



# California Fair Political Practices Commission

December 27, 1985

Mrs. Rose Bucholz, President  
Long Beach Oil Royalty Owners, Inc.  
2131 East First Street  
Long Beach, CA 90803

Re: Our File No. A-85-263

Dear Mrs. Bucholz:

This is in response to your letter of November 25, 1985, requesting advice regarding the filing obligations of the Long Beach Oil Royalty Owners (LBORO) under the Political Reform Act (Government Code Sections 81000-91015).

During our telephone conversations of the past few months, you explained that in June of 1985 the members of LBORO began donating funds for the purpose of influencing the passage of Assembly Bill 2568. LBORO used the funds to employ a lobbyist and make other payments in connection with A.B. 2568. You also stated that the attorney for LBORO had filed a Statement of Organization (Form 410) and campaign disclosure statements (Form 420) reporting these payments. I explained that unless LBORO's members had been informed or had some reason to believe that some or all of their donations would be used to support or oppose candidates or ballot measures, LBORO was not required to file a Statement of Organization or campaign disclosure statements, but instead should file reports as a lobbyist employer.

According to the records of the Secretary of State, LBORO filed its Statement of Organization and two campaign disclosure statements (covering the periods January 1-June 30, 1985 and July 1,-September 30, 1985) under the name Upland Committee for Equity. LBORO also filed a Lobbyist Employer Report (Form 650) under the name Upland Committee for Equity for the period July 1-September 30, 1985. I have reviewed these reports and it appears that the payments reported on both the campaign and lobbying disclosure filings are identical and relate only to LBORO's attempts to influence the passage of A.B. 2568.

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Government Code Section 82013(a) defines "committee" as a person or combination of persons which "receives contributions totaling five hundred dollars (\$500) or more in a calendar year." An individual makes a "contribution" if he or she knows or has reason to know that some or all of his or her funds will be used to support or oppose candidates or ballot measures. Based on your understanding that LBORO's members were asked to donate funds solely for the purpose of influencing the passage of A.B. 2568 and because none of the funds were spent for campaign purposes, it does not appear that the Upland Committee ever qualified as a "committee" pursuant to Section 82013. Therefore, you should probably terminate the committee at this time. Enclosed is a Statement of Termination (Form 415) which you should file with the Secretary of State along with a letter explaining that the Upland Committee for Equity never qualified as a "committee" under the Political Reform Act.

In the future, if members of LBORO wish to raise or spend funds to support or oppose candidates or ballot measures, a new Statement of Organization should be filed within 10 days of receiving \$500 for campaign purposes. Enclosed is a copy of FPPC Fact Sheet C-1 which you should use to determine if such a committee would be "sponsored" by LBORO. The Fact Sheet contains information about the Act's requirements for sponsored committees.

With respect to the surplus funds held by the Upland Committee, unless there is some reason to believe that LBORO's members anticipated that some of their funds would be used for campaign purposes, there is nothing which would prohibit the Upland Committee from returning its surplus funds to LBORO. 1/

Finally, you asked if LBORO should continue filing reports as a lobbyist employer. I have checked with the Secretary of State's Political Reform Division and have determined that your lobbyist, Frederick Shanbour, has not deleted the Upland Committee as a client on his registration. Therefore, regardless of whether any payments were made during the period, you will be required to file a Lobbyist Employer Report (Form 650) for the period October 1-December 31, 1985. This report must be filed no later than January 31, 1986. I would also like to point out that you and Mr. Shanbour should amend all previously filed lobbying disclosure forms to correctly identify the lobbyist employer as Long Beach Oil Royalty Owners, Inc. This name should also be used on any reports filed in the future.

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1/ If after reviewing this letter you determine that the Upland Committee does meet the definition of a "committee" in Government Code Section 82013, please be advised that Elections Code Section 12400 et seq. prohibits the personal use of campaign funds. Questions regarding the Elections Code should be addressed to your District Attorney.

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LBORO should not continue to be registered as a lobbyist employer if no further lobbying activities are anticipated. Therefore, once all activities in connection with LBORO's efforts to influence legislation or administrative action have been completed and all payments owed to Mr. Shanbour have been made, I suggest that you contact Mr. Shanbour and request that he delete LBORO from his registration.

I hope the foregoing has been helpful. Please let me know if I can be of further assistance.

Sincerely,



Carla Wardlow  
Political Reform Consultant

Enclosures  
CW:lm

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Long Beach Oil Royalty Owners, Inc.  
Mrs. Rose Bucholz, President  
2131 East First Street  
Long Beach, CA 90803

November 25, 1985

Ms. Carla Wardlow  
c/o Fair Political Practice Committee  
P. O. Box 807  
Sacramento, CA 95804

Dear Ms. Wardlow:

Thank you for sending me the Series #600 forms that we needed for refiling. As you will recall, the forms filed earlier were the Series #400 and incorrect for our use. Just to set the record straight, our Attorney was correct when he claimed to have filed the #600 forms, but they weren't filed until almost a month after my discussions with you. I trust all of our papers are in order now.

I am writing this letter to request a favor. Would you please answer some questions for our "Upland Committee for Equity"?

1. What is the real connection between our original organization, the "Long Beach Oil Royalty Owners, Inc.", and the "Upland Committee For Equity". Are we not the sponsor of the Upland Committee for Equity?
2. If we are the sponsor of this Committee, would it then make the President of the L.B.O.R.O. Inc. responsible for the officers and management of this Committee?
3. Now that our bill A.B. 2568 has passed and made into law, what are the advantages and/or disadvantages for the L.B.O.R.O. Inc. to continue or discontinue our registration with the State? I understand that the #600 series forms continue on from year to year. At this point we do not know when we will be using this application again.
4. Our original application filed on the # 400 series form had a paragraph which stated that when this Committee (Upland Committee for Equity) would terminate, the monies remaining in the Treasury would go to a favorite charity. I do not have a copy of the corrected filing so I am not sure if this paragraph was deleted as we requested. We would like to have this money returned to the L.B.O.R.O. Inc. We would then like to change the name. The donations from the Upland Committee for Equity would remain completely separate from Long Beach Oil Royalty Owners, Inc. Can this be accomplished?

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5. We have sent our fee to cover the cost of printing of all of our records to the Office of the Secretary of State. With these records, plus the information we look forward to receiving from you, we hope to clear up any misunderstandings that were created.

Thanking you in advance, I remain

Sincerely

A handwritten signature in cursive script that reads "Rose Bucholz". The signature is written in dark ink and is positioned above the typed name and title.

Rose Bucholz  
President