

RECEIVED  
FEDERAL ELECTION  
COMMISSION

August 24, 2016

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Federal Election Commission  
Office of General Counsel  
999 E Street, N.W.  
Washington, DC 20463

OFFICE OF GENERAL  
COUNSEL

Re: Advisory Opinion Request

Dear Sirs and Madams:

On behalf of Plains Cotton Growers, Inc. ("PCG"), and Plains Cotton Growers, Inc. Political Action Committee ("PCGPAC") and pursuant to 11 C.F.R. §§ 112.1 – 112.6, we respectfully request an advisory opinion concerning the application of the Federal Election Campaign Act ("FECA" or the "Act"), as amended, in establishing a voluntary contribution or "checkoff" plan for PCG cotton producer members to the PCGPAC, with PCG serving as a collecting agent.

#### FACTS

PCG is a corporation, incorporated in the State of Texas as a non-profit, non-stock corporation with members. (Copies of PCG's articles of incorporation and bylaws are attached.) PCG has been recognized as an organization exempt from federal income tax under §501(c)(5) of the Internal Revenue Code. PCG was organized, among other things, to promote and protect the interests of Plains cotton producers. PCG's membership as per the bylaws is composed of three classes: cotton gin members, cotton producer members, and business members.

#### Cotton Gin Members:

Currently there are eighty-nine (89) members of PCG that are cotton gins. Cotton Gin Members are defined as any cotton gin located in the 41 county service area of PCG (Copy of PCG service area is attached), who has remitted cotton producer membership dues to PCG on one hundred percent (100%) of the bales ginned at that particular gin for the crop year.

#### Cotton Producer Members:

Producer members are any producer of cotton in the capacity of tenant, land owner, or landlord who delivers cotton to an eligible cotton gin member whose dues to PCG are paid in full by the cotton gin member on a current basis. The cotton producer membership dues rate is set by PCG and may be changed by a majority vote of the Board of Directors as prescribed within the bylaws. The current cotton producer member dues rate which is remitted on an annual basis by cotton gin members is set at 25¢ per bale. PCG has approximately eight thousand nine hundred and sixty-seven (8,967) producer members.

#### Business Members:

Business members to PCG are classified as any individual, firm, partnership or corporation operating in the cotton industry, including cotton warehouses and cottonseed dealers, as well

as any other individual, firm, partnership or corporation interested in cotton, whose dues to PCG are paid on an annual basis. The current business member dues are set at \$100; PCG has a total of 187 business members.

Please note that this request seeks an opinion only concerning the activities of Cotton Producer Members and Cotton Gin Members of PCG in contributing to PCGPAC and collecting those contributions. PCG does not seek an opinion with respect to Business Members. PCG operates as a corporation without capital stock as contemplated by 11 C.F.R. § 114.7(a).

PCGPAC is the separate segregated fund established and administered by PCG pursuant to 11 C.F.R. § 114.5(b). (Copies of PCGPAC's organizing documents are attached; PCGPAC is awaiting a determination letter as to its tax status from the IRS; Form 8871 and Form 8453-X, submitted to apply for such status on December 9, 2015, are also attached hereto).

PCG and PCGPAC propose to raise money through a variation of the Deduct-A-Buck program instituted by the Credit Union National Association and approved by the Commission in **Advisory Opinion 1998-19** by establishing a voluntary check-off system for cotton producer members through PCG as the collecting agent. Under the check-off system, PCGPAC would solicit individual cotton producer members who process their cotton with PCG cotton gin members to make contributions to PCGPAC via an authorized automatic deduction (see exhibit A) at an established price per bale of processed cotton. The contribution would be collected by the PCG member gin, but be charged against a PCG cotton producer member's individual cotton proceeds. Cotton gin members would serve as contracted institutions for PCG as the collecting agent and remit an individual cotton producers contribution to PCGPAC.

Individual cotton producer members who voluntarily choose to participate would sign automatic deduction forms (see exhibit B) that would instruct their respective cotton gin(s) to transfer funds from the cotton producer members' individual account(s). The cotton gin would setup debits from the members' individual account(s) and submit the funds to the PCGPAC. Cotton Gin members currently remit cotton producer member dues to PCG on a prescribed form at a rate of 25¢ per bale. Any contribution to PCGPAC by PCG cotton producer members would be entirely voluntary, and not operate to reduce any member's dues obligation to PCG. PCG members will not receive any tangible or valuable benefit from PCG due to a producer's support of PCGPAC, nor will PCG discriminate or penalize any PCG cotton producer member that chooses not to participate.

Both the member gins and PCGPAC would ensure that contributions are received by PCGPAC within ten or thirty days, as required by 11 C.F.R. § 102.8. It is also important to note that a variation of the proposed program is carried out by the American Crystal Sugar Company with respect to its sugar beet growers. This program was approved by the Commission in **Advisory Opinion 1986-7**.

## QUESTIONS AND DISCUSSION

Given these facts, an advisory opinion is sought with respect to the following questions:

1. May PCG serve as a "collecting agent" for PAGPAC?

We believe that PCG may act as a collecting agent for PCGPAC. FEC regulations define "collecting agent" as an "organization or committee that collects and transmits contributions to one or more separate segregated funds to which the collecting agent is related." 11 C.F.R. § 102.6(b)(1). The regulations further state that a collecting agent may be "a parent, subsidiary, branch, division, department or local unit of the connected organization of the separate segregated fund."

The relationship between PCG and its cotton gin members and cotton producer members is that of a membership organization as defined in 11 C.F.R. § 114.1(e). PCG is the connected organization of PCGPAC. PCG Cotton gin members serve as a remitter institution for PCG dues. PCG should qualify as a collecting agent and be allowed to contract with the PCG cotton gin members for the collection and remittance of the voluntary contributions to PCGPAC. Furthermore, as a collecting agent for PCGPAC, PCG should be permitted to pay for the costs incurred in transmitting contributions to PCGPAC. 11 C.F.R. § 102.6(c)(2)(i). **Advisory Opinion 2000-4.**

2. Is the voluntary per bale contribution deduction used in the proposed check-off system a permissible method of soliciting contributions to PCGPAC?

The pre-authorized automatic deduction aspect of the proposed contribution per bale check-off system permits cotton producer members to sign automatic deduction forms authorizing a per bale contribution and instructing their cotton gin to transfer funds to PCGPAC from the cotton producers account. Additionally, as per the bylaws of PCG, PCG cotton producer members are required to pay 25¢ per bale as dues. The cotton gin member remits a cotton producer members' dues to PCG.

Under a checkoff plan, an individual may authorize deductions of membership dues or fees and separate segregated fund contributions. Fed. Election Comm'n, *Campaign Guide for Corporations and Labor Organizations* at 25 (2007). The contributor may write a single check to cover both the connected organization dues (or other fee) and the contribution to the separate segregated fund. *Id.* at 29. The check must be drawn on the contributor's personal checking account or on a non-repayable corporate drawing account. 102.6(c)(3). **Advisory Opinion's 1999-40 and 1997-9.** In light of the foregoing, we believe the structure proposed by PCGPAC herein is a lawful and reasonable method of soliciting contributions to PCGPAC.

In conclusion, PCG and PCGPAC respectfully request an Advisory Opinion confirming that PCGPAC may establish a checkoff plan for its cotton producer members to the PCGPAC with PCG serving as a collecting agent, as detailed herein.

If you have any questions in regard to our request or need additional information or clarification please contact us anytime.

Respectfully Submitted,

By   
\_\_\_\_\_  
Kody Bessent  
V.P. of Operations & Legislative Affairs  
Plains Cotton Growers, Inc.

NO. 17 121123

CHARTER OF

PLAINS COTTON GROWERS  
Lubbock, Texas

CAPITAL STOCK	\$	<u>NONE</u>
SHARES		<u>NONE</u>
PAID IN		<u>NONE</u>
EXISTENCE		<u>50 years</u>
FILING FEE	\$	<u>10.00</u>
FRANCHISE TAX	\$	<u>EXEMPT</u>

FILED IN THE OFFICE OF  
SECRETARY OF STATE  
THIS 24th DAY OF FEBRUARY ~~1955~~ 1956  
LEDGER NO. EXEMPT

THE STATE OF TEXAS  
COUNTY OF LUBBOCK

ARTICLES OF INCORPORATION

Approved & filed in the office  
of the Secretary of State  
This 24 day of Feb 1936  
C. Campbell  
Chief Phrasing Division

KNOW ALL MEN BY THESE PRESENTS: That we W. O. Fortenberry, Wilmer Smith and H. A. Elms, Jr., all citizens of the State of Texas, under and by virtue of the laws of this State do hereby voluntarily associate ourselves for the purpose of forming a private non-profit corporation under such laws upon the following terms and conditions;

1. The name of the corporation shall be PLAINS COTTON GROWERS.

2. The purpose for which it is formed is the encouragement of agriculture and horticulture by associations for the maintenance of exhibitions of farm products, as authorized by Subdivision 7 of Article 1305 of the Texas Revised Civil Statutes.

3. The places where the business of the corporation is to be transacted are Lubbock, in Lubbock County, Texas, and elsewhere within or without the State of Texas in accordance with the laws of said State, and its principal place of business is to be in Lubbock, in said Lubbock County, Texas.

4. The term for which it is to exist is 50 years.

5. The number of directors shall be not less than 3 as provided in the by-laws of the corporation and the names and residences of those who are appointees for the first year are as follows:

<u>NAME</u>	<u>RESIDENCES</u>
<u>W. O. FORTENBERRY</u>	<u>1122 Lubbock National Bank Building Lubbock, Texas</u>
<u>WILMER SMITH</u>	<u>Route 1, Wilson, Texas</u>
<u>H. A. ELMS, JR.</u>	<u>P. O. Box 1, Littlefield, Texas</u>

c. The corporation is not organized for profit, and has no capital stock and shall not issue capital stock. The value of the goods, chattel, lands, and credits owned by the corporation is estimated at \$100.00.

