



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2572

DATE FILMED 12/1/89 CAMERA NO. 4

CAMERAMAN AS

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

CCCA 5183
- Ann 2572

January 19, 1988

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 JAN 19 PH 3:49

Dear Commissioners:

This complaint is filed by the Democratic Congressional Campaign Committee ("DCCC") alleging violations of the contribution limitations by the Royce for Congress and the Herger for Congress Committee ("the Committees"). Both committees were designated as principal campaign committees in the 1986 election. The Royce Committee, in support of the candidacy of Wally Herger for the United States Congress, made contributions to the Herger for Congress Committee in excess of the lawful limitations. The Herger Committee accepted these excessive contributions. In addition, the Herger Committee may have accepted a contribution from prohibited sources under the Federal Election Campaign Act ("FECA").

Reports filed with the Federal Election Commission ("FEC") by the Committees reflect "loans" made to the Herger Committee by the Royce Committee. These "loans" were made in the following amounts:

<u>Date Incurred</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Amount</u>
3/10/86	1/1/88	None	\$1,000.00 ^{1/}
10/31/86	1/1/88	None	\$4,000.00

Accordingly, the Royce Committee made a total of \$5,000 in "loans" to the Herger Committee in support of Herger's campaign.

The FEC imposes limitations on contributions to Congressional candidates. The law specifically limits to \$1,000 the amount of those contributions made by any person to any one candidate for any

^{1/} This transaction is reported by the Herger Committee as a loan and by the Royce Committee as a contribution.

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election. 2 U.S.C. § 441a(a)(1)(A). This \$1,000 limitation is binding upon individuals and also upon any political committee other than a multi-candidate committee. 2 U.S.C. § 441a(a)(2)(A). The Royce Committee was the principal campaign committee of Edward Royce and did not qualify as a multi-candidate committee. 2 U.S.C. §§ 431(5) and 432(e)(3).^{2/} It must, therefore, comply with the \$1,000 contribution limitation in making contributions to any Congressional candidate in any election.

It is legally insignificant and in no way avoids liability that the Committees styled these contributions as loans. The FECA makes plain that a loan is a contribution and remains a contribution for as long as it is outstanding and unpaid. 2 U.S.C. § 431(8)(A)(i). It is, thus, also legally insignificant that the Herger Committee repaid \$3,000 of the loan in February 1987. During the period that the loan was outstanding, an excessive contribution was made. Accordingly, the Committees violated the contribution limits immediately upon making and accepting the second loan of \$4,000 on October 31, 1986.

The Herger Committee also reports the receipt of a \$1,000 "loan" on 8/16/86 from the Phil Wyman Committee.^{3/} The Wyman Committee is apparently not registered with the FEC as a political committee. Rather, the committee is apparently the principal committee supporting Mr. Wyman's candidacy to the State Legislature of California. Under California law, candidates for state or local office may accept contributions directly from corporate and labor treasury funds, and from individuals in excess of \$1,000 per election. The Herger Committee, thus, may have accepted a contribution from sources prohibited from contributing under the federal campaign laws. 2 U.S.C. §§ 441b and 441a(a)(1).

On the basis of the foregoing, DCCC requests that the FEC investigate and enter into prompt conciliation with the Herger and Royce Committees to remedy the violations cited in this

^{2/} In the event the Royce Committee did qualify as a multicandidate committee, it was in violation of 2 U.S.C. § 432(e)(4), which prohibits the use of a candidate's name in its title by an unauthorized campaign committee.

^{3/} Mysteriously, this "loan" is itemized on Schedule A for Line 13A -- "Loans Made or Guaranteed by the Candidate."

Federal Election Commission
January 19, 1988
Page 3

Complaint and that the FEC impose any and all penalties
grounded in those violations.

Very truly yours,


Robert F. Bauer
Counsel
Democratic Congressional
Campaign Committee
430 South Capitol Street, S.E.
Washington, D.C. 20003
(202) 863-1500

Subscribed and sworn to before me
this 19th day of January, 1988.



Notary Public

MY COMMISSION EXPIRES JUNE 30, 1991

300407 / 11500



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 27, 1988

Robert F. Bauer, Esquire
Democratic Congressional Campaign
Committee
430 South Capitol Street, SE
Washington, DC 20003

RE: MUR 2572

Dear Mr. Bauer:

This letter acknowledges receipt of your complaint, received on January 19, 1988, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by The Royce Campaign Committee and Marie T. P. Royce, as treasurer, and the Wally Herger For Congress Committee and Jerry Crippen, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2572. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 27, 1988

Marie T. P. Royce, Treasurer
The Royce Campaign Committee
1249 N. Lighthouse Lane
Anaheim, CA 92801

RE: MUR 2572
The Royce Campaign
Committee,
Marie T. P. Royce,
Treasurer

Dear Ms. Royce:

The Federal Election Commission received a complaint which alleges that The Royce Campaign Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2572. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Royce Campaign Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Phillip Wise, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: The Honorable Edward R. Royce
1249 N. Lighthouse Lane
Anaheim, CA 92801

89040775509



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 27, 1988

Jerry Crippen, Treasurer
Wally Herger For Congress
Committee
PO Box 123
Yuba City, CA 95792

RE: MUR 2572
Wally Herger For
Congress Committee,
Jerry Crippen,
Treasurer

Dear Mr. Crippen:

The Federal Election Commission received a complaint which alleges that the Wally Herger For Congress Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2572. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Wally Herger For Congress Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Phillip Wise, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: The Honorable Walter William (Wally) Herger, Jr.
7115 Galgate Drive
Springfield, VA 22152

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60076336

HERGE, SPARKS, CHRISTOPHER & BIONDI

ATTORNEYS AT LAW

SUITE 200

3201 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

(703) 848-4700

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

88 FEB -8 AM 9:11

TELECOPIER NUMBER
(703) 893-7371

J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE V. BIONDI
DONNA LYNN MILLER
CARRIE LEE GLASER

February 5, 1988

Lois G. Lerner, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

Attention: Phillip Wise, Esq.
Office of General Counsel

Re: MUR 2572 - Wally Herger for
Congress Committee

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 FEB -8 PM 1:34

Dear Ms. Lerner:

This firm has been engaged by the Wally Herger for Congress Committee and Jerry Crippen, its treasurer, to serve as counsel in connection with the complaint filed with the Federal Election Commission on behalf of the Democratic Congressional Campaign Committee. Your letter to Mr. Crippen, dated January 27, 1988, together with enclosures, has been forwarded to us for review. To enable us time to evaluate the matter and to communicate with our clients, we request an extension until February 29, 1988 within which to respond.

Enclosed, for your records, is a Statement of Designation of Counsel, designating the undersigned as counsel.

Sincerely yours,


J. Curtis Herge

:sbl

Enclosure

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2572

NAME OF COUNSEL: Mr. Curt Herge, Herge, Sparks, Christopher & Biondi

ADDRESS: 8201 Greensboro Dr. #200
McLean, VA 22102

TELEPHONE: 703/848-4700

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

2/2/88
Date

Jerome B. Crippen
Signature

RESPONDENT'S NAME: JEROME B. CRIPPEN - Treasurer
Wally Herger for Congress Committee

ADDRESS: P. O. Box 123
Yuba City, Ca. 95992

HOME PHONE: _____

BUSINESS PHONE: 916/742-8201

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

February 9, 1988

J. Curtis Herge, Esquire
Herge, Sparks, Christopher
& Biondi
Suite 200
8201 Greensboro Drive
McLean, Virginia 22102

RE: MUR 2572
Wally Herger for Congress
Committee and Jerry
Crippen, as treasurer

Dear Mr. Herge:

This is in response to your letter dated February 5, 1988, which we received on February 8, 1988, requesting an extension of 20 days until February 29, 1988, to respond to the complaint. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on February 29, 1988.

If you have any questions please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION

HERGE, SPARKS, CHRISTOPHER & BIONDI

ATTORNEYS AT LAW

SUITE 200

8201 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

(703) 848-4700

80 FEB 25 11 01 AM '88

J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE V. BIONDI

DONNA LYNN MILLER
CARRIE LEE GLASER

TELECOPIER NUMBER
(703) 893-7371

February 23, 1988

Lois G. Lerner, Esq.
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D. C. 20463

Attention: Phillip Wise, Esq.
Office of General Counsel

Re: MUR 2572
Wally Herger for Congress
Committee and Jerry Crippen,
as Treasurer

Dear Ms. Lerner:

This letter is written in substantive response to your letter to Mr. Jerry Crippen, Treasurer of the Wally Herger for Congress Committee, dated January 27, 1988, regarding a complaint filed with the Federal Election Commission by the Democratic Congressional Campaign Committee. By letter dated February 5, 1988, we submitted our clients' Statement of Designation of Counsel and requested an extension until February 29, 1988 within which to respond. By letter dated February 9, 1988, our extension request was granted.

In its complaint, the Democratic Congressional Campaign Committee alleged that the Wally Herger for Congress Committee may have accepted a contribution in excess of the lawful limitation from the Royce for Congress Committee; and, may have accepted a contribution from an unlawful source from the Phil Wyman Committee. We shall demonstrate that no further action should be taken in response to these allegations and that the file should be closed on this matter.

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RECEIVED
FEDERAL ELECTION COMMISSION
88 FEB 26 PM 1:56

Royce Committee Contributions

The Royce for Congress Committee (hereinafter "the Royce Committee") was the principal campaign committee of Edward Royce and, thus, was a political committee under the Federal Election Campaign Act. 2 U.S.C. §§431(5) and 432(e)(1); 11 CFR §100.5(d). On or about March 7, 1986, the Royce Committee contributed \$1,000.00, in the form of a loan, to the Wally Herger for Congress Committee. See, paragraph 2 of the enclosed Affidavit of Brad Zerbe, Campaign Manager of the Wally Herger for Congress Committee, dated February 18, 1988 (hereinafter cited as "Zerbe Aff'd. ¶ ____"). That contribution was lawful as to source and amount. 2 U.S.C. §§441a(a)(1)(A) and 431(11). See, also, Advisory Opinion 1986-36.

Subsequent to the primary election,^{1/} in late September or early October, 1986, a representative of the Royce Committee approached Mr. Zerbe and proposed that the Royce Committee loan \$4,000.00 to the Wally Herger for Congress Committee. Zerbe Aff'd. ¶4. Mr. Zerbe, being concerned that the amount offered might be excessive, specifically inquired whether the Royce Committee had qualified as a multi-candidate committee.^{2/} Mr. Zerbe was assured that the Royce Committee was so qualified. Zerbe Aff'd ¶5.

Before the \$4,000.00 contribution was made, Mr. Zerbe made a second inquiry, asking his contact at the Royce Committee whether he was certain that that Committee was qualified to contribute in excess of \$1,000.00 per election to a Federal candidate. Again, Mr. Zerbe was assured that the Royce Committee was so qualified. Zerbe Aff'd ¶6. Thus, twice assured, the Wally Herger for Congress Committee accepted a check in the amount of \$4,000.00 from the Royce Committee on or about October 29, 1986. Zerbe Aff'd ¶7.

1/. The primary election in California in 1986 was held on June 3, 1986. See, Zerbe Affd ¶3.

2/. Mr. Zerbe made this inquiry because Edward Royce did not announce or actively campaign for Federal office and considered it possible that the Committee was no longer an authorized committee.

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By letter dated January 6, 1987, Robin Kelly of the Reports Analysis Division of the Federal Election Commission inquired whether the \$4,000.00 received from the Royce Committee might have constituted an excessive contribution. Zerbe Aff'd ¶8. Mr. Zerbe promptly telephoned Robin Kelly and reported that the Wally Herger for Congress Committee had been advised that the Royce Committee was a multi-candidate committee. Zerbe Aff'd ¶9. Ms. Kelly told Mr. Zerbe not to be concerned^{3/} and Mr. Zerbe confirmed that conversation in writing by letter dated January 16, 1987. Zerbe Aff'd ¶9. Sometime thereafter, Ms. Kelly telephoned Mr. Zerbe and informed him that, upon further inquiry, she had learned that the Royce committee was not a multi-candidate committee. Zerbe Aff'd ¶10. Upon learning this, the Wally Herger for Congress Committee promptly refunded \$3,000.00 to the Royce Committee. Zerbe Aff'd ¶11. Mr. Zerbe advised Ms. Kelly, by letter dated February 9, 1987, that the refund had been made and confirmed Ms. Kelly's statement that, because they acted in response to her instructions, no further action would be taken. See, Exhibit E to the Zerbe Affidavit.

The facts demonstrate that, in retrospect, the Royce Committee made a contribution to the Wally Herger for Congress Committee on October 29, 1986 which was excessive in amount. It would be inappropriate in these circumstances, however, to find reason to believe that our clients violated 2 U.S.C. §441a(f) for having accepted that excessive contribution. That is because 2 U.S.C. §441a(f) provides that no candidate or political committee shall knowingly accept a contribution in violation of the limitations imposed by the Act. Mr. Zerbe made not just one inquiry, but two inquiries, in order to satisfy himself that the contribution was not in violation of those limitations. Having been assured twice that the contribution was lawful, he acted accordingly, this confidence being subsequently reflected in his communications with Ms. Kelly of the Reports Analysis Division. Upon being told that he had been misled, Mr. Zerbe promptly arranged for the refund to be made and so advised the Reports Analysis Division. Mr. Zerbe was told in February, 1987, that no further action would be taken on the matter - and none was taken by the Commission on its own initiative. Clearly, no further action is warranted at this time.

3/. See, Exhibit C to the Zerbe Affidavit, upon which Mr. Zerbe made the contemporaneous notation: "Robin said not to worry."

Wyman Committee Contribution

On May 14, 1986, The Phil Wyman Committee, the campaign committee of California Assemblyman Phillip D. Wyman, contributed \$1,000.00 to the Wally Herger for Congress Committee. The Phil Wyman Committee (hereinafter "the Wyman Committee") is not a "political committee" as defined under the Act. The contribution, in the form of a loan, was repaid by the Herger Committee to the Wyman Committee on January 28, 1988. A copy of the check to the Wyman Committee is enclosed.

Under Commission Regulations at 11 CFR §102.5(b), organizations which are not political committees under the Act but which make "contributions" or "expenditures" are permitted to:

demonstrate through a reasonable accounting method that whenever such organization makes a contribution or expenditure ... that the organization has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution, expenditure or payment. 11 CFR §102.5(b)(1)(ii)

Enclosed is a copy of the Consolidated Campaign Statement of the Wyman Committee covering the period from March 18, 1986 through May 17, 1986 (hereinafter "the Statement"). Also enclosed is a chronological listing of all the contributions received by the Wyman Committee during that same period (hereinafter "the Contributions List") and a chronological listing of all the disbursements made by the Wyman Committee during the period January 1, 1986 through June, 1986 (hereinafter referred to as "the Disbursement List").

The foregoing described documents reveal the following about the finances of the Wyman Committee:

Cash on hand on March 18, 1986 (See line 12 of the Statement)	\$124,906.87
Contributions received from March 18, 1986 through May 14, 1986 (See the Contributions List)	+ 18,905.00
Disbursements made from March 18, 1986 through May 14, 1986 (See the Disbursement List)	- 9,918.14
Cash on hand on May 14, 1986	\$133,893.73

830407/3518

As at May 14, 1986, the date the contribution was made to the Wally Herger for Congress Committee, the Wyman Committee had a balance on hand of approximately \$133,893.73. That balance is presumed to be composed of those contributions most recently received by the Wyman Committee. See, Advisory Opinions 1980-38, 1980-130, 1982-38 and 1987-12. An examination of the Contributions List reveals that the contributions received by the Wyman Committee just in the period from March 18, 1986 through May 14, 1986 consisted of \$1,405.00 in contributions from individuals in amounts of less than \$1,000.00 per contributor. This in and of itself should be considered conclusive to show that, of the \$133,893.73 balance on hand at the time the contribution was made to the Herger Committee, the Wyman Committee had received sufficient funds subject to the limitations and prohibitions of the Act to make the \$1,000.00 contribution to the Herger Committee.^{4/}

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The result in this matter is indistinguishable from the result reached in Advisory Opinion 1987-12. In that Advisory Opinion, the state committee had a balance on hand of \$200,463 on April 26, 1987, which was comprised of \$173,913 in contributions from individuals in amounts under \$1,000 and \$26,550 in contributions from corporations, unions and donations of more than \$1,000 from individuals. The Commission concluded, inter alia, that the cash on hand balance would be presumed to be composed of those contributions most recently received by the state committee; and, that the funds in that cash on hand balance that were not from sources and amounts prohibited by the Act could be used for Federal election purposes.

Congressman Herger had been advised by counsel of the Commission's regulation at 11 CFR §102.5(b), and of the Commission's rulings in that regard, before the contribution by the Wyman Committee was made. See paragraph 6 of the enclosed Affidavit of Congressman Wally Herger, dated February 18, 1988 (hereinafter cited as "Herger Aff'd § _____"). Mr. Herger described those provisions to Mr. Wyman before the contribution was made and Mr. Wyman assured Mr. Herger that the requisite test could be met. (See Herger Aff'd. §§4,5 and 7.)

Based upon the foregoing and the enclosed materials, it is evident the contribution from the Wyman Committee to the Wally Herger for Congress Committee was lawful as to source and amount

4/. While it would appear to be unnecessary in the circumstances, additional documentation could be provided to show the full composition of the \$133,893.73 balance on hand.

and that no further action should be taken in connection with this matter.

Respectfully submitted,

Sincerely yours,



J. Curtis Herge
Counsel to Wally Herger
for Congress Committee and
Jerry Crippen, as treasurer

:sbl

Enclosures

cc: The Honorable Wally Herger
Mr. Brad Zerbe

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BEFORE THE FEDERAL ELECTION COMMISSION

_____)	
In the Matter of)	
)	
WALLY HERGER FOR CONGRESS)	
AND JERRY CRIPPEN, AS)	
TREASURER,)	
)	MUR 2572
Respondents.)	
_____)	

AFFIDAVIT OF BRAD ZERBE

STATE OF CALIFORNIA)	
)	ss:
COUNTY OF <u>SACRAMENTO</u>)	

BRAD ZERBE, being duly sworn, deposes and says:

1. That he is the Campaign Manager of the Wally Herger for Congress Committee; that he served in that capacity in 1986; and, that he has personal knowledge of the facts and circumstances relevant to the contributions made to the Wally Herger for Congress Committee by the Royce for Congress Committee in 1986 and to subsequent events relevant thereto.

2. That on or about March 7, 1986, the Royce for Congress Committee contributed \$1,000.00, in the form of a loan, to the Wally Herger for Congress Committee. See, attached as Exhibit A, a photocopy of the check representing that contribution.

3. That the primary election in California in 1986 was held on June 3, 1986.

Herge, Sparks,
Christopher & Biondi
Attorneys at Law
8201 Greensboro Drive
McLean, Virginia 22102
(703) 848-4700

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4. That at a point in time in late September, 1986 or early October, 1986, your deponent was contacted by Dave Gilliard (who, upon information and belief, was a Senior Consultant to the Royce campaign) regarding a loan of \$4,000.00 to the Wally Herger for Congress Committee for use in connection with the general election campaign.

