



# California Fair Political Practices Commission

February 14, 1986

Assemblyman Gilbert W. Ferguson  
State Capitol Building  
Sacramento, Ca 95814

Re: FPPC No. A-86-044

Dear Assemblyman Ferguson:

This is in reply to your letter dated February 4, 1986, in which you asked if the Free Market Political Action Committee (FREEPAC) is a "controlled committee."

Gov. Code Section 82016 defines a "controlled committee" as:

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

You did not indicate in your letter whether you or the other elected officeholders who are on the committee's Board of Directors engage in the type of activity which would meet the above definition of "control."

However, a candidate or an elected officeholder who is a voting member of a committee's board of directors is presumed to be a "controlling candidate," since the candidate or officeholder probably exercises "significant influence on the actions or decisions of the committee." Therefore, in the absence of information to the contrary, our opinion is that the Free Market Political Action Committee is "controlled" by the elected officeholders who are on its Board of Directors.

Enclosed is a copy of FPPC regulation 2 Cal. Adm. Code Section 18430, which sets out the requirements for identification of the controlling candidates on the committee's Statement of Organization, and the requirements for verification of the committee's campaign statements.

Assemblyman Gilbert W. Ferguson

February 14, 1986

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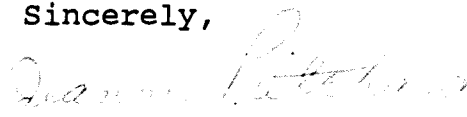
With regard to the mass mailing identification requirements of Gov. Code Section 84305, the requirement that a controlling candidate be identified as the "sender" of a committee's mass mailings normally does not apply to a "general purpose committee" such as the Free Market Political Action Committee. The Free Market Political Action Committee should be identified as the "sender" of the committee's membership and fundraising mailings.

If, however, the committee sends a mass mailing which supports a candidate, and the mailing is "at the behest of" the candidate endorsed, then the candidate must be identified as the "sender" of the mailing. If this should occur, please contact me and we can discuss the requirements for identification of the sender on the mass mailing.

In your letter dated February 4, 1986, you referred to a proposed legislative change to the Political Reform Act affecting Gov. Code Section 84102.5. Currently, there is no Gov. Code Section 84102.5, and I am not aware of any proposed legislative amendment which would add Gov. Code Section 84102.5.

I hope this adequately responds to your questions. Please contact me at your convenience if you have any further questions.

Sincerely,



Jeanne Pritchard  
Division Chief  
Technical Assistance  
and Analysis Division

JP:kt  
Enclosure

CAPITOL OFFICE ADDRESS  
STATE CAPITOL BUILDING  
SACRAMENTO, CA 95814  
PHONE (916) 445-7222

DISTRICT OFFICE ADDRESS  
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SUITE 305  
NEWPORT BEACH, CA 92660  
PHONE (714) 756-0665

# Assembly California Legislature



COMMITTEES  
VICE CHAIRMAN  
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COMMUNITY DEVELOPMENT  
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HEALTH  
HUMAN SERVICES

**GILBERT W. FERGUSON**  
ASSEMBLYMAN, SEVENTIETH DISTRICT

*Gil Ferguson*  
TO: FAIR POLITICAL PRACTICES COMMITTEE  
FROM: Assemblyman Gil Ferguson  
DATE: February 4, 1986  
SUBJECT: Applicability of FPPC law, determination of  
ENCLOSURE: FREEPAC Stationary

I have been elected Chairman of the Free Market Political Action Committee (FREEPAC). There are other Assemblymen and State Senators on FREEPAC's Board of Directors, as you can see by the enclosed list.

Recently, AB 3435 and a new section of the FPPC, (2Cal. Adm. Sec. 18430), has been brought to my attention as applicable to FREEPAC, the other Legislators and me. I have also been advised that there is proposed FPPC legislation (amending Government Code Section 84102.5) which also deals with the subject of the reporting requirements of "Controlled Committees".

I have received conflicting advice as to applicability. Please advise me, considering that FREEPAC does not advocate, lobby or support issues, whether or not FREEPAC and thus the legislative members on its board should or should not be guided by the above referenced legislation and government codes.