IN TESTIMONY WHEREOF We hereunto sign our names this the 12th day of February, 1956.

W. A. Adams, Jr.  
Wilmer Smith  
W. A. Adams, Jr.

THE STATE OF TEXAS     +  
                                  +  
COUNTY OF LUBBOCK     +

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, Wilmer Smith  
\_\_\_\_\_ and W. A. Adams, Jr.

all of whom to be the persons whose names are subscribed to the foregoing instrument, and also known to me to be citizens of the State of Texas, and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this the 12th day of February, 1956.

W. A. Adams, Jr.  
Notary Public in and for Lubbock  
County, Texas.



The State of Texas  
Secretary of State

I, TOM REAVLEY, Secretary of State, of the State of Texas, do hereby certify  
that the foregoing is a true and correct copy of the charter of

PLAINS COTTON GROWERS.

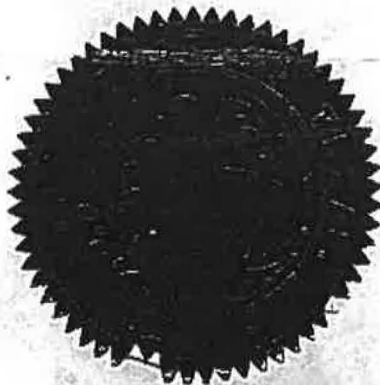
as the same now appears of record in this Department.

Dated, signed, and sealed at Austin, Texas this

24th day of FEBRUARY, A. D. 1956.

Tom Reavley  
Secretary of State.

1980-454-10M





**BYLAWS**  
**OF**  
**PLAINS COTTON GROWERS, INC.**

**As Amended October 7, 2015**

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**ARTICLE I**

The objectives and purposes for which this Corporation is formed are as follows:

1. To promote and protect the interests of Plains cotton producers;
2. To encourage and promote agriculture and horticulture, and to conduct any and all lawful business related thereto, as set forth in the Articles of Incorporation and its amendments thereto.
3. To foster improvement of the conditions under which Plains cotton is produced and sold;
4. To encourage standardization and improvement in the quality of cotton and cottonseed;
5. To cooperate with and support established organizations in the cotton industry and general agricultural organizations in the United States and in any foreign country in finding and pursuing reasonable and appropriate approaches to problems of mutual interest;
6. To cooperate with all departments and agencies of State and Federal governments charged with any responsibilities relating to cotton, cottonseed, and their products and to prices and regulatory measures, so long as such measures are in the interest of cotton producers;
7. To provide an additional medium of information for Plains cotton producers;
8. To examine and study national policies at the times when they are being formulated, and to advise cotton producers as to the probable effects of these policies on conditions under which cotton and cottonseed are produced and sold in the United States and in foreign countries; and
9. To do all things else that may seem reasonable and appropriate for improving the conditions under which Plains cotton and cottonseed are produced and sold, and for promoting the welfare and protecting the interests of cotton producers of the Plains; provided, however, that

this Corporation will not engage in the business of buying or selling cotton or cottonseed or their products.

## **ARTICLE II** **LOCATION OF PRINCIPAL OFFICE**

**SECTION 1.** The location of the principal office of the Corporation shall be in Lubbock, County of Lubbock, State of Texas; but the Corporation may change such location of its principal office, and may establish a branch office or branch offices, as from time to time may be decided by its Board of Directors.

## **ARTICLE III** **MEMBERSHIP**

**SECTION 1.** In order properly to further the objectives and to accomplish the purposes hereinbefore set out, the Corporation shall have full powers to maintain a membership; to collect membership fees as determined by the Board of Directors; to receive donations, bequests and devises; to purchase, lease, and otherwise dispose of all kinds of property, real, personal, and mixed, as may be needed for the purpose of the Corporation; and in general to do such other things as may be permissible and legal for non-stock and non-profit corporations to do under the laws of the State of Texas.

**SECTION 2.** Members from these counties will be considered as charter members of the organization. The counties are: Bailey, Borden, Briscoe, Castro, Cochran, Crosby, Dawson, Deaf Smith, Dickens, Floyd, Gaines, Garza, Hale, Hockley, Howard, Lamb, Lubbock, Lynn, Motley, Parmer, Swisher, Terry and Yoakum. Membership for other counties may be had upon proper application to and approval by the Board.

**SECTION 3.** There shall be an annual meeting of the Membership, time and place to be fixed from year to year by the Board. Members present will constitute a quorum.

**SECTION 4.** The Membership of the Corporation shall be of three classes:

A. **Cotton Gin Members** – any cotton gin located in the counties of Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Floyd, Gaines, Garza, Hale, Hansford, Hartley, Hemphill, Hockley, Howard, Hutchinson, Lamb, Lipscomb, Lubbock, Lynn, Martin, Midland, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Terry and Yoakum, who has submitted cotton producer membership dues to the corporation on one hundred percent (100%) of the bales ginned at that particular gin for the crop year. The cotton producer membership dues rate shall be set by the corporation, and may be changed by a majority vote of the Board of Directors. Any such change in the membership dues rate shall take effect the following crop year.

B. **Cotton Producer Members** - any producer of cotton in the capacity of tenant, land owner or landlord who delivers cotton to an eligible cotton gin member as

defined above and whose dues to the Corporation are paid by the eligible cotton gin member on a current basis as determined by these Bylaws and by guidelines established by the Corporation Board of Directors.

C. Business Members - any individual, firm, partnership or corporation operating in the cotton industry, including cotton warehouses and cottonseed dealers ("cotton industry business members"), as well as any other individual, firm, partnership or corporation interested in cotton ("allied industry business members"), whose dues to the Corporation are paid on a current basis as determined under guidelines established by the Corporation Board of Directors. Nothing in this section shall preclude the Board from establishing different membership dues criteria and rates for cotton industry business members and allied industry business members.

SECTION 5. NOTICE. Notice of the meeting, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days, nor more than sixty (60) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States. Mail addressed to each gin collecting dues on behalf of the members at its address as it appears on the record books of the corporation, with postage thereon prepaid, or delivered electronically to each cotton gin member and cotton producer member at the respective e-mail address provided to the corporation, with delivery method to be at the corporation's discretion, shall be deemed sufficient notice to all gin and producer members.

SECTION 6. PROXIES. No proxies are allowed.

#### **ARTICLE IV** **BOARD OF DIRECTORS**

SECTION 1. The corporate powers, business and property of the association, shall be conducted, controlled, and managed to the extent authorized by law and by the Articles of Incorporation and these Bylaws by the Board of Directors. The Board shall have the authority to acquire, hold and dispose of property, to employ such employees as it may deem necessary, and to do all other things necessary and proper for the transaction of the corporation's business and the administration of its affairs. The Board of Directors is authorized to fix its compensation and has the exclusive authority to decide the qualifications and eligibility of any member of the association or member of the Board of Directors.

SECTION 2. The Board of Directors shall be composed of one (1) cotton producer representative selected by each eligible cotton gin member, as defined in Article III above, to serve as a Director on the Board of the corporation for a term of one (1) year. Each eligible member gin shall determine its own method for the selection of its Board member designee and the number of terms of service of such Board member designee.

SECTION 3. In the event of a vacancy on the Board of Directors, the eligible member gin shall be given ninety (90) days in order to designate a successor Board representative. If such eligible member gin fails to designate a successor Board representative within the required time,

the Board of Directors may at its option appoint a Director from the producers at such eligible member gin or allow the seat to remain vacant until it is otherwise filled by the eligible member gin with either such option approved by a majority vote at any Board of Directors meeting at which a quorum is present.

**SECTION 4.** Directors shall serve until the selection and certification of their successor unless such Director is removed from the Board of Directors, and in such event, the seat shall be vacant and eligible for action under Section 3 herein.

**SECTION 5.** The Board shall meet quarterly and at other times by the call of the president or by call of the majority of the Board of Directors. All directors shall be given due notice of all Board meetings. Delivery by first class mail, facsimile, or electronic mail shall be all be acceptable forms of notice.

**SECTION 6.** One-third (1/3) of the Board, but in any event, no less than twenty-five (25) members shall constitute a quorum at all meetings.

**SECTION 7.** The Board shall select an Executive Committee consisting of the President, the elected Vice President, the Secretary-Treasurer of the Corporation, nine (9) other members of the Board and the two most recent past presidents. The Executive Committee shall exercise all of the authority of the Board between meetings of the Board. The Committee shall keep accurate minutes of its proceedings and shall submit such minutes to the Board at its next meeting for approval or disapproval.

**SECTION 8.** The Directors shall represent their constituency at all meetings of the Board and have charge of all the books, records and papers of the Corporation.

**SECTION 9.** The Board shall select one or more banks as depositories.

**SECTION 10.** All policy decisions of the Board must be carried by a two-thirds majority vote of the Board members present at a duly called meeting.

**SECTION 11.** The President shall appoint a Finance Committee which shall consist of the entire Executive Committee, as set forth in Section 7 of this Article, as well as any additional cotton producer members that the President shall, in his discretion, appoint to serve on the Finance Committee. The Finance Committee shall be re-appointed every two years by the new President. All new projects involving the expenditure of \$1000 or more shall be first submitted to the Finance Committee for study, and after receiving a Finance Committee recommendation, must be approved by the Board.

**SECTION 12.** Any individual director may be removed from office with or without cause by a majority vote of the Board of Directors at any regular or special meeting. In the event of a vacancy on the Board of Directors due to removal, the provisions of Section 3 in this Article shall govern the selection of a successor director.

**SECTION 13.** The cotton producer Board of Director members from each county shall, collectively, be entitled to select one additional member of the Board of Directors to be designated as a "business Board member." The business Board member from each county served by the Corporation shall serve as a Director on the Board of the Corporation for a term of one (1) year. An eligible business Board member shall be a business member of the Corporation, as set forth in Article III. If no such qualified business member is found to serve as a member of the Board in any given county, the producer Directors in that county may select another producer, preferably with a business relationship or connection, for service as a business Board member from that county.