5. That your deponent, being concerned whether the proposed amount might be in excess of the contribution limitations, inquired of Mr. Gilliard whether the Royce for Congress Committee was qualified as a "PAC" or multi-candidate committee and Mr. Gilliard responded with an assurance that the Royce for Congress Committee was so qualified.

6. That your deponent asked Mr. Gilliard a second time whether he was certain the Royce for Congress Committee was qualified to contribute in excess of \$1,000.00 per election to a Federal candidate and Mr. Gilliard again assured your deponent that the Royce for Congress Committee was so qualified.

7. That, based upon the two assurances from Mr. Gilliard, the Wally Herger for Congress Committee accepted a check in the amount of \$4,000.00 from the Royce for Congress Committee on or about October 29, 1986. See, attached as Exhibit B, a photocopy of the check representing that contribution.

8. That, by letter dated January 6, 1987, Robin Kelly of the Reports Analysis Division of the Federal Election Commission inquired whether the \$4,000.00 received from the

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Royce for Congress Committee might constitute an excessive contribution. See, attached as Exhibit C, a photocopy of that letter.

9. That your deponent telephoned Robin Kelly and reported that the Wally Herger for Congress Committee had been advised that the Royce for Congress Committee was a multi-candidate committee. That telephone conversation was confirmed by letter, dated January 16, 1987, from your deponent to Robin Kelly. See, attached as Exhibit D, a photocopy of that letter.

10. That Robin Kelly, of the Reports Analysis Division, subsequently telephoned your deponent and reported, based upon Federal Election Commission records, the Royce for Congress Committee was not a multi-candidate committee.

11. That the Wally Herger for Congress Committee thereupon wrote and delivered a check to the Royce for Congress Committee in the amount of \$3,000.00 and your deponent transmitted a copy of that check, dated February 5, 1987, to Robin Kelly, of the Reports Analysis Division, by letter dated February 9, 1987. See, attached as Exhibit E, a photocopy of that letter and of that check.

12. That your deponent believes that he and the Wally Herger for Congress Committee acted reasonably and in good faith in making (a) two inquiries of a senior representative of the Royce for Congress Committee as to that Committee's qualification as a multi-candidate committee before accepting

the \$4,000.00 check; and, (b) upon receiving information to the contrary, promptly refunding the excessive amount.

IN WITNESS WHEREOF, your deponent has signed this Affidavit this 18th day of February, 1988.


BRAD ZERBE

Sworn to before me,
a Notary Public, this
18th day of February,
1988.


NOTARY PUBLIC

My Commission Expires: MAY 27, 1990.



8 2 0 4 0 7 / 3 5 2 4

330407 / 525

ROYCE FOR CONGRESS		165
P. O. BOX 6785		
FULLERTON, CA 92634		March 7, 19 85 18-7017/3220
PAY TO THE ORDER OF	HERGER FOR CONGRESS	\$1000.00
ONE THOUSAND AND 00/100		DOLLARS
COLUMBIA <small>SAVINGS AND LOAN ASSOCIATION</small> 910 South Brookhurst Street Anaheim, CA 92804		
MEMO	Loan	<i>Edward R. Royce</i>
⑆322070174⑆0165 0042226332⑆08		

EXHIBIT A

8904071526

ROYCE FOR CONGRESS		176
P. O. BOX 6765		
FULLERTON, CA 92634		10-29-86 16-7017/3220
PAY TO THE ORDER OF	<u>Herger for Congress</u>	\$ 4,000. ⁰⁰ / ₁₀₀
	<u>Four thousand</u>	DOLLARS
COLUMBIA <small>Savings & Loan Association</small>		
910 South Denokhurst Street Anaheim, CA 92804		
MEMO	<u>Loan</u>	<u>Edward M. Royce</u> <u>Marcia Belchert</u>
⑆322070⑆74⑆0⑆76 0042226332⑆08		

EXHIBIT B

Robin said not to worry.

RQ-2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JAN 6 1987

Jerry Crippen, Treasurer
Wally Herger for Congress Committee
P.O. Box 123
Yuba City, CA 95992

File copy

Identification Number: C00202523

Reference: 30 Day Post-General Report (10/16/86-11/24/86)

Dear Mr. Crippen:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion attached) discloses contributions which appear to exceed the limits set forth in the Act. An individual or a political committee other than a multicandidate committee may not make contributions to a candidate for Federal office in excess of \$1,000 per election. If you have received a contribution which exceeds the limits, the Commission recommends that you refund to the donor the amount in excess of \$1,000. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20 of the Detailed Summary Page and Schedule B of your next report. (2 U.S.C. §§441a(a) and (f))

The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.

If the contributions in question were incompletely or incorrectly reported, you may wish to submit documentation for the public record. Please amend your report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of excessive contributions, prompt action by you to refund the excessive amounts will be taken into consideration.

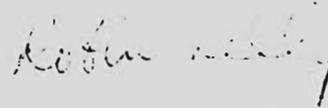
An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building,

9 2 0 4 0 7 / 3 5 2 7

EXHIBIT C

Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Robin Kelly
Reports Analyst
Reports Analysis Division

8 2 0 4 0 7 1 3 5 2 8

Any information copied from such reports or statements may not be used or disseminated by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1
 Form Line Number **13B**

Full Name of Committee: **Wally Herger for Congress**

A. Full Name, Address, Zip	Employer/Occupation	Date	Receipts
Dannemeyer for Congress 505 E. Commonwealth, Suite A Fullerton, CA 92632	LOAN	11/10/86	1000.00

Total YTD: \$ 1000.00

B. Full Name, Address, Zip	Employer/Occupation	Date	Receipts
Royce for Congress P. O. Box 6765 Fullerton, CA 92634	LOAN #C00200865	10/31/86	4000.00

Total YTD: \$ 5000.00

TOTAL THIS PAGE: 5000.00
 GRAND TOTAL: 5000.00

860 P 32/51291

Wally Herger

for Congress

file copy

Wally Herger for Congress • P.O. Box 123, Yuba City, CA 95992 • (916) 741-0447

January 16, 1987

Ms. Robin Kelly
Reports Analyst
Reports Analyst Division
Federal Election Commission
Washington, D.C. 20463

Dear Robin:

This is to confirm that there will be no action taken against the Wally Herger for Congress Committee regarding your January 6, 1987 letter based on our telephone conversation earlier this week.

I understand that the Royce for Congress Committee is qualified as a multi-candidate committee and therefore this committee's loans to our campaign are clearly allowable under the regulations. Therefore, at your request we will take no action to refund this contribution.

Thank you very much, Robin, for your help on this matter.

Sincerely,

Brad Terbe
Campaign Manager

890407/3530

EXHIBIT D

Wally Herger

for Congress

Wally Herger for Congress • P.O. Box 123, Yuba City, CA 95992 • (916) 741-0447

February 9, 1987

Ms. Robin Kelly
Reports & Analysis Division
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Robin:

Per our most recent conversation and your letter we have refunded \$3,000.00 of the \$5,000.00 in loans from the Ed Royce campaign committee. The remaining \$2,000 is designated \$1,000.00 for the '86 primary, and \$1,000.00 for the '86 general. Enclosed is a copy of this refund check.

We will be making the appropriate changes on an amended FEC report. I understand based on our conversation that because we have acted in accordance with your instructions there will be no fine of the Wally Herger for Congress Committee. Thank you for your help, Robin, in straightening out this matter.

Sincerely,

Brad Zerbe
Campaign Manager

EXHIBIT E

NOT PRINTED OR MAILED AT PUBLIC EXPENSE

PAID FOR BY WALLY HERGER FOR CONGRESS PO BOX 123 YUBA CITY CA 95992

890407/3531

WALLY HERGER FOR CONGRESS COMMITTEE

517

GENERAL ELECTION ACCOUNT

P.O. BOX 123

YUBA CITY, CA 95992

2/5 1987 11-8079
3210

PAY
TO THE
ORDER OF

Royce for Congress

\$ 3,000.00

Three Thousand + ⁰⁰/₁₀₀

DOLLAR

GW. GREAT WESTERN SAVINGS

A FEDERAL SAVINGS AND LOAN ASSOCIATION
800 PLUMAS STREET
YUBA CITY, CA 95991

FOR *Refund of Loan*

Hilde Swinehart

⑈000517⑈ ⑆321080796⑆ ⑈410 8080409⑈

30940715532

WALLY HERGER FOR CONGRESS COMMITTEE

206

P.O. BOX 123
YUBA CITY, CA 95992

90-3678/1211

1/28 19 88

PAY TO THE ORDER OF

The Phil Wyman Committee

PAID

\$ 1,000.00

One thousand + ⁰⁰/₁₀₀

FEB 10 88

DOLLARS



Feather River State Bank
1221 BRIDGE ST. YUBA CITY, CA 95991

90-3678-3
FEATHER RIVER STATE BANK
YUBA CITY, CALIFORNIA

FOR Loan Repayment

Wally Herger

⑈000206⑈

⑈121136785⑈

⑈11801309⑈

⑈0000100000⑈

32004071353

10 10 10

FEB 23 07
ANY BANK R
LA
CAMES

122239652
PAY ANY BANK, P.E.G.
SIERRA
NATIONAL BANK
TEHACHAPI, CA
122239652

01

PAY TO THE ORDER OF
Sierra National Bank
FOR DEPOSIT ONLY
THE PHIL WYMAN COMMITTEE
01-00205541

1 1 1 1 1 1 1 1 1 1



CONSOLIDATED CAMPAIGN STATEMENT

Government Code Sections 84200-84217

MAILED
In the office of the Secretary of State
of the State of California
MAY 20 1986

Hand Delivered, Sacramento
MARCH FONG ELL, Secretary of State

Form 400
1985

For use by candidates/officers/holders and their controlled committees.

(Type or Print in Ink)

Statement covers period from 3/18/86 through 5/17/86

OFFICIAL USE ONLY
RDKM

DATE OF ELECTION (MO., DAY, YR.) (if applicable): June 1986	TOTAL PAGES: 13
--	--------------------

I CANDIDATE/OFFICEHOLDER INCLUDED IN THIS CONSOLIDATED REPORT

NAME OF CANDIDATE: PHILLIP D. WYMAN
OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE): State Assembly - 34th District

RESIDENTIAL ADDRESS: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER
P.O. Box 665, Tehachapi CA 93561

BUSINESS ADDRESS: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER
P.O. Box 1953, Bakersfield CA 93303

II CONTROLLED COMMITTEES* INCLUDED IN THIS CONSOLIDATED REPORT

NAME OF COMMITTEE: THE PHIL WYMAN COMMITTEE I.D. NUMBER 771-450

ADDRESS OF COMMITTEE: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER
P.O. Box 1953, Bakersfield, CA 93303

NAME OF TREASURER: ROBERT F. KOVACH

PERMANENT ADDRESS OF TREASURER: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER
Star Route 2, Box 3060-E Tehachapi, CA 93561 805/822-5994

NAME OF COMMITTEE: I.D. NUMBER

ADDRESS OF COMMITTEE: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER

NAME OF TREASURER:

PERMANENT ADDRESS OF TREASURER: NO. AND STREET CITY STATE ZIP CODE AREA CODE PHONE NUMBER

Attach additional information on appropriately labeled continuation sheets.

III CANDIDATE/OFFICEHOLDER ONLY: LIST ANY OTHER COMMITTEES NOT INCLUDED IN THIS CONSOLIDATED STATEMENT WHICH ARE CONTROLLED BY YOU OR ARE PRIMARILY FORMED TO RECEIVE CONTRIBUTIONS OR MAKE EXPENDITURES ON BEHALF OF YOUR CANDIDACY.

COMMITTEE NAME AND I.D. NUMBER	COMMITTEE ADDRESS	TREASURER	Controlled Committee?*	
			YES	NO

Attach additional information on appropriately labeled continuation sheets.

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

VERIFICATION

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.

Executed on 5/17/86 at Tehachapi, CA by Robert F. Kovach
(SIGNATURE OF TREASURER(S))

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(s) of this committee(s) has used all reasonable diligence in the preparation of this statement and its schedules.

Executed on 5/17/86 at Tehachapi, CA by Phillip D. Wyman
(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.

3714071534

STATEMENT COVER PERIOD	
FROM	THROUGH
3/18/86	5/17/86

NAME OF COMMITTEE: THE PHIL WYMAN COMMITTEE

LD. NUMBER
771-450

IV ALLOCATION OF CONTRIBUTIONS AND EXPENDITURES MADE TO OR ON BEHALF OF OTHER CANDIDATES, OFFICEHOLDERS AND MEASURES (Allocate expenditures from Schedules E, EE & F made to or on behalf of another candidate, officeholder or measure. Amounts may be rounded off to whole dollars.)

DATE	IND EXP*	NAME OF CANDIDATE OR OFFICEHOLDER AND OFFICE OR MEASURE AND BALLOT NUMBER OR LETTER	CHECK ONE		AMOUNT	CUMULATIVE TO DATE
			SUPPORT	OPPOSE		
3/25/86		Calif. Citizens for Don Sebastiani State Controller	X		\$1,000.	\$1,000.
5/1/86		Committee to Elect Trice Harvey 33rd Assembly District	X		2,500.	2,500.
5/7/86		Bill Duplissea for Assembly 20th Assembly District	X		2,500.	2,500.
5/14/86		Wally Herger for Congress	X		1,000.	1,000.

Attach additional information on appropriately labeled continuation sheets.

*Check box if "Independent expenditure." (See instructions below.)

**INSTRUCTIONS FOR PREPARING COVER PAGE
CONSOLIDATED CAMPAIGN STATEMENT
FORM 490**

PERIOD COVERED BY STATEMENT:

The period covered begins the day after the closing date of the last campaign statement filed. If no previous statement has been filed, the period begins on January 1 of the current calendar year. (See exceptions to calendar year cumulation and information concerning the closing date in the "Information Manual on Campaign Disclosure Provisions of the Political Reform Act.")

DATE OF ELECTION:

If this statement is filed in connection with an election held on a date other than June 3 or November 4, enter the date of the election.

PART I:

Provide the candidate's or officeholder's full name, residential address, business address and telephone numbers, and the office sought or held.

PART II:

Identify the controlled committee(s) included in the consolidated report and the treasurer(s) of the committee(s). Use the full name(s) of the committee(s) as they appear on the Statement(s) of Organization filed with the Secretary of State. A permanent business or residential address and telephone number(s) must be provided for the treasurer(s). The identification number(s) must be included. (If not yet received from the Secretary of State's office, that fact must be noted.) NOTE: You must provide a telephone number where the treasurer(s) can be reached during business hours.

PART III:

The candidate or officeholder must list all additional committees not included in this consolidated report which are controlled by the candidate or officeholder or are primarily formed to receive contributions or make expenditures on the candidate's behalf and indicate whether or not they are controlled committees.

VERIFICATION:

The statement must be signed by each committee treasurer included in the consolidated report and by the candidate or officeholder who controls the committee. The treasurer and candidate or officeholder must review the information contained in the statement before signing the verification.

ALLOCATION OF CONTRIBUTIONS AND EXPENDITURES MADE TO OR ON BEHALF OF OTHER CANDIDATES, OFFICEHOLDERS AND MEASURES:

List all contributions (including loans) and independent expenditures itemized on Schedules E, EE and F to support or oppose officeholders, candidates, and ballot measures (other than those controlling this committee or for which this committee is primarily formed). Also list in-kind contributions and independent expenditures which involve goods or services provided to or on behalf of a candidate or committee when a payment is not made (e.g., employee services, in-house printing, etc.) A description of the goods or services must also be provided. Indicate the date of the expenditure; if the expenditure is an independent expenditure (an expenditure not made at the behest of the candidate or a committee primarily formed to support or oppose the candidate or measure on whose behalf it is made) check the box. Also indicate the office sought or held (or the measure's number or letter and the jurisdiction); the amount of the expenditure; and the cumulative amount to date. The "Cumulative to Date" column should include the total of expenditures for or against each candidate or measure since January 1 of the current calendar year. (See "Information Manual on Campaign Disclosure Provisions of the Political Reform Act" for discussion and examples of "cumulative amount.")

33140713530

**CAMPAIGN DISCLOSURE STATEMENT SUMMARY PAGE
FORM 420, 430 OR 490**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
FROM 3/18/86 THROUGH 5/17/86

NAME OF CANDIDATE OR COMMITTEE:

THE PHIL WYMAN COMMITTEE

I.D. NUMBER OF COMMITTEE:

771-450

	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	\$ 21,460.00	\$ 20,405.00 <small>SCHEDULE A, LINE 3</small>	\$ 41,865.00
2. Loans received	-0-	-0- <small>SCHEDULE E, LINE 7</small>	-0-
3. SUBTOTAL CASH RECEIPTS	\$ 21,460.00 <small>LINE 1-2</small>	\$ 20,405.00 <small>LINE 1-2</small>	\$ 41,865.00 <small>LINE 1-2</small>
4. Non-monetary contributions	1,593.26	-0- <small>SCHEDULE G, LINE 3</small>	1,593.26
5. Pledges	-0-	-0- <small>SCHEDULE E, LINE 7</small>	-0-
6. TOTAL CONTRIBUTIONS	\$ 23,053.26 <small>LINE 3+4+5</small>	\$ 20,405.00 <small>LINE 3+4+5</small>	\$ 43,458.26 <small>LINE 3+4+5 (SHOULD EQUAL LINE 6, COLUMNS A + B)</small>
EXPENDITURES MADE			
7. Payments	\$ 11,660.46	\$ 7,431.87 <small>SCHEDULE E, LINE 8</small>	\$ 19,092.23
8. Loans made**	-0-	3,500.00 <small>SCHEDULE E, LINE 7</small>	3,500.00
9. SUBTOTAL	11,660.46 <small>LINE 7+8</small>	10,931.87 <small>LINE 7+8</small>	22,592.33 <small>LINE 7+8</small>
10. Accrued expenses (unpaid bills)	-0-	-0- <small>SCHEDULE F, LINE 8</small>	-0-
11. TOTAL EXPENDITURES	\$ 11,660.46 <small>LINE 9+10</small>	\$ 10,931.87 <small>LINE 9+10</small>	\$ 22,592.33 <small>LINE 9+10 (SHOULD EQUAL LINE 11, COLUMNS A + B)</small>

*IF THIS IS THE FIRST REPORT FILED FOR THE CALENDAR YEAR, COLUMN A SHOULD BE BLANK EXCEPT FOR UNPAID LOANS RECEIVED, PLEDGES, OUTSTANDING LOANS MADE AND UNPAID BILLS (LINES 2, 5, 8 AND 10).

**IMPORTANT: SEE INSTRUCTIONS ON REVERSE FOR PREPARING THE SUMMARY PAGE CONCERNING REPORTING LOANS MADE, LINE 8, COLUMN A.)

