



California Fair Political Practices Commission

August 4, 1988

Lance H. Olson
Olson, Connelly & Hagel
431 J Street, Fourth Floor
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-88-284

Dear Mr. Olson:

You have requested advice under the campaign disclosure provisions of the Political Reform Act^{1/} on behalf of the recipient committee "Good Driver Initiative, Sponsored By A Consumer, Legal, Financial & Health Coalition/Yes On Proposition 100." You are the treasurer and authorized representative of the committee.

QUESTION

Is the name selected by the committee sufficient for purposes of the Act's sponsored committee identification requirements?

CONCLUSION

We have previously advised you that the name selected by the committee, "Good Driver Initiative, Sponsored By A Consumer, Legal, Financial & Health Coalition/Yes On Proposition 100," satisfies the sponsored committee identification requirements of the Act. In this letter we conclude that the purpose of the sponsored committee identification law would be better served by a more specific name. However, due to ambiguities in the statute, we will not withdraw our previous advice to you at this time. Instead, we will propose that the Commission develop a regulation to clarify this area of law.

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, *et seq.* All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

FACTS

A recent amendment to the statement of organization (Form 410) filed by "Good Driver Initiative, Sponsored By A Consumer, Legal, Financial & Health Coalition/Yes on Proposition 100" ("the committee") indicates that the committee is sponsored by four organizations -- the California Bankers Association, the California Chiropractic Association, the California Trial Lawyers Association, and the Insurance Consumer Action Network.^{2/} That amendment also changed the committee name to the name which is the subject of this letter.

ANALYSIS

The Act provides that every recipient committee must file a statement of organization. (Section 84101.) The statement of organization must include, among other things, the name of the committee. If the committee is a "sponsored committee," the committee's name must include the name of its sponsor. (Section 84102(a).)

Section 82048.5 defines "sponsored committee" as follows:

(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.

^{2/} We make no determination here as to whether each of the four entities listed as sponsors on the committee's statement of organization meets the Act's definition of sponsor. The Commission does not act as a finder of fact when it issues advice. Therefore, the conclusion in this letter regarding the committee's name is based on the assumption that the committee is sponsored by the four organizations currently listed as sponsors. Our advice might change if the facts differed on this point.

(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.

When more than one organization meets the definition of "sponsor," Section 84102(a) provides that:

Whenever a committee has more than one sponsor, and the sponsors are members of an industry or other identifiable group, a term identifying that industry or group shall be included in the name of the committee.

The Act does not provide guidance regarding the appropriate "terms" which should be used to describe the industry or group affiliation of multiple sponsors. Currently, the Commission staff provides assistance to sponsored committees on a case-by-case basis. In rendering advice, we are guided by the purposes of the Act and its provisions. The purpose of the sponsored committee identification requirement is to make the public aware of the sponsorship of this type of committee.

Section 84102 requires a committee to include the sponsor's name in the committee name. The multiple sponsor provision is an exception to this general rule that the specific name of the sponsor must be included. For this reason, we believe that the identifying terms used for multiple sponsors should be as specific as possible. A term that is broader than necessary would not be consistent with the purpose of Section 84102(a).

The statute permits use of a term identifying the industry or group. Which to choose depends upon the nature of the sponsor and whether a group name or an industry name more specifically identifies the sponsor. If several groups within an industry are sponsors, a term describing the industry might be best. Where several groups, each within a different industry, are sponsors, terms describing the groups might be best.

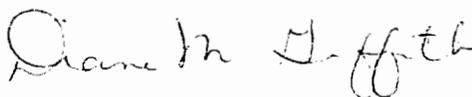
In the case before us, chiropractors would be a specific, small group within the health industry. The group term would be more consistent with the law's purpose. Trial lawyers would be a specific, small group within the legal profession. Again, the group term would be preferable. Similarly, the term bankers would be preferable to the term financial. Use of the term consumer is a more difficult issue, but it appears to be acceptable because the small consumer group in question could be described by the same term as all consumers.

