply Brief, Exhs. 6, 8. Respondents’ claim that “Kazran’s lack of credibility should be evident to OGC given his deceit during a recent bankruptcy proceeding in Georgia state court, a case likely familiar to OGC as a result of its two-year investigation.” Reply Brief at 6.

The contempt order in question was issued by a Georgia trial court in November 2008 in a civil suit between Bank of America and three car dealerships owned by Kazran. See Reply Brief, Exh. 5, 6. It appears that the court found Kazran in contempt because he transferred $137,843.00 in violation of an order appointing a receiver. Id. We agree with Respondents that a court’s contempt order for transferring funds in violation of an order of receivership is a serious matter because it relates to Kazran’s honesty and respect for the law.¹

Respondents assert that Kazran’s credibility is also undermined because in mid-to-late October 2010, he allegedly threatened to publicize the Commission’s investigation of Buchanan by filing a lawsuit seeking Buchanan’s payment of Kazran’s future negotiated civil penalty with the Commission and repayment of the reimbursements to HNJ. Reply Brief at 5, Exh. 1, 4. We agree with Respondents that Kazran’s actions were ill-advised and raise credibility concerns,

¹ Respondents also fault OGC for not discovering this information. Hearing Transcript at 16. As to this claim, Buchanan’s counsel informed us in September 2010 that Kazran had been in jail in Georgia. We asked Respondents’ counsel for more specifics about Kazran’s jailing, and counsel for Buchanan said he would produce them at the appropriate time. We immediately conducted criminal background searches in both Georgia and Florida, and those searches produced no evidence of convictions. Respondents revealed the information in early November when they served their reply brief. We do not know why counsel did not reveal it sooner.
especially as Kazran’s actions occurred in the two weeks before the 2010 elections. We note that once the election was over, Kazran did not follow through with his promise to file the lawsuit, which may suggest that his promise was tied to the election.

In fairness to Kazran, his October 2010 correspondence essentially repeats the claims he has made all along: Buchanan should repay HNJ and him for the amounts related to Buchanan’s instruction that HNJ reimburse contributions to his political committee. Further, a close reading of the documentation Kazran sent indicates that Kazran’s action would reveal the investigation of his own actions, not Buchanan’s. Moreover, although the timing of Kazran’s actions makes it appear that they were tied to the upcoming election, the timing of Kazran’s letter was also related to the timing of the Commission’s September 28, 2010, notification to Kazran that it had found probable cause and was seeking conciliation. The September 28, 2010, notification letter also stated that the Commission might institute a civil suit against Kazran if an agreement was not reached within 30 days.

We also note that at the probable cause hearing, Respondents asserted that “Kazran implied in a letter that he was working with OGC to negotiate a civil penalty for Congressman Buchanan to pay on behalf of Kazran.” Hearing Tr. at 17. In fact, the Commission found probable cause that Kazran and HNJ violated the Act, and, as required by the Act, OGC engaged in post-probable cause conciliation on behalf of the Commission. The negotiation, which was unsuccessful, was over Kazran and HNJ’s civil penalty, not Buchanan’s.

Given the new information relating to Kazran’s credibility, we believe that his testimony regarding Buchanan’s instruction to reimburse contributions at HNJ needs strong corroboration to be considered sufficient enough to say that it is more likely than not that his version of the facts is true. As explained in this report, the record does not contain such corroboration.
IV. KAZRAN'S TESTIMONY AS TO DISCUSSIONS DURING WHICH BUCHANAN
INSTRUCTED HIM TO REIMBURSE CONTRIBUTIONS AT HNJ IS NOT
SUFFICIENTLY CORROBORATED BY WITNESSES TO THESE
DISCUSSIONS

Kazran testified that Buchanan, his majority partner in the HNJ car dealership, directed
him on a number of occasions from 2005 to 2007 to solicit employees at HNJ to make
contributions to VBFC and then to reimburse those employees with funds from HNJ. Kazran
Depo at 13-14, 20-22, 32, 34-37, 53-54, 70-72. Buchanan denies that he ever suggested that
Kazran should reimburse employee contributions to his campaign. Buchanan Depo at 93, 98-99.

We analyzed Kazran's testimony regarding Buchanan's directions to reimburse
contributions of HNJ employees and compared it to the sworn statements of those who witnessed
these conversations to see if Kazran's claims were more likely than not true. That analysis
shows that Kazran's testimony lacks sufficient corroboration.

A. The 2005 Instructions to Reimburse Contributions

In his deposition, Kazran described the first time Buchanan allegedly told him to
reimburse contributions.

Q. The Federal Election Commission records show that on or about November
2003 some of the employees at the North Jacksonville Hyundai made
contributions to Mr. Buchanan's campaign for Congress. The records show that
Gail Lehart, Ernest Lehart, Gary Smith and Diana Smith contributed a total of
$16,800 to Mr. Buchanan's campaign for Congress. Did you ask any of these
individuals to make a contribution to Mr. Buchanan's campaign?

A. Yes, I did.

Q. Why did you do that? [sic (transcript)]

A. I instructed them to write a check and reimburse themselves for -- because Mr.
Buchanan had asked me to get money. And he specifically told me get someone
you trust and run it through the corporation.
Q. Okay. And did you get someone that you trusted?

A. Yes, Ms. Gail Lephart and D. Smith, he's no longer with us, they were the
office managers. Ms. Gail Lephart was our comptroller that I had known and had
a good relationship with. And she was going to cut the check. She's the person
that cuts the check. And the first time that — and I think she's contributed on
multiple times, but the first time that I did, I told her that we'd be getting this
money back from Mr. Buchanan. I said, I don't know when, he just asked me to
do it.

Kazran Depo at 20-22. Kazran makes another reference to Lephart later in the deposition when
we questioned him about a paragraph in an affidavit that Buchanan and John Tosco, the CEO of
his companies, presented to him to sign in connection with a settlement of a business dispute
between Buchanan and Kazran. See Section V.E., below. This paragraph states that before
September 2008, neither he nor Buchanan knew of reimbursements at HNJ. Kazran stated:

A. That is an absolute lie. Mr. Vern Buchanan — well, let's put it this way. I'm
surprised that they're putting that in there, because not only he's hot personal talks
with me, I've had — Josh Farid has heard him, Gail Lephart on the phone has
heard him....