Should we be identified and operate as a "Controlled Committee"?

(Regulations of the Fair Political Practices Commission  
Title 2, Division 6 of the California Administrative Code)

18430. Committees Controlled by More than One Candidate

(a) If a committee other than a legislative caucus committee is controlled by more than one candidate:

(1) The name of each controlling candidate must be listed on the statement of organization;

(2) The name of each controlling candidate must be listed on the cover sheet of every campaign statement filed by the committee;

(3) Each controlling candidate must list the name of the committee, indicating that it is a controlled committee of that candidate, on the cover sheet of every campaign statement filed by the candidate.

(4) The campaign statements of the controlled committee cannot be combined or consolidated with the campaign statements of any controlling candidate.

(b) If a committee other than a legislative caucus committee is controlled by more than one candidate, all campaign statements filed by the committee shall be signed and verified by:

(1) All the controlling candidates in the case of a committee controlled by two or three candidates;

(2) One of the controlling candidates, on behalf of all the controlling candidates, in the case of a committee controlled by more than three candidates.

# FREEMAC

FREE MARKET POLITICAL ACTION COMMITTEE

106 K Street, Suite 200  
Old Sacramento, CA. 95814  
Telephone (916) 447-8081

## FOUNDER

Senator H.L. Richardson

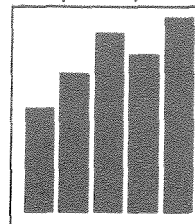
## EXECUTIVE BOARD

Assemblyman Bill Baker  
Chairman  
Assemblyman Pat Nolan  
Vice-Chairman  
Assemblyman Dennis Brown  
Senator John Doolittle  
Assemblyman John Lewis  
Senator Ed Royce  
John H. Hodgson, II  
Committee Treasurer  
James Grubbs  
Executive Director

## ADVISORY COMMITTEE

(Partial List)

Senator William Craven  
Senator Ed Davis  
Assemblywoman Doris Allen  
Assemblyman Charles Bader  
Assemblyman Nolan Frizzelle  
Assemblyman Wally Herger  
Assemblyman Frank Hill  
Assemblyman Ross Johnson  
Assemblyman Bill Jones  
Assemblyman Ernest Kanoy  
Assemblyman Tom McClintock  
Assemblyman Richard Mountjoy  
Assemblyman Robert Naylor  
Assemblyman Don Rogers  
Assemblyman Eric Seastrand  
Assemblywoman Cathie Wright  
Assemblyman Phillip Wyman  
Ken Adamson  
Capitol Coors  
William Ahmanson  
Home Savings & Loan  
Frank Azvedo  
Four Star Electric  
Ron Birtcher  
Birtcher Pacific  
John Blasier  
Monitor Products  
Thomas H. Coleman  
H. Walter Croskey  
Martin, Barker & Croskey  
Paul DeNio  
Beer Wholesalers  
Robert T. Dofflemyer  
Dofflemyer Corp.  
Edmond G. Ducommun  
Ducommun Incorporated  
Carl E. Frahm  
Reid Valve Company, Inc.  
John Goodman  
Automotive Service Councils  
Bill Huston  
Watson Land Company  
Morton B. Jackson  
Macdonald, Halsted & Laybourne  
Wayne McNulty  
Crown Heating & A.C., Inc.  
Donald E. Rowson  
Industrial Hydrocarbons Inc.  
J.L. Scritsmier  
Environmental Lighting for  
Architecture Inc.  
Blain Sites  
Mask-Off Company  
A. Terry Taft  
Coldwell Banker  
Don Watt  
Watt Industries, Inc.  
Robert Young  
The Spink Corporation





# California Fair Political Practices Commission

February 7, 1986

Gil Ferguson  
Assemblyman, Seventieth District  
State Capitol  
Sacramento, CA 95814

Re: 86-044

Dear Assemblyman Ferguson:

Your letter requesting advice under the Political Reform Act has been received by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact the Technical Assistance and Analysis Division at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

A handwritten signature in cursive script that reads "Jeanne Pritchard".

Jeanne Pritchard  
Chief  
Technical Assistance and Analysis  
Division

JP:plh