STATEMENT OF CHANGES IN FINANCIAL CONDITION

12. Cash on hand at the beginning of this period. (Enter "Cash on Hand at Closing Date" from previous statement filed.)	\$ 124,906.87
13. Cash receipts this period (Line 3, Column B above)	20,405.00
14. Miscellaneous adjustments to cash (Schedule G, Line 8)	2,031.47
15. Cash payments this period (Line 9, Column B above)	10,931.87
16. Cash on hand at closing date (Lines 12 + 13 + 14 - 15 above)	\$ 136,411.47
17. Cash equivalents (other assets held including outstanding loans made to others). Important: See instructions on reverse	\$ -0-
18. Outstanding debts (Line 2 + Line 10 of Column C above)	\$ -0-

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:	-0-	-0-
20. EXPENDITURES MADE:	-0-	-0-

SCHEDULE A

**MONETARY CONTRIBUTIONS RECEIVED
FORM 420, 430 OR 480**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD
FROM 3/18/86 THROUGH 5/17/86

NAME OF CANDIDATE OR COMMITTEE:

THE PHIL WYMAN COMMITTEE

I.D. NUMBER OF COMMITTEE
771-450

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
3/29/86	PG&E Employees' State/Local Good Government Fund 77 Beale St., Rm 891 San Francisco, CA 94106		ID No. 840-409	\$ 500.	\$ 500.
3/29/86	J.E. Vaughan 2109 - 18th St. Bakersfield, CA 93301	M.D.	Self: See col. 2	150.	150.
3/29/86	Calif. Building Industry PAC 1225 - 8th St., Suite 350 Sacramento, CA 95814		ID No. 771-585	300.	800.
3/29/86	Calif. Farm Bureau Fed. PAC 1601 Exposition Blvd. Sacramento, CA 95815		ID No. 760-960	500.	500.
3/29/86	State & Local Citizenship Responsibility Group of the Employees of SCE-A 2244 Walnut Grove Ave. Rosemead, CA 91770		ID No. 742-227	500.	500.
3/29/86	Refuse Industry PAC 970 Monterey San Luis Obispo, CA 93401		ID No. 761-465	500.	500.
3/29/86	Calif. Medical PAC 44 Gough St. San Francisco, CA 94103		ID No. 742-617	500.	5,500.
5/12/86				5,000.	5,500.
SUBTOTAL				7,950.	

If more space is needed, check box at left and attach additional Schedules A.

SUMMARY

1. AMOUNT RECEIVED — CONTRIBUTIONS OF \$100 OR MORE (Include all Schedule A subtotals)	\$ 20,400.00
2. AMOUNT RECEIVED — CONTRIBUTIONS OF LESS THAN \$100 (Not itemized)	5.00
3. TOTAL MONETARY CONTRIBUTIONS THIS PERIOD (Line 1 + Line 2) Enter here and on Line 1 Column B of Summary Page	\$ 20,405.00

SCHEDULE A

**MONETARY CONTRIBUTIONS RECEIVED
(CONTINUATION SHEET)
FORM 420, 430 OR 490**

(Amounts May Be Rounded To Whole Dollars).

STATEMENT COVERS PERIOD	
FROM	THROUGH
3/18/86	5/17/86

NAME OF CANDIDATE OR COMMITTEE

THE PHIL WYMAN COMMITTEE

L.D. NUMBER OF COMMITTEE
771-450

DATE RECD	FULL NAME AND ADDRESS OF CONTRIBUTOR <small>IF COMMITTEE, ALSO ENTER L.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
3/29/86	CAHP PAC 2030 V Street Sacramento, CA 95818		ID No. 802-001	\$ 500.	500.
3/29/86	Western Oilfields Supply Co. Don C. Lake, Owner P.O. Box 2248 Bakersfield, CA 93303			150.	150.
3/29/86	Beneficial Management Corp, of America Beneficial Center Peapack, N.J. 07977			250.	250.
4/19/86	Shell Good Government Fund P.O. Box 2463 Houston, TX 77001			500.	500.
4/19/86	ARCO Petroleum Products Co. Div. of Atlantic Richfield Co. P.O. Box 711512 Los Angeles, CA 90071			500.	500.
4/19/86	Syntex Good Government Committee 3401 Hillview Avenue Palo Alto, CA 94304			750.	750.
4/19/86	Beatrice Grocery Group Beatrice Companies, Inc. 1645 W. Valencia Dr. Fullerton, CA 92633-3899			250.	250.
4/19/86	Wine Institute Fund 165 Post Street San Francisco, CA 94108		ID No. 743-161	500.	500.
4/19/86	Virco Mfg Corp. P.O. Box 44846, Hancock Station Los Angeles, CA 90044			100.	100.
4/29/86	The Tobacco Institute 1875 I Street, Northwest Washington, D.C. 20006			500.	500.
4/29/86	Calif. Chiropractic PAC 1030 - 15th St., Suite 250 Sacramento, CA 95814		ID No. 742-986	300.	300.

If more space is needed, check box at left and attach additional Schedules A.

SUBTOTAL 4300.

SCHEDULE A

**MONETARY CONTRIBUTIONS RECEIVED
(CONTINUATION SHEET)
FORM 420, 430 OR 490**

(Amounts May Be Rounded To Whole Dollars).

STATEMENT COVERS PERIOD
FROM 3/18/86 THROUGH 5/17/86

NAME OF CANDIDATE OR COMMITTEE

THE PHIL WYMAN COMMITTEE

L.O. NUMBER IF COMMITTEE
771-450

DATE REC'D	FULL NAME AND ADDRESS OF CONTRIBUTOR <small>IF COMMITTEE ALSO ENTER L.O. NUMBER OR TREASURER'S NAME AND ADDRESS</small>	OCCUPATION	EMPLOYER <small>IF SELF-EMPLOYED, ENTER NAME OF BUSINESS</small>	AMOUNT	
				RECEIVED	CUMULATIVE TO DATE
4/29/86	Stanley P. Adams 831 1/2 E. Avenue Q-9 Palmdale, CA 93550	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Ted K. Warner, Inc. 720 West Milling Lancaster, CA 93534	Chiropractor	Self: See col. 2	100.	100.
4/29/86	William Madison, II P.O. Box 2091 Lancaster, CA 93539	Chiropractor	Self: See col. 2	100.	100.
4/29/86	George Yano 38569 N. 19th St. Palmdale, CA 93550	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Lawrence L. Cunningham 44300 Andale Lancaster, CA 93535	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Howard Chiropractic Offices, Inc. 1318 W. Avenue J Lancaster, CA 93534			100.	100.
4/29/86	Johan Beyers 131 S. Gold Canyon Dr. Ridgecrest, CA 93555	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Melvin K. Morrow, Inc. 44139 N. Division St. Lancaster, CA 93535	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Peter Martin 43545 N. 17th St., West Lancaster, CA 93534	Chiropractor	Self: See col. 2	100.	100.
4/29/86	Gary Douglas Ford 44139 N. Division Lancaster, CA 93534	Chiropractor	Self: See col. 2	100.	100.
5/3/86	Claire J. Sneed 401 Oak Park Tower 3200 - 21st. St. Bakersfield, CA 93301	Businesswoman		150.	150.
SUBTOTAL				1150.	

If more space is needed, check box at left and attach additional Schedules A.

SCHEDULE A
MONETARY CONTRIBUTIONS RECEIVED
(CONTINUATION SHEET)
FORM 420, 430 OR 490

(Amounts May Be Rounded To Whole Dollars).

STATEMENT COVERS PERIOD
 FROM 3/18/86 THROUGH 5/17/86

NAME OF CANDIDATE OR COMMITTEE

THE PHIL WYMAN COMMITTEE

L.D. NUMBER (IF COMMITTEE)
 771-450

DATE REC'D	FULL NAME AND ADDRESS OF CONTRIBUTOR <small>(IF COMMITTEE ALSO ENTER L.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
5/3/86	So. Calif. Concrete & Rock Products PAC 1811 Fair Oaks Avenue South Pasadena, CA 91030		ID. No. 791-583	\$ 500.	500.
5/3/86	Foster & Kleiser, A Metromedia Company 1550 W. Washington Blvd. Los Angeles, CA 90007			500.	500.
5/3/86	CalMat Co. P.O. Box 2950 Los Angeles, CA 90051			500.	500.
5/3/86	CAHF PAC 1401 21st St., Suite 202 Sacramento, CA 95814		ID NO. 741-816	300.	300.
5/3/86	The Assn of Calif. Insurance Co's PAC 5900 Wilshire Blvd., #2400 Los Angeles, CA 90036		ID NO. 830-078	2,000.	2,000.
5/12/86	Storer Transp. Service Inc. 3519 McDonald Avenue Modesto, CA 95351			200.	200.
5/12/86	Antelope Valley Bus, Inc 660 West Avenue L Lancaster, CA 93534			200.	200.
5/12/86	Michael J. Demeter 160 Demeter St. East Palo Alto, CA 94303	Businessman		200.	200.
5/12/86	Tenneco, Inc. <u>1/</u> P.O. Box 2511 Houston, TX 77001			500.	500.
5/12/86	The Williams Companies <u>1/</u> One Williams Center Tulsa, OK 74172			500.	500.
	<u>1/</u> by their affiliated partnership Kern River Gas Transmission Co. (P.O. Box 2511) Houston, TX 77001		(\$1,000.)	-0-	-0-

If more space is needed, check box at left
and attach additional Schedules A.

SUBTOTAL

5,400.

004073540

SCHEDULE E

**PAYMENTS AND CONTRIBUTIONS (OTHER THAN LOANS) MADE
FORM 420, 430 OR 490**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
3/18/86	5/17/86
I.D. NUMBER OF COMMITTEE	
771-450	

NAME OF CANDIDATE OR COMMITTEE:

THE PHIL WYMAN COMMITTEE

CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes is used to describe the expenditure, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of this schedule for detailed explanations of each category.

- | | |
|---|--|
| "C" - CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES | "S" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS |
| "I" - INDEPENDENT EXPENDITURES | "F" - FUNDRAISING EVENTS |
| "L" - LITERATURE | "G" - GENERAL OPERATIONS AND OVERHEAD |
| "B" - BROADCAST ADVERTISING | "T" - TRAVEL, ACCOMMODATIONS AND MEALS |
| "N" - NEWSPAPER AND PERIODICAL ADVERTISING | "P" - PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| "O" - OUTSIDE ADVERTISING | |

If one of the above codes does not accurately or fully describe the expenditure, leave the "Code" column blank and provide a written description in the "Description of Payment" column.

IMPORTANT: Do not itemize the payment of accrued expenses on Schedule E. Report only the lump sum of these payments on Line 4 of the Summary section, below.

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION IF COMMITTEE ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Maturango Museum P.O. Box 1776 Ridgecrest, CA 93555	G	Donation for Building Fund	\$ 100.
Calif. Citizens for Don Sebastiani 25 McDonell St. Sonoma, CA 95476	C	ID NO. 860194	1,000.
Greater Bakersfield Chamber/Commerce P.O. Box 1947 Bakersfield, CA 93303	G	Annual Membership	150.
Republican Conference 154 Saginaw Circle Sacramento, CA 95833	G	Conference	900.
Best Rents 2620 F Street Bakersfield, CA 93301	F	Fund Raiser Catering Expense	123.24
SUBTOTAL			2,273.24

If more space is needed, check box at left and attach additional Schedules E.

IMPORTANT: Contributions and expenditures on behalf of other candidates or committees must also be entered in the allocation section at the front of the campaign statement.

SUMMARY

1. PAYMENTS OF \$100 OR MORE MADE THIS PERIOD (Include all Schedule E subtotals)	\$ 6,867.31
2. PAYMENTS UNDER \$100 THIS PERIOD (Not itemized)	\$ 564.56
3. TOTAL INTEREST PAID THIS PERIOD ON OUTSTANDING LOANS (Schedule B, Part 2, Column (b))	\$ -0-
4. TOTAL ACCRUED EXPENSES PAID THIS PERIOD (Schedule F, Line 4)	\$ -0-
5. TOTAL PAYMENTS THIS PERIOD (Line 1 + 2 + 3 + 4) Enter here and on Line 7, Column B of Summary Page	\$ 7,431.87

SCHEDULE E
PAYMENTS AND CONTRIBUTIONS MADE

(CONTINUATION SHEET)
FORM 420, 430 OR 480

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
3/18/86	5/17/86
I.D. NUMBER (IF APPLICABLE)	
771-450	

NAME OF CANDIDATE OR COMMITTEE: **THE PHIL WYMAN COMMITTEE**

CODES FOR CLASSIFYING EXPENDITURES

If one of the following codes is used to describe the expenditure, no written description is needed. (Note exceptions on the back of this schedule for codes "C", "I" and "T".) Refer to the back of Schedule E and the *Information Manual on Campaign Disclosure* for detailed explanations and examples of each category.

- | | |
|---|--|
| "C" - CONTRIBUTIONS TO OTHER CANDIDATES OR COMMITTEES | "J" - SURVEYS, SIGNATURE GATHERING, DOOR-TO-DOOR SOLICITATIONS |
| "I" - INDEPENDENT EXPENDITURES | "K" - FUNDRAISING EVENTS |
| "L" - LITERATURE | "O" - GENERAL OPERATIONS AND OVERHEAD |
| "B" - BROADCAST ADVERTISING | "P" - TRAVEL, ACCOMMODATIONS AND MEALS |
| "N" - NEWSPAPER AND PERIODICAL ADVERTISING | "T" - PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES |
| "O" - OUTSIDE ADVERTISING | |

If one of the above codes does not accurately or fully describe the expenditure, leave the "Code" column blank and provide a written description in the "Description of Payment" column.

NAME AND ADDRESS OF PAYEE, CREDITOR OR RECIPIENT OF CONTRIBUTION (IF COMMITTEE, ALSO ENTER I.D. NUMBER OR NAME AND ADDRESS OF TREASURER)	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Desert Empire Fair 520 S. Richmond Road Ridgecrest, CA 93555	G	Fair Booth	\$ 140.
Committee to Elect Trice Harvey P.O. Box 9611 Bakersfield, CA 93389	C	ID 830391	2,500.
Kern County Elections Division 1415 Truxtun Avenue Bakersfield, CA 93301	G	Precinct Materials	102.
Roundtree Photography, Inc. 905 Chester Ave. Bakersfield, CA 93301	G		312.70
Crocker Nat'l Bank Bankcard Product Group Walnut Creek, CA 94593-0001	T & G	No payment over \$100 with the following exceptions:	1,539.37
Davis Travel Service Sacramento, CA		\$209.00	
United Airlines Meadows Field Bakersfield, CA		\$251.00	
Chevron USA, Inc. P.O. Box 5010 Concord, CA 95424		\$193.22	
SUBTOTAL			\$4,594.07

If more space is needed, check box and attach additional Schedules E.

**SCHEDULE EE
LOANS MADE
FORM 420, 430 OR 490**

(Amounts May Be Rounded To Whole Dollars)

STATEMENT COVERS PERIOD	
FROM	THROUGH
3/18/86	5/17/86
L.O. NUMBER OF COMMITTEE	
771-450	

NAME OF CANDIDATE OR COMMITTEE:

THE PHIL WYMAN COMMITTEE

PART I: LOANS MADE

DATE OF LOAN	FULL NAME AND ADDRESS OF RECIPIENT	INT. RATE	DUE DATE	AMOUNT	CUMULATIVE AMOUNT
3/25/86	Bill Duplissea for Assembly P.O. Box 1332 San Carlos, CA 94070 ID 850-471	None	3/25/87	\$2,500.00	2,500.00
5/14/86	Wally Herger for Congress P.O. Box 123 Yuba City, CA 95992 Fed. ID 117731	None	5/14/87	1,000.00	1,000.00

If more space is needed, check box and attach additional Schedules EE.

SUBTOTAL \$3,500.00

PART 2: LOAN REPAYMENTS RECEIVED AND LOANS FORGIVEN BY THIS CANDIDATE OR COMMITTEE

DATE OF REPAYMENT OR FORGIVENESS	DATE OF ORIGINAL LOAN	FULL NAME OF RECIPIENT OF LOAN	INT. RATE IF CHANGED	PAYMENT BY THIRD PARTY (NAME AND ADDRESS)	AMOUNT REPAYED OR FORGIVEN OR PRINCIPAL, DO NOT INCLUDE RECEIPT OF INTEREST	OUTSTANDING PRINCIPAL	INTEREST* RECEIVED

If more space is needed, check box and attach additional Schedules EE.

SUBTOTAL

(a)

(b)

*TOTAL ALL INTEREST RECEIVED THIS PERIOD AND ENTER ON LINE 3 OF THE SUMMARY SECTION OF SCHEDULE E. DO NOT CARRY THE TOTAL TO THE SUMMARY BELOW.

TOTAL INTEREST PAYMENTS RECEIVED THIS PERIOD

SUMMARY

1. LOANS OF \$100 OR MORE MADE THIS PERIOD (Part 1)	\$ 3,500.	
2. LOANS UNDER \$100 MADE THIS PERIOD (Not itemized)	-0-	
3. TOTAL LOANS MADE (Line 1 + 2)		3,500.
4. PAYMENTS RECEIVED ON LOANS OF \$100 OR MORE (including a forgiveness or payment by a third party) (Part 2, Column (a))	-0-	
5. PAYMENTS RECEIVED ON LOANS UNDER \$100 (including a forgiveness or payment by a third party) (Not itemized)	-0-	
6. TOTAL LOAN REPAYMENTS RECEIVED THIS PERIOD (Line 4 + 5)		-0-
7. NET CHANGE THIS PERIOD (Subtract Line 6 from Line 3)		\$3,500.

Enter the difference here and on Line 8, Column B of Summary Page.....