Kazran Depo at 70. Buchanan denied that he ever suggested to Kazran that he reimburse these

To help resolve this factual dispute, we looked at sworn statements from witnesses who
claimed they were present during 2005 conversations regarding reimbursing contributions at
HNJ. First, Gayle Lephart averred that just before she made her contribution to VBFC on
November 29, 2005, she heard Kazran talking on a cellphone to a person she assumed was
Buchanan. See Lephart Affidavit. She heard Kazran say something like “Vern, I'll handle it
now,” and immediately after that, Kazran told her to write a personal check to VBFC in a
specific amount and reimburse herself with HNJ funds, and then find other potential contributors
at HNJ and reimburse them through HNJ's payroll account, which she did. Id. She also swore
that Kazran directed her to send the contributions to Diane Mitchell at VBFC. Id. Diane
Mitchell is an assistant to John Tosch who, according to Buchanan, may have done some
volunteer work for VBFC. Buchanan Depo at 101-102.

However, Lephart does not swear that she heard Buchanan direct Kazran to reimburse
contributions, indeed, she did not hear anything Buchanan said during the phone call in question.
Further, Lephart did not corroborate Kazran’s testimony that he told her that Buchanan would
repay HNJ for the reimbursements. Lephart Aff. at 1.

Second, Joshua Farid, Kazran’s business partner and brother-in-law, swore to
overhearing a 2005 phone conversation during which Buchanan told Kazran that he needed to
raise $50,000 for VBFC. See Farid Affidavit at ¶4. He also swore that he heard Kazran tell
Buchanan that he had already contributed the maximum to Buchanan’s campaign, to which
Buchanan replied that Kazran should have HNJ employees contribute to the campaign and then
reimburse them with HNJ funds. Id. Kazran did not mention this conversation in his deposition.

B. The 2006 Instructions to Reimburse Contributions

Kazran also testified to a 2006 conversation during which Buchanan suggested to him
that he could reimburse contributions at HNJ to raise $25,080 or $50,000 for VBFC, and this
suggestion was part of the negotiations regarding Kazran’s purchase of Buchanan’s interest in a
dealership in Georgia called Gwinnett Place Dodge. Kazran Depo at 13-14, 32, 34-36.

Buchanan denies that he ever suggested reimbursing contributions at HNJ, Buchanan Depo at 93,
98-99, and specifically denied that he discussed with Kazran the amount that Kazran would have
to pay him for his share of Gwinnett Place Dodge, and denied asking Kazran to raise funds in
connection with that transaction. Id. at 104-106.

Kazran testified that Buchanan, Farid, and he were walking in a hallway when Kazran
offered to buy Buchanan’s interest in that dealership. Kazran Depo at 32, 34-35. Buchanan had
asked Kazran for $300,000 or $400,000 for his interest, but Kazran did not have that much
money. *Id.* at 35. Kazran wanted to pay a smaller amount, and he wanted to pay Buchanan over
time. *Id.* He further testified that Buchanan agreed to payments over time if Kazran would agree
to raise “25- or $50,000” for VBFC. *Id.* at 35-36. When Kazran said he did not have that much
money, Buchanan told him to “get someone you trust and run it through the corporation.” *Id.* at
36. He also claims that Farid was present during the conversation. *Id.* at 32, 72.

Farid, however, does not swear that he heard Buchanan tell Kazran to reimburse VBFC
contributions with HNJ funds during this conversation. He swears that (1) he heard Buchanan
tell Kazran that he “would have to get more funds for Buchanan’s campaign,” and (2) it was his
understanding “based on subsequent conversations [Farid] had with Mr. Kazran” that Buchanan
wanted Kazran to solicit contributions from HNJ employees and then reimburse them with HNJ
funds. Farid Aff. at ¶5. So, while Farid’s affidavit provides evidence that is consistent with
some details to which Kazran also testified, it lacks first-hand testimony on the most important
point: whether Buchanan told Kazran to reimburse contributions at HNJ in 2006.

C. **The 2007 Instructions to Reimburse Contributions**

There is corroboration of Kazran reimbursing contributions at HNJ in 2007, but not of the
allegation that Buchanan directed them. Kazran’s testimony as to such reimbursements was:

But on the second time, in fact, she [Leiphart] was at the office when I was talking
to Mr. Buchanan. And at the time in 2007, or 2008, was the second one, the
company was not doing very good, so—and she was not very happy about us
writing those large amounts of checks.

Kazran Depo at 22. He also testified:

And that — and the second time that he was running, we were in the process of
buying the Kia dealership. But, you know, I was a pretty good partner, if you
will, with Mr. Buchanan, so he always — he always said, I’m counting on you
now. You’re the only one that can raise this kind of money. Make sure you get it.
Make sure you get it.
There would be times that Mr. Buchanan would call me in a week's time several
times. I mean, very aggressively too. I mean, I remember having two, three
phone calls in a two, three-day period.

Now, if you guys go and check the close of reporting, that quarterly reporting,
you'll see that, you know, at the beginning you get a small amount, but then
towards the end of it he would always expect us to do more.

Kazran Depo at 53-54. Kazran further testified:

Q.: Mr. Kazran, going back to the previous testimony that you've made today,
isn't it true that you were initially approached by Mr. Buchanan who instructed
you —

A.: Every time.

Q.: -- to reimburse your employees with the company money and contribute to his
campaign?

A.: Right. He said get somebody you trust, run it through the corporation. And
Josh Farid was present there.

Id. at 72. Again, Buchanan denies that he ever discussed reimbursing contributions at HNJ.

Buchanan Depo at 93, 98-99.

Lephart's affidavit also describes reimbursements at HNJ "sometime in 2007." She
swore that Kazran approached her and told her that HNJ employees needed to contribute to
VBFC and be reimbursed with HNJ funds. She claimed she told Kazran she was upset that
company money was going to be used to reimburse contributions, but Kazran responded only
with a shrug. See Lephart Affidavit.