## **ARTICLE V** **OFFICERS**

**SECTION 1.** Elective officers of the Corporation shall consist of a President, a Vice President and a Secretary-Treasurer. The immediate past president shall serve as Chairman of the Board.

**SECTION 2.** There shall be an Executive Vice President appointed by the Board.

**SECTION 3.** Elective officers shall be elected by the Board from the Board for terms of one year. Officers elected to any position may not serve more than two consecutive one-year terms in that position.

**SECTION 4.** Elective officers shall serve until the election and qualification of their successors, such election and qualification to take place at the next meeting of the Board of Directors following the annual meeting.

**SECTION 5.** The President of the Corporation shall be a cotton producer.

**SECTION 6.** There shall be a Nominating Committee to assist in the selection of capable, qualified officers of the Corporation. The Nominating Committee prior to the annual election of officers shall present to the Board at least one nominee for each elective office. Other nominations may be made from the floor by members of the Board. The Committee shall consist of the three immediate past presidents of the Corporation, plus four members to be elected by and from the Board. Current elective officers of the Board shall not be eligible for membership on the Nominating Committee. The immediate past president shall serve as chairman of the Committee.

**SECTION 7.** The duties of the President shall be such as are usually performed by such officer. He shall preside at all Board meetings; make an annual report to the membership, and sign all instruments and papers required by law to be signed by the President.

**SECTION 8.** The Vice President shall perform the duties of the President in his absence or inability to act.

**SECTION 9.** The Secretary-Treasurer or the Executive Vice President as directed by the Board shall keep an accurate roster of members and shall issue all calls for meetings.

**SECTION 10.** The Secretary-Treasurer shall sign all instruments and papers required by law to be signed by such officer and shall have custody of the common seal of the Corporation.

**SECTION 11.** All checks and vouchers of the Corporation issued in payment of regularly budgeted or other items as approved by the Board shall be signed by the Executive Vice President or such other persons as may be designated by the Executive Vice President.

**SECTION 12.** The Executive Vice President shall conduct the affairs of the Corporation as directed by the Board of Directors, and shall serve as a member ex-officio of all committees.

**SECTION 13.** All officers or other persons who disburse funds of the Corporation shall be properly bonded. Accurate records of income and disbursements shall be kept and an annual audit shall be made by a competent public accountant.

## **ARTICLE VI ORDER OF BUSINESS**

**SECTION 1.** The order of business at all meetings shall be in accordance with Robert's Rules of Order where no specific regulation is adopted. No matters pertaining to religion shall ever be discussed, considered or handled in any way at any meeting of this Corporation. Only political subjects which affect the economic and civic welfare of cotton producers shall be considered.

## **ARTICLE VII NON-PROFIT CORPORATION**

**SECTION 1.** The Corporation shall operate on a strictly non-profit basis and at all times in accordance with the requirements established by the Internal Revenue Code and regulations thereunder for corporations exempt from the payment of Federal Income Taxes. The Corporation shall not issue certificates of stock or declare dividends, and no Corporation funds or property shall inure to the benefit, either directly or indirectly, of any member by reason of his association with the Corporation. All income of the Corporation and all properties of whatever nature after payment of debts and obligations of the Corporation shall be used exclusively for the purposes as set forth in Article I. In the event of dissolution of the Corporation all properties of the Corporation remaining after the payment of legal debts of the Corporation shall be turned over by the Board of Directors to corporations, trusts or institutions engaged in educational and scientific work directly related to cotton and which meet the requirements of the Treasury Department for corporations and organizations exempt from the payment of Federal Income Taxes.

**ARTICLE VIII**  
**AMENDMENT OF BYLAWS**

The Bylaws of this organization may be amended by either of the following two methods:

(1) By a three-fourths vote of the Board of Directors. Any change made in the Bylaws by the Board of Directors shall be binding unless disapproved by a majority of the members present at the next annual meeting.

(2) A two-thirds vote of the members present and in good standing at the annual meeting, provided, however, that said amendments shall first have been approved by a majority of the Board of Directors.

**ARTICLE IX**  
**INDEMNITY**

**SECTION 1.** INDEMNITY FOR EXPENSES AND LIABILITY. Every director, officer, agent and employee of the association and every person (even if they are not a director, officer, agent or employee of the association) who is or was serving at the request of the association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise (collectively the "indemnified persons or person"), shall be indemnified by the association against all judgments, penalties (including excise and similar taxes), fines, liabilities, amounts paid in settlement, and reasonable expenses, including attorney's fees actually incurred by or imposed upon him or her in connection with any proceeding (as hereinafter defined) to which he or she was, is or is threatened to be made a party, or in which he or she may become involved, by reason, in whole or in part, of being or having been a director, officer, agent or employee of the association, or is or was serving at the request of the association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan of other enterprise ("functionary position"), whether or not he or she occupies such position at the time such expenses are incurred, to the maximum extent allowed by law, including common law, and the provisions of Chapter 8 of the Texas Business Organizations Code as it now exists or may be hereafter amended or replaced.

"Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

**SECTION 2.** REIMBURSE EXPENSES. The association shall pay or reimburse expenses incurred by or on behalf of an indemnified person in connection with a proceeding in advance of the final disposition of the proceeding to the maximum extent allowed by the provisions of Section 8.104 of the Texas Business Organizations Code, as it now exists or may hereafter be amended or replaced.

**SECTION 3. POWER TO PURCHASE INSURANCE.** The association shall have the power to purchase and maintain insurance on behalf of any indemnified person to insure against any liability or expense asserted against him and incurred by him in any such capacity, or arising out of his status as such a person, whether or not the association would have the power to indemnify him against such liability under the provision of Chapter 8 of the Texas Business Organizations Code.

**SECTION 4. CONTINUING OFFER, RELIANCE.** The provisions of this Article IX of these Bylaws are for the benefit of, and may be enforced by, each indemnified person as a contract with the association or valuable consideration and constitute a continuing offer to all present and future indemnified persons. The association, by the adoption of this Article IX agrees that each present and future indemnified person has relied upon and will continue to rely upon the provisions of this Article IX in accepting, serving or continuing to serve as a director, officer, agent, employee, or other functionary position at the request of the association.

**SECTION 5. EFFECT OF AMENDMENT.** No amendment, modification or repeal of this Article IX of these Bylaws or any provision hereof by the association shall in any manner terminate, reduce or impair the right of any indemnified person, nor the obligation of the association to indemnify any such indemnified person under and in accordance with the provisions as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may be asserted.

**SECTION 6. INVALIDITY.** The invalidity or unenforceability of any provision of this Article IX shall not affect the validity or enforceability of any other provision hereof.

**SECTION 7. HEIRS AND ASSIGNS.** The rights and obligations of indemnity and reimbursement provided by this Article IX shall be binding upon and inure to the benefit of the indemnified persons and the association and their respective heirs, successors, legal representatives, executors and assigns.

**SECTION 8. CUMULATIVE.** The foregoing right of indemnification and reimbursement shall be in addition to and not exclusive of all other rights to which such indemnified persons may be entitled including any indemnification or reimbursement which may be provided by the Articles of Incorporation or by resolution adopted by the Board of Directors of the association, provided that the indemnified person shall not in the aggregate be indemnified or reimbursed for more expenses or liabilities than actually incurred.



