



California Fair Political Practices Commission

January 2, 1986

Christo D. Bardis
Attorney at Law
9985 Folsom Boulevard
Sacramento, CA 95827

Re: Your Request for Advice,
Our File No. A-85-269

Dear Mr. Bardis:

You have written to us with regard to the following facts as stated in your letter:

FACTS

The Western Standardbred Association is a nonprofit Delaware Corporation doing business in California. The California Horse Racing Board recognizes that Association (WSA) as the exclusive bargaining agent for the Standardbred Racing (Harness) Industry. Since 1983 the WSA has withdrawn monies from the purse pool for political purposes. From 1983 to July of 1984 the following provision appeared in the WSA's Articles of Incorporation:

'No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, 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 and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under

Christo D. Bardis
January 2, 1986
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section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).¹

In July of 1984, as a Director of that corporation, I forced the Board to remove that provision. To date I have been unsuccessful in getting the WSA to refrain from taking money from the purse pool and giving the monies to a self-serving pack called the Harness Horsemen's Political Action Committee, who in turn distribute the funds to politicians. I find this conduct appalling and in violation of the First Amendment. These contributions are not voluntary, they are taken from the purse pool prior to distribution to owners thereby making the contribution tax deductible.

The California Business and Professional Code, Chapter 4, Division 8, Section 19613(c) allows deductions from the purse pool for 'administrative expenses and services rendered' with respect to conduct of racing meetings. These expenditures made are not for administrative expenses and services rendered as it relates to a race meeting and, therefore, may be illegal and in violation of statutes that govern your organization.

QUESTION

You have basically requested that our agency "investigate" the foregoing situation to determine if the provisions of the Political Reform Act¹/ have been violated.

ADVICE

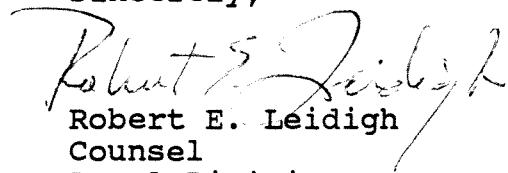
The questions raised by your letter go to the propriety of a nonprofit, tax-exempt corporation using money which it receives from the "purse pool" for political action purposes. The Political Reform Act does not govern questions of this nature. It is principally a reporting statute. So long as the source of the funds is properly identified and the expenditures are accurately reported, no issues are raised under our statute. However, you may wish to contact the various taxing authorities with respect to the tax-exemption issues raised by your correspondence.

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise specified.

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Should you conclude that you believe the reporting requirements of the Political Reform Act have been violated, you should address your complaint to the Commission's Enforcement Division.

Sincerely,


Robert E. Leidigh
Counsel
Legal Division

REL:nwm

CHRISTO D. BARDIS

Attorney at Law

9985 Folsom Boulevard
Sacramento, California 95827
(916) 366-3665

December 23, 1985

John Keplinger, Director
Fair Political Practice Commission
1100 "K" Street
Sacramento, CA. 95814

Dear Mr. Keplinger:

The Western Standardbred Association is a nonprofit Delaware Corporation doing business in California. The California Horse Racing Board recognizes that Association (WSA) as the exclusive bargaining agent for the Standardbred Racing (Harness) Industry. Since 1983 the WSA has withdrawn monies from the purse pool for political purposes. From 1983 to July of 1984 the following provision appeared in the WSA's Articles of Incorporation:

"No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, 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 and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law)."

In July of 1984, as a Director of that corporation, I forced the Board to remove that provision. To date I have been unsuccessful in getting the WSA to refrain from taking money from the purse pool and giving the monies to a self-serving pack called the Harness Horsemen's Political Action Committee, who in turn distribute the funds to politicians. I find this conduct appalling and in violation of the First Amendment. These contributions are not voluntary, they are taken from the purse pool prior to distribution to owners thereby making the contribution tax deductible.

December 23, 1985

The California Business and Professional Code, Chapter 4, Division 8, Section 19613(c) allows deductions from the purse pool for "administrative expenses and services rendered" with respect to conduct of racing meetings. These expenditures made are not for administrative expenses and services rendered as it relates to a race meeting and, therefore, may be illegal and in violation of statutes that govern your organization.

I am enclosing for your review payments to politicians and lobbyists entitled Exhibit "A", and communications sent to the California Racing Board and the President of WSA.

I would hope that your office would immediately investigate this apparent illegal act and that "cease and desist" orders would be issued to the Racing Commission and WSA prohibiting this type of conduct.

If I can be of assistance, please notify me.

Very truly yours,



Christo D. Bardis

EXHIBIT "A"

PAGE 2 OF 4Name of Filer: WESTERN STANDARDBRED ASSOCIATIONPeriod Covered: Apr. 1 - June 30, 1985

PART II—PAYMENTS						
A. INDIVIDUAL LOBBYISTS EMPLOYED						
Official Use Only	Full Name of Lobbyist	(A) Salaries, Fees, Retainers	(B) Reimbursements of Expenses	(C) Advances or Other Payments (attach explanation)	(D) Total This Period	(E) Cumulative Total to Date
	None					
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets				TOTAL THIS PERIOD (Column D)	\$ <u>-0-</u>	

B. PAYMENTS TO RETAINED ENTITIES (Such as lobbying firms or law firms which lobby on your behalf)						
Official Use Only	Name and Address of Retained Entity	(A) Salaries, Fees, Retainers	(B) Reimbursements of Expenses	(C) Advances or Other Payments (attach explanation)	(D) Total This Period	(E) Cumulative Total to Date
	Carpenter, Zenovich & Assoc. 1121 L St., #210 Sacramento, CA 92814	\$15,000.	—	—	\$15,000.	\$30,000.
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets				TOTAL THIS PERIOD (Column D)	\$ <u>15,000.</u>	