Lance H. Olson
August 4, 1988
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In reaching this conclusion, we recognize that Section 84102(a) is ambiguous. Commission regulations have not clarified the meaning of the section. In addition, Form 410 itself may be somewhat misleading. We did not fully appreciate this problem until presented with your request for advice. In fact, when we provided you with informal advice approving the name currently in use, we did not express hesitation to you in doing so. This informal advice was based on our past informal interpretations of this provision. Faced with a request for formal advice, we have studied the issue more closely and we now believe this matter should be considered by the Commission itself. We will develop clarifying regulations for presentation at a future Commission meeting.^{3/}

If you have any questions about this letter, please contact me at (916) 322-5662.

Sincerely,



Diane M. Griffiths
General Counsel

DMG:JP:ld:Olson

^{3/} Because of the press of other Commission business, it is unlikely that the Commission will be able to consider a regulation on this issue before the end of the year. We will let you know when the regulation will be noticed and would appreciate your comments.

Law Offices of
OLSON, CONNELLY & HAGEL

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July 19, 1988

Jeanne Pritchard
Technical Assistance & Analysis Division
Fair Political Practices Commission
429 J Street, Suite 700
Sacramento, California 95814

Dear Ms. Pritchard:

I am writing to confirm our conversation regarding the enclosed amendment to our Statement of Organization. On Thursday, July 14, 1988, I informed you that the Consumer Insurance Reform Coalition would be filing an amended Statement of Organization. You and I reached tentative agreement on a name on Friday, July 15th, which was finalized on Monday, July 18th when you approved our new name, Good Driver Initiative, Sponsored By A Consumer, Legal, Financial & Health Coalition/Yes on Proposition 100.

While we feel confident that our original name and legal status as a controlled committee were proper, we want to make very certain that the California public is fully informed about our sponsorship. Both funding and day to day policy direction concerning contributions and expenses for the Proposition 100 campaign are currently being provided by lawyers, health professionals, financial institutions and consumers. Our amended Statement of Organization identifies those sponsors, who, through their representatives, serve on the Coalition's Board of Directors along with Attorney General John Van de Kamp and Assemblymember Lloyd Connelly.

We are proud of the breadth of our coalition and are pleased to submit this new name. However, we would like to make very clear that we are changing our name voluntarily, prior to any decision on our old name, with the full understanding that you did not require us to do so.

In reviewing this situation, however, we were struck by the apparent inconsistencies of a number of competing initiatives. For example, Proposition 101, which currently calls itself "Californians for Lower

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LANCE H. OLSON
BRUCE J. HAGEL
LEROY Y. FONG

OF COUNSEL
LLOYD G. CONNELLY, Member
California State Legislature

Ms. Jeanne Pritchard

Page Two

Insurance Rates" recently filed a campaign report that indicates that 93% of their funds come from one insurance company. Is not a more appropriate name for them, "Californians for Lower Insurance Rates, Sponsored by Coastal Insurance"?

Similarly, Proposition 106 calls itself on its Statement of Organization "Committee for Fair Lawyers' Fees, Sponsored by The Insurance Industry." This initiative was drafted by the insurance industry and placed on the ballot by the same insurance campaign committee that is currently running Proposition 104. In all of the mass mailings we have seen, no where are they identified as sponsored by The Insurance Industry.

While we have voluntarily chosen to alter our name, we bring the problems with these other initiatives to your attention to point out the lack of clarity currently existing in the law and to indicate that we believe there must be some consistency in the process and in the names you approve.

Thank you for your attention in this matter.

Very truly yours,

OLSON, CONNELLY & HAGEL



LANCE H. OLSON

Enclosure

LHO:kh

Law Offices of
OLSON, CONNELLY & HAGEL

July 19, 1988

Secretary of State's Office
Political Reform Division
1230 J Street
Sacramento, California 95814

**RE: Consumer Insurance Reform Coalition
ID# 880213**

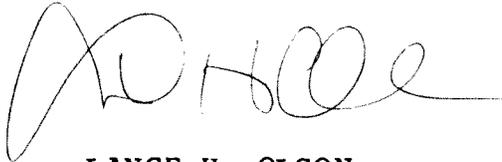
Greetings:

Please file the enclosed original and one copy of
the above Committee's Amended Statement of
Organization.