(May be negative figure)

03040713505

Contributions

3/18 thru 5/17/86

1986	Name	Amount	Deposit Total	Individual	PAC/Asn
DEP. DATE					
3/29	Pgt & Employees state/Local	50000			50000
	G.E. Vaughn M.D.	15000		15000	
	Calif. Building Industry	30000			30000
	Calif Farm Bureau Fed.	50000			50000
	State & Local Citizenship Resp. Group	50000			50000
	Refuse Industry PAC	50000			50000
	Calif. Medical PAC	50000			50000
	CAHP PAC	50000			50000
	Western Oilfields Supply Co	15000			
	Beneficial Mgmt Corp.	25000			
	Robert John Larson	500			
	Total		385500		
4/19	Shell Good Government Fund	50000			50000
	Atlantic Richfield	50000			
	Syntex Good Govern. Fund	75000			75000
	Beatrice Grocery Group	25000			
	Wine Institute Fund	50000			50000
	Vivco Mfg Corp	10000			
	Total		260000		
4/29	The Tobacco Institute	50000			50000
	Calif. Chiropractic PAC	30000			30000
	Dr Stanley P. Adams	10000		10000	
	Jed K. Warner OC Inc	10000		10000	
	William Melison II D.C.	10000		10000	
	Dr George Yano	10000		10000	
	Dr Lawrence L. Cunningham	10000		10000	
	Howard Chiropractic Offices Inc	10000		10000	
	Johan Beyers D.C.	10000		10000	
	Dr Melvin K Morrow	10000		10000	
	Dr Peter Martin	10000		10000	
	Dr Gary Douglas Ford	10000		10000	
	Total		180000		
5/3	Claire J. Smeed	15000		15000	
	So Calif Concrete & Rock PAC	50000			50000
	Foster & Kleiser	50000			
	Calmet Co	50000			
	CAHF PAC	30000			30000
	PAC of the Assn of Calif Ins Cos	20000			20000
	Sub total		1220500		

Prepared By	Initials	Date
Approved By		

	5	6	7	8	9	10	11	12
	Company	Under 1000	Loan	Other				
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9	15000							
10	25000							
11		500						
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14	50000							
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16	25000							
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8812 1/2 (84855) - Buff
 8812 1/2 (84856) - Green
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1986					
DEP	Name	Amnt	Deposit	Individual	PAC/
DATE			Total		ASSN
5/12/86	Storer Transportation Service Inc.	20000			
	Antelope Valley Bus Inc	20000			
	Michael J. Klemeter	20000		20000	
	Tenneco Inc	50000			
	The Williams Companies	50000			
	Calif Medical PAC	50000			50000
	Louis S. Jagerman M.D.	10000		10000	
			670000		
5/17	Tenneco West, Inc.	50000			
	Tenneco Oil Co	50000			
	Calif. Veterinary Med Assn	50000			50000
			150000		
	3/18-5/17 TOTAL FOR PERIOD		2040500		
6/9	Calvert C. Quon	25000		25000	
	Nick J. Elizondo	1500			
	John T. Larimer, Inc	5000			
	Pacific Lighting Corp	35000			
	Calif. Service Station Council	100000			100000
	Fishermen's Co-operative Assn	20000			20000
			186500		
6/16/86	Calif Real Estate PAC	250000			250000
	Edgar J. Bostick	1500			
	Cal - FTI PAC	30000			30000
			281500		
6/30	Certified Public Accts PAC	100000			
			100000		
	5/18-6/30 TOTAL FOR PERIOD		568000		

Prepared By	Initials	Date
Approved By		

	5	6	7	8	9	10	11	12
	Company	Utilities	Loan	Other				
1	20000							
2	20000							
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} by Kern River Gas Transmission Company

ID 771044

4812 1/2 (84866) - Buff
 4812 1/2 (88866) - Green

DISBURSEMENTS

1-1-86 - 3-31-86

Prepared By	Initials	Date
Approved By		

8904077355

DATE 1986		CHECK NO				
1/1	Christopher Nelson & Assoc	235	50000	Professional Ingmt Services		C
1/2	Lynn Bryan & Assoc.	236	150000	Consulting fees		
1/2	Bak Rep. Women Fed	237	2500	membership dues		U
1/2	PanAmerican Underwriters	238	35000	Insurance / Office		
1/2	Postal Instant Press	239	3705	Printing / Copying		C
1/2	Amer Legion Post #221 - Int.	240	2000	membership dues		U
1-10	Squires	241	1269	office supplies		C
1-10	Thorne Business Forms	242	14289	Postdate bill on stationery		
1-10	Sergio Pichardo	243	8776	reimburse expenses		U
1/20	Crocker Bank	244	41839	Loan / Interest		C
1/22	Christopher Nelson & Assoc	245	53904	reimburse expenses		
1/23	Shumate & Assoc.	246	100000	Professional exp. Ingmt services		
1/24	Squires Hallmark	247	2685	office supplies		C
1/28	Secy of State	248	37105	Declaration of Candidacy		
2/4	Finance One (mortgaging)	249	85000	mortgage		
2/7	Isabel Moore	250	90000	Prof. services		
2/8	Col. Shop Printing	251	2400	dues		U
2/8	Stinson Stationers	252	8734	supplies		U
2/16	Crocker Bank	253	34182	Check / Interest		C
2/17	Finance One Int	254	19200	Finance One Int		
2/17	Bate Bank	255	4854	reimburse expenses		U
2/22	Ralph's Market	256	6574	food for fund raising		
2/19	PFA	257	2773	Printing / Copying		
2/19	Squires	258	905	office supplies		
2/22	Aid Radio	259	4545	creation fee		U
2/22	QRS	260	271	reimburse		
2/22	John King of St. G. Gilbert	261	1500	reimburse		
2/25	Rasmussen's Bakery	262	2900	fund raising		
2/25	Ralph's Market	263	5612	food for fund raising		C
2/28	Christopher Nelson & Assoc	264	34185	reimburse expenses		C
3/3	Amer Leg Exch Council	265	2500	membership dues		
3/3	Sandra Hicks	266	5884	reimburse of fund raising		
3/3	Valley Foods	267	18296	Food for fund raising		
3/6	Lynn Bryan & Assoc.	268	23337	in fund raising		
3/6	Ken Corp 29 MPID	269	10000	donation		
3/9	One Auto Bank	270	9000	auto expense		
3/9	Mr. Brian Conway	271	5000	donation		
3/9	Stephanie Hill	272	5000	Prof. exp. Ingmt services		
3/9	Robert Higgins	273	5000	"		
3/13	Crocker Bank	274	41347			C

C - Reimbursement
U - Under 100.00

		Check No				
1	Saint Raphael Press	275	✓	90366	Invitation	
14	The Elite Printing	276	✓	1836	misc printing	U
1/14	So. Sierra Council of Boy Scouts	277	✓	12000	Donation	
	CUT OFF →					
	TOTAL			1166046		
<hr/>						
1986						
3/21	Waturango Museum	278	✓	10000	donation	
3/2	Atenas Museum Assoc.	279	✓	5000	donation	
3/24	Best Products Co	280	✓	6216	misc. (940)	
3/25	Ca. Bilingual for Don. Chastiani	281	✓	10000		JD 560194
3/28	Greeter Bk. Cafe	282	✓	15000	2000 hrs. of labor	
3/31	Greeter Bk. Cafe	283	✓	7000	2000 hrs. of labor	
4/15	Best Books	284	✓	12324	Food donation (caterer)	
4/16	Best Books	285	✓	14000	Food	
4/18	Cracker Barrel	286	✓	75345		
4/19	Suburban Services Inc	287	✓	5000	banquet dance	
4/20	Suburban Services Inc	288	✓	1000		
4/20	Suburban Services Inc	289	✓	6000	banquet dance	
4/20	Suburban Services Inc	290	✓	25000	loan	
4/20	Suburban Services Inc	291	✓	7000		
4/20	Suburban Services Inc	292	✓	5000		
4/20	Suburban Services Inc	293	✓	10000		
4/23	Suburban Services Inc	294	✓	1420	membership by Super	
5/1	Suburban Services Inc	295	✓	840	gas subscription	
5/2	Riverside Photography	296	✓	31770		
5/3	IRS	297	✓	750		
5/11	Bill Duplessis for 1000	298	✓	250000	LOAN	
5/19	US Postmaster Service	299	✓	5000	RENEWAL PERMIT	
5/11	Ridgecrest Daily Ad.	300	0	1000	1000 publications sub.	
3/10	LA County	301	0	7100	metal for Super. chamber	
5/14	Wally Berger for Cong.	302	0	100000	LOAN Fed. Sec. 117731	X
6/10	Army Joint Publications	303	0	1375	State Flag	
	CUT OFF →					
	TOTAL			1093187		

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 1901 82271 - Buff
 89040773553 - Green

1986	DATE		CHECK NO	AMOUNT	
1	5/23	Thomas Orr for ^{Kern Co.} Rep. Central Committee	304	750 00	Campaign contribution - Kern Co.
2	5/27	Chris Nelson & Assoc.	305	2500 00	Consultant - campaign report
3	5/27	Fine Print	306	434 52	Typesetting
4	5/27	Ad West	307	1392 85	member preparation (publicist)
5	5/27	U.S. Postmaster Mojave	308	4750 00	Postage for mail
6	5/27	Reed & Lawrence Printing	309	2217 33	Printing expenses
7	5/31	Truwyns, Lancaster	310	1970	Printed material
8	6/3	Ingotern News Review	311	32 48	Ad (Angela's Birthday)
9	6/6	Brocker Boule	312	121324	
10	6/12	Co. of Sac West of Angeles	313	90 00	tax done for (travel expenses)
11	6/21	Lancaster Cafe	314	25 00	dinner ticket
12	6/27	Schachy's Cafe	315	36 00	" "
13	6/29	State of Calif. Public Com.	316	100 00	Speaker's fee
14		CUT OFF →			
15		TOTAL		1256112	
16					
17					
18					
19					
20	7/10	State of Calif.	317	2171	State of Calif.
21	7/14	...	318	191 00	
22	7/14	Def. of ...	319	116 00	...
23	7/16	Best Print	320	79 00	
24	7/17	Daily Independent	321	30 00	Employed ...
25	7/17	The Ph. 479	322	4770	...
26	7/18	Sunday Book	323	15244	...
27	7/18	Chris Nelson & Assoc.	324	9316	...
28	7/18	St Raphael Press	325	77135	...
29	7/19	Mammoth ...	326	200 00	Bank for ...
30	7/19	Cal West Rentals	327	5751	...
31	7/23	Am. Reg. Soc. Comm.	328	2000	ticket for ...
32	7/23	Vickie Thomas	329	26 00	...
33	7	Postmaster Bob	330	22000	Postage
34	7/28	Chalfant Press	331	6000	
35	7/30	Nellie ...	332	79325	...
36	7/31	Mountain Bible Church	333	1000 00	Donation
37	7/31	Mountain Bible Church	334	5000	" for ...
38	8/1	AV ...	335	687 50	...
39	8/1/86	...	336	26500	...
40	8/1/86	Franco Burnett Realty	337	2500	donation

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)

WALLY HERGER FOR CONGRESS)
AND JERRY CRIPPEN, AS)
TREASURER,)

Respondents.)
_____)

MUR 2572

AFFIDAVIT OF WALLY HERGER

DISTRICT OF COLUMBIA) ss:

WALLY HERGER, being duly sworn, deposes and says:

1. That your deponent is a Member of the United States House of Representatives, representing the Second Congressional District of the State of California, having been elected to that office in 1986.

2. That your deponent's principal campaign committee in 1986 was the Wally Herger for Congress Committee.

3. That, in 1986, the Wally Herger for Congress Committee received a \$1,000.00 contribution, in the form of a loan, from The Phil Wyman Committee, a non-Federal political committee.

4. That, prior to the time the contribution was made, your deponent discussed the proposed contribution with Phil Wyman.

5. That, in summary, your deponent explained to Mr. Wyman that, upon the advice of counsel, a state campaign

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Herger, Sparks,
Christopher & Biondi
Attorneys at Law
8201 Greensboro Drive
McLean, Virginia 22102
(703) 848-4700

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committee whose treasury may contain funds from sources not permitted to be received by a Federal committee, may contribute to a Federal committee if it can demonstrate that when it makes the contribution it has received sufficient funds subject to Federal limitations and prohibitions to make the contribution. The example used by your deponent was, if the organization's treasury had a balance on hand of \$10,000.00, consisting of \$5,000.00 from individuals and \$5,000.00 from prohibited sources, a \$1,000.00 check could be accepted by the Wally Herger for Congress Committee.

6. That the advice of counsel relied upon by your deponent was that contained in a letter from the law firm, Herge, Sparks, Christopher & Biondi, dated March 20, 1986, a copy of which is attached hereto.

7. That your deponent received a verbal assurance from Mr. Wyman that The Phil Wyman Committee had sufficient funds on hand from individuals to account for the \$1,000.00 contribution.

IN WITNESS WHEREOF, your deponent has signed this Affidavit this 18th day of February, 1988.

Wally Herger
WALLY HERGER

Sworn to before me, a Notary Public, this 18th day of February, 1988.

George H. Chapin
NOTARY PUBLIC

George H. Chapin
Notary Public, Dist. of Columbia
Commission Expires June 30, 1990

My Commission Expires: _____

HERGE, SPARKS, CHRISTOPHER & BIONDI

ATTORNEYS AT LAW

SUITE 200

8201 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

J. CURTIS HERGE
ROBERT R. SPARKS, JR.
A. MARK CHRISTOPHER
GEORGE V. BIONDI
DONNA LYNN MILLER

March 20, 1986

(703) 848-4700

Mr. Brad Zerbe
Herger for Congress Committee
Box 123
Yuba City, California 95992

Dear Brad:

This responds to your request for information and guidance on the proposed contribution by a state campaign committee of \$1,000.00 or less to the Herger for Congress Committee.

The Federal Election Commission has issued a number of advisory opinions regarding the transfer of funds from, or the contribution of funds by, a state campaign committee to a federal campaign committee. First, it must be kept in mind that, if a state committee transfers or contributes more than \$1,000.00 to federal candidates or committees in a calendar year, the state committee would become a political committee subject to the Federal Election Campaign Act ("the Act"). To avoid that result, any state campaign committee which contemplates making a contribution to the Herger for Congress Committee should be asked if it has made any other contributions or transfers to a federal candidate or committee in 1986. If it has done so, those previous contributions or transfers, plus the contribution to the Herger for Congress Committee, must not exceed \$1,000.00 in the aggregate. Conversely, a state committee, which has made no other contribution or transfer to a federal candidate or committee in 1986, should be advised that it will become subject to the Act if its contribution to the Herger for Congress Committee and other federal candidates and committees exceed \$1,000.00 in 1986. Yet even another way of saying the same thing is that a state committee may contribute \$1,000.00 to the Herger for Congress Committee in 1986; but, if that state committee contributes or transfers any additional amount to any federal candidate or committee in 1986, that state committee would then be required to register under the Act and be subject to the reporting requirements and other limitations and prohibitions in the Act.

870407/3556

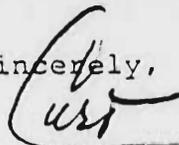
Mr. Brad Zerbe
March 20, 1986
Page 2

Second, the regulations of the Federal Election Commission provide that a state campaign committee, which is not subject to the Act and which makes a contribution to a federal campaign committee, must "demonstrate through a reasonable accounting method" that it "has received sufficient funds subject to the limitations and prohibitions of the Act to make such contribution." Furthermore, the regulations provide that the state campaign committee must keep records of amounts received or expended and, upon request, make those records available for examination by the Commission. 11 C.F.R. §102.5(b)(1)(ii). The Commission has also made clear that a candidate who accepts contributions from unregistered organizations which are not political committees under the Act must assume responsibility for determining that the contributions originally came from permissible sources. Advisory Opinion 1982-38; Advisory Opinion 1980-130; Advisory Opinion 1980-38.

To determine whether the funds to be contributed by the state campaign committee come from "permissible sources", the cash on hand balance would be assumed to be composed of those contributions most recently received by the state committee. This means, for example, that if the state committee has \$50,000.00 cash on hand, but \$30,000.00 of that was contributed by corporations (a prohibited source), \$15,000.00 was contributed by one individual (a prohibited amount) and \$5,000.00 was contributed by several individuals in amounts of not more than \$1,000.00 per election, the state committee has \$5,000.00 of funds on hand from "permissible sources." Thus, under that example, the state committee could contribute \$1,000.00 or less to the Herger for Congress Committee. The accounting worksheets used to identify those permissible source funds should be retained by the state committee and a copy should be retained by the Herger for Congress Committee.

I hope the foregoing is responsive to your request. As you can appreciate, this letter does not address the question whether it would be proper under California law for a state campaign committee to make contributions to a federal campaign committee. You may wish to address that question to California counsel. Do not hesitate to telephone me, however, if you have any questions.

Sincerely,


J. Curtis Herge

:sbl

990407/35537

QCCA#6506

FEDERAL ELECTION COMMISSION

88 FEB 23 11:26

February 9, 1988

Lois G. Lerner
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 FEB 23 PH 3:14

RE: MUR 2572

Dear Ms. Lerner:

As Treasurer and on behalf of the Royce Campaign Committee, the following is submitted in response to your letter dated January 27, 1988.

The Royce Campaign Committee was established as a principal candidate committee in early 1986 for the purpose of a possible campaign for federal office on behalf of State Senator Ed Royce. He then decided not to run for federal office in 1986. Later in the spring, the Committee loaned \$1,000 to the Herger Committee. Although the loan was so reflected on the Herger Committee's report in 1986, it was not so reflected as a loan on the Royce Committee's 1986 report. An amendment was filed to correct the Royce Committee report to reflect it as a loan.

On October 31, 1986, the Committee made a \$4,000 loan to the Herger Committee, in the belief that it could change its status to multi-candidate committee and that it had otherwise attained the attributes of a multi-candidate committee (6 months in existence; 50 or more contributors; and having made contributions to 5 or more federal candidates). (See letter to Mr. Tim White, Federal Election Commission, dated February 6, 1987 and Amendment to FEC Form 1, dated February 6, 1987). When we were notified that the FEC disagreed, both with our understanding of the requirements for attaining multi-candidate committee status and the methods we used, we withdrew the FEC Form 1 Amendment and took the steps suggested by the FEC staff (Tom White and Robin Kelly) to reverse the 1986 transactions. You may wish to contact them to confirm the fact that these steps were taken.

Throughout, the FEC staff has been helpful and cooperative in resolving this matter. At all times, we have operated in the belief we were acting properly and within the law. In view of the fact that we immediately undertook actions to correct the matters, as pointed out by the FEC, we request that the FEC take no further action on this matter under review.

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Lois G. Lerner
Page 2

Executed under penalty of perjury on February 9,
1988, at Anaheim, California.

Marie T. P. Royce
Marie T. P. Royce

Attachments

cc: Tim White
Robin Kelly

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STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) <input type="checkbox"/> Check if name or address is changed. ROYCE CAMPAIGN COMMITTEE	2. Date 2/6/87
(b) Address (Number and Street) 1249 N. Lighthouse Lane	3. FEC Identification Number C002-00865
(c) City, State and ZIP Code Anaheim, Calif. 92801	4. Is this an amended Statement? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

5. TYPE OF COMMITTEE (check one):

(a) This committee is a principal campaign committee. (Complete the candidate information below.)

(b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

EDWARD R. ROYCE			
Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

(c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)

(d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)

(e) This committee is a separate segregated fund.

(f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship
None		

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

Corporation Corporation w/o Capital Stock Labor Organization Membership Organization Trade Association Cooperative

7. Custodian of Records: Identify by name, address (phone number - optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Marie T.P. Royce	1249 N. Lighthouse Ln Anaheim, Ca 92801	Treasurer

8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Marie T.P. Royce	1249 N. Lighthouse Ln Anaheim, Ca 92801	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
Columbia Savings	910 S. Brookhurst Anaheim, Ca 92804

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

MARIE T.P. ROYCE	SIGNATURE OF TREASURER	2/6/87
Type or Print Name of Treasurer		Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

--	--	--	--	--	--	--	--	--

1249 N. Lighthouse Lane
Anaheim, California 92801
February 9, 1987

Mr. Tom White
Federal Elections Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

As a result of discussions with Robin Kelly this morning, I have taken the following steps today:

1. Congressman Wally Herger has agreed to refund \$3000 to our federal committee. I will receive this check by 5:00 p.m. tomorrow.
2. I have mailed Congressman Herger a letter explaining that of the remaining \$2000, \$1000 was for the 1986 primary campaign, and \$1000 was for the 1986 general election campaign.
3. I am withdrawing the paperwork mailed Friday, February 6, 1987 which would have qualified our committee as a multi-candidate committee. Therefore, our committee will remain a single candidate committee.

It is our understanding from conversations with Robin that these steps will rectify the situation and eliminate the possibility of any FEC action directed towards either our committee or Congressman Herger's committee.

Please let me know if there is anything else I need to do.