What is missing from both Kazran's testimony and Lephart's statement is specific, direct
evidence that Buchanan told Kazran to reimburse contributions in 2007. Kazran testifies only
that Buchanan told him to get more contributions, and he was aggressive about it. Kazran Depo
at 53-54. He obliquely indicated that these contributions were also accomplished through a
trusted person, Lephart. Id. at 22. Lephart testifies only that Kazran told her to reimburse more
contributions at HNJ, she told Kazran she was upset about it, and Kazran only shrugged. Kazran
also testified ambiguously about how Buchanan instructed him to reimburse contributions “every
time,” but he seems to be referring to times when Farid was present, and Farid was not present
during the 2007 conversation he had with Buchanan. Kazran Depo at 72. As there is insufficient
direct evidence that Buchanan directed Kazran to reimburse contributions at HNJ, we next
considered the circumstantial evidence.

V. SOME OF THE CIRCUMSTANTIAL EVIDENCE IS CONSISTENT WITH
KAZRAN’S VERSION OF EVENTS, BUT OTHER EVIDENCE IS CONSISTENT
WITH THE DENIALS OF BUCHANAN AND HIS ASSOCIATES

As described more fully in the General Counsel’s Brief, there was a series of events from
2005 to 2008 that relates to Kazran’s allegation that Buchanan directed him and other partners in
his businesses to reimburse contributions. The circumstantial evidence does not sufficiently
corroborate Kazran’s testimony to overcome our recent concerns with his credibility because in
many cases, the evidence is consistent with the denials of Buchanan and his associates.

A. Testimony That Shortly After Buchanan Announced his Candidacy in 2005, One of
his Associates Suggested that Employee Contributions Could be Reimbursed

Buchanan announced to his partners at a meeting in late summer 2005 that he was
running for Congress. Buchanan partner Steve Silverio testified to a conversation that happened
during a lunch in August or September 2005 that followed that meeting. According to Silverio,
Buchanan’s COO Dennis Slater suggested that contributions to Buchanan’s campaign could be
reimbursed, and Buchanan’s CEO John Tosch “just sat there.” Silverio Depo at 46-47.

In response, Respondents cite Tosch’s general denial of any knowledge that Buchanan or
his agents suggested reimbursing contributions and Slater’s testimony that he did not know about
any contributions that had been reimbursed until he heard about them in the media. Reply Brief
at 14-15; Tosch Depo at 36; Slater Depo at 68. Respondents also assert that Silverio testified
that Buchanan never alluded to reimbursing dealership employees, and Silverio was biased
against Buchanan. See Reply Brief at 15, note 8; Hearing Tr. at 10. In addition, before the
probable cause hearing, we identified and disclosed to the Respondents Silverio’s prior
statement, made during an informal interview before his deposition, that the Buchanan officer
who authorized the reimbursements was either Tosch or Slater and that Buchanan was present
when one of his top officers gave that instruction. Letter dated December 9, 2010. In contrast,
during his deposition, Silverio testified that it was Slater who stated that partners could
reimburse their employees through payroll, and Silverio did not place Buchanan at this
discussion. See Silverio Depo at 46-47. Further, we disclosed to Respondents that Silverio
stated during his interview that after the end of his partnership with Buchanan, he was at one
time motivated to sue Buchanan or take their dispute to the media, but an attorney talked him out

We believe that Silverio’s deposition testimony remains credible. First, Silverio testified
in a way that eliminated Buchanan’s involvement in this incident, which is inconsistent with a
bias against Buchanan. Respondents’ claim that that Silverio’s initial desire to sue Buchanan or
goto the media shows bias against Buchanan, but it is hard to understand how Silverio’s ultimat
refusal to do these things in the past shows that he must have been biased against Buchanan
when he testified as to what Slater said and Tomah heard. Further, whether it was Tosch or Slater
who authorized the partners to reimburse employee contributions, Silverio consistently claimed
that a top Buchanan officer suggested that partners could reimburse employee contributions.

Finally, both Slater and Tosch have reason to deny that the incident Silverio described happened.

Even so, this incident is of limited value in supporting Kazzran’s testimony about
Buchanan. Silverio testified that Buchanan was not present during the conversation, and that he
never heard Buchanan suggest that partners could reimburse employee contributions. Silverio
Depo at 61. In addition, no other Buchanan partner who we contacted stated that he heard
Buchanan authorize reimbursed contributions.

B. Fundraising Pressure

As described more fully at pages 9-15 of the General Counsel’s Brief, there was also
testimony and documentary evidences that beginning in 2005, Buchanan and his associates
pressured his minor partners to raise contributions, especially towards the end of quarterly
reporting periods, that Buchanan’s campaign tracked these contributions, and that Buchanan was
more involved in these activities than he was willing to admit during his deposition.

Respondents argue that all of this activity was normal and legal, and Buchanan’s lack of recall
about these events is understandable, given the passage of time. Reply Brief, 16-18, 22-24. We
think the evidence here is ambiguous because it is consistent with both Kazran’s contentions of a
wider reimbursement scenario and Respondents’ claim of normal campaign activity.

C. Employee Reimbursements at the Venice Nissan Dealership in 2005 and the
SunCoast Ford Dealership in 2007

Last year, the Commission found probable cause to believe that contributions in
September 2005 were reimbursed at Venice Nissan (“VN”), a Buchanan-controlled dealership,
and the relevant respondents concilianted with the Commission. See General Counsel’s Report #6
in this matter. There is, however, no information that Buchanan was personally involved with
these reimbursements.

In 2007, another Buchanan dealership, SunCoast Ford, reimbursed $18,400 in
contributions to VBFC made by its operating partner, Gary Scarbrough, and three employees.
See GC’s Brief at 15-16, Reply Brief at 20-21. Respondents’ sua sponte submission in this
matter did not mention these reimbursements. See Reply Brief, Exh. 9. Respondents do not
contest that SunCoast Ford reimbursed these contributions, that they learned of the
reimbursements in 2007, or that they did not voluntarily disclose this fact to the Commission.
Reply Brief at 20-21. Respondents rely upon Scarbrough’s testimony that he did not recall
ordering the reimbursements. *Id.* at 7. They also maintain that VBFC’s refund of the reimbursed
contributions was in line with Commission regulations and standard operating procedure for
political campaigns. *Id.* at 21.