Thank you for your assistance in this matter.

Very truly yours,

OLSON, CONNELLY & HAGEL



LANCE H. OLSON

LANCE H. OLSON
BRUCE J. HAGEL
LEROY Y. FONG

Enclosures
LHO:kh

OF COUNSEL
LLOYD G. CONNELLY, Member
California State Legislature

431 J Street, Fourth Floor
Sacramento, California 95814
TELEPHONE: (916) 442-2952
FAX: (916) 442-1280

RECEIVED
AND FILED
in the office of the Secretary of State
of the State of California
JUL 19 1988

Hand Delivered, Sacramento
MARCH FONG EU, Secretary of State



Form 410
1988

FILE AN ORIGINAL AND ONE COPY OF THIS FORM WITH:

Secretary of State
Political Reform Division
P O Box 1467
Sacramento, CA 95812-1467

AND, IF APPLICABLE, FILE ONE COPY OF THIS FORM WITH:

The city or county filing officer, if any, with whom the committee must file its original campaign disclosure statements

RECEIVED
AND FILED

the office of the Secretary of State of California

JUL 19 1988

STATEMENT OF ORGANIZATION (RECIPIENT COMMITTEE)

(Government Code Section 84101-84103)

880213

IF AMENDMENT
ENTER I.D. NUMBER

(Type or Print in Ink)

Hand Delivered, Sacramento
SEARCH FOR THE SECRETARY OF STATE

FULL NAME OF COMMITTEE: **Good Driver Initiative, Sponsored By A Consumer, Legal, Financial & Health Coalition/Yes On Proposition 100**

STREET ADDRESS OF COMMITTEE: (NOT P.O. BOX) **431 J Street, Fourth Floor Sacramento, CA 95814** COUNTY: **Sacramento**

MAILING ADDRESS (IF DIFFERENT): NO AND STREET (OR P.O. BOX) CITY/STATE ZIP CODE
Same

DATE QUALIFIED AS COMMITTEE (MO., DAY, YR.): AREA CODE PHONE NUMBER A OFFICIAL USE ONLY B OFFICIAL USE ONLY
916/442-2952

I TREASURER AND OTHER PRINCIPAL OFFICERS

POSITION	NAME AND ADDRESS AND MAILING ADDRESS, IF DIFFERENT	(AREA CODE)	BUSINESS PHONE NO
TREASURER	Lance H. Olson 431 J Street, 4th Flr. Sacramento, CA 95814	916/442-	2952
CHAIR	Steven Miller 200 No. Sepulvada Plvd. El Segundo, CA 90245	213/322-	1155

Attach additional information on appropriately labeled continuation sheets.

II IS THIS A CONTROLLED COMMITTEE?

(A controlled committee is one which is controlled directly or indirectly by a candidate or a proponent of a state ballot measure or which acts jointly with a candidate, controlled committee or proponent of a state ballot measure in connection with the making of expenditures. A candidate or proponent of a state ballot measure controls a committee if he or she, his or her agent, or any other committee he or she controls, has a significant influence on the actions or decisions of the committee.)

YES (Complete the following and proceed to Part III) NO

NAME OF CONTROLLING CANDIDATE, NAME OF THE ELECTIVE OFFICE SOUGHT OR HELD AND DISTRICT NUMBER, IF ANY. IF THIS COMMITTEE IS CONTROLLED BY MORE THAN ONE CANDIDATE, THE NAME OF EACH CONTROLLING CANDIDATE MUST BE LISTED. IF THIS COMMITTEE IS CONTROLLED BY A STATE MEASURE PROPONENT, NAME OF THE STATE MEASURE PROPONENT MUST BE LISTED.

Attach additional information on appropriately labeled continuation sheets.

III IS THIS COMMITTEE ACTING JOINTLY WITH OTHER COMMITTEES?

YES (Complete the following and proceed to Part V) NO

NAMES OF COMMITTEES WITH WHICH THIS COMMITTEE ACTS JOINTLY. ALSO PROVIDE THE COMMITTEE'S IDENTIFICATION NUMBERS OR THE TREASURERS' NAMES AND PERMANENT STREET ADDRESSES.