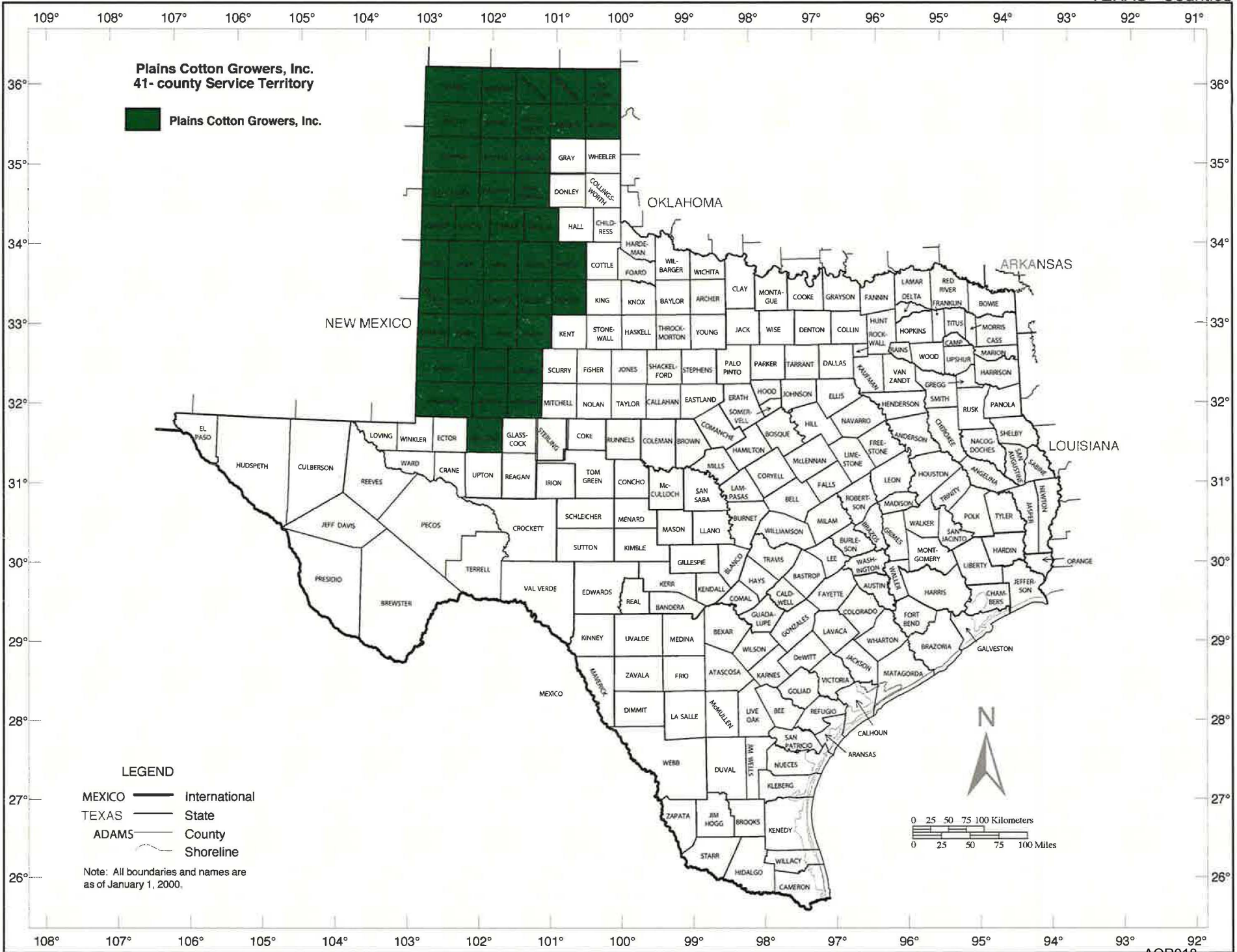
**CERTIFICATION**

I, the undersigned, the duly elected Secretary of Plains Cotton Growers, Inc., a Texas corporation, do hereby certify that the above is a true and correct copy of the Bylaws of Plains Cotton Growers, Inc., adopted by the members of the association on the 8th day of November, 1978, amended on the 8th day of October, 1997, on the 9th day of April, 1999; on the 6th day of April, 2001; on the 10th of March, 2004; and now on the 7th day of October 2015; and that the above and foregoing constitute the Bylaws of the association.

WITNESS MY HAND and the seal of the corporation this the 7<sup>th</sup> day of October, 2015.



\_\_\_\_\_  
Secretary  
Plains Cotton Growers, Inc.



**CERTIFICATE OF RESOLUTIONS  
ADOPTED BY THE BOARD OF DIRECTORS OF  
PLAINS COTTON GROWERS, INC. PAC  
ON THE 11<sup>TH</sup> DAY OF DECEMBER, 2015**

**Formation**

RESOLVED, that the Certificate of Formation of Plains Cotton Growers, Inc. PAC, a Texas non-profit corporation (the "Corporation"), which were filed in the office of the Secretary of State of Texas on December 8, 2015, are hereby adopted and approved; and further

RESOLVED, that the Bylaws of the Corporation, a copy of which has been reviewed by the undersigned, are hereby approved and adopted as the Bylaws of the Corporation; and further

**Alternate Treasurer**

RESOLVED, that Article 5.01 of the Bylaws of the Corporation authorize the Board of Directors to create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions; and further

RESOLVED, that the Board hereby creates and approves the position of Alternate Treasurer to fulfill the obligations of the Treasurer, with the full powers of the Treasurer as described in the Bylaws, in the absence of said Treasurer's ability to so act on obligations; and further

**Election of Officers**

RESOLVED, that the following persons be, and hereby are, elected to the offices set forth opposite their names below, to serve until their successors shall have been elected and qualified:

<u>Name</u>	<u>Office</u>
Steve Verett	Treasurer/Secretary
Shawn Wade	Alternate Treasurer

; and further

**Bank Accounts**

RESOLVED, that any duly authorized officer of the Corporation is authorized and directed to open an account in the name of the Corporation with such banks, trust companies, savings and loan associations or other financial institutions as such officers shall designate; and further

RESOLVED, that any duly authorized officer of the Corporation is authorized and directed

to execute such signature cards and other documents in connection with such account as may be necessary or advisable and to certify to the adoption of the resolutions included with these minutes relating to such account, such resolutions being hereby adopted; and further

**Employer Identification Number**

RESOLVED, that the Application for an Employer Identification Number on Form SS-4, which was filed on December 9, 2015 with the appropriate district director of the Internal Revenue Service, on behalf of the Corporation by Steve Verett, is hereby adopted and approved; and further

**General**

RESOLVED, that any and all actions heretofore or hereafter taken by any officer, agent or employee of the Corporation within the terms of the foregoing resolutions be and they hereby are ratified, confirmed, authorized and approved as the act and deed of the Corporation.

CERTIFICATE

The undersigned, Secretary of Plains Cotton Growers, Inc. PAC, a Texas non-profit corporation, hereby certifies that the above is a true and correct copy of the resolutions which were duly adopted by the Board of Directors of the association on the 11<sup>th</sup> day of December, 2015, and that the above resolutions have not been in any way amended, rescinded or revoked.

WITNESS my hand, this 11<sup>th</sup> day of December, 2015.

  
Secretary

**BYLAWS  
OF  
PLAINS COTTON GROWERS, INC PAC.**

These Bylaws govern the affairs of the PLAINS COTTON GROWERS, INC. PAC, a Federal Separate Segregated Fund Political Action Committee organized as a Texas nonprofit corporation (the "Corporation").

**ARTICLE I  
PURPOSES**

1.01 The Corporation was formed for the principal purpose of carrying on political activities that constitute exempt functions for a political organization within the meaning of Section 527 of the Internal Revenue Code. The Corporation was established as a "separate segregated fund" under the Federal Election Campaign Act by the Plains Cotton Growers, Inc. ("PCG"), which is, for purposes of the Federal Election Campaign Act, the "connected organization" for the Corporation. Further, for purposes of 52 U.S.C. § 30118(b)(2)(c) and 11 C.F.R. § 114.12(a), the Corporation is incorporated for limited liability purposes only and shall be deemed a "political committee" (as defined in 52 U.S.C. § 30101(4) and 11 C.F.R. § 100.5) that accepts political contributions and makes political expenditures.

1.02 No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments, contributions and distributions in furtherance of the purposes set forth in Certificate of Formation or Bylaws. The Corporation shall not have the power to engage in any activities, except to an insubstantial degree, that are not in furtherance of the purposes set forth above.

**ARTICLE II  
OFFICES**

**Principal Office**

2.01 The Corporation's principal office in Texas will be located at 4517 W. Loop 289, Lubbock, Texas 79414. The Corporation may have such other offices, in Texas or elsewhere, as the Board of Directors (the "Board") may determine. The Board may change the location of any office of the Corporation.

**Registered Office and Registered Agent**

2.02 The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Business Organizations Code.

**ARTICLE III  
MEMBERS**

3.01 The Corporation will not have members.

**ARTICLE VI  
BOARD OF DIRECTORS**

**Management of Corporation**

4.01 The Board will manage corporate affairs.

**Number, Qualification and Tenure of Directors**

4.02 The number of directors will be a minimum of five (5) and a maximum of seven (7). Directors may or may not be Texas residents. Each director will serve two (2) year terms. No director shall serve in excess of five (5) consecutive terms. The initial Board of Directors' terms will not begin until April of 2016 for purposes of term limits and duration in the event any or all of the initial directors are selected beginning with the April of 2016 appointment.

**Board Composition**

4.03 The Current President of the Plains Cotton Growers, Inc. shall be a Director of the Corporation. The remaining Directors shall be selected by the then current President of the Plains Cotton Growers, Inc. and approved or disapproved by the then current Board of Directors. No director shall be appointed without approval of the then current Board of Directors. Four (4) of the directors shall be past Presidents of the Plains Cotton Growers, Inc. and, in addition to the then current President of the Plains Cotton Growers, Inc., shall comprise the minimum number of five (5) director positions. Two (2) additional directors may be appointed by the then current President of the Plains Cotton Growers, Inc. as at-large directors with the approval of the then current Board of Directors.

**Vacancies**

4.04 The then current President of the Plains Cotton Growers, Inc. will propose appointments to fill any vacancy in the Board. The then current Board of Directors will vote to approve or disapprove the proposed appointments. A director selected to fill a vacancy will serve the unexpired term of his or her predecessor in office. Any new at-large appointment not made at the regular term selection of directors shall serve for the duration of the unexpired term of the then current President of the Plains Cotton Growers, Inc. upon approval by the then current Board of Directors.

**Annual Meeting**

4.05 The annual meeting of the Board may not be held without notice. The annual Board meeting will be held the third quarter of each year at the corporation's principal office in Texas or such other place as designated.

#### **Regular Meetings**

4.06 The Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held inside or outside Texas, and will be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular Board meetings is required other than a Board resolution stating the time and place of the meetings. Such meetings may be held by conference call, video conference or other similar means.

#### **Special Meetings**

4.07 Special Board meetings may be called by, or at the request of, the president or any two directors. A person or persons authorized to call special meetings of the Board may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting will inform the secretary of the Corporation of the information to be included in the notice of the meeting. The secretary of the Corporation will give notice to the directors as these Bylaws require. Such meetings may be held by conference call, video conference or other similar means.

#### **Notice**

4.08 Written or printed notice of any special meeting of the Board will be delivered to each director not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice will state the place, day and time of the meeting; who called it; and the purpose or purposes for which it is called.

#### **Quorum**

4.09 A majority of the number of directors then in office constitutes a quorum for transacting business at any Board meeting. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required for a quorum. If a quorum is never present at any time during a meeting, a majority of the directors present may adjourn and reconvene the meeting once without further notice.

#### **Duties of Directors**

4.10 Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the

Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, directors may, in good faith, rely on information, opinions, reports or statements, including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

#### **Delegating Duties**

4.11 Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities and other investments on the Corporation's behalf; and to sell, transfer, or otherwise dispose of the Corporation's assets and property at a time and for a consideration that the advisor deems appropriate. The directors have no liability for actions taken or omitted by an advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace an advisor at any time and without any cause whatsoever.

#### **Interested Directors**

4.12 Contracts or transactions between directors, officers or members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the director, officer or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested parties' votes are counted for the purpose. However, every director with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefits and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested directors or other group with the authority to authorize the transaction.

