



California Fair Political Practices Commission

February 14, 1986

Robert F. Beaver
P.O. Box 4268
Santa Fe Springs, CA 90670

Re: FPPC No. A-86-053

Dear Mr. Beaver:

FPPC Commissioner Mike Montgomery has referred your letter dated January 21, 1986, to me for reply.

You have asked whether the Orange County Committee for State and Local Candidates is "sponsored" by the Lincoln Club of Orange County. You indicated that the funds received by the Orange County Committee for State and Local Candidates are dues payments from the members of The Lincoln Club of Orange County who pay their dues by other than personal check, and that those members receive all of the benefits provided by the Lincoln Club.

AB 688 (Chapter 498, 1985 Statutes) added Gov. Code Section 82048.5 to the Political Reform Act, effective January 1, 1986. Section 82048.5 provides that:

(a) "Sponsored committee" means a committee, other than a controlled committee, which has one or more sponsors. Any person, except a candidate, proponent, or other individual, may sponsor a committee.

(b) A person sponsors a committee if any of the following apply:

(1) The Committee receives all or nearly all of its contributions from the person or its members, officers, employees, or shareholders.

(2) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

(3) The person alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.

(4) The person, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures of committee funds.

Because the committee receives its contributions from members of The Lincoln Club of Orange County, the committee is "sponsored" by the Lincoln Club. Therefore, the name of the Orange County Committee for State and Local Candidates must be amended to include the name of The Lincoln Club of Orange County.

However, I would like to point out that it is not necessary that the funds deposited into the account of the Orange County Committee for State and Local Candidates be reported on a separate campaign statement filed by the committee.

You indicated that you received advice years ago (before the FPPC came into existence) that members of the Lincoln Club who pay dues by other than personal check should make their checks payable to the Orange County Committee for State and Local Candidates, and that those funds should be kept in a separate bank account and should be reported to the Secretary of State under a separate committee name and identification number. I assume that this procedure was suggested for the purpose of avoiding any commingling of corporate contributions and individual contributions in the event the Lincoln Club made contributions to federal candidates. (The Federal Elections Act prohibits corporate contributions to federal candidates. In addition, some California counties and cities prohibit corporate contributions to candidates running for election in their jurisdictions.)

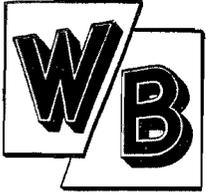
Under the Political Reform Act, there is no prohibition against corporate contributions. Therefore, the Lincoln Club may continue to segregate in a separate account the dues payments it receives from corporations, but it is not necessary to report the contributions on a separate campaign statement filed under the name of the Orange County Committee for State and Local Candidates. Instead, it may report all contributions received and contributions made on a single campaign statement filed by The Lincoln Club. In this case, a Statement of Termination (Form 415) should be filed to terminate the Orange County Committee for State and Local Candidates.

If the Lincoln Club chooses to terminate the Orange County Committee for State and Local Candidates, and report all contributions and expenditures on the campaign statement filed by The Lincoln Club of Orange County, please call me and I will explain in detail how it may be done.

Sincerely,

Jeanne Pritchard
Chief, Technical Assistance &
Analysis Division

JP:kt



WILLARD-BRENT CO., Inc.

General Contractors

A-85-053



10144 FREEMAN AVE. • P.O. BOX 4286 • SANTA FE SPRINGS, CALIF. 90670 • (213) 944-7931

Dear Mike —

The more I think about this letter, the more I think it is unnecessary.

Please let me know what you or the FPCC lawyers think.

With best regards

Bob Beave

"In all that the people can individually do as well for themselves, government ought not to do for them!"



January 21, 1986

Hon. Michael Montgomery, Commissioner
Fair Political Practices Commission
2033 Monterey Road
South Pasadena, CA. 91030

Dear Mike:

It has been called to my attention that, effective January 1, 1986, Political Action Committees must be identified with the name of the sponsor, if any, as a part of the committee's identification.

The Lincoln Club of Orange County, I.D. #741 029 and now in its 23rd year, consists of approximately 270 individuals who pay dues of \$1,000. per year. It is completely independent and not affiliated with any candidate, corporation, state or local party organization. The name, "The Lincoln Club of Orange County" is a registered name and future printing of letterheads will carry the registration symbol. Thus, since there is no sponsor, a name change would not be required.

Some years ago, before there was an FPPC, we had legal advice that those relatively few members who pay dues by other than personal check should be required to make checks payable to, "Orange County Committee for State and Local Candidates." Such checks are kept in separate bank accounts and reported to the Secretary of State under I.D. #741 018.

Here again there is no sponsor or affiliation with any other organization except that members receive all of the benefits provided by the Lincoln Club and technically it could be argued that the Lincoln Club was the sponsoring group. However, since the change in the law is aimed at further disclosure, I do not see how a name change would be beneficial. Furthermore, the name is already long and an attempt to identify with the Lincoln Club of Orange County would be awkward and confusing.

**THE
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JOHN J. CRONIN
VICE-PRESIDENT

WILLIAM E. LANGSTON
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GUS A. OWEN
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ROBERT F. BEAVER
TREASURER

JAMES R. MOORE
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MARION KNOTT
THOMAS L. MALCOLM
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MICHAEL D. PATTON
GLEN E. STILLWELL
DAVID R. WHITE. II
THOMAS C. WILCK

CHAIRMAN EMERITUS

ARNOLD O. BECKMAN

DIRECTORS EMERITI

VICTOR C. ANDREWS
NED LEWIS
WALTER R. SCHMID

We have always favored full disclosure of campaign contributions and would appreciate a ruling as to whether any useful purpose would be served by a name change.

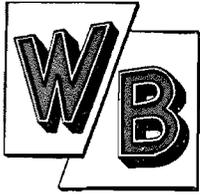
Sincerely,

A handwritten signature in black ink, appearing to read "R. F. Beaver". The signature is fluid and cursive, with the first name "R." and last name "Beaver" clearly distinguishable.

Robert F. Beaver
RFB/js

P.O. Box 4286
Santa Fe Springs, CA. 90670
(213) 944-7931

cc: Mr. Coalson C. Morris



A-85-003
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