Regarding Scarbrough’s claim he did not recall ordering the reimbursements, we note
that Scarbrough responded that he either did “not recall” or did “not remember” over 100 times
during his deposition, which lasted a little more than two hours. *See* Scarbrough Depo, *passim.*
As discussed below, Scarbrough remembered more during his informal interview, so we do not
consider his testimony particularly credible. In addition, after the SunCoast Ford
reimbursements were revealed, neither Scarbrough nor any other SunCoast Ford employee was
disciplined for using company funds to contribute to VBFC, Tosh Depo at 51, nor have
Buchanan’s businesses instituted new policies nor issued guidance to Buchanan’s partners and
employees about contributing to VBFC. Tosh Depo at 52.

Respondents’ contentions that VBFC complied with Commission regulations when it
refunded the reimbursed SCF contributions is essentially true. Nonetheless, in response to a
question at the hearing why VBFC only disclosed the HNJ reimbursed contributions *in its sua
sponte* and not the SCF reimbursed contributions, counsel for VBFC responded that CREW had
filed a complaint on August 19, 2008, alleging reimbursed contributions at VN, and it wanted the
Commission to understand “all of the outstanding issues.” *Hearing Tr.* at 31-33. Counsel also
stated that the HNJ reimbursed contributions were more recent than the SCF reimbursed
contributions and that HNJ was “a completely different fact pattern.” *Id.* at 31-32. Counsel for
Buchanan noted that VN never admitted wrongdoing, and he distinguished SCF from HNJ by asserting that Scarbrough “believed he could engage in the activity that occurred there” and that it was a “mistake.” *Id.* at 35-36. Ultimately, counsel’s explanation appeared to be that, in contrast to the Buchanan subordinates involved in the VN and SCF contribution reimbursements, Kazran was the only Buchanan partner who admitted guilt. *Id.* at 36. We believe the *sua sponte*’s exclusion of the SunCoast Ford reimbursements is in tension with counsel’s claim at the hearing that the *sua sponte* was filed to help the Commission understand “all the outstanding issues.”

Related to evidence of reimbursements at other Buchanan-owned dealerships is the testimony from Salvatore Rosa, a former financial officer for a Buchanan-owned company, that Buchanan had asked him in the early 2000’s to help one of Buchanan’s business partners receive a reimbursement for a political contribution using the funds of the company Buchanan owned with that partner. *Rosa Depo at 20-21.* According to Rosa, when he told Buchanan that doing so would be illegal, Buchanan told him to “finesse it” and ended the conversation. *Id.* at 21-22.

Buchanan denies this event happened, and in their Reply Brief, Respondents provide reasons why they believe that Rosa is an unreliable witness. See Buchanan *Depo at 73-74,* Reply Brief at 12-14, and Section VI.B.3 below. In response to a question at the hearing, Buchanan’s counsel stated that the phrase “finesse it” could be interpreted in different ways and that Buchanan might interpret such a statement differently than Rosa did. *Hearing Tr. at 25-26.* Respondents did not offer any examples of alternative interpretations.

The Commission found probable cause to believe that VN and a senior manager reimbursed employee contributions, and there is no dispute that SCF reimbursed employee contributions. These incidents are consistent with Kazran’s testimony of a reimbursement
scenario at HNJ, another Buchanan-owned business. There is, however, no evidence directly
linking Buchanan to these situations. Rosa's testimony, however, links Buchanan to such a
scheme, although it is outside the statute of limitations. Even so, it is evidence that is consistent
with Kazran's claim that Buchanan asked him to reimburse contributions at HNJ.

D. Kazran and Farid's 2008 Emails

In 2008, the business relationship between Buchanan and Kazran deteriorated as
Kazran's dealerships began experiencing financial difficulty. As a result, Kazran and Farid sent
a series of emails to Buchanan, his CEO John Tosch, and one of Buchanan's attorneys in late
summer and early fall of 2008 seeking to resolve the business dispute, and in some cases, asking
for Buchanan's help. Kazran also sent Tosch copies of the contribution checks of HNJ
employees and the HNJ checks given to those employees to reimburse them for their
contributions. See Tosch Depo Docs 000018-38.

The first Kazran email, dated August 26, 2008, and sent to Buchanan, mentioned
Kazran's support of their partnership and stated "I am the only one in our group that has donated
over 80k to [Buchanan's] campaign." Tosch Depo Docs 000058-59. It stated that Kazran and
Buchanan appeared to be at the end of their partnership, but Kazran hoped for an "amicable,
clean and speedy exit strategy." Id. at 000058.

The next day, Farid sent an email to Tosch in which he expressed frustration with
Buchanan because Buchanan was seeking to sue Kazran after "this dealership" [HNJ] had
supported his campaign "to a tune of $80K" at Buchanan's request. Farid Aff. at Exh. 1. He
also expressed frustration with Kazran. Id. In his affidavit, Farid explained that he sent this
e-mail, in part, because he felt that Buchanan was taking advantage of Kazran by expecting him
to use dealership funds to reimburse employee contributions to VBFC. Farid Aff. at 1-2.
On September 8, 2008, Kazran sent an email to Tosch either just before or just after receiving a demand letter for $2.5 million from Buchanan. In the email, Kazran stated:

this is the 1st set of checks, there are more to follow, It gives me great regret to have done this for Vern when he doesn't even hesitate [sic] for a second to sue me and my wife over 20k . Maybe he can consider taking part of this 80k+ as one month of payment so my wife doesn't cry out of fear of losing [sic] our home. I thank Vern for giving me permission to set aside my moral character . . .

Tosch Depo Docs 000028. Tosch testified that Kazran sent this email and the checks to him the day or the day after Buchanan sent him the demand letter seeking $2.5 million on a loan. Buchanan had made to Kazran. Tosch Depo at 92-96. According to Torch, this email shows the amounts of dealership money that Kazran claimed he used to reimburse employee contributions at Buchanan’s direction. See Tosch Depo at 71; see also Tosch Depo Docs 000028, 000049, 000056, and 000058-59.