#### **Actions of Board of Directors**

4.13 The Board will try to act by consensus. However, if a consensus is not available, the vote of a majority of directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board's decision. For the purpose of determining the decision of the Board, a director who is represented by proxy in a vote is considered present.



### Proxies

4.14 A director may vote by proxy. All proxies must be in writing, must bear the signature of the director giving the proxy, and must bear the date on which the proxy was executed by the director. No proxy is valid after three (3) months from the date of its execution.

### Compensation

4.15 The Board may adopt a resolution providing for paying directors a fixed sum and expenses of attendance, if any, for attending each Board meeting. A director may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a director will be reasonable and commensurate with the services performed.

### Removing Directors

4.16 The Board may vote to remove a director at any time, without cause. A meeting to consider removing a director may be called and noticed following the procedures provided in these Bylaws for a special meeting of the Board of Directors. The notice of the meeting will state that the issue of possibly removing the director will be on the agenda.

At the meeting, the director may present evidence of why he or she should not be removed and may be represented by an attorney at and before the meeting. Also, at the meeting, the Corporation will consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director.

A director may be removed by the affirmative vote of fifty-one percent (51%) of the remaining Board.

### Advisory Directors

4.17 Any number of advisory directors may be selected or removed by a majority vote of the Board. Advisory directors are to provide general advice to the Board solely and shall not be considered a director. An advisory director (1) shall not vote on matters before the Board or a committee selected by the Board; and (2) shall not be counted for purposes of determining a quorum of the Board or a committee.

## **ARTICLE V OFFICERS**

### Officer Positions

5.01 The Corporation's officers will be a president, a secretary, one vice president, and a treasurer. The Board may create additional officer positions, define the authority and duties of

each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for president and secretary.

### **Election and Term of Office**

5.02 The Corporation's officers will be elected annually by the Board at the annual Board meeting. If officers are not elected at this time, they will be elected as soon thereafter as possible.

Each officer will hold office until a successor is duly selected and qualifies. An officer may be elected to succeed himself or herself in the same office.

### **Removal**

5.03 Any officer elected or appointed by the Board may be removed by the Board with or without good cause. Removing an officer will be without prejudice to the officer's contractual rights, if any.

### **Vacancies**

5.04 The Board may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

### **President**

5.05 The president is the Corporation's chief executive officer. He or she will supervise and control all of the Corporation's business and affairs and will preside at all meetings of the Board. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board authorizes to be executed. However, the president may not execute instruments on the Corporation's behalf if this power is expressly delegated to another officer or agent of the Corporation by the Board, these Bylaws or statute. The president will perform other duties prescribed by the Board and all duties incident to the office of president.

### **Vice President**

5.06 When the president is absent, cannot act or refuses to act, the vice president will perform the president's duties. When acting in the president's place, the vice president has all the powers of – and is subject to all the restrictions on – the president. If there is more than one vice president, the vice presidents will act for the president in the order of appointment. The vice president will perform other duties as assigned by the president or Board.

### **Treasurer**

5.07 The treasurer will:

- (a) Have charge and custody of – and be responsible for – all the Corporation’s funds and securities.
- (b) Receive and give receipts for monies due and payable to the Corporation from any source.
- (c) Deposit all monies in the Corporation’s name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- (d) Write checks and disburse funds to discharge the Corporation’s obligations.
- (e) Maintain the Corporation’s financial books and records.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or the Board.
- (h) If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board.
- (i) Make all required filings with the Texas Ethics Commission.
- (j) Perform all of the duties incident to the office of treasurer.

5.08 The Treasurer may delegate some or all of the above referenced tasks to the staff of the Corporation, with prior approval of the Board. The Treasurer of the Corporation may assign staff or counsel of the Corporation the duty of acting as Treasurer for purposes of complying with relevant election laws or Ethics Commission requirements.

#### Secretary

5.09 The Secretary will:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the Board and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records.
- (d) Keep a register of the mailing address of each director, officer and employee of the Corporation.
- (e) Perform duties as assigned by the president or the Board.

- (f) Perform all duties incident to the office of secretary.

5.10 The Secretary may delegate some or all of the above referenced tasks to the staff of the Corporation, with prior approval of the Board.

## **ARTICLE VI COMMITTEES**

### **Establishing Committees**

6.01 The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee will include two or more directors and may include persons who are not directors. If the Board delegates any of its management authority to a committee, the majority of the committee will consist of directors. The Board may also delegate to the president its power to appoint and remove members of a committee that has not been delegated any management authority of the Board. The Board may establish qualifications for membership on a committee.

Establishing a committee or delegating authority to it will not relieve the Board, or any individual director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- (a) Amend the certificate of formation.
- (b) Adopt a plan of merger or of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange or mortgage of all or substantially all of the Corporation's property and assets.
- (d) Authorize voluntary dissolution of the Corporation.
- (e) Revoke proceedings for voluntary dissolution of the Corporation.
- (f) Adopt a plan for distributing the Corporation's assets.
- (g) Amend, alter or repeal these Bylaws.
- (h) Elect, appoint or remove a member of a committee or a director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 6.04 below.

(j) Take any action outside the scope of authority delegated to it by the Board.

### **Term of Office**

6.02 Each committee member will continue to serve on the committee until the next annual Directors' meeting and until a successor is appointed. However, a committee member's term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member's term.

### **Chair and Vice-Chair**

6.03 One member of each committee will be designated as the committee chair, and another member of each committee will be designated as the vice-chair. The chair and vice-chair will be elected by the committee members. The chair will call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair will perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of – and is subject to all the restrictions on – the chair.

### **Notice of Meetings**

6.04 Written or printed notice of a committee meeting will be delivered to each member of a committee not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice will state the place, day and time of the meeting, and the purpose or purposes for which it is called.

### **Quorum**

6.05 One-half (½) of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

### **Actions of Committees**

6.06 Committees will try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member

who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

#### **Proxies**

6.07 A committee member may not vote by proxy.

#### **Compensation**

6.08 Committee members may not receive salaries for their services. The Board may adopt a resolution providing for paying committee members expenses of attendance, if any, for attending each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member will be reasonable and commensurate with the services performed.

#### **Rules**

6.09 Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

### **ARTICLE VII TRANSACTIONS OF CORPORATION**

#### **Contracts**

7.01 The Board may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

#### **Deposits**

7.02 All the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board approves.

#### **Gifts**

7.03 The Board may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board may make gifts and give charitable contributions not prohibited by these Bylaws, the certificate of formation, state law and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

### **Potential Conflicts of Interest**

7.04 The Corporation may not make any loan to a director or officer of the Corporation. A director, officer or committee member of the Corporation may lend money to – and otherwise transact business with – the Corporation except as otherwise provided by these Bylaws, the certificate of formation, and applicable law. Such persons transacting business with the Corporation have the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation may not borrow money from – or otherwise transact business with – a director, officer or committee member of the Corporation’s without full disclosure of all relevant facts and without the Board’s approval, not including the vote of any person having personal interest in the transaction.

### **Prohibited Acts**

7.05 As long as the Corporation exists, and except with the Board’s prior approval, no director, officer or committee member of the Corporation may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation’s intended or ordinary business.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the Corporation’s assets, directly or indirectly, for any purpose other than carrying on the Corporation’s business.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the Corporation’s name (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.
- (h) Disclose any of the Corporation’s business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.

**ARTICLE VIII  
REQUIRED BOOKS AND RECORDS**

8.01 The Corporation will keep correct and complete books and records of account. The books and records include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State and Federal Election Committee relating to the Corporation, including but not limited to the certificate of formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.

(b) A copy of all bylaws, including these Bylaws, and any amended versions or amendments to them.

(c) Minutes of the proceedings of the Board, and committees having any of the authority of the Board.

(d) A list of the names and addresses of the directors, officers and any committee members of the Corporation.

(e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the three (3) most recent fiscal years.

(f) A financial statement showing the Corporation's income and expenses for the three (3) most recent fiscal years.

(g) All rulings, letters and other documents relating to the Corporation's federal, state and local tax status.

(h) The Corporation's federal, state and local tax information or income-tax returns for each of the Corporation's three (3) most recent tax years.

(i) All the Corporation's filings with the Texas Ethics Commission for the last three (3) years.

**Inspection and Copying**

8.02 Any director, officer or committee member of the Corporation may inspect all the corporate books and records required to be kept under the Bylaws. Such a person may, by written request, inspect if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than ten (10) working days after the Corporation receives a proper written request.



**ARTICLE IX  
FISCAL YEAR**

9.01 The Corporation's fiscal year of the Corporation will begin on the first day of July and end on the last day in June in the succeeding calendar year.

**ARTICLE X  
WHAT INDEMNIFICATION IS REQUIRED, PERMITTED AND PROHIBITED**

10.01 (a) The Corporation will indemnify a director, advisory director, officer, member, committee member, employee, or agent of the Corporation who was, is or may be named defendant or respondent in any proceeding as a result of his or other actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was serving at the Corporation's request as a director, advisory director, officer, committee member, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The Corporation will indemnify a person if he or she acted in good faith and reasonably believed that his or her conduct was in the Corporation's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation will not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit from the Corporation. A person is conclusively considered to have been found liable in relation to any claim, issue or other matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation will pay or reimburse expenses incurred by a director, advisory director, officer, committee member, employee or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to situations otherwise described in this paragraph, the Corporation may indemnify a director, advisory director, officer, committee member, employee or agent of the Corporation to the extent permitted by law. However, the Corporation will not indemnify any person in any situation in which indemnification is prohibited by paragraph 9.01(b), above.