Name of Filer: WESTERN STANDARDBRED ASSOCIATIONPeriod Covered: Oct. 1 thru Dec. 31**PART II—PAYMENTS****A. INDIVIDUAL LOBBYISTS EMPLOYED**

Official Use Only	Full Name of Lobbyist	(A) Salaries, Fees, Retainers	(B) Reimbursements of Expenses	(C) Advances or Other Payments (attach explanation)	(D) Total This Period	(E) Cumulative Total to Date
	None					
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets				TOTAL THIS PERIOD (Column D)	\$ -0-	

B. PAYMENTS TO RETAINED ENTITIES (Such as lobbying firms or law firms)

Official Use Only	Name and Address of Retained Entity	(A) Salaries, Fees, Retainers	(B) Reimbursements of Expenses	(C) Advances or Other Payments (attach explanation)	(D) Total This Period	(E) Cumulative Total to Date
	Carpenter, Zenovich & Assoc. 1121 L Street, #210 Sacramento, CA 92814	\$15,000.	-	-	\$15,000.	\$60,000.
<input type="checkbox"/> If more space is needed, check box and attach continuation sheets				TOTAL THIS PERIOD (Column D)	\$15,000.	

Name of Filer: WESTERN STANDARDBRED ASSOCIATION Period Covered: April 1 - June 30, 198

PART III. CONTRIBUTIONS MADE

Disclose all monetary and non-monetary contributions of \$25 or more made to state candidates, elected state officers, or committees supporting such candidates or officers.

Note: Organizations which sponsor a political action committee also must report such contributions made by their PAC.

Date	Name of Recipient	I.D. Number if Committee	Amount
'84	Vicencia Committee	745693	\$ 500.00
	Friends of Rosenthal	741692	1000.00
	Alan Robbins Campaign Committee	743408	500.00
	Baker for Assembly	790783	500.00
	Friends of Bob Frazee	771728	600.00
	Bill Leonard for Assembly	780547	500.00
	Costa for Assembly Committee	780569	250.00
	Richard Katz for Assembly	800101	500.00
	Kelley Campaign Committee	781507	500.00
	Floyd Campaign Committee	791816	500.00
	Roos for Assembly Committee	770739	500.00
	Felando for Assembly	781098	500.00
	Friends of Richard Alatorre	745693	2000.00
	Vicencia Committee	745693	400.00

If more space is needed, check box and attach continuation sheets

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

Date	Name of Recipient	I.D. #	Amount
'84	Konnyu Election Committee	780453	500.00
	Citizens for Condit	820842	500.00
	Friends of Sally Tanner	781065	700.00
	Friends of Bruce Young	760369	500.00
	Bergeson For Senate Committee	790390	500.00
	Gray Davis Campaign Committee	830555	500.00
	Waters for Assembly Committee	760494	500.00
	Friends of Mountjoy	771495	250.00
	Curtis Tucker Campaign Committee	745933	500.00
	Friends of Charles Calderon	791331	350.00
	Willie Brown Campaign Committee	741757	500.00
	Friends of Jim Nielsen	771451	500.00
	Friends of Don Rogers	782201	250.00
	Mello Campaign Committee	790660	500.00

Name of Filer: WESTERN STANDARDBRED ASSOCIATION

Period Covered: July 1 thru Sept. 30,

PART III. CONTRIBUTIONS MADE

Disclose all monetary and non-monetary contributions of \$25 or more made to state candidates, elected state officers, or committees supporting such candidates or officers.

Note: Organizations which sponsor a political action committee also must report such contributions made by their PAC.

Date	Name of Recipient	I.D. Number if Committee	Amount
9/25/84	Doris Allen for Assembly Committee	781147	\$ 300.00
"	Friends of Joseph Montoya	741818	500.00
"	Majority Caucus Fund	790253	500.00
"	Monjonnier Re-Election Committee	840093	250.00
"	Boatwright Senate Committee	800543	500.00
"	Campbell Campaign Committee	742938	500.00
"	Bader For Assembly	791656	300.00
"	Committee For Assemblyman Dan Hauser	821319	350.00
"	Friends of Assemblyman Eric Seastrand	820831	300.00
"	Friends of Richardson	741932	250.00
"	Friends of Ed Davis	791210	500.00
"	Doris Allen for Assembly Committee	781147	350.00
"	Byron Sher for Assembly	800846	250.00
	Friends & Neighbors of Lloyd Connelly	820557	250.00

If more space is needed, check box and attach continuation sheets

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

DATE	NAME OF RECIPIENT	I.D. NUMBER IF COMMITTEE	AMOUNT
9/25/84	Hughes Re-Election Committee	746299	\$250.00
"	Nolan Frizelle For Assembly	771721	600.00
"	Pat Johnston for Assembly Committee	800224	250.00
"	Friends of Art Torres	743667	500.00
"	Friends of Lou Papan	746371	500.00
"	Friends of Ralph Dills	741684	500.00
"	Committee to Elect Jerry Eaves	770104	500.00
"	Lewis For Assembly	791941	250.00
"	Mike Roos For Assembly Committee	770739	250.00
"	Committee to Re-Elect Cathie Wright	800074	250.00
"	Friends of Nolan	782128	500.00
"	Senator Paul Carpenter	742891	500.00
"	Friends of Naylor	771483	1000.00
"	Friends of Richard Alatorre	742125	1000.00
"	Vuich For Senate Committee	760549	500.00
"	Friends of Bob Frazee	771728	400.00
"	Alquist Campaign Committee	742256	1000.00
"	Campbell Campaign Committee	742938	500.00
"	Friends of Jim Nielsen	771451	1000.00
"	Senate Republican PAC	771029	1000.00

