

Memorandum

To : 2 Cal. Adm. Code Section 18428

Date : May 1, 1979

M-79-159

From : FAIR POLITICAL PRACTICES COMMISSION
Barbara Campbell *BC*

Subject: "Directed or Controlled"

In discussing the proposed regulation 2 Cal. Adm. Code Section 18428 with Chip Nielsen, I advised him on April 26, 1979, that in the situation where a parent corporation's only involvement with the contributions made by its wholly owned subsidiary is a review for the legality of the contribution, the parent corporation will not be exercising direction or control. In that situation the parent and wholly owned subsidiary will not be a combination of persons.

However, I further advised Chip that if the parent corporation had any additional involvement, it would be exercising direction or control and be required to file a combined campaign statement under 2 Cal. Adm. Code Section 18428.

BC:plh