(e) The Corporation may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might eventually be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of

expenses may occur only when the procedural conditions specified in paragraph 10.03(c), below, have been satisfied. Furthermore, the Corporation will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Corporation or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

### **Extent and Nature of Indemnity**

10.02 The indemnity permitted under these Bylaws includes indemnity against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

### **Procedures Relating to Indemnification Payments**

10.03 (a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation must specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (i) or (ii) above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(b) The Corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii) above, governing selection of legal counsel. A provision contained in the certificate of formation, or a resolution of members or the Board that requires that indemnification permitted by paragraph 9.01 above, constitutes sufficient authorization of indemnification even though the provision

may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a) above.

In addition to this determination the Corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

## **ARTICLE XI NOTICES**

### **Notice by Mail, Facsimile or Email**

11.01 Any notice required or permitted by these Bylaws to be given to a director, officer or member of a committee of the Corporation may be given by mail, facsimile transmission or email. If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the corporate records, with postage prepaid. If given by facsimile transmission, a notice is deemed delivered when the facsimile transmission is completed to the recipient. If given by email, a notice is deemed delivered when sent to the recipient. A person may change his or her address in the corporate records by giving written notice of the change to the secretary of the corporation.

### **Signed Waiver of Notice**

11.02 Whenever any notice is required by law or under the certificate of formation or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

### **Waiving Notice by Attendance**

11.03 A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business

because the meeting was not lawfully called or convened.

## **ARTICLE XII SPECIAL PROCEDURES CONCERNING MEETINGS**

### **Meeting by Telephone, Videophone, or Similar Methods**

12.01 The Board of Directors and any committee of the Corporation may hold a meeting by telephone, videophone, or similar methods conference-call procedures. In all meetings held by telephone, videophone, or similar methods, matters must be arranged in such a manner that all persons participating in the meeting can hear each other; the notice of a meeting by telephone, videophone or similar methods conference must state the fact that the meeting will be held by telephone, video, or similar methods as well as all other matters required to be included in the notice; and a person's participating in a conference-call meeting constitutes his or her presence at the meeting.

### **Decision Without Meeting**

12.02 Any decision required or permitted to be made at a meeting of the Board, or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Corporation minute book and kept with the corporation records.

Furthermore, in accordance with the certificate of formation, action may be taken without a meeting when there are signed written consents by the number of directors, or committee members whose votes would be necessary to take action at a meeting at which all persons entitled to vote were present and voted. Each written consent must be signed and bear the date of signature of the person signing it. A photographic, facsimile or similar reproduction of a signed writing, will be treated as an original being signed by a member, director or a committee member.

Consents must be delivered to the Corporation. A consent signed by fewer than all directors or committee members is not effective to take the intended action unless the required number of consents are delivered to the Corporation within sixty (60) days after the date that the earliest-dated consent was delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If the delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the secretary of state, the filed

documents will indicate that these written consent procedures were followed to authorize the action and filing.

### Proxy Voting

12.03 A person authorized to exercise a proxy may not exercise the proxy unless it is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting will record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy will not be effective for that meeting. A proxy filed with the secretary of the Corporation or other designated officer remains in force until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the proxy's terms.
- (c) The proxy authority expires under the terms of these Bylaws.

## **ARTICLE XIII AMENDING BYLAWS**

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by a two-thirds (2/3) majority vote of all the Board of Directors. The notice of any meeting at which these Bylaws are altered, amended or repealed or at which the new bylaws are adopted will include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended or repealed. Alternatively, the notice may include a fair summary of these provisions.

## **ARTICLE XIV MISCELLANEOUS PROVISIONS**

### Legal Authorities Governing Construction of Bylaws

14.01 These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

### Legal Construction

14.02 To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. If any bylaw provision is held invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any

other provision, and the Bylaws will be construed as if they had not included the invalid, illegal or unenforceable provision.

**Headings**

14.03 The headings used in the Bylaws are for convenience only and may not be considered in construing the Bylaws.

**Number**

14.04 All singular words include the plural, and all plural words include the singular.

**Parties Bound**

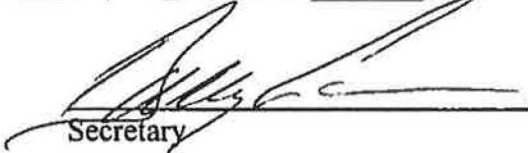
14.05 The Bylaws will bind and inure to the benefit of the directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as the Bylaws otherwise provide.

**Severability**

14.06 These Bylaws are governed by and shall be construed in accordance with the laws of the state of Texas. In the event of a direct conflict between the provisions of these Bylaws and (a) any provision of the Certificate of Formation, or (b) any mandatory, non-waivable provision of the Texas Business Organizations Code (the "TBOC") or the Texas Miscellaneous Corporation Laws Act (the "TMCLA"), the applicable provision of the Certificate of Formation, the TBOC or the TMCLA shall control. If any provision of these Bylaws or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of these Bylaws and the application of that provision to other persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting secretary of the PLAINS COTTON GROWERS, INC. PAC and that these Bylaws constitute the Corporation's Bylaws. These Bylaws were duly adopted by the Board of Directors as of the  11  day of  December , 2015.

  
Secretary



[Login](#)

[Initial](#)

**Submit**

**You have successfully submitted Form 8871**

Your confirmation number is 9639476

You need to sign and mail in Form 8453-X Declaration of Electronic Filing. Please click the link below to view Form 8453-X the Declaration, sign it, and mail it to Internal Revenue Service Center, Ogden, UT 84201. The Internal Revenue Service will mail you a username and password.

[View Form 8453-X](#)

You are required to maintain a copy of your Form 8871 at your principal place of business and major regional offices for public viewing. Click the link below to view and print a copy of your submitted Form 8871. If anyone requests a copy of your Form 8871 either in writing or by email, please refer them to the copy posted on the Political Organization Disclosure website.

[View Form 8871](#)



[Get Adobe® Reader](#)



[Login](#)

[Initial](#)

[Step I General Information](#)

[Step II Exemption](#)

[Step III Purpose](#)

[Step IV Related Entities](#)

[Step V Officers](#)

**Submit**

**Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot release the information on the form.**

Prior to submitting your form, please review all information in the various steps to ensure that it is true, correct and complete. Please review the information provided below. Once you have signed and clicked on the 'Submit' button below, the form will be submitted to the IRS and all information will be posted on the Political Organization Disclosure page. **Do not include personal information other than that required to be disclosed.**

Under penalties of perjury, I declare that the organization named in Step I is to be treated as a tax exempt organization described in section 170(b)(1)(D) of the Internal Revenue Code, and that I have examined all information entered to be submitted on this notice and to the best of my knowledge and belief, the information is true and complete. I further declare that I am the official authorized to sign this report, and I am signing by entering my name below.

Steven C. Verett





[Login](#)

[Initial](#)

Step I General Information

Step II Exemption

Step III Purpose

Step IV Related Entities

Step V Officers

## Step I: General Information

**Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot release the form**

Name of organization:

Plains Cotton Growers Inc PAC

Employer Identification Number

81 - 0772080

Mailing address (PO Box or number, street and room or suite no.):

4517 W. Loop 289

City or town:

Lubbock

State:

TX

ZIP code:

79414

Is this notice:

- Initial
- Amended
- Final

Date established (MM/DD/YYYY):

12 / 08 / 2015

Date of material change (MM/DD/YYYY):

Email:

The organization has no email address.

Name of custodian of records:

Steve Verett

Custodian's address:

Address same as organization's mailing address.

City or town:

State:

ZIP code:

 - 

Name of contact person:

Contact person's address:

Address same as organization's mailing address.

City or town:

State:

ZIP code:

 - 

Organization's business address:

Address same as organization's mailing address.

City or town:

State:

ZIP code:

 - 

*Note: After entering each Election Authority Identification Number (EAIN), click the "Add EAIN" button. Once you've added all EAINs, button.*

Election Authority Identification Number:

The organization does not have any EAINs.

**Proceed to Next Step**

**Reset**



[Login](#)

[Initial](#)

Step I General Information

Step II Exemption

Step III Purpose

Step IV Related Entities

Step V Officers

## Step II: Notification of Claim of Exemption From Filing Certain Forms

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot release the information on this form.

### Select the applicable choice:

Is this organization claiming exemption from filing Form **8872**, Political Organization Report of Contributions and Expenditures, as a political organization?

- Yes
- No

List the state where the organization files reports

Select a state...

Is this organization claiming exemption from filing Form **990**, Return of Organization Exempt from Income Tax, as a caucus or association?

- Yes
- No



[Login](#)

[Initial](#)

[Step I General Information](#)

[Step II Exemption](#)

[Step III Purpose](#)

[Step IV Related Entities](#)

[Step V Officers](#)

## Step III: Purpose

**Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot disclose the information on this form.**

Describe the purpose of the organization (max length 512 characters):

The Corporation is formed for the principal purpose of carrying on political activities that constitute exempt functions for a political organization within the meaning of Section 527 of the Internal Revenue Code. The Corporation is being established as a "separate segregated fund" under the Federal Election Campaign Act by the Plains Cotton Growers, Inc.



[Login](#)

[Initial](#)

[Step I General Information](#)

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[Step V Officers](#)

## Step IV: List of All Related Entities

**Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot release the information on the form.**

*Note: After entering each related entity, click the "Add Entity" button. Once you have added all related entities, click the "Proceed to Next Step" button.*

The organization has no related entities.

Related entity:

Relationship:

Mailing address:

Address same as organization's mailing address.

City or town:

State:

ZIP code:

 - 

## Entities



[Login](#)

[Initial](#)

[Step I General Information](#)

[Step II Exemption](#)

[Step III Purpose](#)

[Step IV Related Entities](#)

[Step V Officers](#)

## Step V: List of All Officers, Directors, and Highly Compensated Employees

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot release the information on this form.

Note: After entering each officer, click the "Add Officer" button. Once you have added all officers, click the "Proceed to Next Step" button.

Name:

Title:

Mailing address:

Address same as organization's mailing address.