Attach additional information on appropriately labeled continuation sheets.

YOU MUST COMPLETE THE VERIFICATION ON PAGE 2

NAME OF COMMITTEE

GOOD DRIVER INITIATIVE

IV IS THIS A SPONSORED COMMITTEE? (Refer to the instructions on the reverse side for definitions and rules regarding the name of a sponsored committee.)

NO

YES (Provide name and address of sponsor. If the committee has more than one sponsor, provide the name and address of each sponsor on an attachment. Also check one of the classifications below.)

See Attached List

Name of Sponsor: _____

Address of Sponsor: _____

CLASSIFICATION OF SPONSORED COMMITTEE BY INDUSTRY GROUP OR AFFILIATION (Check one box):

- Agriculture Education Entertainment/Recreation Finance/Insurance Health
- Industrial/Manufacturing Labor Legal Merchandise/Retail Oil/Gas Public Employees
- Real Estate Trade Transportation Utilities
- Other: Consumer

V IF PRIMARILY FORMED TO SUPPORT OR OPPOSE SPECIFIC CANDIDATES OR MEASURES, LIST SPECIFIC CANDIDATES OR MEASURES SUPPORTED OR OPPOSED.

CANDIDATE'S NAME/MEASURE'S FULL TITLE INCLUDING BALLOT NUMBER OR LETTER	SUPPORT	OPPOSE	OFFICE SOUGHT OR HELD BY CANDIDATE OR MEASURE'S JURISDICTION (Include district number, city or county, as applicable)
Proposition 100	X		State of California
Insurance Reform and Consumer Protection Initiative			

Attach additional information on appropriately labeled continuation sheets.

VI COMMITTEE'S PRINCIPAL ACTIVITY IF NOT SUPPORTING OR OPPOSING SPECIFIC CANDIDATES OR MEASURES -- PLEASE CHECK BOX TO INDICATE THE COMMITTEE'S LEVEL OF ACTIVITY: CITY COUNTY STATE

Attach additional information on appropriately labeled continuation sheets.

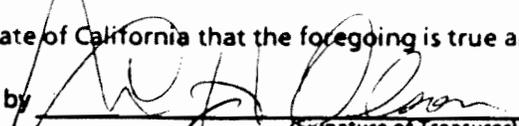
VII YOU MUST SPECIFY WHAT DISPOSITION WILL BE MADE OF SURPLUS FUNDS IN THE EVENT OF TERMINATION.

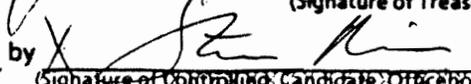
Any Lawful Purpose.

VERIFICATION

I have used all reasonable diligence in preparing this Statement. I have reviewed the Statement and to the best of my knowledge the information contained herein is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7-18-88 at Sacramento, CA by  (Signature of Treasurer)

Executed on 7/15/88 at Los Angeles, CA by  (Signature of Controlling Candidate, Officeholder or State Measure Proponent)

ID# 880213

ATTACHMENT
STATEMENT OF ORGANIZATION - AMENDMENT

California Bankers Association
1127 11th Street
Sacramento, California 95814

California Chiropractic Association
1700 Alhambra Boulevard
Sacramento, California 95814

California Trial Lawyers Association
1020 12th Street
Sacramento, California 95814

Insurance Consumer Action Network
3580 Wilshire Boulevard, #1740
Los Angeles, California 90010

Law Offices of
OLSON, CONNELLY & HAGEL

July 19, 1988

Secretary of State's Office
Political Reform Division
1230 J Street
Sacramento, California 95814

**RE: Consumer Insurance Reform Coalition
ID# 880213**

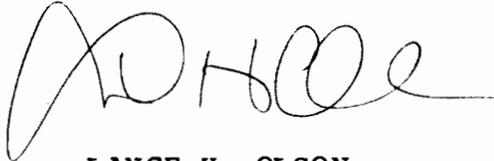
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Very truly yours,

OLSON, CONNELLY & HAGEL



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Enclosures
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OF COUNSEL
LLOYD G. CONNELLY, Member
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