On October 1, 2008, Kazran sent an email to Buchanan attorney Roger Cinnam about terms on which Buchanan and Kazran might settle their business dispute. That email contained the following:

Vern had mentioned he would want to reimburse the stores a bill that he and I spoke of, the total amount is $83,500, He has copies of 52k, if he likes I can get the rest or he can verify through his record. This was at his request.

Tosch Depo Docs 000049.

Finally, on October 5, 2008, Kazran sent an email to Tosch, which appears to reflect settlement discussions he was having directly with Buchanan. In that email, Kazran stated:

Vern and I will talk about the last part without attorneys[sic], I think I have a suggestion that will make him happy . . . He wants to cut a check for all the amount, I have about 70k tracked down the rest are credit cards, if he wants to verify, I have to call the campaign mgr to ask her for details, if you can have someone do that I would appreciate it.
Respondents maintain that Kazran’s 2008 emails were both (a) about the reimbursements for which Kazran did not want to take responsibility, Reply Brief at 19, and (b) not about reimbursements but, as Tosch testified, about attorney’s fees. Reply Brief at 9-10. Respondents do not clearly explain this difference. In support of their claim that the “52k” Kazran referred to in his October 1, 2008, email was a reference to Kazran’s attorney’s fees, Respondents rely on Tosch’s deposition testimony, Reply Brief at 9-10; Tosch Depo at 92-96. Kazran recently confirmed in a letter that he and Buchanan were indeed discussing Buchanan possibly paying Kazran’s attorney’s fees of $50,000. Reply Brief, Exh. 1.

Although the emails contained discussions about attorney’s fees, they also appear to discuss Kazran’s reimbursement of contributions at HNJ and his discussions with Buchanan about repaying those funds. What is not clear is whether these emails closely support Kazran’s claim that Buchanan told him to reimburse these contributions with HNJ funds, or that Buchanan agreed to repay these amounts. The language in the emails is vague on these points, and none of them state that Buchanan was aware that Kazran was reimbursing contributions or that Buchanan ordered him to do so.

E. The Affidavit that Buchanan’s Attorneys Asked Kazran to Sign

Another piece of circumstantial evidence in this matter is that on October 2, 2008, Buchanan and Tosch made an offer to Kazran to settle their dispute that required him to sign an affidavit regarding the reimbursement of contributions at HNJ. This affidavit stated, among other things, that neither Buchanan nor Kazran knew anything about the reimbursed contributions. This affidavit was attached to a settlement proposal Buchanan’s counsel drafted, which Buchanan and Tosch signed. Kazran Depo at 56, Exhs. 2 and 3. Kazran testified that the
affidavit was false, and that Buchanan made its execution a condition of that October 2, 2008, offer to settle their differences. Kazran Depo at 63, 70-72. He stated that Buchanan told him "if I did not sign the affidavit, to blame everything on me, then there would be no agreement and contract to purchase out the dealership and give me back the money." Id. at 63. This affidavit is potentially significant because it could demonstrate that Buchanan was attempting to conceal his involvement in the reimbursement scheme.

Respondents claim that the affidavit is "entirely true." Reply Brief at 20; see also Probable Cause Hearing Transcript at 37. Contrary to Respondents' claims, the affidavit is not "entirely true." Paragraph 5 of the affidavit states that before September 2008, Kazran had no information that HNJ had reimbursed individuals for contributions made to VBFC. This provision contradicts one of Respondents' key claims in the case—that Kazran alone directed the reimbursements at HNJ during the '06 and '08 cycles. See Hearing Tr. at 7-8. It also contradicts Kazran's undisputed testimony that he reimbursed contributions at HNJ in 2005, 2006, and 2007. See Section IV, above. Further, at the time the affidavit was drafted, Kazran had already sent the reimbursement checks to Tosch, who discussed Kazran's allegations with Buchanan's attorneys. Tosch Depo at 71-72 (noting that Kazran discussed the reimbursements during a call that took place the day of, or the day before, Kazran sent the checks to Tosch by email); Tosch Depo Docs 000028 (September 8, 2008, email from Kazran to Tosch containing HNJ reimbursement checks and the contribution checks that were reimbursed). Finally, Buchanan and Tosch gave different reasons why the affidavit was necessary. Buchanan claimed that the affidavit was needed because Tosch told him that Kazran was trying to leverage more money in the financial dispute, but Tosch claimed that the affidavit was needed based on a conversation Buchanan had with
Kazran on October 1, 2008. See Buchanan Depo at 165-68; Tosch Depo at 111. Tosch testified that he was unaware of the subject of the conversation. Tosch Depo at 111-12.

Buchanan testified to having almost nothing to do with the affidavit and remembering little about it. Buchanan Depo at 164, 166-67, 173. He claimed he did not remember signing the settlement proposal to which the affidavit was attached, that it was not his idea to have Kazran sign the affidavit, that he did not know who prepared the affidavit, that he had no part in drafting it, that he had never seen it before his deposition, and that he never discussed it with Tosch. Id. at 164, 166-67. He denied knowing if Kazran ever signed the affidavit. Id. at 173. Respondents assert that Buchanan was understandably unable "to remember the precise details of a document he had never seen." Reply Brief at 20.

Buchanan's lack of recall about the affidavit, or the events surrounding it, does not seem credible. It is improbable that Buchanan's attorneys drafted the affidavit and presented it to Kazran without Buchanan's involvement considering that (1) the affidavit did not concern the subject of the commercial negotiations, but rather Buchanan's knowledge of reimbursed contributions to VBFC, and (2) it was presented to a former Buchanan partner who, according to Respondents, was threatening to go to Buchanan's political opponent or the Commission before the 2008 election with his allegation that Buchanan ordered him to reimburse contributions.

To some extent, the affidavit contradicts the testimony of both Kazran and Buchanan. Respondents claim that affidavit is true, but it is not. Kazran claims that the affidavit "blame[s] everything on me," but it does not. Kazran Depo at 63. Thus, it does not provide strong corroboration for either.
F. The Testimony of Buchanan and his Associates on Background Issues

On a number of background issues, the testimony of Buchanan and his associates is not particularly credible. Although these inconsistencies diminish the credibility of Buchanan and his associates, they do not necessarily corroborate Kazran’s testimony.