Sincerely,

MARIE T.P. ROYCE
Treasurer
Royce Campaign Committee

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OFFICES
STATE CAPITOL ROOM 3074
SACRAMENTO 95814
1881 NORTH RAYMOND AVENUE, #211
ANAHEIM CA 92801
(714) 871-0270

Senate
California Legislature



COMMITTEES
PUBLIC EMPLOYMENT AND
RETIREMENT, VICE CHAIRMAN
BANKING AND COMMERCE
BUSINESS AND PROFESSIONS
HEALTH AND HUMAN SERVICES
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INDUSTRIAL RELATIONS
SELECT COMMITTEE ON DRUG
AND ALCOHOL ABUSE
SELECT COMMITTEE ON
GOVERNMENTAL EFFICIENCY
JOINT COMMITTEE ON THE
STATE'S ECONOMY
SMALL BUSINESS DEVELOPMENT
BOARD

EDWARD R. ROYCE
STATE SENATOR
THIRTY-SECOND DISTRICT

February 6, 1987

Mr. Tom White
Federal Election Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

This is our amended Statement of Organization to reflect the change of the Royce for Congress Committee to a multi-candidate committee. The requirements to become a multi-candidate committee were met on 10/24/86.

We were under the impression that once the requirements were met, the committee would automatically become a multi-candidate committee. We did not realize that an amended Statement was necessary. We appreciate your consideration.

Sincerely,

Marie T.P. Royce
MARIE T.P. ROYCE
Treasurer

2004078563

FEDERAL ELECTION COMMISSION
999 B Street, N.W.
Washington, D.C. 20463

88 MAY -2 PM 12:09

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION
MAY 17 1988

MUR #2572
DATE COMPLAINT RECEIVED
BY OGC January 19, 1988
DATE OF NOTIFICATION TO
RESPONDENT(S) January 27, 1988
STAFF MEMBER Phillip L. Wise

COMPLAINANT: Democratic Congressional Campaign Committee

RESPONDENTS: The Royce Campaign Committee and
Marie T. P. Royce, as treasurer

Wally Herger for Congress Committee and
Jerry Crippen, as treasurer

The Phil Wyman Committee and its treasurer

RELEVANT STATUTES: 2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 441b(a)
11 C.F.R. § 102.5(b)
11 C.F.R. § 103.3(b)

INTERNAL REPORTS
CHECKED: Disclosure Reports

FEDERAL AGENCIES
CHECKED: None

I. GENERATION OF MATTER

By letter dated January 19, 1988, the Democratic Congressional Campaign Committee, through counsel, alleged that The Royce Campaign Committee, the principal campaign committee for Edward R. Royce, ("Royce Committee") made excessive contributions to the Wally Herger for Congress Committee,

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("WHCC") the principal campaign committee for Congressman Walter William (Wally) Herger, Jr.^{1/} The complaint also alleged that WHCC may have accepted prohibited funds from The Phil Wyman Committee ("Wyman Committee"). According to the complaint, this committee is apparently the principal committee supporting Mr. Wyman's candidacy to the State Legislature of California. California law allows corporate and labor union contributions to those running for State Office; therefore, complainant alleges that the \$1,000.00 loan from the Wyman Committee on May 16, 1986, may have included funds from a prohibited source. (Attachment 1.)

By letter dated February 5, 1988, counsel representing WHCC, requested an extension of time to respond to the complaint until February 29, 1988. (Attachment 2.) This request was granted. On February 26, 1988, the response was received by the Office of the General Counsel. (Attachment 3.)

II. FACTUAL AND LEGAL ANALYSIS

A. Acceptance of Excessive Contributions

Pursuant to 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution^{2/} or make any expenditure in violation of the provisions of this section.

^{1/} The Royce Committee loaned the WHCC \$1,000.00 on March 10, 1986, and \$4,000.00 on October 31, 1986.

^{2/} 2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money...

Under 2 U.S.C. § 441a(1)(A), no person^{3/} shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.00

Under 2 U.S.C. § 441a(2)(A), no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal Office which, in the aggregate, exceed \$5,000.00

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The response by WHCC asserted that it twice inquired into the \$4,000.00 loan with the Royce Committee to insure that it was not excessive. On both inquiries the Royce Committee assured them that the funds were proper, as they were a multicandidate committee. After receiving such assurance, WHCC accepted a check in the amount of \$4,000.00. (Attachment 3(a).) By letter dated January 6, 1987, RAD contacted WHCC in reference to the \$4,000.00 loan from the Royce Committee. (Attachment 3(L).) WHCC informed RAD that it had been advised that the Royce Committee was a qualified multicandidate committee, therefore, the loans were allowable. (Attachment 3(O).) After RAD informed WHCC that the Royce Committee was not a qualified multicandidate committee, WHCC promptly returned \$3,000.00 to the Royce Committee, while keeping the \$1,000.00 loan of March 10, 1986, for the primary, and \$1,000.00 of the \$4,000.00 loan received on October 31, 1986, for the general election. (Attachments 3(P), and 3(Q).)

3/ 2 U.S.C. § 431(11) defines "person" to include a committee.

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Counsel for WHCC argues that the acceptance of the excessive contribution was not knowing; therefore, not a violation of 2 U.S.C. § 441a(f). In considering the issue of the "knowingly accepted" requirement of 2 U.S.C. § 441a(f), the Court held in FEC v. Dramesi, 640 F. Supp. 985 (D.N.J. 1986), that a contribution in excess of \$1,000.00 at first blush appears to be illegal, therefore, it places a duty on the treasurer to determine its propriety. In Dramesi, the court ruled that there was a violation of 2 U.S.C. § 441a(f) because the committee's treasurer made no effort to determine whether the contribution, in excess of \$1,000.00, from the State Republican committee was legal. The Court indicated that the "Index of Multicandidate Political Committees" was readily available to the defendant. Instead of checking this index the treasurer merely assumed from the source of the contribution that it was legal. In the instant matter the WHCC made two inquiries with the Royce Committee about the legality of the \$4,000.00 loan, in an effort to satisfy this duty. (Attachment 3(g).)^{4/}

^{4/} 11 C.F.R. § 103.3(b)(1) as it was written during the period of the alleged violation specified that "[a] treasurer shall make his or her best efforts to determine the legality of the contribution." In FEC v. Hollenbeck, No. 85-2239 (D.D.C. 1986), the court concluded that there is no violation of 2 U.S.C. § 441a(f) where there is compliance with regulations "regarding scrutiny of received contributions." In that case the court held that the Committee was correct in assuming that a contribution from the state party committee was "legal" without more.

Although WHCC inquired into the \$4,000.00 contribution from the Royce Committee, and made some effort to determine its legality, this alone did not constitute "best efforts". As pointed out in Dramesi, the Commission maintains The Index of Multicandidate Political Committees, which is an exhaustive list of such eligible committees. WHCC should have inquired about the status of the Royce Committee by reviewing this Index, but did not. Accordingly, WHCC's acceptance of the \$4,000.00 loan from the Royce Committee appears to be a violation of 2 U.S.C. § 441a(f). However, in light of the efforts by WHCC in contacting the Royce Committee on two separate occasions and being told each time that the Royce Committee was a multicandidate committee it appears appropriate to take no further action against WHCC on this violation.

B. Making of Excessive Contributions

The Royce Committee in its response contended that it made the October 31, 1986 \$4,000.00 loan believing it was a multicandidate committee.^{5/} The Committee contends that as Edward Royce decided not to run for federal office in 1986 when

^{5/} Pursuant to 11 C.F.R. § 100.5(e)(3) "a multicandidate committee means a political committee which (i) has been registered with the Commission, Clerk of the House or Secretary of the State for at least 6 months; (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to 5 or more Federal candidates."

The Royce Committee was a principal campaign committee of Edward Royce and as such could not have qualified as a multicandidate committee.

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the Royce Committee was established as his principal campaign committee, the Committee thought it could change its status to multicandidate and had otherwise attained such status because it was in existence for 6 months, had 50 or more contributors, and had made contributions to 5 or more federal candidates (Attachment 4). The Committee thought this qualified them as a multicandidate committee as of October 24, 1986, (Attachment 4(e)). RAD informed the Committee that it was not multicandidate because no Amended Statement of Organization was filed changing its status from a principal campaign committee. The Royce Committee abandoned its attempt at becoming multicandidate and took steps to reverse the 1986 transactions.

As the Royce Committee was not a multicandidate committee its \$4,000.00 loan to WHCC created an excessive contribution in the amount of \$3,000 in violation of 2 U.S.C. § 441a(a)(1)(A).

C. Prohibited Funds

It has been alleged that the loan from the Wyman Committee, which is not registered with the Commission, may contain prohibited labor union or corporate funds. Pursuant to 2 U.S.C. § 441b(a) it is unlawful for any corporation or any labor organization to make a contribution or expenditure in connection with any federal election or for any political committee knowingly to accept or receive any contribution prohibited by this section. In addition, it is unlawful for any candidate or political committee to knowingly accept or receive such a contribution in connection with federal election activity.

800407 / 3559

WHCC presented Wyman's campaign statement which indicates the source and amount of its funds. (Attachment 3(S).) In accordance with 11 C.F.R. § 102.5(b) organizations that are not political committees under the Act may demonstrate through a reasonable accounting method that whenever such organization makes a contribution, that it has received sufficient funds subject to the prohibitions of the Act to make such contribution. The information presented by WHCC indicates that the Wyman Committee possessed sufficient funds subject to the Act's prohibitions to make the \$1,000.00 loan. Consequently, the Wyman Committee's contribution was not in violation of 2 U.S.C. § 441b(a).

III. RECOMMENDATIONS

1. Find reason to believe that the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441a(f), and take no further action.
2. Find no reason to believe that the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441b(a).
3. Find no reason to believe that the Phil Wyman Committee violated 2 U.S.C. § 441b(a).
4. Find reason to believe that the Royce for Congress Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).
5. Approve the attached letters.

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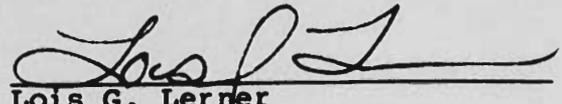
6. Close the file as it pertains to the Wally Herger for Congress Comittee and Jerry Crippen, as treasurer, and the Phil Wyman Committee.

Lawrence M. Noble
General Counsel

Date

4/29/88

By:



Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Request for additional time to respond.
3. Response by the Wally Herger for Congress Committee
4. Response by the Royce for Congress Committee
5. Proposed letters - 3

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*

DATE: MAY 5, 1988

SUBJECT: OBJECTION TO MUR 2572 - FIRST G.C. REPORT
SIGNED APRIL 29, 1988

The above-captioned document was circulated to the Commission on Monday, May 2, 1988 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	_____ X _____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____

This matter will be placed on the Executive Session agenda for May 17, 1988.

Please notify us who will represent your Division before the Commission on this matter.

39040773572

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
The Royce Campaign Committee and)	
Marie T. P. Royce, as treasurer)	
)	
Wally Herger for Congress and)	MUR 2572
Jerry Crippen, as treasurer)	
)	
The Phil Wyman Committee and)	
its treasurer)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 17, 1988, do hereby certify that the Commission decided by a vote of 6-0 to take the following acitons in MUR 2572:

1. Find reason to believe that the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441a(f), and take no further action.
2. Find no reason to believe that the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C § 441b(a).
3. Find no reason to believe that the Phil Wyman Committee violated 2 U.S.C. § 441b(a).

(continued)

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4. Find reason to believe that the Royce for Congress Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a) (1) (A).
5. Approve the letters attached to the General Counsel's report dated April 29, 1988.
6. Close the file as it pertains to the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, and the Phil Wyman Committee.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

5/18/88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

May 23, 1988

Marie T.P. Royce, Treasurer
The Royce Campaign Committee
1249 N. Lighthouse Lane
Anaheim, CA 92801

RE: MUR 2572
The Royce Campaign
Committee and
Marie T.P. Royce,
as treasurer

Dear Ms. Royce:

On January 27, 1988, the Federal Election Commission notified the Royce Campaign Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on May 17, 1988, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Act. Specifically, it appears that the October 31, 1986 \$4,000 loan the Committee made to the Wally Herger for Congress Committee was excessive by \$3,000.00.

Under the Act you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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Letter to Marie T.P. Royce, Treasurer
Page 2

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Thomas J. Josefiak
Chairman

cc: Congressman Edward R. Royce

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 23, 1988

J. Curtis Herge, Esquire
Herge, Sparks, Christopher & Biondi
Suite 200
8201 Greensboro Drive
McLean, Virginia 22102

RE: MUR 2572
Wally Herger for Congress
Committee and Jerry
Crippen, as treasurer

Dear Mr. Herge:

On May 17, 1988, the Federal Election Commission found reason to believe that your clients, the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441a(f), and no reason to believe that your clients violated 2 U.S.C. § 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that your clients' acceptance of a \$4,000.00 loan from the Royce Campaign Committee resulted in receipt of an excessive contribution. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your clients. The Commission reminds you, however, that accepting contributions from any person with respect to any election for Federal office, which, in the aggregate, exceed \$1,000.00 appears to be a violation of 2 U.S.C. § 441a(f). Your clients should take immediate steps to insure that this activity does not occur in the future.

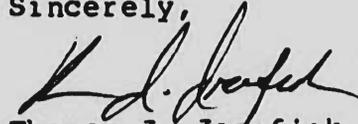
This file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Please send such materials to the General Counsel's Office.

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Letter to J. Curtis Herge, Esquire
Page 2

If you have any questions, please direct them to Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosure
General Counsel's Report

3004077578

plm



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 23, 1988

Robert F. Kovach, Treasurer
The Phil Wyman Committee
P.O. Box 1953
Bakersfield, CA 93303

RE: MUR 2572

Dear Mr. Kovach:

On May 17, 1988, the Federal Election Commission after considering the circumstances of this Matter Under Review determined to take no action and close its file as it pertains to the Phil Wyman Committee.

Specifically it was considered whether the committee's loan of \$1,000.00 to the Wally Herger for Congress Committee on August 16, 1986 violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, a review of the available information revealed no violation of the Act by your committee.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please direct them to Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Thomas J. Josefiak
Thomas J. Josefiak
Chairman

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 10, 1988

Marie T.P. Royce, Treasurer
The Royce Campaign Committee
1249 N. Lighthouse Lane
Anaheim, CA 92801

Re: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as treasurer

Dear Ms. Royce:

By letter dated May 23, 1988, The Royce Campaign Committee ("the Committee") and you, as treasurer, were notified that on May 17, 1988, the Federal Election Commission found reason to believe that the Committee and you, as treasurer, had violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").

To date, the Committee and you, as treasurer, have not responded to the notification. Unless we receive a response from you within 5 days, this Office will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

30040773590

dm

6CC#9786

FEDERAL ELECTIONS COMMISSION

88 JUL 15 AM 9:09

LAW OFFICES OF
**NIELSEN, MERKSAMER,
HODGSON, PARRINELLO & MUELLER**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
770 L STREET, SUITE 800

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752

SAN FRANCISCO

650 CALIFORNIA STREET, SUITE 2650
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 989-6800

FILE NUMBER

July 8, 1988

5699.02

Mr. Philip Wise
Associate General Counsel
Federal Elections Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 2572 - The Royce Campaign Committee
Marie T.P. Royce, Treasurer

88 JUL 15 PM 3:48

FEDERAL ELECTIONS COMMISSION

Dear Mr. Wise:

The following is submitted by the respondents in the above matter in response to the letter from Federal Elections Commission ("FEC") Chairman Thomas J. Josefiak finding reason to believe the respondents violated 2USC Section 441(a)(1)(A). That section of the Federal Election Campaign Act ("the Act") prohibits persons (including authorized committees) from making contributions in excess of \$1,000 to candidates (or their committees) with respect to any election for Federal office. However, Section 441(a)(2) of the Act permits multi-candidate political committees to make contributions of up to \$5,000. The Royce for Congress Committee ("Royce Committee") qualified as a multi-candidate committee prior to making a \$4,000 loan to the Wally Herger for Congress Committee ("Herger Committee") in 1986. That loan forms the basis for the FEC's finding of reason to believe the Royce Committee and its treasurer violated the Act.

A "multi-candidate political committee" means a political committee which has been in existence for not less than 6 months, which has received contributions from more than 50 persons, and (with exceptions not relevant) has made contributions to 5 or more candidates for Federal office. Section 441(a)(4). A committee originally formed as a candidate's principal campaign committee may convert to multi-candidate committee status once it meets the requirements. AO 1978-86 (February 2, 1979) William M. Landau. [Church for President Committee, in existence for over 6 months, which received contributions from more than 50 contributors, will qualify as a multi-candidate committee "as soon as it has made contributions to 5 or more candidates for Federal office. Once it qualifies..., the committee may contribute up to \$5,000 per election to a candidate and his authorized political

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Mr. Philip Wise
July 8, 1988
Page 2

committees."] See also AO 1985-30 (October 24, 1985) Marjorie S. Holt. [Principal campaign committee of retiring member of Congress may "convert and qualify as a multi-candidate political committee once it meets the requirements for such status."]

The facts in this matter under review are virtually indistinguishable from those in AO-1978-86, supra. California State Senator Edward Royce established the Royce Committee early in the spring of 1986 to support his candidacy for Congress. Also in the spring of that year, the Royce Committee loaned \$1,000 to the Herger Committee. This \$1,000 loan was indisputably a permissible transaction.

Subsequent to the 1986 primary election, State Senator Royce, having abandoned his own federal candidacy, made contributions to 5 other federal candidates. By October 24, 1986, the Royce Committee had qualified as a multi-candidate committee. On October 31, 1986, the Royce Committee loaned the Herger Committee \$4,000. This was a legal contribution, within the limits of Section 441(a)(2).

To reflect its new multi-candidate status, the respondent Committee filed an FEC-Form 1 amendment on February 6, 1987. See Exhibit A. The amendment was not filed until February of 1987 because Senator Royce, having been advised by counsel that no FEC-1 amendment was necessary in order to attain multi-candidate status, understandably assumed that an amendment was not needed to disclose the status change. On the February amendment, the respondents, like Representative Holt and the Holt Committee in AO 1985-30, supra, made no change to the information on their originally-filed FEC Form 1 except to note the change in status. This amendment was filed promptly after respondent treasurer Marie T. P. Royce learned of the need for it from Commission staff. (See Exhibit B, letter from Marie T.P. Royce to Tom White).

Subsequently, Ms. Royce spoke further with Commission staff member Robin Kelly (see Exhibit C, letter from Royce to Tom White referencing conversations with Kelly). Based on her discussions with Commission staff, Ms. Royce rescinded the original FEC-1 February 1987 amendment, filed another (Exhibit D) and arranged for the Herger Committee to return to the Royce Committee \$3,000 of the \$5,000 loaned it in 1986. (See Exhibits C and E). Ms. Royce's actions were predicated on her understanding from FEC staff that she was required to reverse the October 1986 Herger loan transaction. However, that loan

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Mr. Philip Wise
July 8, 1988
Page 3

transaction was permissible under Section 441(a)(2) in its entirety. There was no legal requirement that the "excess" be returned (as there was no excess), and no need to reverse the loan transaction in whole or in part.