City or town:

State:

ZIP code:

 - 

### Officers

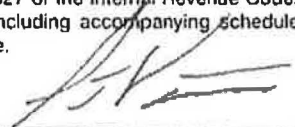
# Political Organization Declaration for Electronic Filing of Notice of Section 527 Status

► Information about Form 8453-X and its instructions is at [www.irs.gov/form8453](http://www.irs.gov/form8453).

## Part I Notice Information

<b>1</b> Name of organization		<b>Employer identification number</b>
Plains Cotton Growers Inc PAC		81-0772080
<b>2</b> Mailing address (P.O. box or number, street, and room or suite number)		
4517 W. Loop 289		
City or town, state, and ZIP code		
Lubbock, TX 79414		
<b>3</b> Confirmation number		
9639476963		
<b>4a</b> Date Form 8871 filed	<b>4b</b> Time Form 8871 filed	
12/09/2015	9:48 a.m. C.S.T.	

## Part II Declaration

<b>Sign Here</b>	Under penalties of perjury, I declare that the organization named in Part I is to be treated as a tax-exempt organization described in section 527 of the Internal Revenue Code, that it has filed the electronic Form 8871 referenced above, and that I have examined that notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.
	 Signature of authorized official
	12-9-15 Date

## Instructions

After electronically submitting Form 8871, an authorized official must sign, date, and send Form 8453-X to:

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201

Upon receipt of this form, the Internal Revenue Service will send the organization a username and password that must be used to file an amended or final Form 8871 or to electronically file **Form 8872**, Political Organization Report of Contributions and Expenditures.



## EIN Assistant

Your Progress:

1. Identity ✓

2. Authenticate ✓

3. Addresses ✓

4. Details ✓

5. EIN Confirm

**Congratulations! The EIN has been successfully assigned.**

EIN Assigned: **81-0772080**

Legal Name: **PLAINS COTTON GROWERS INC PAC**


The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

**We strongly recommend you print this page for your records.**

Click "Continue" to get additional information about using the new EIN.

Continue >>

### Help Topics

 [Can the EIN be used if the confirmation letter has not yet been received?](#)





**IMPORTANT INFORMATION FOR S CORPORATION ELECTION:**

If you intend to elect to file your return as a small business corporation, an election to file a Form 1120-S must be made within certain timeframes and the corporation must meet certain tests. All of this information is included in the instructions for Form 2553, Election by a Small Business Corporation.

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, Electronic Choices to Pay All Your Federal Taxes. If you need to make a deposit immediately, you will need to make arrangements with your Financial Institution to complete a wire transfer.

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at [www.irs.gov](http://www.irs.gov) for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at [www.irs.gov](http://www.irs.gov). If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records. This notice is issued only one time and IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.
- \* Provide future officers of your organization with a copy of this notice.

Your name control associated with this EIN is PLAI. You will need to provide this information, along with your EIN, if you file your returns electronically.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return this stub. Thank you for your cooperation.



## Office of the Secretary of State

### CERTIFICATE OF FILING OF

Plains Cotton Growers, Inc. PAC  
File Number: 802344238

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.


Dated: 12/07/2015

Effective: 12/08/2015



A handwritten signature in black ink, appearing to read "Cascos" followed by a horizontal line.

Carlos H. Cascos  
Secretary of State

<p><b>Form 509</b> <b>(Revised 06/15)</b></p> <p>Submit with relevant filing instrument.</p> <p><b>Filing Fee: None</b></p>	 <p><b>Consent to Use of Similar Name</b></p>	
---	---	--

(1) Plains Cotton Growers, Inc.; Filing No. 13118801  
*Name and file number of the entity or individual who holds the existing name on file with the secretary of state*


consents to the use of

(2) Plains Cotton Growers, Inc. PAC  
*Proposed name*

as the name of a filing entity or foreign filing entity in Texas for the purpose of submitting a filing instrument to the secretary of state.

(3) The undersigned certifies to being authorized by the holder of the existing name to give this consent. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: December 7, 2015

  
 \_\_\_\_\_  
 Signature of Authorized Person

Steven C. Verett  
 Name of Authorized Person (type or print)  
Executive V-President  
 Title of Authorized Person, if any (type or print)

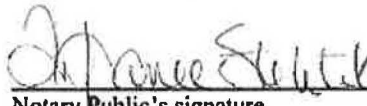
State of Texas

County of Lubbock

This instrument was acknowledged before me on 12/7/15 by Steven C. Verett  
 (date) (name of authorized person)

(Seal)



  
 \_\_\_\_\_  
 Notary Public's signature

**FEC  
FORM 1**

**STATEMENT OF  
ORGANIZATION**

Office Use Only

1. NAME OF COMMITTEE (in full)

(Check if name is changed)

Example: If typing, type over the lines.

12FE4M5

Plains Cotton Growers, Inc. PAC

ADDRESS (number and street)

4517 W. Loop 289

(Check if address is changed)

Lubbock

TX

79414

CITY

STATE

ZIP CODE

COMMITTEE'S E-MAIL ADDRESS (Please provide only one e-mail address)

(Check if address is changed)

pcgpac@plainscotton.org

COMMITTEE'S WEB PAGE ADDRESS (URL)

(Check if address is changed)

2. DATE

01 / 11 / 2016

3. FEC IDENTIFICATION NUMBER

C00599084

4. IS THIS STATEMENT

NEW (N)

OR

AMENDED (A)

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Steve Verett

Signature of Treasurer



Date

01 / 11 / 2016

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

Office  
Use  
Only

For further information contact:  
Federal Election Commission  
Toll Free 800-424-9530  
Local 202-694-1100

**FEC FORM 1**  
(Revised 02/2009)

5. TYPE OF COMMITTEE

Candidate Committee:

- (a)  This committee is a principal campaign committee. (Complete the candidate information below.)
- (b)  This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate \_\_\_\_\_

Candidate Party Affiliation  Office Sought:  House  Senate  President State  District

- (c)  This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate \_\_\_\_\_

Party Committee:

- (d)  This committee is a  (National, State or subordinate) committee of the  (Democratic, Republican, etc.) Party.

Political Action Committee (PAC):

- (e)  This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:
  - Corporation  Corporation w/o Capital Stock  Labor Organization
  - Membership Organization  Trade Association  Cooperative
  - In addition, this committee is a Lobbyist/Registrant PAC.
- (f)  This committee supports/opposes more than one Federal candidate, and is NOT a separate segregated fund or party committee. (i.e., nonconnected committee)
  - In addition, this committee is a Lobbyist/Registrant PAC.
  - In addition, this committee is a Leadership PAC. (Identify sponsor on line 6.)

Joint Fundraising Representative:

- (g)  This committee collects contributions, pays fundraising expenses and disburses net proceeds for two or more political committees/organizations, at least one of which is an authorized committee of a federal candidate.
- (h)  This committee collects contributions, pays fundraising expenses and disburses net proceeds for two or more political committees/organizations, none of which is an authorized committee of a federal candidate.

Committees Participating in Joint Fundraiser

1.	_____	FEC ID number	C _____
2.	_____	FEC ID number	C _____
3.	_____	FEC ID number	C _____
4.	_____	FEC ID number	C _____

Write or Type Committee Name

Plains Cotton Growers, Inc. PAC

6. Name of Any Connected Organization, Affiliated Committee, Joint Fundraising Representative, or Leadership PAC Sponsor

Plains Cotton Growers, Inc.

Mailing Address 4517 W Loop 289 Lubbock TX 79414 CITY STATE ZIP CODE

Relationship: [X] Connected Organization [ ] Affiliated Committee [ ] Joint Fundraising Representative [ ] Leadership PAC Sponsor

7. Custodian of Records: Identify by name, address (phone number -- optional) and position of the person in possession of committee books and records.

Full Name Steve Verett Mailing Address 4517 W Loop 289 Lubbock TX 79414 CITY STATE ZIP CODE

Title or Position Treasurer Telephone number 806-792-4904

8. Treasurer: List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer Steve Verett Mailing Address 4517 W Loop 289 Lubbock TX 79414 CITY STATE ZIP CODE

Title or Position Treasurer Telephone number

Full Name of Designated Agent

Kody Bessent

Mailing Address

4517 W Loop 289

Lubbock

CITY

TX

STATE

79414

ZIP CODE

Title or Position

Assistant Treasurer

Telephone number

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.

City Bank N.A.

Mailing Address

5219 City Bank Parkway

Lubbock

CITY

TX

STATE

79407

ZIP CODE

3501

Name of Bank, Depository, etc.

Mailing Address

CITY

STATE

ZIP CODE



EXHIBIT A

**PERMISSION TO SOLICIT CUSTOMERS/MEMBERS OF**

Before Plains Cotton Growers, Inc. (PCG) or Plains Cotton Growers, Inc. Political Action Committee (PCGPAC) may solicit the customers/members of Gin for contributions to PCGPAC, Gin separate and specific approval is required for each calendar year. Gin **may not** approve solicitations by another membership organization for the same calendar year. Gin may withdraw its approval at any time. PCG, PCGPAC and Gin agree that a customer/member's decision whether to voluntarily participate through contributions will in no way be favored or disfavored and shall be free of any reprisal for the customer/member's decision.

**2016**

By signing below, you affirm that: (1) you understand that Gin's approval is required before PCG or PCGPAC may solicit Gin's customers/members; (2) Gin gives its approval to PCG and PCGPAC to solicit contributions from Gin's customers/members during calendar year 2016; and (3) Gin has not given solicitation approval to any other membership organization to solicit its customers/members for calendar year 2016.

\_\_\_\_\_  
*(Appropriate signatory and title)*

\_\_\_\_\_  
Date

**2017**

By signing below, you affirm that: (1) you understand that Gin's approval is required before PCG or PCGPAC may solicit Gin's customers/members; (2) Gin gives its approval to PCG and PCGPAC to solicit contributions from Gin's customers/members during calendar year 2017; and (3) Gin has not given solicitation approval to any other membership organization to solicit its customers/members for calendar year 2017.