In their Reply Brief, Respondents claim that there is “unassailable, independent proof that Congressman Buchanan actively instructed against reimbursement of contributions,” Reply Brief at 11, even though there is little corroborative evidence and more contrary evidence. During his deposition, Buchanan asserted that he made it clear to Kazran and others that they could not reimburse contributions, and that VBFC sent a letter to partners informing them that they could not reimburse contributions. Buchanan Depo at 34, 58-59, 93-94. Buchanan’s testimony is at odds with the testimony of Kazran and Silverio, see Kazran Depo at 87-88 (testimony that he was unaware that reimbursing contributions was illegal), Silverio Depo at 46-47 (claiming that Buchanan’s COO Dennis Slater told him in 2005 that he could reimburse contributions and that Silverio did not know the rules or the laws of campaign finance). Buchanan’s testimony is also internally inconsistent, contradicted by a statement in an interview of the former VBFC treasurer Nancy Watkins that she was unaware of any documents prepared for Buchanan’s business partners regarding campaign finance law, and not supported by the documents actually produced by VBFC.

Similarly, Buchanan testified that he could not remember “one way or the other” whether he ever asked Kazran to fundraise for VBFC for the ‘06 election. Buchanan Depo at 89. There is evidence that Buchanan did ask, and it raises legitimate questions as to Buchanan’s credibility that he could not admit this innocuous fact. See Gruters Depo...
at 38-39 (testifying that Buchanan asked his partners for contributions during the 2006
election). Despite not remembering whether he asked Kazran to fundraise in 2006,
Buchanan was certain that he told Kazran not to reimburse contributions. See Buchanan
Depo at 93-94, 110. These two statements are largely inconsistent with each other, and
are inconsistent with the other evidence.

Also, Silverio and Gruters testified that Buchanan discussed his campaign with
his partners at the monthly partner meetings, which Buchanan regularly attended.
Silverio Depo at 16-17, 27-28; Gruters Depo at 32, 50-51. Buchanan and his top
deputies, Tosch and Slater, appeared to have contradicted one another as to whether
Buchanan attended partner meetings during his campaign and whether his campaign was
discussed at those meetings. See Buchanan Depo at 26, 51, 114; Tosch Depo at 28;
Slater Depo at 47-57. However, Gruters' and Silverio's testimony were consistent with
Kazran's account.

Buchanan testified that he did not report an individual partner's fundraising goal
back to the campaign, the campaign did not track fundraising goals, and that he could not
"imagine saying anything" to his campaign about what his partners agreed to raise.
Buchanan Depo at 41, 56. Further, Buchanan testified, "I don't know what anybody has
raised." Id. at 110. However, this testimony is contradicted by the testimony of Gruters
and documents produced by VBFC. The campaign maintained lists showing the amounts
that Buchanan's partners had committed to raise, or what they had raised so far, Gruters
Depo at 42-43, 97, 109, and Buchanan himself would follow up with partners to see how
they were progressing with their fundraising. Id. at 38-39, 42, 109-111. VBFC produced
an email listing $58,300 in contributions from various individuals received by VBFC on
September 27, 2007, including $9,200 from Kazran and his wife. VBFC initially
produced this email on June 25, 2010, but redacted the recipients’ email addresses,
including Buchanan’s, as “non-responsive.” VBFC 000361. After Buchanan’s
deposition, Respondents produced this document in unredacted form, revealing that the
e-mail was sent to Buchanan.

Faced with the inconsistencies between Buchanan’s testimony and that of the other
witnesses and records regarding these issues, Respondents concede that Buchanan’s memory
may have “imperfections” or contains “minor memory lapses” that pertain to events years before.
Respondents also contend that these inconsistencies and lapses are not meaningful, and they
relate to legal activity. Reply Brief at 16-18. We do not insist that any witness have perfect
recall of past events to be considered credible, but we think that Buchanan’s inability to
remember basic facts as to these uncontroversial, routine issues detracts from his credibility.
Nevertheless, these inconsistencies on background issues do not necessarily show that Buchanan
directed Kazran to reimburse contributions.

VI. RESPONDENTS’ ARGUMENTS ARE NOT FACTUALLY ACCURATE

While we do not, for the reasons stated above, recommend finding probable cause, we
believe it is necessary to show that three arguments raised in the Reply Brief are factually
incorrect. In their brief, Respondents contend that “three fatal flaws” prevent the Commission
from finding probable cause in this matter: OGC (1) “relies exclusively on the testimony of one
unreliable witness and his relative,” (2) “conveniently omits exculpatory evidence that
contradicts OGC’s ultimate conclusion,” and (3) “contorts commonplace, lawful fundraising
practices into evidence of wrongdoing.” Reply Brief at 1.
A. OGC Relies on More Than One Witness and his Relative

As discussed above, other witnesses, including Lephart, Rosa, and Silverio—none of whom are related to Kazran—gave testimony that was consistent with parts of Kazran’s testimony. As discussed above, to some extent, Buchanan and his associates also corroborated aspects of Kazran’s testimony.

Respondents assert that Farid is not credible because he is Kazran’s brother-in-law and partner. Reply Brief at 6-7. The fact that Farid is Kazran’s brother-in-law and business partner does not make Farid’s sworn testimony inherently biased or unreliable, nor does it affect the extent to which the remainder of the evidence may support Kazran’s (and Farid’s) testimony.

Also, Respondents rely significantly on an unsworn email from Buchanan’s sister-in-law Yvonne Buchanan stating that “We’ve never reimbursed anyone.” See Reply Brief at 15 and VGB 002.

Further, her statement was inaccurate because by the time of her email, there was no dispute that VBFC knew that contributions at SunCoast Ford had been reimbursed by the dealership and subsequently refunded by VBFC at the direction of its treasurer. Accordingly, it is hard to see why Ms. Buchanan’s email statement is significant.