The respondents in this matter under review did not violate Section 441(a)(1)(A). They have at all times made a sincere effort to comply with the Act. Unfortunately, their attempt to correct what did not actually require substantive correction has created an inference that \$3,000 of the \$5,000 loan as the Herger Committee in 1986 was impermissible under the law. It was not.

The respondents respectfully request opportunity to enter into pre-probable cause conciliation in this matter. The Committee and its treasurer would be prepared to stipulate to an inadvertent violation of Section 433(c) arising from failure to amend FEC Form 1 within 10 days of having qualified as a multi-candidate committee. In view of their good-faith effort to do all they believed was required of them, a penalty is not required to ensure future compliance with the Act.

An executed statement of designation of counsel is being sent under separate cover. Pursuant to your telephone conversation with Charles H. Bell, Jr. of this firm, thank you also for permitting a continuance for the filing of this response.

Please let me or Mr. Bell know if you require anything further from the respondents or from us. Thank you for your consideration.

Very truly yours,



JUDITH SPROUL DAVIS

JSD:bg
Enclosures

cc: Senator Edward Royce
Marie T. P. Royce

8 9 0 4 0 7 / 5 8 3

STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) <input type="checkbox"/> Check if name or address is changed. ROYCE CAMPAIGN COMMITTEE	2. Date
(b) Address (Number and Street) 1249 No. Lighthouse Lane	3. FEC Identification Number C002-00865
(c) City, State and ZIP Code Anaheim, Ca 92801	4. Is this an amended Statement? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

5. TYPE OF COMMITTEE (check one):

(a) This committee is a principal campaign committee. (Complete the candidate information below.)

(b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District
-------------------	-----------------------------	---------------	----------------

(c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)

(d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)

(e) This committee is a separate segregated fund.

(f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

Corporation Corporation w/o Capital Stock Labor Organization Membership Organization Trade Association Cooperative

7. Custodian of Records: Identify by name, address (phone number - optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Marie T.P. Royce	1249 No. Lighthouse Lane Anaheim, Ca 92801	Treasurer

8. Treasurer: List the name and address (phone number - optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Marie T.P. Royce	1249 No. Lighthouse Lane Anaheim, Ca 92801	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
Columbia Savings	910 S. Brookhurse Anaheim, Ca 92804

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

MARIE T.P. ROYCE	<i>Marie T.P. Royce</i>	2-6-87
Type or Print Name of Treasurer	SIGNATURE OF TREASURER	Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g.

For further information contact: Federal Election Commission, Toll Free 800-424-9530. Local 202-523-4068

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FEC FORM 1 (3/80)

OFFICES
STATE CAP TOL ROOM 3074
SACRAMENTO 95814
1681 NORTH RAYMOND AVENUE #911
ANAHEIM CA 92801
(714) 871-0270

Senate
California Legislature



COMMITTEES
PUBLIC EMPLOYMENT AND
RETIREMENT VICE CHAIRMAN
BANKING AND COMMERCE
BUSINESS AND PROFESSIONS
HEALTH AND HUMAN SERVICES
HOUSING AND URBAN AFFAIRS
INDUSTRIAL RELATIONS
SELECT COMMITTEE ON DRUG
AND ALCOHOL ABUSE
SELECT COMMITTEE ON
GOVERNMENTAL EFFICIENCY
JOINT COMMITTEE ON THE
STATE'S ECONOMY
SMALL BUSINESS DEVELOPMENT
BOARD

EDWARD R. ROYCE
STATE SENATOR
THIRTY-SECOND DISTRICT

February 6, 1987

Mr. Tom White
Federal Election Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

This is our amended Statement of Organization to reflect the change of the Royce for Congress Committee to a multi-candidate committee. The requirements to become a multi-candidate committee were met on 10/24/86.

We were under the impression that once the requirements were met, the committee would automatically become a multi-candidate committee. We did not realize that an amended Statement was necessary. We appreciate your consideration.

Sincerely,

Marie T. P. Royce
MARIE T.P. ROYCE
Treasurer

EXHIBIT B

NOT PRINTED OR MAILED AT TAXPAYERS' EXPENSE

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1249 N. Lighthouse Lane
Anaheim, California 92801
February 9, 1987

Mr. Tom White
Federal Elections Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

As a result of discussions with Robin Kelly this morning, I have taken the following steps today:

1. Congressman Wally Herger has agreed to refund \$3000 to our federal committee. I will receive this check by 5:00 p.m. tomorrow.
2. I have mailed Congressman Herger a letter explaining that of the remaining \$2000, \$1000 was for the 1986 primary campaign, and \$1000 was for the 1986 general election campaign.
3. I am withdrawing the paperwork mailed Friday, February 6, 1987 which would have qualified our committee as a multi-candidate committee. Therefore, our committee will remain a single candidate committee.

It is our understanding from conversations with Robin that these steps will rectify the situation and eliminate the possibility of any FEC action directed towards either our committee or Congressman Herger's committee.

Please let me know if there is anything else I need to do.

Sincerely,

MARIE T.P. ROYCE
Treasurer
Royce Campaign Committee

3 2 0 4 0 7 3 5 8 6

OFFICES
STATE CAPITOL ROOM 3074
SACRAMENTO 95814
1661 NORTH RAYMOND AVENUE, #211
ANAHEIM, CA 92801
(714) 871-0270

Senate
California Legislature



EDWARD R. ROYCE
STATE SENATOR
THIRTY-SECOND DISTRICT

February 12, 1987

COMMITTEES
PUBLIC EMPLOYMENT AND
RETIREMENT VICE CHAIRMAN
BANKING AND COMMERCE
BUSINESS AND PROFESSIONS
HEALTH AND HUMAN SERVICES
HOUSING AND URBAN AFFAIRS
INDUSTRIAL RELATIONS
SELECT COMMITTEE ON DRUG
AND ALCOHOL ABUSE
SELECT COMMITTEE ON
GOVERNMENTAL EFFICIENCY
JOINT COMMITTEE ON THE
STATE'S ECONOMY
SMALL BUSINESS DEVELOPMENT
BOARD

Herger for Congress
Post Office Box 123
Yuba City, California 95992

Dear Congressman Herger:

In accordance with the requirements of the Federal Election Commission, this letter serves as notification that of the \$2000 you received from the Royce for Congress campaign committee, \$1000 was for the 1986 primary election and \$1000 was for the 1986 general election.

Sincerely,

Marie T. P. Royce

MARIE T.P. ROYCE
Treasurer
Royce for Congress Committee

EXHIBIT E

NOT PRINTED OR MAILED AT TAXPAYERS' EXPENSE

8935770407

BCCA 9835

RECEIVED
FEDERAL ELECTION COMMISSION

STATEMENT OF DESIGNATION OF COUNSEL

88 JUL 17 PM 1:05

MUR 2572

NAME OF COUNSEL: Judith Sproul Davis

ADDRESS: Nielsen, Merksamer, Hodgson,
Parrinello & Mueller

770 L Street, Suite 800

Sacramento, CA 95814

TELEPHONE: (916)446-6752

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

July 8, 1988
Date

Marie T.P. Royce
Signature

RESPONDENT'S NAME: Marie T.P. Royce, Treasurer

ADDRESS: The Royce Campaign Committee

1249 N. Lighthouse Lane

Anaheim, CA 92801

HOME PHONE: (714)520-5965

BUSINESS PHONE: (714)937-5549

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88 JUL 18 PM 4:30

RECEIVED
FEDERAL ELECTION COMMISSION

6CC #39
HAND DELIVERED
RECEIVED
FEDERAL ELECTIONS COMMISSION

LAW OFFICES OF
**NIELSEN, MERKSAMER,
HODGSON, PARRINELLO & MUELLER**
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

SAN FRANCISCO
650 CALIFORNIA STREET, SUITE 2650
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 989-6800

770 L STREET, SUITE 800
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752

88 AUG -8 11:00

FILE NUMBER

5699.02

August 4, 1988

88 AUG -8 PM 3:10
RECEIVED
FEDERAL ELECTIONS COMMISSION

Mr. Philip Wise
Associate General Counsel
Federal Elections Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 2572 - The Royce Campaign Committee
Marie T. P. Royce, Treasurer

Dear Mr. Wise:

Thank you for permitting us to submit a supplemental response to the finding of reason to believe the respondents in the above MUR violated 2USC Section 441 (a)(1)(A).

The Federal Elections Commission (FEC) is proceeding in the matter based on some assumptions about the respondents' conduct that are not supported by sufficient evidence.

First, as a matter of fact, the Royce Committee qualified as a multi-candidate committee in October of 1986 before making the \$4,000 payment to the Herger Committee which is the basis of the FEC's allegations. We have sent with this letter copies of cancelled Royce Committee checks showing that 5 federal candidates were contributed to prior to that payment. We are also submitting copies of contribution cards showing that the Royce Committee had received contributions from the requisite member of persons and existed the required length of time before the \$4,000 check was sent to the Herger Committee.

Second, when the \$4,000 payment to the Herger Committee was made in October of 1986, the Royce Committee had every intention of functioning as a multi-candidate committee. The Royce Committee would not have contributed to 5 federal candidates otherwise. The respondents simply did not understand their need to file a timely amendment to their FEC-1 regarding the change in status, as advice they received from counsel in October of 1986 led them to assume no filing was necessary.

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Mr. Philip Wise
August 4, 1988
Page 2

The February 1987 filings made by the Royce Committee (and their request that Herger return \$3,000 of the \$4,000), far from being evidence of intent not to function as a multi-candidate committee in 1986, were simply attempts to comply with the law as FEC staff explained it to them. After he was contacted by Tom White of the FEC in February, Senator Royce's understanding was that by requesting return of the \$3,000 from the Committee to elect Wally Herger, and rescinding the multi-candidate status amendment respondent Marie Royce had just filed, he could satisfy completely all the FEC's concerns about the Royce Committee's contributions to the Herger Committee.

The respondents have done no more wrong than fail to file a timely amendment to their FEC-1. They have made no illegal contributions. They have at all times tried to comply with the law.

The respondents thank you for this further opportunity to respond and, as before, remain willing to engage in conciliation.

Very truly yours,



JUDITH SPROUL DAVIS

JSD:bg

cc: Senator Edward Royce
Marie T. P. Royce

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EXHIBIT A

Copies of cancelled checks evidencing contributions to 5 federal candidates by the Royce for Congress Committee prior to October 29, 1986, payment to Herger for Congress.

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10-16
NOV 86 03
PAY TO THE ORDER OF
GREAT WESTERN SAVINGS
AND LOAN ASSOCIATION
YUBA CITY, CA
FOR DEPOSIT ONLY
HERGER FOR CONGRESS COMMITTEE
GENERAL ELECTION ACCOUNT
410 80004097
91-01

FOR DEPOSIT ONLY
08402-0346 06
GREAT WESTERN SAVINGS,
A FEDERAL SAVINGS AND LOAN ASSOCIATION
Yuba City - 410
3222-7003-9

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NOV 86 03

NOV 86 03
P.L. 86
NOV 86 03

ROYCE FOR CONGRESS
P. O. BOX 6786
FULLERTON, CA 92634

176
10-29-86 16-7017/3220

PAY TO THE ORDER OF Herger for Congress \$ 4,000.⁰⁰/₁₀₀
Four thousand DOLLARS

COLUMBIA
SAVINGS AND LOAN ASSOCIATION
910 South Brookhurst Street
Anaheim, CA 92804

OCT 31 1986

MEMO Loan

Edward M. Royce
Mason

⑆322070174⑆0176 0042226332⑆08

#C00200865

ROYCE FOR CONGRESS
P. O. BOX 6765
FULLERTON, CA 92634

174

July 24, 19 86 16-7017/3220

PAY TO THE ORDER OF ROBERTSON FOR CONGRESS \$ 500.00

FIVE HUNDRED AND 00/100-----DOLLARS

COLUMBIA
SAVINGS AND LOAN ASSOCIATION
910 South Brookhurst Street
Anaheim, CA 92804

MEMO donation

Edward A Royce

⑆322070174⑆⑆0174 0042226332⑆08 ⑆00000000000⑆

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1222 40146
P.E.G.
PROCESSED BY
FHLBSF
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PAY ANY BANK
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CROCKER NATIONAL BANK
COMMERCIAL

Credited to the Account of
Robertson for 59

3512 49564

Page Robertson

ROYCE FOR CONGRESS ~~PROCESSED~~ 170

P. O. BOX 6785
FULLERTON, CA 92634

5/21 1986 18-7017/3220

PAY TO THE ORDER OF Badham Campaign Committee \$ 1,000.00

One thousand and 00/100 DOLLARS

COLUMBIA
SAVINGS AND LOAN ASSOCIATION
910 South Brookhurst Street
Anaheim, CA 92804

MEMO to Edward A Royce

⑆322070174⑆0170 004226332⑆08 2000010000

8 2 0 4 0 7 3 5 9 6

MY 26 28
PROCESSED BY
FHLBSF
LA

MY 26 28
PAY ANY BANK
FICA-LA
PROCESSED

PAY TO THE ORDER OF
National Bank of So. California
FOR DEPOSIT ONLY

BADHAM CONGRESSIONAL COMMITTEE
E.F. 18 MD 0092589
01-001-159 9 2 5 1

MAY 27 1986

SANTA ANA, CA 92701
88-39801

EXHIBIT B

Copies of representative contributor cards maintained by Royce for Congress evidencing that contributions from 50 or more persons had been received and that the Committee had been in existence more than 6 months prior to making the October 29, 1986, payment to Herger for Congress.

22040773524

3 7 0 4 0 7 7 3 6 0 0

PRESCOTT, JOHN A.
18752 E. 17th St.
S.A. 92705
544-1618

MARY

1986
Trade Club

Funeral Director,
Saddleback Mortuary

✓ 5/10 150.00

POST, JAMES B.
1110 N. Lemon
Anaheim 92801
535-6061

Mgr. Electra Motors

1986
Primary

✓ 5/4 50.00

POMEROY, LOUISE E.
1500 Dorothea Rd.
La Habra Heights, Ca 90631
871-8095
Owner Abigail Abbott Personnel Serv.

1986
S.E. 6/1/85
Primary
Randy White

2/7 500.00

PAWLOWSKI, STANLEY J. THERESA
1458 W. James Way
Anaheim 92801
491-9896
Pres. El Camino Bank
100 N. Harbor
Anaheim 92805
778-6220

1986
Primary

2/7 100.00

8 3 0 4 0 7 7 3 5 0 1

NOWICKI, JEFFREY B. (D.C.)
2211 E. Lincoln Ave.
Anaheim 92806
774-2455

1986

Primary

1/27 YCW

9 7 7 4 7 7 3 6 0 2

NORKAM EMPRISES
5782 Kellogg Dr.
Yorba Linda 92686
779-6929

1986

Norman Kamin - owned

de piqueta

2/22 YCW

NOGGLE, MICHAEL K.
17377 Aspenglow
Yorba Linda 92686
So. Plastic Mold, Inc.
2941 East La Jolla
Anaheim 92806
630-6411

1986

Primary

✓ 1/31 100.00

87040773603

NELSON, CARREY J. KATHLEEN O.
2033 E. Chevy Chase Dr.
Brea 92621
714-529-8397
714-990-1188
Councilman City of Brea

1986

Primary

✓ 2/4 50.00

1986

MUTH, PETER G.
2233 Westwood Ave.
Snata Ana 92706
543-4561

Pres Orco Block
Stanton, 8042 Katella Ave.
527-2239

*Premier
Roundtable*

2/4 500.00

33040773604

1986

MORRISSEY, MARGARET E.
1232 Laster
Anaheim 92802
778-3938

Senate Club

Senate Club

4/15 150.00

1986

MILLER, DONNA M.
B.O. Box 245
Sierra Madre 91024
818-355-3982

9/30 100.00

3 2 0 4 0 7 7 3 5 0 5

1986

MCREYNOLDS, SCOTT SANDRA
23881 Cypress Lane
Mission Viejo 92691
472-9599

Senate Club

Senate Club
American Family Mortgage
P.O. Box 6343, Orange

✓ 4/15 100.00

8 0 0 4 0 7 7 3 6 0 6

1986

McLEAN, MICHAEL T.
2326 North Westwood
Santa Ana, Ca 92706
Pres.: McLean Motor Co.
P.O. Box 4258, S.A. 92707
Senate Club member

3/17 100.00

MC LAURIN, WILLIAM R. DONNA-LINN
181 Coto de Caza
Trabuco Cyn 92678

1986

V.P. Westlands Bank
2900 S. Harbor
Santa Ana 92704
979-4600

Primary

1/16 50.00

MACALONEY, WILLIAM
401 N. East St.
Anaheim 92805
778-2461

Owner Jax Markets
above

1986
S.E. 12/85
Primary
Ravallide

2/4 500.00

^D
LINSEY, JAMES R. PATRICIA
2372 Capertree Dr.
Tustin 92680

Exec: Calif Dental Health Plan
653 B St.
Tustin 92680
731-6133

1986
Primary
Ravallide

1/16 500.00

89040713607

LEYTON, G.A.
920 Bonnie Way
Brea, Calif. 92621

City Councilman, Brea

County Investments
400-A W. Lambert
Brea 92621 529-0247

1986

Primary
Shed Club

- 1/16 100.00
- 2/7 25.00

125.00

- 4/15 100.00

LEBARD, AG III
1645 N. Fullerton Rd.
La Habra 90631
213-879-8252

1986

Primary

- 1/16 100.00

8 7 0 4 0 7 7 3 6 0 8

LAWRENCE, RONALD PAMELA S.
2493 E. Orangethorpe Ave.
Fullerton 92631
525-7125

Owner Lawrence Advertising

1986

Premier

✓ 2/4 100.00

30040773609

F.W.J. KORY PLAZA
3552 Green St., #201
Los Alamitos, Ca 90720

refund for campaign office
security deposit

1986

11/22 650.00

33040775510

1986

KITCHENS, STEPHANIE
158 N. Starflower St.
Brea 92621
996-4441

Primary

1/18 50.00

1986

KIEU, QUYNH DR.
3372 Venture Dr.
Huntington Beach 92649
846-9236

Sen D Club

Senate Club

4/15 10.00

KENT, W.L.
1423 Richman Knoll
Fullerton 92635
525-6696

BARBARA

1986

Primary

• 2/4 50.00

20040773611

KAISER, JOHN
2908 Asbury Place
Anaheim 92806

Senate Club
Owner Satelite Market

1986

Senat Club

• 4/15 100

JENSEN, RAS
267 Helen Dr.
Fullerton 92635
871-7868

Pharmacist: Val Med Pharmacy
100 E. Valencia Mesa Dr.
Fullerton 92635
871-6040

1986

J.C. 5/30/85
Primary
Rauschtopf

(9/13/85) 150.00
- 1/16 500.00

87040773612

HUGHES, DOROTHY H.
5049 Avenida Del Sol
Laguna Hills, Ca 92653

1986

Primary

- 1/16 50.00

HOYLE, NANCY PENOYER
24 Shoal
Corona del Mar 92625
Housewife

1986

Primary

✓ 1/8 100.00

22040773513

HERBERICH, DWAYNE R. KATHERINE
4541 Loganlinda
Yorba Linda, Ca 92686

1986

✓ 3/5 50.00

1986

WENLEY, DOY
1409 E. St. Gertrude Pl.
~~Kxxxxxx~~ Santa Ana 92705
546-8262

Pres. Aeromil

*Premier
Randtelle*

✓ 2/7 500.00

9 9 0 4 0 7 7 3 6 1 4

HEINZ, CLIFFORD S.
1300 Dove St.
Newport Beach, Ca 92660
752-6505

Private Investor - works for self

1986

*Premier
Randtelle*

✓ 1/31 1000.00

HARPER, BENJAMIN L. (DR)
2501 E. Chapman
Orange 92669
633-1011

1986

Primary

1/16 50.00

3 3 0 4 0 7 7 3 6 1 5

GREEN, DR. JAMES F.
1940 E. Chapman
Fullerton 92631
871-1997

1986

Senat Club

Senate Club

4/15 100.00

8 9 0 4 0 7 7 3 5 1 6

GOTO, PATSY S.
770 N. Pine St.
Orange, Ca 92667

SAM

1986

J.C. 1986

Housewife

✓ 3/31 1000

GOLDSTEIN, EDWARD D. RHODA
2230 Yucca Ave.
Fullerton 92635

1986

J.C. 1986

Attorney: self
110 East Wilshire, 305
Fullerton 92632

✓ 3/31 1000

GILCHRIST, MARY ALYS
2146 E. Brentford Ave.
Orange 92667
974-9848

1986
Fred. Club

Owner: Gilchrist Rehab Services
Seante Club

- 5/4 100.00

FYKE, ROBERT C. Ruth
500 City Parkway West, #105
Orange 92668
541-6841
Life Insurance Broker self
1315 Seacrest Dr.
Corona del Mar (home)

1986
S.C. 5/30/85
*Primary
Land Title*

- 2/4 600.00

8 2 0 4 0 7 7 3 6 1 7

FISCHER, WILLARD J. DONNA
745 N. Rodeo Circle
Orange 92669

Owner: Fisher- Printing
718 No. Hariton St.
Orange, Ca 92667

1986
Premier
Franklin

2/4 500.00

EVANS, RICHARD F.
1025 N. Shaffer St.
Orange 92667

1986
Richard Evans

Independent rancher

2/22 100.00
5/10 100.00

8 0 0 4 0 7 7 3 6 1 8

3 7 0 4 0 7 7 3 6 1 9

1986

EWING, DR. RUSSELL C. LOU ANN
9212 Smoketree Lane
Villa Park 92667
996-1121

Senat Club

Senate Club

4/15 10.00

1986

DYKEMA, DALE SADIE L. McMICHAEL
601 S. Lewis St.
Orange 92668
385-4854

Roundtable

Pres.: T.D. Service Co.
601 S. Lewis St.