WESTERN STANDARDBRED ASSOCIATION

Oct. 1 thru Dec. 31, 1984

Date	Name of Recipient	I.D. No. if Committee	Amount
10/29/84	Clute for Assembly	821153	\$300.00
10/29/84	Tom Bates Campaign	746177	\$250.00
10/29/84	Friends of Assemblyman Dennis Brown	770971	\$300.00
10/29/84	Committee for Johan Klehs	780085	\$300.00
10/29/84	Filante Committee	820385	\$300.00
10/29/84	Friends of Jean Moorhead	780979	\$250.00
10/29/84	Floyd Campaign Committee	791816	\$300.00
10/29/84	Curtis Tucker Campaign Committee	745933	\$250.00
10/29/84	Calderon Campaign Committee	791331	\$300.00

Name of Filer: WESTERN STANDARDBRED ASSOCIATION

Period Covered: Oct. 1 thru Dec

PART III. CONTRIBUTIONS MADE

Disclose all monetary and non-monetary contributions of \$25 or more made to state can-c
elected state officers, or committees supporting such candidates or officers.

Note: Organizations which sponsor a political action committee also must report such con-
tributions made by their PAC.

Date	Name of Recipient	I.D. Number if Committee	Amount
10/29/84	Citizens for Maxine Waters	760484	\$500.00
10/29/84	Assemblyman Ernest Konnyu	780453	\$500.00
10/29/84	Friends of Dan Hauser	821319	\$250.00
10/29/84	Friends of Alatorre	742125	\$1000.00
10/29/84	Salute to Ayala	742836	\$1000.00
10/29/84	Speakers Dinner	821180	\$1000.00
10/29/84	Friends of Jim Nielsen	771451	\$1000.00
10/29/84	Friends of Marian W. La Follette	790890	\$500.00
10/29/84	Senate Republican PAC	771029	\$1000.00
10/29/84	Areias for Assembly	821047	\$250.00
10/29/84	Friends of Assemblyman Wally Herger	790456	\$500.00
10/29/84	Friends of Art Agnos	747235	\$500.00
10/29/84	Craven Senatorial Committee	746466	\$250.00
10/29/84	Phil Wyman Committee	771450	\$250.00

If more space is needed, check box and attach continuation sheets

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the cam-
paign disclosure statements required by Gov. Code Section 84200, et seq.

Name of Filer: WESTERN STANDARDBRED ASSOCIATIONPeriod Covered: Apr. 1 - June 30, 198**PART III. CONTRIBUTIONS MADE**

Disclose all monetary, non-monetary contributions and independent expenditures of \$25 or more made to state candidates, elected state officers, or committees supporting such candidates or officers.

Note: Organizations which sponsor a political action committee also must report such contributions made by their PAC.

Date	Name of Recipient	I.D. Number if Committee	Amount
			\$
4/23	Felando for Assembly	781098	\$500.00
4/23	Curtis Tucker Campaign Committee	745933	\$300.00
4/23	Nolan Frizzelle for Assembly	771721	\$300.00
4/23	Konnyu Election Committee	780453	\$500.00
4/23	Friends of Ralph Dills	741684	\$1000.00
4/23	Ken Maddy Senate Campaign Committee	790466	\$500.00
4/23	Friends of Lucy Killea	810491	\$500.00
4/23	Friends of Wayne Grisham	840991	\$250.00
4/23	Friends of Stan Statham	747377	\$400.00
5/21	Friends of John Seymour		\$500.00
5/21	Senate Republican PAC	771029	\$1000.00
5/21	Assembly Republican PAC		\$1000.00
5/21	Robbins Birthday Dinner Committee	743408	\$700.00

If more space is needed, check box and attach continuation sheets

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

FILER: WESTERN STANDARDBRED ASSOCIATION

PERIOD COVERED: Apr. 1 - June 30, 1985

<u>DATE</u>	<u>NAME OF RECIPIENT</u>	<u>I.D. NUMBER IF COMMITTEE</u>	<u>AMOUNT</u>
5/21	Bader for Assembly	791656	\$500.00
5/21	Citizens for Condit	820842	\$500.00
5/21	Good Government in the 80's	840218	\$500.00
5/21	Sally Tanner Campaign Committee	781065	\$500.00
5/21	Margolin Campaign Committee	820760	\$500.00
5/21	Friends of Larry Stirling	790422	\$500.00
5/21	Waters for Assembly Committee	760494	\$250.00
5/21	Friends of Assemblyman Elihu Harris	780421	\$500.00
5/21	Friends of Rosenthal	741692	\$1400.00
5/21	Campbell Campaign Committee	742938	\$1000.00

CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE

FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
 FROM 3-18-85 THROUGH 5-18-85

NAME OF CANDIDATE OR COMMITTEE

HARNESS HORSEMANS POLITICAL ACTION COMMITTEE

I.D. NUMBER (if Committee) 782183

	COLUMN A Cumulative total from previous period*	COLUMN B Total this period from attached schedules	COLUMN C Cumulative to date (Columns A + B)
CONTRIBUTIONS RECEIVED			
1. Monetary contributions	\$ <u>68,590.</u>	\$ <u>20,500.</u> SCHEDULE A, LINE 1	\$ <u>89,090</u>
2. Loans			
3. Subtotal	\$ <u>68,590</u> LINES 1 + 2	\$ <u>20,500</u> LINES 1 + 2	\$ <u>89,090</u> LINES 1 + 2
4. Non-monetary contributions			
5. Pledges			
6. TOTAL CONTRIBUTIONS.....	\$ <u>68,590</u> LINES 3 + 4 + 5	\$ <u>20,500</u> LINES 3 + 4 + 5	\$ <u>89,090</u> LINES 3 + 4 + 5 (SHOULD EQUAL LINE 6, COLUMNS A + B)
EXPENDITURES MADE			
7. Payments.....	\$ <u>69,750</u>	\$ <u>16,850</u> SCHEDULE E, LINE 4	\$ <u>86,600</u>
8. Accrued expenses (unpaid bills)			
9. TOTAL EXPENDITURES	\$ <u>69,750</u> LINES 7 + 8	\$ <u>16,850</u> LINES 7 + 8	\$ <u>86,600</u> LINES 7 + 8 (SHOULD EQUAL LINE 9, COLUMNS A + B)