Respondents also contend that Kazran has a substantial motive to fabricate his testimony to receive lenient treatment from the Commission, having admitted illegal activity. Reply Brief at 3-4. Kazran has not received lenient treatment from OGC, as we recommended that the Commission make knowing and willful findings against Kazran at the RTB and Probable Cause stages, and we recently recommended that the Commission sue Kazran, which it did. See FEC v. Sam Kazran aka Sam Kharawn, et al., No. 3:10-cv-01155-UATC-JRK (M.D. Fla.) (complaint filed December 17, 2010). We note that Buchanan, a sitting Representative, also has a motivation to avoid a probable cause determination that he and his committee violated the Act.
Respondents also seek to undercut Kazran’s testimony by citing allegations from Buchanan’s lawsuit against Kazran and pending bankruptcy proceedings as truth, even though these matters are not final. Respondents allege that Kazran’s credibility is diminished because he did not repay a loan from Buchanan to Kazran and that Kazran allegedly diverted funds intended for one dealership to support a different dealership and for other purposes. See Reply Brief at 5-6. Litigation between Buchanan and Kazran has been ongoing for over two years.

The Commission is in no position to resolve the allegations in those matters, and for now, those allegations are just that: allegations.

B. Exculpatory Information Was Disclosed to Respondents

Respondents received exculpatory information, some in the GC’s Brief, some in the depositions, and some shortly before the December 9, 2010, probable cause hearing.

1. The HNJ Response Document

As evidence that Buchanan was not involved with the HNJ reimbursements, Respondents relied significantly on a statement in an unsworn document Kazran submitted to OGC styled as the HNJ Response to the Commission’s Subpoena (“HNJ Response”). In Kazran’s answer to subpoena question 27, Kazran omits Buchanan’s name from a list of HNJ partners, officers, and managers whom he claimed knew about the reimbursed contributions. Hearing Tr. at 9-10, 37; HNJ Response at 5. Kazran submitted this document on October 2, 2009, which was after he stated during interviews on July 15 and 16, 2009, that Buchanan instructed him to reimburse contributions and before he testified under oath during a deposition on November 6, 2009, that Buchanan instructed him to reimburse contributions. Kazran Depo at 13, 21, 37, 72.
We understand why Respondents might think this unsworn document is significant because they may be unaware that we interviewed Kazran before he submitted that statement, and in that prior interview, he claimed that Buchanan directed the reimbursements at HNJ. Further, it is likely Kazran understood the relevant question as referring only to current HNJ partners, not a past partner such as Buchanan. Accordingly, this document is not significant.

As a final note, Respondents assert that we provided this document two days before the hearing, and they are correct. However, it was an oversight, we provided the document immediately when it was called to our attention, and the Respondents’ prominent use of the document suggests that they suffered little harm.

2. Information in the GC’s Brief and Contentions Made in the Reply Brief

Respondents contend that OGC omitted significant exculpatory evidence from its Brief. See Reply Brief at 12. Respondents contend that Salvatore Rosa’s testimony that Buchanan directed him to reimburse a business partner’s contribution in the early 2000’s is not credible and that Rosa has not worked for Rep. Buchanan for eight years. Reply Brief at 12-14. However, OGC clearly identified the time period in which Rosa warned Rep. Buchanan that reimbursing dealership employees was illegal, and did not imply that Rosa knew anything about the current allegations. Moreover, the statute of limitations has nothing to do with when Buchanan knew reimbursing contributions was illegal, and that knowledge is relevant to the analysis of whether his alleged violations were knowing and willful.

Respondents also contend that Slater, Buchanan’s former COO, provided “significant exculpatory testimony.” Reply Brief at 15-16. Respondents’ characterization suggests that they view as exculpatory any person’s testimony — here, Slater’s — that their own contributions to

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2 Counsel for Buchanan inacurately referred to the HNJ Response as a sworn statement. Hearing Tr. at 37.
VBFC were not reimbursed or that Buchanan never told them to reimburse contributions, see Hearing Tr. at 10-11, even if their contributions are not at issue in this case. Respondents even asserted that Dennis Slater’s opinion that “the reimbursement allegations smell like retribution rather than fact” is exculpatory evidence, which it is not. Hearing Tr. at 11. In any event, Slater was represented by Buchanan’s attorney for his dealerships during his deposition and a full transcript of his deposition testimony was provided to Respondents at the time we provided Respondents with OGC’s brief.

3. Information Provided to Respondents Prior to the Probable Cause Hearing

Just before the probable cause hearing, we provided to Respondents three pieces of information obtained during informal interviews. Letter dated December 9, 2010. We have already discussed one of these pieces, which relates to a difference between Silverio’s interview and deposition testimony. See Section V.A., above. While there may be differences of opinion as to whether all the material in the letter is exculpatory, we do not think that the information is particularly significant and, as already noted, Respondents used the information at the hearing.

Another piece of information was a statement from Rosa’s interview that he did not trust Kazran. However, Respondents argue for three pages that Rosa himself should not be believed, see Reply Brief at 12-14. We do not think that Rosa’s general impression of Sam Kazran is particularly probative.

Finally, the information provided from Joseph Scarbrough’s interview regarding the circumstances of his being reimbursed by SunCoast Ford for his contribution to VBFC was actually inculpatory, not exculpatory, because it impeached his testimony (he appeared to remember more during his interview than at his deposition), and Respondents relied on Scarbrough’s testimony.
C. Lawful Fundraising Practices Are Not Cited as Evidence of Wrongdoing but Rather Provide Relevant Context

Respondents correctly point out that the following actions are legal: soliciting business partners for contributions, seeking contribution "bundlers," tracking contributors, focusing on quarterly reporting, and choosing to raise funds from individuals instead of self-funding. See Reply Brief at 22-24. OGC did not allege that any of these practices constituted violations of the Act; rather, they provide relevant background, context, and corroborating details for Kazran's testimony, and provided examples of instances in which Buchanan's testimony did not appear to be accurate or consistent, even as to innocuous and routine activity.