2/14 500.00

DIGGS, LULU L.
2155 Barclay Court
S.A. 92701

Marriage & Family Counseling
1076 E. First ST. #D
Tustin 92680
730-0127

1986

Grand Club

5/10 100.00

3 3 0 4 0 7 7 3 6 2 0

DICKMAN, RAINER
2867 W. Elmlawn
Anaheim 92806

Mgr. Disneyland Hotel
1150 W. Cerritos Ave.
Anaheim 92801
778-6600

1986

Promising
Grand Club

2/4 100.00
5/84 100.00

3 3 0 4 0 7 7 3 6 2 1

DICKENS, A TERRANCE VICKY
P.O. Box 3186
Fullerton 92634

1986

Sen. Club

Developer: DP Properties
680 Langsdorf, #203
Fullerton 879-1210

Senate Club

5/84 100

DADE, JOHN R. JULIE R.
3010 W. Lincoln
Anaheim 92801

1986

Primary

Mgr. Numero Uno

2/4 100.00

1986

CUNNINGHAM, TOM
P.O. Box 3054
Tustin 92680
Pres: Tustin Thrift & Loan
530 East First St.
Tustin 92680 730-5662
-Senate Club member

✓ 3/5 100.00

3 2 0 4 0 7 7 3 6 2 2 2

1986

CUMMINS, RICHARD L.
24050 Madison St. #202
Torrance 90505
213-373-8911

Richard L. Cummins

CPA SELF
*1708 Paseo Del Mar,
Palos Verdes Est.*

✓ 2/4 50.00

CROW, MICHAEL
Triangle Dist. Co.
12065 E. Pike St.
Santa Fe Springs 90670

Senate Club

1986

Senate Club

4/15 100.00

3 2 0 4 0 7 7 3 6 2 3

CRAIG, WILLIAM R.
613 Inverness Court
Fulerton, Ca 92635

EVELYN R.
retired

1986

Primary

1/6 100.00
2/4 100.00

200.00

CAMP, WILLIAM III
531 Juniper St.
Brea 92621
990-3141

PATRICIA

1986

Handwritten signature

Exec. Hyundai Corp.
7373 Hunt Ave.
G.G.

5/10 100.00

9 7 0 4 0 7 7 3 6 2 4

BRIGHT, DONALD B.
620 Palermo Way
La Habra 90631
697-3779

PATRICIA

1986

*Primary
Lundholm*

Owner Bright & Associates
1200 N. Jefferson, #B
Anaheim 92807
632-8521

*(9-13-85 300.00)
- 2/7 500.00*

3 3 0 4 0 7 7 3 6 2 5

1986

BRIDGFORD, H. WM.
560 Green Acre Dr.
Fullerton 92635
Pres Bridgford Foods Corp.
P.O. Box 3773
Anaheim 92803
526-5533

Trade Club

2/22 150.00

1986

BRIDGFORD, RICHARD K.
1221 Anita Place
Fullerton 92631
525-4334

Trade Club

Senate Roundtable member

6/30 100.00

3 0 0 4 0 7 7 5 6 2 6

BREITMEYER, MARTIN
11144 S. Meads Ave.
Orange 92669
538-6853

LORAIN

1986

Sen. Club

retired

Senate Club

5/24 100.00

BOWIE, ALEXANDER
4920 Campus Dr. #A
Newport Beach 92660
851-1300

1986

Sen. Club

Attorney: Bowie & Risley

5/10 100.00

8 0 0 4 0 7 7 3 6 2 7

1986

BOSTICK, DR. WARREN
2521 Buckeye
Newport Beach 92660
644-5745

VIRGINIA

Senate Club

Senate Club

- 4/15 100.00

BOND, H.C. (HAROLD) PHYLLIS
634 W. Fern Dr.
Fullerton 92632
879-6496
Exec. Dragon Valves
Norwalk
213-921-6605

1976
S.C. 11/27/85
Primary

(10/16/85 50.00)
(11/27/85 150.00)
- 2/4 25.00

8 9 0 4 0 7 7 5 6 2 8

BIRTCHER, BRANDON
27611 La Paz Rd.
Laguna Niguel 92677
831-8031

Developer Birtcher Pacific
P.O. Box A-1
Laguna Niguel 92677
831-8031

2/4 500.00

1986
Primary
Handwritten

BENNER, ROBERT L.
2871 E. La Cresta Ave.
Anaheim 92806
630-6200

Owner Benner Sheet Metal
2730 Victoria Dr.
Laguna Beach 92651

2/4 200.00

1986
Primary

3 2 0 4 0 7 7 3 6 2 9

ARGO, WILLIAM E.
1451 Puente St.
Brea 92621

MARY JANE

1986

Primary

✓ 1/16 30.00

43

ARCHER, DENNIS J.
19832 Caprice Dr.
Yorba Linda 92686
970-1583

GAIL D.

1986

*Primary
Accountable*

Pres. Anaheim Citrus Products
P.O. Box 4626
Anaheim 92803
533-4558

✓ 1/31 500.00

228

1986

ANDERSON, DONALD (DR)
709 Rosarita Dr.
Fullerton 92635
773-1187

2/4 25.00

12886

ANDERSON, LEON
1461 Marelen Drive
Fullerton 92635
525-~~5677~~6577

MARY JANE

1986

Primary

2/4 25.00

508

3 0 0 4 0 7 7 3 6 3 0

BELMONT, TERRY A. PATRICIA R.
19861 Futura Dr.
Yorba Linda 92686
779-2334

1986
Premsony

Martin Luther King Hospital
1830 W. Romneya Dr.
Anaheim 92803 491-5678

- 2/4 50.00

BELIVEAU, JOHN M. HELEN
9781 Stonybrook Dr.
Anaheim 92804
635-2496

1986

- 2/22 25.00

3 9 0 4 0 7 7 3 6 3 1

BROCK, J.R.
747 Arroues Dr.
Fullerton 92635

1986

Primary

- 5/4 25.00

BRODIE, GERALD S. (DR.)
228 S. Tustin Ave.
Orange, 92666
532-1678

1986

Primary

- 2/4 25.00

20040773632

BUCK, RICHARD
1530 N. Rogue
Placentia 92670

MARY C.

1986

- 2/14 50.00

BURTNER, ROGER L.
721 E. Harmony Lane
Fullerton 92631
879-3764

CAROL A.

1986

Primary

- 2/7 20.00

000407756335

CARONA, MICHAEL S.
700 E. Lake Dr. #78
Orange, Ca 92666

DEBORAH B.

1986

Premier

2/4 50.00

8 9 0 4 0 7 1 3 6 3 4

CLARK, DONALD T.
315 W. Malvern
Fullerton 92632
879-0469

ANNE M.

1986

Premier

2/4 25.00

87040713635

CLEARY, THOMAS F.
18501 Robin Way
Villa Park 92667
637-7762

CHARLOTTE

1986

Primary

2/4 15.00

COOK, JOSEPH FRANK
1271 S. Lorawood
La Habra 90631
871-9363

GRACE C.

1986

Primary

1/5 25.00

CONG, MAI
550 Paularino, #E211
Costa Mesa, 92626
641-8045

1986

Primary

1/6 25.00

33040713636

CREASOR, MARION S.
12961 Dunas Rd.
Santa Ana 92705
538-7654

1986

Primary

2/7 25.00

DESMOND, W.A.
17451 Von Karman Ave.
Irvine 92714

1986

Primary

1/16 20.00

2 2 0 4 0 7 1 3 6 3 7

EDER, JOHN W.
1861 North Hills Dr.
La JHabra 90631
213-691-0132

1986

Primary

2/4 25.00

EMERSON, JULIA
5610 River Way, #M
Buena Park 90621

Mixner Scott, Inc.
Los Angeles 90048

1986

Premium

• 2/4 35.00

FOLSLAND, ONA
556 Laurinda Lane
Orange 92669

1986

Premium

• 2/4 25.00

20040715638

GALLAPAGA, JOHN E.
820 Laverstock Way
Sacramento 95825
481-9093

1986

Primary

1/18 25.00

93040775639

GIBNEY, REUBEN ELLEN H.
10551 Cowan Heights Dr.
Santa Ana 92705
544-5391

1986

Primary

1/10 25.00

- GOODRUM, M. WIRT
33891 Carbillio Isle
Laguna Niguel 92677

Avintee Industries

1986

Primary

- 1/6 50.00

- GRAY, GARY C.
1845 Capri Circle
Costa Mesa, Ca 92626
754-0112

SONJA G.

1986

Primary

- 1/6 50.00

2 3 0 4 0 7 7 3 6 4 0

GRAY, GORDON E.
19462 Holiday Lane
Santa Ana 92705
731-1390

NAOMI J.

1986

Primary

2/4 50.00

HERMANN, CHARLES H.
1306 E. Balboa Blvd.
Balboa 92661

JANE P.

1986

Primary

1/10 25.00

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

88 AUG 22 11:10:23
FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S REPORT

I. BACKGROUND

By letter dated January 19, 1988, the Democratic Congressional Campaign Committee, through counsel, alleged that The Royce Campaign Committee, the principal campaign committee for Edward R. Royce, ("Royce Committee") made excessive contributions to the Wally Herger for Congress Committee, ("WHCC") the principal campaign committee for Congressman Walter William (Wally) Herger, Jr.^{1/}

On May 17, 1988, the Commission found reason to believe that the Royce Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A). On May 23, 1988 this Office mailed the respondents notification of the Commission's findings. As no response to this notification was received, on June 10, 1988 a reminder was sent to the respondents requesting their response within 5 days or this Office would proceed to the next stage of the enforcement process.

On June 16, 1988, counsel for the Royce Committee contacted this Office by telephone, informing a staff member that they had received the reminder and would respond immediately. By letter

^{1/} The Royce Committee loaned the WHCC \$1,000.00 on March 10, 1986, and \$4,000 on October 31, 1986. 2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money ...

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dated July 8, 1988, and received by the Commission on July 15, 1988, counsel on behalf of the Royce Committee requested to enter into pre-probable cause conciliation. (Attachment 1). On August 8, 1988 an additional response was received at the Commission. (Attachment 2).

II. ANALYSIS

Under 2 U.S.C. § 441a(a)(1)(A), no person^{2/} shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.00

Under 2 U.S.C. § 441a(a)(2)(A), no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal Office which, in the aggregate, exceed \$5,000.00

The Royce Committee in its response contends that the \$4,000.00 loan of October 31, 1986 was made as a multicandidate committee.^{3/} The Committee contends that because Edward Royce decided not to run for federal office in 1986 after the primary election (the Royce Committee had been established as his principal campaign committee early in 1986), the Committee

2/ 2 U.S.C. § 431(11) defines "person" to include a committee.

3/ Pursuant to 11 C.F.R. § 100.5(e)(3) "a multicandidate committee means a political committee which (i) has been registered with the Commission, Clerk of the House or Secretary of the State for at least 6 months; (ii) has received contributions for Federal elections from more than 50 persons; and (iii) (except for any State political party organization) has made contributions to 5 or more Federal candidates."

The Royce Committee was the principal campaign committee of Edward Royce and as such could not have qualified as a multi-candidate committee.

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thought it could change its status to multicandidate status and had otherwise attained such status because it had been in existence for 6 months, had 50 or more contributors, and had made contributions to five or more federal candidates. The Committee thought these facts qualified it as a multicandidate committee as of October 24, 1986.^{4/} RAD informed the Committee that it was not a multicandidate committee because no Amended Statement of Organization was filed changing its status from a principal campaign committee. The Royce Committee then abandoned its attempt at becoming a multicandidate committee and took steps to reverse the 1986 transactions and arranged for the Herger Committee to return the \$3,000.00. However, as the Royce Committee was not a multicandidate committee its \$4,000.00 loan to WHCC created an excessive contribution in the amount of \$3,000 in violation of 2 U.S.C. § 441a(a)(1)(A).

4/ Counsel for the Royce Committee base the contention of multicandidate status on Advisory Opinions 1978-86 and 1985-30. In both AO's the committees involved filed Amended Statements of Organization redesignating themselves as multicandidate committees prior to making contributions in excess of \$1,000. The Royce Committee did not file any such Amended Statement prior to making contributions in excess of \$1,000; indeed, it was not until February 6, 1987 that it amended its Statement of Organization to reflect its multicandidate status. In addition the Royce Committee treasurer in a letter to the Commission, dated February 9, 1987 stated "I am withdrawing the paperwork mailed Friday, February 6, 1987 which would have qualified our committee as a multicandidate committee. Therefore, our committee will remain a single candidate committee." To date it has maintained its status as his principal campaign committee.

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III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Enter into conciliation with The Royce Campaign Committee and Marie T.P. Royce, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and letter.

Lawrence M. Noble
General Counsel

8/19/88
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Request for conciliation dated July 8, 1988
2. Request for conciliation dated August 4, 1988.
3. Proposed Conciliation Agreement and letter

Staff Assigned: Phillip L. Wise

370407/3645



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS
COMMISSION SECRETARY

DATE: August 24, 1988

SUBJECT: MUR 2572 General Counsel's Report
Signed August 19, 1988

The above-captioned document was circulated to the
Commission on August 22, 1988.

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	<u> x </u>
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	<u> x </u>

This matter will be placed on the meeting agenda
for August 30, 1988.

Please notify us who will represent your Division before the
Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 30, 1988, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2572:

1. Enter into conciliation with The Royce Campaign Committee and Marie T.P. Royce, as treasurer, prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and letter attached to the General Counsel's report dated August 19, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

Attest:

8/31/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 7, 1988

Judith Sproul Davis, Esquire
Nielson, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, Ca 95814

RE: MUR 2572
The Royce Campaign Committee and
Marie T.P. Royce, as treasurer

Dear Ms. Davis:

On May 17, 1988, the Federal Election Commission found reason to believe that The Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A). At your request, on August 30, 1988, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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flm

RECEIVED
FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

88 NOV 30 PM 5:03

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

NOV 30 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Judith Sproul Davis, the attorney for the Royce Campaign Committee. (Attachment 1).

On August 30, 1988. the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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In view of the above, and the fact that it appears fruitless to continue with pre-probable cause negotiations, the Office of the General Counsel recommends that the Commission reject Respondents' counteroffer and proceed to the next stage of the enforcement process.

III. RECOMMENDATIONS

1. Reject the counteroffer of the Royce Campaign Committee and Marie T.P. Royce, as treasurer.
2. Approve the attached letter.

Lawrence M. Noble
General Counsel

11-30-88
Date

By: 
Lois G. Berner
Associate General Counsel

Attachments

1. Counteroffer
2. Extension of time request
3. Grant of extension
4. Proposed letter

Staff Person: Phillip L. Wise

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 5, 1988, the Commission decided by a vote of 4-0 to take the following actions in MUR 2572:

1. Reject the counteroffer of the Royce Campaign Committee and Marie T.P. Royce, as treasurer, as recommended in the General Counsel's report signed November 30, 1988.
2. Approve the letter, as recommended in the General Counsel's report signed November 30, 1988.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision;

Commissioners Josefiak and Thomas did not vote.

Attest:

12/5/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Wed., 11-30-88, 5:03
Circulated on 48 hour tally basis: Thurs., 12-01-88, 11:00
Deadline for vote: Mon., 12-05-88, 11:00

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flm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1988

Judith Sproul Davis, Esquire
Nielson, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

RE: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as treasurer

Dear Ms. Davis:

This letter is to confirm the Federal Election Commission's receipt of the counter-proposed conciliation agreement you submitted on behalf of The Royce Campaign Committee and Marie T.P. Royce, as treasurer, on October 21, 1988. The Commission has reviewed and rejected the counterproposal.

Insofar as the 30 day period for pre-probable cause conciliation has elapsed and we do not appear to be close to an agreement, this matter will proceed to the next stage of the enforcement process.

Should you have any further questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

89 JUN 26 AM 11:45

BEFORE THE FEDERAL ELECTION COMMISSION

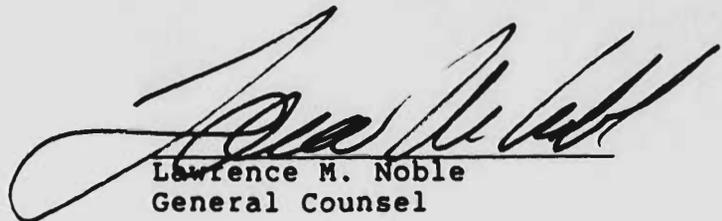
In the Matter of)
)
The Royce Campaign Committee) MUR 2572
and Marie T. P. Royce, as)
treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to The Royce Campaign Committee and Marie T.P. Royce, as treasurer, based on the assessment of the information presently available.

