

Capron

MRS Title 21-A, §1125

B. Prior to certification, a participating candidate may obligate an amount greater than the seed money collected, but may only receive that portion of goods and services that has been paid for or will be paid for with seed money. A participating candidate who has accepted contributions or made expenditures that do not comply with the seed money restrictions under this chapter may petition the commission to remain eligible for certification as a Maine Clean Election Act candidate in accordance with rules of the commission, if the failure to comply was unintentional and does not constitute a significant infraction of these restrictions. [PL 2007, c. 443, Pt. B, §6 (NEW).]

In this case, there was a future commitment of \$5000 of which \$2000 was set aside by Capron as a personal guarantee in the event that seed money fell short or the candidate abandoned the campaign.

As seed funds accumulated, payments were to be made from seed funds for services rendered and invoiced. This is evidenced by the contributions to date [8-1-2025] of \$644.65 and the payment of \$500 to Kaplan for a net balance today of \$144.65. Since the contract of \$5000 was for the entire Primary period ending June 2026, the \$500 was only one tenth of the commitment and represented one tenth of the services – a poll and the beginning of a web site.

The work on the website has been so poorly done that I'm not sure whether the contract will be completed. I haven't even taken ownership of the domain, the WordPress contract nor the coding copyright and pay portal, etc. There have only been two transactions through the pay portal. The coding has excluded any statistical gathering to determine visits and time on the website. In other words, the merchant has yet to provide product as agreed. If necessary, I may be forced to litigate return of the \$2000 guarantee through small claims court.

Although the intent was to make payments from seed funds collected as services were rendered, that is in limbo. It may be necessary to forfeit the \$2000 in return for the domain and copyright.

Because of the low balance remaining, I have been unable to buy signs and do mailings etc.

Just because the Commission doesn't have rules or regulations to deal with "Personal Guarantees" doesn't automatically turn \$2000 into a contribution. And under Section B. this remains a future commitment to be paid out of seed money collected. It is contingent upon receipt of additional seed donations AND services. Had the \$2000 been placed in a separate bank account, the situation might have been clearer. Since the net effect of the options for holding the guarantee is the same, it doesn't matter who holds the guarantee. Over the life of the contract, \$5000 of services were to be provided and to paid from seed money donations. This provided Kaplan with incentive to perform to generate sufficient funds to cover the services.

The interpretation of a personal guarantee as a contribution is flawed and unsupported by statute nor rule. No one can say with certainty what will happen to the \$2000. Ideally the seed funds will cover the remainder of the oral contract and the "obligation" will be satisfied and I'll ride off into the sunset. Who knows whether Kaplan will get the rest of their \$5000 under the circumstances? I will stand by my guarantee as would any honorable person. Personal guarantees may come in various forms as security for future payments.

Ken Capron