VII. CONCLUSION

The evidence in this case comes close to supporting a finding that it is more likely than not that Respondents violated both §§ 441f and 441a(f). However, new information raises significant concerns regarding the credibility of Kazran, the principal witness in this case, and there is no testimony or documentary evidence sufficiently corroborating his testimony that Buchanan instructed him to reimburse employee contributions at HNJ, a claim that Buchanan directly denies. While there is some other evidence in the record that is consistent with Kazran's general allegations, other evidence supports Buchanan's denials or is ambiguous. Accordingly, we recommend that the Commission take no further action against these respondents.
VIII. RECOMMENDATIONS

1. Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for Congress and Joseph Grueters, in his official capacity as treasurer, and close the file as to these respondents.

2. Approve the appropriate letters.

[Signature]
Date

[Signature]
Christopher Hughey
Acting General Counsel

[Signature]
Stephen A. Gura
Deputy Associate General Counsel for Enforcement

[Signature]
Mark Allen
Assistant General Counsel

[Signature]
Jack Gould
Attorney

[Signature]
Michael A. Columbo
Attorney
EXHIBIT 10
MEMORANDUM OF INTERVIEW

IN RE: Dennis Slater
REVIEW NO.: 11-7565
DATE: October 25, 2011
LOCATION: Lindell Investments Inc.
402 Knights Run Ave.
Tampa, FL 33602
TIME: 10:40 a.m. to 11:40 a.m. (approximate)
PARTICIPANTS: Paul J. Solis
Kedric L. Payne

SUMMARY: Dennis Slater (the “witness”) is the Vice President and Chief Financial Officer of Lindell Investments Inc. OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.

2. The witness is currently the Vice President and Chief Financial Officer of Lindell Investments. He has been employed with the company for approximately one year.

3. He was the Chief Operations Officer and Corporate Controller for the Buchanan Automotive Group (“BAG”) from approximately 2003 to 2005. BAG consisted of approximately twelve automobile dealerships.

4. He left BAG when Representative Vern Buchanan began selling his dealerships during his first congressional campaign.

5. As COO and Controller, the witness was responsible for creating budgets and forecasts and interacting with the various dealerships. The Controllers for each dealership reported to the witness.

6. The witness reported to Representative Vern Buchanan and John Tosch, who was Vice President and Chief Executive Officer for BAG.

7. The witness first met Representative Buchanan when Carl Lindell introduced them to discuss a potential business relationship between Representative Buchanan and the witness.
8. The witness described the nature of his relationship with Representative Buchanan as a business relationship.

9. When the OCE asked when the witness most recently communicated with Representative Buchanan, the witness paused for an exceptionally long period of time. He then said that his most recent communication was eight or nine months ago. This communication occurred during an in-person meeting at the Sarasota Club.

10. During the meeting, the witness and Representative Buchanan discussed Sam Kazran. The witness told the OCE that he offered to talk with Mr. Kazran on behalf of Representative Buchanan to help resolve a “business dealing” between the two.

11. The witness has known Mr. Kazran since 2003 and would usually see him once per month when Mr. Kazran was an operating partner of one of the car dealerships.

12. The business dealing was related to a car dealership where Mr. Kazran defaulted on a loan. The witness told the OCE that Representative Buchanan had loaned Mr. Kazran a substantial amount of money and Mr. Kazran had diverted the funds and defaulted on the arrangement, yet Mr. Kazran wanted more money from Representative Buchanan. The witness stated that he discussed with Mr. Kazran the claims against Representative Buchanan and told Mr. Kazran to move on.

13. The witness stated that based on his understanding of the loan agreement, Representative Buchanan’s description of the facts was correct and Mr. Kazran’s description of the facts was a “figment of his imagination.”

14. The witness also discussed with Mr. Kazran his lawsuits against Bank of America and offered “friendly advice” to him.

15. The witness described Mr. Kazran as a highly emotional person who “manufactures things in his mind.” He stated that the automobile dealer business has a reputation for manipulation and that Mr. Kazran fit that perfectly.

16. The witness told the OCE that he first began acting as an intermediary between Mr. Kazran and Representative Buchanan about a year and half ago after he offered to help. He stated that Representative Buchanan had no “malicious intent” towards Mr. Kazran.

17. The witness told the OCE that Mr. Kazran is motivated by his need for $5 million to restart a dealership and that Mr. Kazran had asked the witness to reach out to others for the money. He needs this abnormal amount of money to start a dealership because “he had burned his bridges with everyone in the industry.”

18. The witness stated that the last time he spoke to Mr. Kazran as eight to nine months ago. At that time, Representative Buchanan told the witness that he wasn’t going to keep paying money to Mr. Kazran although he was willing to help him as a “humanitarian.”

19. When asked why he made campaign contributions to Representative Buchanan in 2005, the witness told the OCE that he wanted to support Representative Buchanan and he was excited about him running for office.
20. The witness was not directed to attend fundraisers or to make contributions to Representative Buchanan’s campaign while at BAG business meetings. Campaign contributions were not a topic at the meetings.

21. The witness stated that he attended eight to ten fundraisers for Representative Buchanan.

22. The witness told the OCE that he “absolutely” did not receive any reimbursements for any contributions that he made to Representative Buchanan’s campaign nor was he told by Representative Buchanan that he would get his money back.

23. The witness told the OCE that he was familiar with Mr. Kazran’s FEC deposition testimony, which states that Representative Buchanan asked the witness to contribute to his campaign and offered to reimburse the contribution. The witness stated that Mr. Kazran’s statements in the deposition are false and that Representative Buchanan did not offer to reimburse him for a campaign contribution. The witness also stated that he did not solicit any contributions for Representative Buchanan’s campaign.

24. The witness said he was not aware of anyone receiving reimbursements for campaign contributions and that he did not authorize anyone with the company to reimburse anyone for campaign contributions.

25. He stated that he did not discuss the deposition testimony with Mr. Kazran.

26. The witness did not have any ownership interest in any of the car dealerships affiliated with Representative Buchanan.

27. He stated that he was not asked by Representative Buchanan to submit any type of affidavit.

28. The witness told the OCE that Mr. Kazran has never substantiated his allegations. He knew all the individuals that were allegedly involved and if there were any financial misdealing, it would have been the witness’ responsibility, and he has never been implicated.

This memorandum was prepared on November 29, 2011, based on the notes that the OCE staff prepared during the interview with the witness on October 25, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on October 25, 2011.

Kedric L. Payne
Deputy Chief Counsel