\_\_\_\_\_  
*(Appropriate signatory and title)*

\_\_\_\_\_  
Date

**2018**

By signing below, you affirm that: (1) you understand that Gin's approval is required before PCG or PCGPAC may solicit Gin's customers/members; (2) Gin gives its approval to PCG and PCGPAC to solicit contributions from Gin's customers/members during calendar year 2018; and (3) Gin has not given solicitation approval to any other membership organization to solicit its customers/members for calendar year 2018.

\_\_\_\_\_  
*(Appropriate signatory and title)*

\_\_\_\_\_  
Date

**2019**

By signing below, you affirm that: (1) you understand that Gin's approval is required before PCG or PCGPAC may solicit Gin's customers/members; (2) Gin gives its approval to PCG and PCGPAC to solicit contributions from Gin's customers/members during calendar year 2019; and (3) Gin has not given solicitation approval to any other membership organization to solicit its customers/members for calendar year 2019.

\_\_\_\_\_  
*(Appropriate signatory and title)*

\_\_\_\_\_  
Date

**2020**

By signing below, you affirm that: (1) you understand that Gin's approval is required before PCG or PCGPAC may solicit Gin's customers/members; (2) Gin gives its approval to PCG and PCGPAC to solicit contributions from Gin's customers/members during calendar year 2020; and (3) Gin has not given solicitation approval to any other membership organization to solicit its customers/members for calendar year 2020.

\_\_\_\_\_  
*(Appropriate signatory and title)*

\_\_\_\_\_  
Date

SAMPLE

EXHIBIT B

Plains Cotton Growers, Inc. Political Action Committee (PCGPAC)  
Political Action Committee Contribution Form<sup>1</sup>

Plains Cotton Growers, Inc. Political Action Committee (PCGPAC) hereby presents the following solicitation for contribution to aid in funding the PCGPAC for the purposes of supporting and electing political candidates at the federal level who support agriculture and the cotton industry and influencing agricultural legislation reform.

PCGPAC is recommending a (\$1.00) per bale contribution to be deducted from each bale processed through the local PCG gin member. The recommended contribution is only a suggestion and any PCG cotton producer member may contribute more or less than the recommendation. PCG, PCGPAC, and the PCG gin member will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute. PCG cotton grower member may refuse to contribute without reprisal. Should a PCG cotton grower member authorize a contribution, the same member may at any time revoke or modify the contribution amount without penalty or adverse action from PCG, PCGPAC or the local PCG gin member.

The authorization form below should be completed in its entirety by those PCG cotton grower members that desire to make a contribution to the PCGPAC. Once completed, PCG cotton grower members should return the form to the local PCG gin member for collection and submission of the contribution to PCGPAC.”

Individual or Partnership Name: John Smith

Address: 123 FM 234

City, State, Zip: Cotton, Texas, 79434

If an individual, please provide occupation (check one)  Farmer  Other: \_\_\_\_\_

If an individual, name of your employer (check one)  Self-Employed  Employer: \_\_\_\_\_

(PLEASE CHECK APPROPRIATE BLOCKS)

**(Individual)**<sup>2</sup> I wish to contribute from my 2016 crop proceeds.

The undersigned certifies that he/she is not a corporation and authorizes Gin to deduct and:

make a contribution to PCGPAC in the amount of \$ 1.00 per bale

Signature: John T. Smith Date: 10/31/2016 Account Number(s): 4123567

<sup>1</sup> Contributions to PCGPAC are not deductible for Federal income tax purposes and may not be reimbursed as a business expense. No corporate contributions or contributions from foreign nationals may be accepted under Federal law. Federal law requires us to use our best efforts to collect and report the name, address, occupation and name of employer of individuals whose contributions exceed \$200.

<sup>2</sup> Individual contributions are limited to \$5000 per calendar year.

EXHIBIT B

**(Partnership)**<sup>3</sup> This partnership wishes to contribute from the partnerships \_\_\_\_\_ crop proceeds, and authorizes \_\_\_\_\_ to deduct and on behalf of the partnership:

make a contribution to the PCGPAC in the amount of \$ \_\_\_\_\_ per bale

Signature of Authorized Partner: \_\_\_\_\_ Date: \_\_\_\_\_ Account Number(s): \_\_\_\_\_

*Please list all partners on the back of this form and return it with the form. Also, see the back of this form for information concerning restrictions of contributions by corporate and LCC partners.*

**Partnership Contributions**

Partnership contributions to the PCGPAC are limited to \$5,000 per calendar year. Under Federal Law, contributions in excess of \$200 from a partnership must be attributed to each contributing partner. The portion attributed to each partner must not exceed the individual partner's contribution limit. If all partners within the organization are contributing, the partnership may attribute the contribution according to each partner's share of the partnership's profits. If the partnership attributes a contribution on another basis agreed to by the partners, or if it attributes contributions only to certain partners, the following rules must be observed: 1) the profits and losses of only the contributing partners must be affected; and 2) the profits of each contributing partner must be reduced (or his/her losses increased) by the amount of the contribution attributed to him or her.

**Special Rules for Partnerships with Corporations and/or LLCs:** A partnership with corporate members may not contribute any portion of a contribution to the corporate partner. For the purposes of contribution limitations and prohibitions, contributions may only be attributed to an LLC partner if the LLC itself is treated as a partnership, does not have publicly traded shares, and has either chosen to file, under IRS rules, as a partnership or made no choice at all.

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<sup>3</sup> Partnership contributions to the PCGPAC are limited to \$5,000 per calendar year. Contributions from each partner's personal funds to the PAC are also limited to \$5,000 per calendar year.

EXHIBIT B

Please list all partners and allocate the contribution of each partner. The total for all partners must equal the total of the partnership contribution or 100 percent.

Partner 1 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 2 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 3 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 4 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 5 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

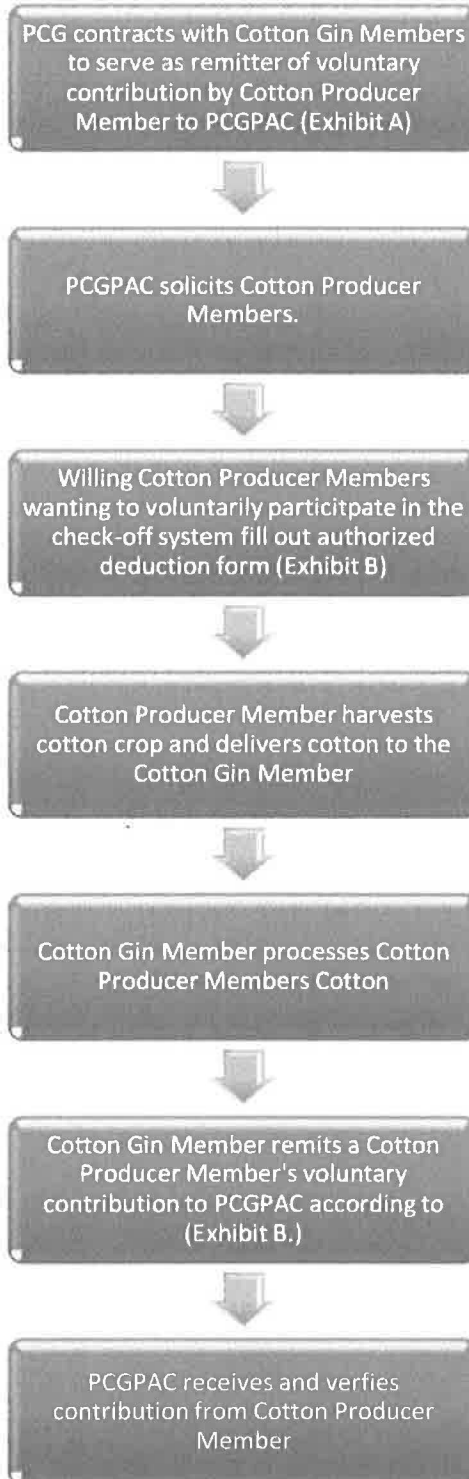
Partner 6 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

*(If there are additional partners, please make copies of this page and continue to list all partners.)*

## How the PCGPAC Check-off System Works



**From:** [Kody Bessent](#)  
**To:** [Tony Buckley](#)  
**Subject:** Re: Questions regarding your Advisory Opinion Request on behalf of Plains Cotton Growers (PGC) and PGCPAC  
**Date:** Monday, September 12, 2016 5:42:26 PM

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Tony,

Sincerely appreciate you and Neven for giving me a call today in order to clarify questions you had in regard to our advisory opinion request. The points you have scribed below from our conversation are correct.

If you have any further questions or need any additional information please feel free to contact me anytime.

Thank you,

Kody

Kody Bessent

Vice President of Operations/Legislative Affairs

Plains Cotton Growers, Inc.

4517 West Loop 289

Lubbock, Texas 79414

[kody@plainscotton.com](mailto:kody@plainscotton.com)

O: 806-792-4904

C: 806-683-8204

On Sep 12, 2016, at 3:02 PM, Tony Buckley <[tbuckley@fec.gov](mailto:tbuckley@fec.gov)> wrote:

Mr. Bessent –

Thank you for speaking with Neven Stipanovic and me earlier today. Please either confirm the accuracy, or correct as necessary, the following statements you made to us by phone:

1. Plains Cotton Growers, Inc. (PCG) has approximately 8900 Cotton Producer Members, the majority of which are individuals or partnerships. A few of the Producer Members are incorporated, but those Members will not be solicited for contributions to PCGPAC.
2. Cotton Gin Members are cooperatives that will collect contributions from their own Producer Members and transmit them to PCG. PCG, in turn, will transmit the contributions to PCGPAC. Cotton Gin Members similarly collect Producer Member's

dues owed to PCG and transmit them to PCG.

Your response may be considered to be part of your advisory opinion request; if so, it will become a public record and it will be posted on the Commission's website. Please let me know if you have any questions.

Thank you,

Tony Buckley