*If this is the first report filed for the calendar year, Column A should be blank except for unpaid loans, bills and pledges.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

10. Cash on hand at the beginning of this period: (Line 14 of previous statement) .	\$ <u>222.20</u>
11. Cash receipts this period (Line 3, Column B above)	<u>20,500.00</u>
12. Miscellaneous adjustments to cash (Schedule G, Line 7)	
13. Cash payments this period (Line 7, Column B above)	<u>16,850.00</u>
14. Cash on hand at closing date (Lines 10+11+12-13 above)*	<u>3,872.20</u>
15. Outstanding debts (Line 2 + Line 8 of Column C above)	---
16. Ending surplus (if Line 14 is greater than Line 15, subtract Line 15 from Line 14).....	\$ <u>3,872.20</u>
17. Ending deficit (if Line 15 is greater than Line 14, subtract Line 14 from Line 15)	\$ <u>()</u>

* Ending cash on hand should not be a negative amount.

18. CASH EQUIVALENTS (OTHER ASSETS HELD) (See Instructions on Reverse): \$ _____

SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)

1/1 thru 6/30

7/1 to date

19. CONTRIBUTIONS RECEIVED:

20. EXPENDITURES MADE:

CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE

FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
10/21	12/31/84
I.D. NUMBER (IF COMMITTEE)	63-A 491782783

NAME OF CANDIDATE OR COMMITTEE

HARNESS HORSEMANS POLITICAL ACTION COMMITTEE

CONTRIBUTIONS RECEIVED

	COLUMN A	COLUMN B
1. Monetary contributions	\$ 53,330.00	Total this period
2. Loans	\$ 0.00	from attached
3. Subtotal	\$ 53,330.00	schedules
4. Non-monetary contributions	\$ 0.00	to date
5. Pledges	\$ 0.00	(Columns A + B)
6. TOTAL CONTRIBUTIONS	\$ 53,330.00	\$ 61,090.00

EXPENDITURES MADE

	COLUMN A	COLUMN B
7. Payments	\$ 50,200.00	\$ 7,760.00
8. Accrued expenses (unpaid bills)	\$ 0.00	\$ 11,050.00
9. TOTAL EXPENDITURES	\$ 50,200.00	\$ 11,050.00

	COLUMN A	COLUMN B
SCHEDULE A, LINE 3	\$ 7,760.00	\$ 61,090.00
SCHEDULE B, LINE 4	\$ 7,760.00	\$ 61,090.00
SCHEDULE C, LINE 3	\$ 0.00	\$ 0.00
SCHEDULE D, LINE 7	\$ 7,760.00	\$ 61,090.00
SCHEDULE E, LINE 4	\$ 11,050.00	\$ 61,250.00
SCHEDULE F, LINE 5	\$ 11,050.00	\$ 61,250.00

*If this is the first report filed for the calendar year, Column A should be blank except for unpaid loans, bills and pledges.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

10. Cash on hand at the beginning of this period: (Line 14 of previous statement)	\$ 4,321.00
11. Cash receipts this period (Line 3, Column B above)	\$ 7,760.00
12. Miscellaneous adjustments to cash (Schedule G, Line 7)	\$ 167.66
13. Cash payments this period (Line 7, Column B above)	\$ 11,050.00
14. Cash on hand at closing date (Lines 10+11+12-13 above)	\$ 1,198.66
15. Outstanding debts (Line 2 + Line 8 of Column C above)	\$ 0.00
16. Ending surplus (if Line 14 is greater than Line 15, subtract Line 15 from Line 14)	\$ 1,198.66
17. Ending deficit (if Line 15 is greater than Line 14, subtract Line 14 from Line 15)	\$ ()

*Ending cash on hand should not be a negative amount.

SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)

1/1 thru 6/30

7/1 to date

18. CONTRIBUTIONS RECEIVED:

1/1 thru 6/30	7/1 to date

19. EXPENDITURES MADE:

CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE

FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
FROM 7/1 THROUGH 9/17/84
I.D. NUMBER (IF COMMITTEE) A-18216030-101A

NAME OF CANDIDATE OR COMMITTEE

HARNESS HORSEMAN'S POLITICAL ACTION COMMITTEE

COLUMN A
Cumulative
Total from
beginning of period
to date
(including this period)

COLUMN B
Total this period
from attached
schedules to
date

COLUMN C
Cumulative
to date
(Columns A + B)

CONTRIBUTIONS RECEIVED

1. Monetary contributions	\$ 19,300.00
2. Loans	-0-
3. Subtotal	\$ 19,300.00
4. Non-monetary contributions	-0-
5. Pledges	-0-
6. TOTAL CONTRIBUTIONS	\$ 19,300.00

S 34,030.00

\$ 53,330.00

EXPENDITURES MADE

7. Payments	\$ 18,250.00
8. Accrued expenses (unpaid bills)	-0-
9. TOTAL EXPENDITURES	\$ 18,250.00

S 31,950.00

\$ 50,200.00

*If this is the first report filed for the calendar year, Column A should be blank except for unpaid loans, bills and pledges.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

10. Cash on hand at the beginning of this period: (Line 14 of previous statement)	\$ 2,121.00
11. Cash receipts this period (Line 3, Column B above)	\$ 34,030.00
12. Miscellaneous adjustments to cash (Schedule G, Line 7)	67.00
13. Cash payments this period (Line 7, Column B above)	\$ 31,950.00
14. Cash on hand at closing date (Lines 10+11+12-13 above)*	\$ 1,268.00
15. Outstanding debts (Line 2 + Line 8 of Column C above)	-0-
16. Ending surplus (if Line 14 is greater than Line 15, subtract Line 15 from Line 14)	\$ 4,268.00
17. Ending deficit (if Line 15 is greater than Line 14, subtract Line 14 from Line 15)	\$ (-0 -)

*Ending cash on hand should not be a negative amount.

SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)

18. CONTRIBUTIONS RECEIVED:
19. EXPENDITURES MADE:

1/1 thru 6/30	7/1 to date

CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE

FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
 FROM 10/23 THROUGH 12/31/83

NAME OF CANDIDATE OR COMMITTEE

HARNESS HORSEMANS POLITICAL ACTION COMMITTEE

I.D. NUMBER (IF COMMITTEE)
782183

CONTRIBUTIONS RECEIVED

	COLUMN A Cumulative total from previous period*	COLUMN B Total this period from attached schedules	COLUMN C Cumulative to date (Columns A + B)
1. Monetary contributions	\$ <u>60,575.00</u>	\$ <u>-0-</u> SCHEDULE A, LINE 1	\$ <u>60,575.00</u>
2. Loans	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
3. Subtotal	\$ <u>60,575.00</u> LINES 1 + 2	\$ <u>-0-</u> LINES 1 + 2	\$ <u>60,575.00</u> LINES 1 + 2
4. Non-monetary contributions	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
5. Pledges	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
6. TOTAL CONTRIBUTIONS.....	\$ <u>60,575.00</u> LINES 3 + 4 + 5	\$ <u>-0-</u> LINES 3 + 4 + 5	\$ <u>60,575.00</u> LINES 3 + 4 + 5 (SHOULD EQUAL COLUMN C)

EXPENDITURES MADE

7. Payments.....	\$ <u>54,100.00</u>	\$ <u>1,000.00</u> SCHEDULE E, LINE 4	\$ <u>55,100.00</u>
8. Accrued expenses (unpaid bills)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
9. TOTAL EXPENDITURES	\$ <u>54,100.00</u> LINES 7 + 8	\$ <u>1,000.00</u> LINES 7 + 8	\$ <u>55,100.00</u> LINES 7 + 8 (SHOULD EQUAL COLUMN C)

*If this is the first report filed for the calendar year, Column A should be blank except for unpaid loans, bills and pledges.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

10. Cash on hand at the beginning of this period: (Line 14 of previous statement) .	\$ <u>1969.71</u>
11. Cash receipts this period (Line 3, Column B above)	\$ <u>-0-</u>
12. Miscellaneous adjustments to cash (Schedule G, Line 7)	\$ <u>-0-</u>
13. Cash payments this period (Line 7, Column B above).....	\$ <u>1000.00</u>
14. Cash on hand at closing date (Lines 10+11+12-13 above)*.....	\$ <u>969.71</u>
15. Outstanding debts (Line 2 + Line 8 of Column C above).....	\$ <u>-0-</u>
16. Ending surplus (if Line 14 is greater than Line 15, subtract Line 15 from Line 14).....	\$ <u>969.71</u>
17. Ending deficit (if Line 15 is greater than Line 14, subtract Line 14 from Line 15)	\$ <u>()</u>

*Ending cash on hand should not be a negative amount.

SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)

18. CONTRIBUTIONS RECEIVED:

1/1 thru 6/30

7/1 to date

19. EXPENDITURES MADE:

SCHEDULE A
MONETARY CONTRIBUTIONS RECEIVED
FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
10/21	12/31/84

NAME OF CANDIDATE OR COMMITTEE: HARNESS HORSEMAN'S POLITICAL ACTION COMMITTEE				I.D. NUMBER (IF COMMITTEE) 782183	
DATE REC'D	FULL NAME AND ADDRESS OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR TREASURER'S NAME AND ADDRESS)	OCCUPATION	EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT	
				RECEIVED	CUMULATIVE TO DATE
10/84	CONNELLY, EDWARD & HELEN 751 CALLE LAREDO THOUSAND OAKS, CA. 91360	HORSEMAN		10.00	10.00
"	VOURLAS, MICHAEL S. 9902 KITE DR. HUNTINGTON BEACH, CA. 92646	MANUFACTORS RFP.	SELF-EMPLOYED	250.00	250.00
"	WESTERN STANDARDBRED ASSOC. 11132 WINNERS CIRCLE #208 LOS ALAMITOS, CA. 90720	HORSEMAN'S ACCOUNT	WESTERN STANDARDBRED	7,500.00	53,550.00
<input type="checkbox"/>	If more space is needed, check box at left and attach additional Schedules A.			SUBTOTAL	7,760.00

SUMMARY

AMOUNT RECEIVED - CONTRIBUTIONS OF \$100 OR MORE (Include all Schedule A subtotals)	\$ 7,750.00	
AMOUNT RECEIVED - CONTRIBUTIONS OF LESS THAN \$100 (Not itemized)	10.00	
TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (Line 1 + Line 2) Enter here and on Line 1 Column B of Summary Page	\$ 7,760.00	

SCHEDULE A
MONETARY CONTRIBUTIONS RECEIVED
FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
01/01/85	03/17/85

NAME OF CANDIDATE OR COMMITTEE: HARNESS HORSEMAN'S POLITICAL ACTION COMMITTEE				I.D. NUMBER (IF COMMITTEE) 782183	
DATE REC'D	FULL NAME AND ADDRESS OF CONTRIBUTOR <small>(IF COMMITTEE, ALSO ENTER I.D. NUMBER OR TREASURER'S NAME AND ADDRESS)</small>	OCCUPATION	EMPLOYER <small>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)</small>	AMOUNT	
				RECEIVED	CUMULATIVE TO DATE
2/14	WESTERN STANDARDBRED ASSOC. 11132 Winners Circle #208 LOS ALAMITOS, CA 90720	HORSEMAN'S	WESTERN STANDARDBRED	7,500.00	7,500.00
<input type="checkbox"/> If more space is needed, check box at left and attach additional Schedules A.				SUBTOTAL	7,500.00

SUMMARY

1. AMOUNT RECEIVED - CONTRIBUTIONS OF \$100 OR MORE (Include all Schedule A subtotals)	\$ 7,500.00
2. AMOUNT RECEIVED - CONTRIBUTIONS OF LESS THAN \$100 (Not itemized)	-0-
3. TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (Line 1 + Line 2) Enter here and on Line 1 Column B of Summary Page	\$ 7,500.00

SCHEDULE A
MONETARY CONTRIBUTIONS RECEIVED
FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
3-18-85	5-18-85

NAME OF CANDIDATE OR COMMITTEE: HARNESS HORSEMAN'S POLITICAL ACTION' COMMITTEE				I.D. NUMBER (IF COMMITTEE) 782183	
DATE REC'D	FULL NAME AND ADDRESS OF CONTRIBUTOR <small>(IF COMMITTEE, ALSO ENTER I.D. NUMBER OR TREASURER'S NAME AND ADDRESS)</small>	OCCUPATION	EMPLOYER <small>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)</small>	AMOUNT	
				RECEIVED	CUMULATIVE TO DATE
3/20/84	WESTERN STANDARD BRED ASSOC 11132 WINNERS CIRCLE #208 LOS ALAMITOS, CA 90720	HORSEMAN'S	WESTERN STANDARD BRED	20,500	28,000
4/8/84					
4/20/84					
<input type="checkbox"/> If more space is needed, check box at left and attach additional Schedules A.				SUBTOTAL	20,500

SUMMARY

1. AMOUNT RECEIVED - CONTRIBUTIONS OF \$100 OR MORE (Include all Schedule A subtotals)	\$ 20,500
2. AMOUNT RECEIVED - CONTRIBUTIONS OF LESS THAN \$100 (Not itemized)	---
3. TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (Line 1 + Line 2) Enter here and on Line 1 Column B of Summary Page	\$ 20,500



Form 420
1985

RECIPIENT COMMITTEE
CAMPAIGN STATEMENT
(Government Code Sections 84200-84217)

For use by recipient committees which receive a cumulative contribution of \$100 or more from a single source.

(Type or Print in Ink)

Statement covers period from 3-18- through 5-18-85.

RECEIVED
AND FILED
In the office of the Secretary of State
of the State of California
MAY 24 1985
MARCH FONG, Secretary of State

A OFFICIAL USE ONLY
p.m. 5/22/85
I.D. NUMBER

NAME OF COMMITTEE:	HARNESS HORSEMAN'S POLITICAL ACTION COMMITTEE					
ADDRESS OF COMMITTEE:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER
	2222 MEYERS AVENUE	ESCONDIDO	CA.	92025	619	745-7453
NAME OF TREASURER:	CHARLES H. MEYERS.					
PERMANENT ADDRESS OF TREASURER:	NO. AND STREET	CITY	STATE	ZIP CODE	AREA CODE	PHONE NUMBER
	2222 MEYERS AVE.	ESCONDIDO	CA.	92025	619	745-7453
DATE OF ELECTION (MO., DAY, YR.) (IF APPLICABLE):	TOTAL PAGES		SPONSORING ORGANIZATION (IF APPLICABLE):			

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 NO

III CANDIDATES OR STATE MEASURE PROPONENTS CONTROLLING THIS COMMITTEE; CANDIDATES, STATE MEASURE PROPONENTS OR COMMITTEES WITH WHICH THIS COMMITTEE ACTS JOINTLY.

NOTE: If this committee is controlled by more than one candidate, the name of each controlling candidate must be listed below.

NAME OF CANDIDATE, STATE MEASURE PROPONENT OR COMMITTEE	IF AFFILIATED WITH ANOTHER COMMITTEE, IDENTIFICATION NUMBER OF COMMITTEE OR TREASURER'S NAME AND PERMANENT STREET ADDRESS			

IV CANDIDATE(S) OR MEASURE(S) FOR WHICH THIS COMMITTEE IS PRIMARILY FORMED

NAME OF CANDIDATE OR MEASURE	Support	Oppose	OFFICE OF CANDIDATE	BALLOT MEASURE NUMBER OR LETTER

Attach additional information on appropriately labeled continuation sheets.

VERIFICATION

C

I declare under penalty of perjury that to the best of my knowledge this statement and its schedules are true, correct and complete and that I have used all reasonable diligence in their preparation.

D

Executed on 5-23-85 at ESCONDIDO by Charles H. Meyers
(DATE) (CITY AND STATE) (SIGNATURE OF TREASURER)

E

A candidate or officeholder who controls a committee must also verify the campaign statement.

F

I declare under penalty of perjury that to the best of my knowledge this statement and its schedules are true, correct and complete and the treasurer of this committee has used all reasonable diligence in the preparation of this statement and its schedules.

Executed on _____ at _____ by _____
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE OR OFFICEHOLDER)

Executed on _____ at _____ by _____
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE OR OFFICEHOLDER)

Executed on _____ at _____ by _____
(DATE) (CITY AND STATE) (SIGNATURE OF CANDIDATE OR OFFICEHOLDER)

For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act," Part X.



Form 420
1985

RECIPIENT COMMITTEE
CAMPAIGN STATEMENT
(Government Code Sections 84200-84217)

For use by recipient committees which receive a cumulative contribution of \$100 or more from a single source.

(Type or Print in Ink)

Statement covers period from 01/01/85 through 03/17/85

RECEIVED
AND FILED

In the office of the Secretary of State
of the State of California

MAR 2 1 1985

MARCH FONG EU, Secretary of State

A OFFICIAL USE ONLY

NAME OF COMMITTEE: HARNESS HORSEMAN'S POLITICAL ACTION COMMITTEE				I.D. NUMBER 782183
ADDRESS OF COMMITTEE:	NO. AND STREET 2222 MEYERS AVENUE	CITY ESCONDIDO,	STATE CA	ZIP CODE 92025
				AREA CODE 619 PHONE NUMBER 745-7453
NAME OF TREASURER: CHARLES H. MEYERS				
PERMANENT ADDRESS OF TREASURER: NO. AND STREET 2222 MEYERS AVENUE		CITY ESCONDIDO,	STATE CA	ZIP CODE 92025
AREA CODE 619 PHONE NUMBER 745-7453				
DATE OF ELECTION (MO., DAY, YR.) (IF APPLICABLE):		TOTAL PAGES 6	SPONSORING ORGANIZATION (IF APPLICABLE):	

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 NO

III CANDIDATES OR STATE MEASURE PROPONENTS CONTROLLING THIS COMMITTEE; CANDIDATES, STATE MEASURE PROPONENTS OR COMMITTEES WITH WHICH THIS COMMITTEE ACTS JOINTLY.

NOTE: If this committee is controlled by more than one candidate, the name of each controlling candidate must be listed below.

NAME OF CANDIDATE, STATE MEASURE PROPONENT OR COMMITTEE	IF AFFILIATED WITH ANOTHER COMMITTEE, IDENTIFICATION NUMBER OF COMMITTEE OR TREASURER'S NAME AND PERMANENT STREET ADDRESS		

IV CANDIDATE(S) OR MEASURE(S) FOR WHICH THIS COMMITTEE IS PRIMARILY FORMED

NAME OF CANDIDATE OR MEASURE	Support	Oppose	OFFICE OF CANDIDATE	BALLOT MEASURE NUMBER OR LETTER

Attach additional information on appropriately labeled continuation sheets.

VERIFICATION

C	I declare under penalty of perjury that to the best of my knowledge this statement and its schedules are true, correct and complete and that I have used all reasonable diligence in their preparation.
D	Executed on <u>03/19/85</u> at <u>ESCONDIDO, CA</u> by <u></u> (DATE) (CITY AND STATE) (SIGNATURE OF TREASURER)
A candidate or officeholder who controls a committee must also verify the campaign statement.	
E	I declare under penalty of perjury that to the best of my knowledge this statement and its schedules are true, correct and complete and the treasurer of this committee has used all reasonable diligence in the preparation of this statement and its schedules.
F	Executed on <u>(DATE)</u> at <u>(CITY AND STATE)</u> by <u>(SIGNATURE OF CANDIDATE OR OFFICEHOLDER)</u> Executed on <u>(DATE)</u> at <u>(CITY AND STATE)</u> by <u>(SIGNATURE OF CANDIDATE OR OFFICEHOLDER)</u> Executed on <u>(DATE)</u> at <u>(CITY AND STATE)</u> by <u>(SIGNATURE OF CANDIDATE OR OFFICEHOLDER)</u>

For information required to be provided to you pursuant to the Information Practices Act of 1977, see "Information Manual on Campaign Disclosure Provisions of the Political Reform Act," Part X.

CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE

FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
 FROM 01/01/85 THROUGH 03/17/85
 I.D. NUMBER (if Committee)

NAME OF CANDIDATE OR COMMITTEE

	COLUMN A Cumulative total from previous period *	COLUMN B Total this period from attached schedules	COLUMN C Cumulative to date (Columns A + B)
CONTRIBUTIONS RECEIVED			
1. Monetary contributions	\$ <u>61,090.00</u>	\$ <u>7,500.00</u> SCHEDULE A, LINE 3	\$ <u>68,590.00</u>
2. Loans		SCHEDULE B, LINE 8	
3. Subtotal	\$ <u>61,090.00</u> LINES 1 + 2	\$ <u>7,500.00</u> LINES 1 + 2	\$ <u>68,590.00</u> LINES 1 + 2
4. Non-monetary contributions		SCHEDULE C, LINE 3	
5. Pledges		SCHEDULE D, LINE 7	
6. TOTAL CONTRIBUTIONS.....	\$ <u>61,090.00</u> LINES 3 + 4 + 5	\$ <u>7,500.00</u> LINES 3 + 4 + 5	\$ <u>68,590.00</u> LINES 3 + 4 + 5 (SHOULD EQUAL LINE 6. COLUMNS A + B)
EXPENDITURES MADE			
7. Payments.....	\$ <u>61,250.00</u>	\$ <u>8,500.00</u> SCHEDULE E, LINE 4	\$ <u>69,750.00</u>
8. Accrued expenses (unpaid bills)		SCHEDULE F, LINE 5	
9. TOTAL EXPENDITURES	\$ <u>61,250.00</u> LINES 7 + 8	\$ <u>8,500.00</u> LINES 7 + 8	\$ <u>69,750.00</u> LINES 7 + 8 (SHOULD EQUAL LINE 5. COLUMNS A + B)

* If this is the first report filed for the calendar year, Column A should be blank except for unpaid loans, bills and pledges.

STATEMENT OF CHANGES IN FINANCIAL CONDITION

10. Cash on hand at the beginning of this period. (Line 14 of previous statement) .	\$ <u>1,198.66</u>
11. Cash receipts this period (Line 3, Column B above)	<u>7,500.00</u>
12. Miscellaneous adjustments to cash (Schedule G, Line 7)	<u>23.54</u>
13. Cash payments this period (Line 7, Column B above).....	<u>8,500.00</u>
14. Cash on hand at closing date (Lines 10+11+12-13 above) *	<u>222.20</u>
15. Outstanding debts (Line 2 + Line 8 of Column C above).....	
16. Ending surplus (if Line 14 is greater than Line 15, subtract Line 15 from Line 14).	\$ <u>222.20</u>
17. Ending deficit (if Line 15 is greater than Line 14, subtract Line 14 from Line 15)	\$ <u>()</u>

* Ending cash on hand should not be a negative amount.

18. CASH EQUIVALENTS (OTHER ASSETS HELD) (See Instructions on Reverse): \$ _____

SUMMARY FOR CANDIDATES IN BOTH A JUNE AND NOVEMBER ELECTION (See Instructions on Reverse)

1/1 thru 6/30

7/1 to date

19. CONTRIBUTIONS RECEIVED:

--	--

20. EXPENDITURES MADE:

--	--

CHRISTO D. BARDIS

Attorney at Law

9985 Folsom Boulevard
Sacramento, California 95827
(916) 366-3665

April 30, 1984

Dear Mr. Grundy:

At our recent meeting, Alan provided me with the certificate of incorporation of the Western Standardbred Association. I felt that a Director should be aware of what is in the document. Previously I supplied all Directors with our By-laws so you could familiarize yourself with them. I would suggest that you request a copy of the Articles, specifically the amendment to the Certificate of Incorporation paragraph eleven, which states:

"No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, 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 and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law)."

It is quite obvious that we are not conforming to our Articles of Incorporation and, thereby, possibly creating personal liability for our actions.

My recommendation would be to have our Executive Secretary employ counsel to advise us regarding any possible breach of our fiduciary duty and potential liability. In the interim, we should find other ways to accomplish our objections.

If the documents that were given to me are the correct and accurate documents of W.S.A., we obviously have a serious problem. I would recommend that we curtail our activities until this matter is resolved.

It is my understanding that we have a Political Action Committee. That being the case, we should immediately commit our Executive Committee to raising funds for the PAC so that we can continue our lobbyist activities.

Very truly yours,


Chris Bardis

CHRISTO D. BARDIS

Attorney at Law

9985 Folsom Boulevard
Sacramento, California 95827
(916) 366-3665

October 3, 1985

Benjamin Felton
15233 Ventura Blvd., Ste. 706
Sherman Oaks, CA. 91403

Dear Mr. Felton:

In 1984 and part of 1985, I served as a Director and Officer of the Western Standardbred Association's Board of Directors. At that time I tried to impress upon our Board that it was inappropriate to take money from the purse pool for purposes of lobbying activity and political contributions. Unfortunately, I was not persuasive enough for the Board to alter their position.

Presently approximately 96% of the Association's income is derived from the purse pool. Of the Association's total income from the purse pool, in excess of 25% is committed to political activities. It is my feeling that political activities, whether they be lobbying or political contributions, should be voluntary. By the Association's withdrawal of monies from the purse pool, it is now mandatory that people participating in the harness industry make mandatory political contributions. I believe this is illegal and unconstitutional.

The only authority that I find allowing the Association to withdraw funds from the purse account is found in the California Horse Racing Law, Chapter 4, Division 8, of the Business and Professional Code under Section 19613(c), "Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expense and services rendered to horsemen an amount of such portion as may be determined by the association by agreement or otherwise....".

Benjamin Felton

-2-

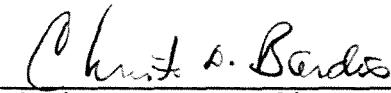
October 3, 1985

It would be my interpretation that the Association can deduct monies from the purse pool for administrative expenses and services rendered to horsemen; however, that Section allows withdrawal for the sole purpose of the administration of the conduct of racing meetings. This does not allow an organization to engage in political activities, lobbying, or making political contributions from the purse pool. In addition, it would appear that giving money to politicians for services rendered may be a felony in the State of California.

It is my intent to institute the necessary litigation to curtail this type of conduct in the event that the Racing Commission does not feel that this conduct is within their jurisdiction or the Commission feels it inappropriate to act. I would hope that you would issue a "cease and desist" order immediately. I feel that this issue falls under your jurisdiction, in that the monies being expended come directly from the public and are part of a trust fund administered by the race-tracks under the jurisdiction of the California Horse Racing Board.

I would appreciate a very early response and appropriate action.

Very truly yours,



Christo D. Bardis

cc: Members
Leonard Foote
Vincent Santopietro
Robert L. Mukai

CHRISTO D. BARDIS

Attorney at Law

9985 Folsom Boulevard
Sacramento, California 95827
(916) 366-3665

EXHIBIT "B"

November 30, 1984

Robert Gordon
11612 Beta Avenue
Garden Grove, CA 92640

Dear Bob:

Effective immediately, I am resigning as First Vice President of the Western Standardbred Association. As a result of actions taken by the Western Standardbred, I can no longer serve as an officer of this organization.

I believe that the Western Standardbred Association Directors may be incurring individual liability for some of their action; and I feel that officers of a corporation have a higher degree of care and whereas I had been unable to convince the Board to promptly curtail activities that I consider to be highly improper and illegal, in the interest of protecting myself, I have been advised to terminate my position as an officer of the Corporation.

Specifically, our organization has and continues to jeopardize its tax exempt status by making various political contributions, as well as employing personnel for political purposes. The percentage of our budget attributed to political activities is so excessive that I believe the IRS would terminate our nonprofit status.

Also, our Articles of Incorporation initially prohibited those types of expenditures, yet we continued to make them with knowledge of that fact. I had to take drastic action to impress upon our Board the necessity of amending those Articles of Incorporation. I have no desire to become personally liable for actions of our organization, therefore, I am tendering my resignation as an officer of the Corporation.

In addition, I am unhappy with the manner and method in which the wages of our Executive Director were abruptly

Robert Gordon

November 30, 1984

Page two

increased, without any consideration of his conflicts of interest.

I will continue to serve as a Director of our organization and attempt to work with the Board to rectify some of these problems and find better solutions. You can be assured that I will put forth as much time and effort as I have as a past First Vice President of our organization.

Very truly yours,



Christo D. Bardis

CDB:lar

cc: Directors, Western Standardbred