6/23/89
Date


Lawrence M. Noble
General Counsel

29040773654



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 19, 1989

Judith Sproul Davis, Esq.
Nielsen, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

RE: MUR 2572
The Royce Campaign Committee
and Marie T. P. Royce, as
treasurer

Dear Ms. Davis:

Based on a complaint filed with the Federal Election Commission on January 19, 1988, the Commission, on May 17, 1988, found that there was reason to believe your clients, The Royce Campaign Committee and Marie T. P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

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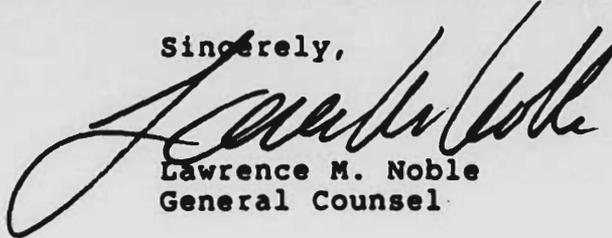
Judith Sproul Davis, Esq.
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T. P. Royce, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

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This matter was initiated by a complaint from the Democratic Congressional Campaign Committee alleging that The Royce Campaign Committee, the principal campaign committee for Edward R. Royce, ("Royce Committee") made contributions to the Wally Herger for Congress Committee, ("WHCC") the principal campaign committee for Congressman Walter William (Wally) Herger. The Royce Committee loaned the WHCC \$1,000.00 on March 10, 1986, and \$4,000.00 on October 31, 1986.

On May 17, 1988, the Commission found reason to believe that the Royce Committee and Marie T. P. Royce, as treasurer violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation into this matter.

II. ANALYSIS

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions¹ to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate exceed \$1,000.00.

Pursuant to 2 U.S.C. § 441a(a)(2)(A), no multicandidate

1.

2 U.S.C. § 431(11) defines "person" to include a committee.
2 U.S.C. § 431(8) defines "contribution" to include a loan.

political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal Office which, in the aggregate, exceed \$5,000.00.

According to 2 U.S.C. § 441a(a)(4) the term "multicandidate political committee" means a political committee which has been registered under Section 433 of this title for a period of not less than 6 months, which has received contributions from more than 50 persons, and except for any State political party organization, has made contributions to 5 or more candidates for Federal Office.

Pursuant to 2 U.S.C. § 432(e)(3) no political committee which supports or has supported more than one candidate may be designated as an authorized committee. For purposes of this section, the term "support" does not include a contribution by any authorized committee in amounts of \$1,000 or less to an authorized committee of any other candidate. Thus, a principal campaign committee can contribute up to \$1,000 per election to another candidate.

A principal campaign committee may convert to a multicandidate committee, but once it does so, it cannot convert back to a principal campaign committee. 2 U.S.C. § 432(e)(3). Formal notice of conversion from a principal campaign committee to a multicandidate committee may be provided by filing an Amended Statement of Organization. Advisory Opinion 1985-30. A Statement of Organization includes the "type" of committee; and any change in a statement must be reported no later than 10 days after the date of the change. See 2 U.S.C. §§ 433(b)(1) and

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433(c).

The Royce Committee was registered with the Commission as the principal campaign committee of Edward R. Royce on January 3, 1986. This principal campaign committee loaned WHCC \$1,000 on March 10, 1986, and \$4,000 on October 31, 1986. By letter dated January 20, 1987, Respondents were informed that from a review of The Royce Committee's 1986 30 Day Post-General Report it appeared the committee exceeded its contribution limits established by the Act. This letter recommended that respondents request a refund if there was an excessive contribution. This letter also requested information to clarify the contributions in question. In a telephone conversation respondents were informed that the committee could not be both a principal campaign committee and a multicandidate committee at the same time. Respondents were also informed that an Amended Statement of Organization must be filed indicating any change in the committee.

The Royce Committee did not file any Amended Statement of Organization prior to making contributions in excess of \$1,000 to WHCC to reflect any change in status; it was not until February 9, 1987, that it filed an amendment to its Statement of Organization to indicate a change to multicandidate status. Nevertheless, the Royce Committee treasurer in a letter to the Commission, dated February 9, 1987, stated "I am withdrawing the paperwork mailed Friday February 6, 1987 which would have qualified our committee as a multicandidate committee. Therefore, our committee will remain a single candidate committee." In addition, on February 11, 1987 the committee

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filed another amendment to its Statement of Organization with the box checked, "This committee is a principal campaign committee."

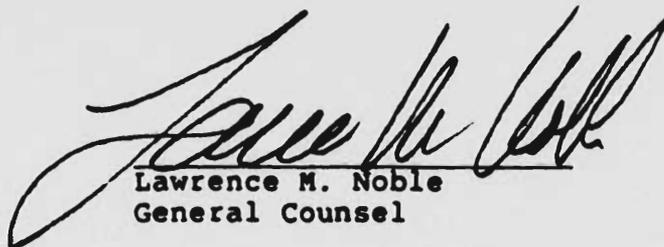
Despite the Royce Committee's claim that it was a multicandidate committee because it had been in existence for 6 months, had 50 or more contributors, and had made contributions to five or more federal candidates, the evidence shows that the Royce Committee remained a principal campaign committee. As such it could contribute no more than \$1,000.00 per election to WHCC. The Royce Committee contributed \$4,000.00 to the Wally Herger for Congress Committee which exceeded the contribution limitations by \$3,000.00 in violation of 2 U.S.C. § 441a(a)(1)(A).

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that The Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

Date

7/18/89


Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

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LAW OFFICES OF
**NIELSEN, MERKSAMER,
HODGSON, PARRINELLO & MUELLER**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

770 L STREET, SUITE 800

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 446-6752

SAN FRANCISCO

650 CALIFORNIA STREET, SUITE 2650
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 989-6800

FILE NUMBER

July 25, 1989

5699.02

Mr. Philip Wise
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2572 -- The Royce Campaign Committee
Marie T.P. Royce

Dear Mr. Wise:

I have received Mr. Noble's letter of July 19, 1989 referring to prior notification to the respondents in MUR 2572 of the finding of reason to believe, and enclosing his brief to the Federal Election Commission recommending a finding of probable cause. Mr. Noble also informed me of the briefing schedule.

This is to request, in writing, an extension of time within which to file a reply brief. We received the brief on July 24, 1989. The due date for our response will therefore, by my calculations, be August 8, 1989. I would like to request an extension to August 29, 1989, in order to accommodate my vacation schedule and allow time for me to confer with Senator Royce. I will also need to re-familiarize myself with this matter.

Please let me know at your earliest convenience if this extension is amenable to you and Mr. Noble. Thank you.

Very truly yours,



JUDITH SPROUL DAVIS

JSD:bg

cc: Senator Edward Royce

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OFFICE SERVICES BRANCH
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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 1, 1989

Judith Sproul Davis, Esq.
Nielsen, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

RE: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as
treasurer

Dear Ms. Davis:

This is in response to your letter dated July 25, 1989, which we received on July 26, 1989, requesting an extension until August 29, 1989, to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on August 28, 1989.

If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

LAW OFFICES OF
**NIELSEN, MERKSAMER,
HODGSON, PARRINELLO & MUELLER**

89 AUG 29 AM 10:39

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

770 L STREET, SUITE 800

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 446-6752

SAN FRANCISCO

650 CALIFORNIA STREET, SUITE 2650
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 989-6800

FILE NUMBER

August 25, 1989

Mr. Philip Wise
Associate General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 2572 -- The Royce Campaign Committee
Marie T. P. Royce

Dear Mr. Wise:

I understand that our original extension to reply to the General Counsel's brief (from August 8 to August 29, 1989) has been granted, although we have yet to receive written confirmation.

This is to request, in writing, a further extension, from August 29 to September 18, 1989. State Senator Edward R. Royce is considering associating other counsel in this matter, with whom we have had preliminary discussions. An extension of time is needed to complete those discussions and allow for additional consultation with Senator Royce and any co-counsel he designates.

Thank you for your consideration of this request. I will telephone you on Monday, August 28, 1989.

Very truly yours,

JUDITH SPROUL DAVIS

JSD:bg

cc: Senator Edward R. Royce
Carol Laham

(This letter was telecopied to you this morning (8/28/89) at 10:27 a.m. PST).

89 AUG 29 AM 1:09

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

00407663



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 30, 1989

Judith Sproul Davis, Esq.
Nielsen, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

RE: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as
treasurer

Dear Ms. Davis:

This is in response to your letter dated August 25, 1989, which we received on August 28, 1989, requesting an extension until September 18, 1989, to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on September 18, 1989.

If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "L. G. Lerner", written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

87040710654

HAND DELIVERED 06C
RECEIVED
FEDERAL ELECTION COMMISSION
MAY 1989
3945

LAW OFFICES OF
**NIELSEN, MERKSAMER,
HODGSON, PARRINELLO & MUELLER**

89 SEP -5 AM 10:33

SAN FRANCISCO
650 CALIFORNIA STREET, SUITE 2650
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 989-6800

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
770 L STREET, SUITE 800
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 446-6752

FILE NUMBER

5699.02

September 1, 1989

Mr. Philip Wise
Associate General Counsel
Federal Election Commission
999 "E" Street, NW
Washington, D.C. 20463

Re: 2572
Royce Campaign Committee
Marie T.P. Royce, Treasurer

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 SEP -7 AM 10:21

Dear Mr. Wise:

Enclosed is the respondents' brief in the above matter. In the brief, the respondents request that the Federal Election Commission decline to find probable cause to believe that they violated 2 USC § 441a.

Should the Commission be inclined to reject the respondents' request that probable cause not be found, the respondents have enclosed an executed conciliation agreement, on terms proposed by the Commission, and have tendered full payment of the civil penalty the Commission has approved. These are submitted as an expeditious alternative disposition to the finding in this long-unresolved matter.

Thank you for your courtesy in transmitting the enclosed.

Very truly yours,
Judith Sproul Davis
JUDITH SPROUL DAVIS

JSD:ss
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T. P. Royce, as treasurer)

RESPONDENTS' BRIEF

I. STATEMENT OF THE CASE

This matter was initiated by a complaint from the Democratic Congressional Campaign Committee submitted on January 19, 1988. The complaint alleged that, in 1986, the Royce Campaign Committee (first registered in January of 1986), designated as the principal campaign committee for Republican Congressional candidate Edward R. Royce ("Royce Committee"), made loans in excess of the limits imposed by 2 U.S.C. § 441a(a)(1)(A) to the Wally Herger for Congress Committee ("Herger Committee"), designated as the principal campaign committee for Congressman Herger.

The Royce Committee does not dispute that it made loans of \$1,000 on March 10, 1986, and \$4,000 on October 31, 1986, to the Herger Committee. However, prior to making the second loan, the Royce Committee had been advised by private counsel that it had qualified as a multicandidate committee as of October 24, 1986, and that contributions aggregating \$5,000 per election were permitted by 2 U.S.C. § 441a(a)(2)(A). A copy of the letter so advising them, dated October 29, 1986, is attached as Exhibit A.

The Royce Committee did not file an Amended Statement of Organization to reflect its multicandidate status prior to making the \$4,000 loan to the Herger Committee. Because respondents had

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been advised (in the letter attached as Exhibit A) that formal notice of conversion of a principal campaign committee to a multicandidate political committee was not a condition precedent to attainment of multicandidate status under 2 U.S.C. § 441a(a)(4), they assumed that no amendment apprising of their change in status was necessary.

At some time after January 20, 1987, but prior to February 6, 1987, respondent treasurer Marie T.P. Royce and the Royce Committee received a form letter from the Federal Election Commission ("Commission") stating, in summary, that from a review of the Royce Committee's 30 Day Post-General Report, it appeared that the Royce Committee's \$4,000 loan to the Herger Committee had exceeded contribution limits.

Upon receipt of the Commission's letter (dated January 20, 1987), respondents Marie T.P. Royce and the Royce Committee promptly filed an Amended Statement of Organization (executed on February 6, 1987) reflecting the Royce Committee's change in status from principal candidate to multicandidate committee. The amended statement was accompanied by a letter from Marie T.P. Royce to Commission staff member Tom White, stating: "This is our Amended Statement of Organization to reflect the change of the Royce for Congress Committee to a multicandidate committee. The requirements to become a multicandidate committee were met on

10/24/86."¹ A copy of this letter is attached as Exhibit "B."

On Monday, February 9, 1987, respondent Marie T.P. Royce had a telephone conversation with Commission staff member Robin Kelley. As a direct result of that conversation, Mrs. Royce, on behalf of the Royce Committee, took several steps recommended by Commission staff, including obtaining a partial refund from the Herger Committee and withdrawing the Amended Statement of Organization dated and mailed on February 6, 1987. Later that same day, Mrs. Royce wrote a letter to Tom White of the Commission staff, referring to her conversation with Robin Kelley. A copy of this February 9 letter is attached as Exhibit "C." A portion of this letter is cited by the General Counsel in his brief (page 3, paragraph 2) as evidence that the Royce Committee at all times was a principal candidate committee, based on Mrs. Royce's February 9 withdrawal of the Amended Statement of Organization noticing the change in the Royce Committee's status from single to multicandidate.

However, as evidenced by a review of the complete letter of February 9, 1987, respondents Marie T.P. Royce and the Royce Committee took the step of withdrawing the Amended Statement of Organization in the belief that this action was recommended by

¹ As of October 24, 1986, the Royce Committee had been registered six months or more, had received contributions from more than 50 persons, and had made contributions to five federal candidates. The qualifying contributions to federal candidates included two contributions of \$1,000 made in May, 1986. Documentary evidence of the October 24, 1986 qualification date is part of the record in this matter.

Commission staff in order to avoid an enforcement action. As the contemporaneous letter from respondent Marie T.P. Royce states:

"It is our understanding from conversations with Robin that these steps will rectify the situation and eliminate the possibility of any FEC action directed towards either our committee or congressman Herger's committee.

Please let me know if there is anything else I need to do."

In the year that followed, no further word was heard from the Commission staff until respondents were notified, late in January of 1988, that a complaint had been filed against them and enforcement action was contemplated.

At a minimum, it is apparent from the February 6-9, 1987 exchange of correspondence between respondents and Commission staff that respondents were acting in good faith. Certainly they were not seeking to deceive or mislead the Commission or the electorate.

II. ANALYSIS

The General Counsel, in his brief, acknowledges that a principal candidate committee may convert to multi-candidate status, but states that "once it does so, it cannot convert back to a principal campaign committee." General Counsel's Brief, p. 2, par. 3. Although 2 U.S.C. § 432(e)(3)(A) and 11 C.F.R. § 102.12(c)(1) may preclude a committee which has supported more than one candidate from being designated as a principal campaign committee, the respondent committee nevertheless had met the

statutory requirements for multicandidate status before making the \$4,000 loan to the Herger Committee on October 31, 1986. Their conduct should therefore not result in a violation of the contribution limits imposed by 2 U.S.C. § 441a(a)(1)(A).

As defined in 2 U.S.C. § 441a(a)(4), a "multicandidate political committee" has been registered for six months, has received contributions from more than 50 persons, and has made contributions to 5 or more candidates for federal office. As noted earlier, on October 24, 1986, the Royce Committee had met all three criteria.

Pursuant to 2 U.S.C. § 441a(a)(2)(A), a multicandidate committee may make contributions to any candidate and his authorized political committee with respect to any election for federal office which, in the aggregate, do not exceed \$5,000. That limit was not exceeded here.

If respondents Royce Committee and Marie T.P. Royce had not attempted on February 9, 1987 -- as a result of a course of conduct prescribed by Commission staff -- to "revert" to principal candidate status, but had instead left on file the February 6, 1987 amendment providing notice of their qualification as a multicandidate committee as of October 24, 1986, the allegations that they violated 2 U.S.C. § 441a(a)(1)(A) would be unsupported and likely would never have been made.

III. CONCLUSION

Respondents never intended any violation of 2 U.S.C. § 441a(a)(1)(A). They at all times intended never to make any

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excessive contributions to anyone. The appearance of a violation which resulted from their withdrawal of the February 6, 1987 amended statement of organization notifying the Commission of their change to multicandidate status ironically led to the charges against them (not lodged until January 19, 1988). As evidenced by Exhibits B and C, the respondents' actions were a result of their sincere attempt to comply with the law as they understood it, based on explanations from the Commission staff.

The respondents respectfully request that the Commission decline to find probable cause that respondents Royce for Congress and Marie T.P. Royce violated 2 U.S.C. § 441a(a)(1)(A).

Should the Commission be inclined to find probable cause, respondents request that, in the alternative, the Commission accept the attached executed original conciliation agreement, previously approved by the Commission and accompanied by payment of the \$750 penalty proposed, as a full settlement of this matter. Respondents have submitted this executed agreement despite their sincere belief in the lawfulness of their conduct, in the interests of expediting resolution. They ask the Commission's acceptance should the Commission believe that probable cause exists.

August 30, 1989

Date

Judith Sproul Davis

Judith Sproul Davis
Attorney for Respondents

0004077671

LAW OFFICES OF
NILSON, HODGSON, PARRINELLO & WUELLER
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

SAN FRANCISCO
650 CALIFORNIA STREET, SUITE 2000
SAN FRANCISCO, CALIFORNIA 94108
TELEPHONE (415) 398-8800

1030 FIFTEENTH STREET, SUITE 250
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 448-8782

FILE NUMBER

October 29, 1986

5699.02

HAND DELIVERED

Senator Ed Royce
P.O. Box 6765
Fullerton, CA 92634

Re: Federal Contribution Limits Applicable to
Royce For U.S. Congress Committee

Dear Senator Royce:

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This letter will serve to confirm my advice of October 28, 1986, in which I advised you by telephone that federal contribution limits are aggregated per election. Thus, a committee could make a \$1,000 contribution to a federal candidate for the November 1986 General Election even if that same committee had already contributed \$1,000 to the same federal candidate for the June 1986 Primary Election. The Federal Election Campaign Act ("Act") provides that "[n]o person shall make contributions to any candidate in his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000." 2 U.S.C. § 441a(a)(1) (emphasis added).

In addition, I advised you on October 29 that the Royce For U.S. Congress Committee has achieved multicandidate status under the Act, entitling it to a higher \$5,000 contribution limit per election. See 11 C.F.R. § 110.2(a)(1). The Act defines multicandidate political committee as:

"[A] political committee which has been registered under section 433 of this Title for a period of not less than 6 months, which has received contributions from more than 50 persons, and ... has made contributions to 5 or more candidates for Federal office." 2 U.S.C. § 441a(a)4.

Because the Royce For U.S. Congress committee qualifies for multicandidate status, it may contribute up to \$5,000 to any federal candidate in the upcoming general election. It is very rare that an authorized candidate committee qualifies for multicandidate status, thus enabling it to utilize the higher \$5,000 per election contribution limit. This is because very few

authorized committees have met the criteria of making contributions to 5 or more federal candidates.

In most instances, an authorized committee commits all or most of its funds to the candidate which it is formed to support. The Royce committee is an exception. It appears to meet all three criteria since it has been registered with the Federal Election Commission for more than six months, has received contributions from more than 50 persons, and has contributed to five or more federal candidates. Therefore, it may contribute \$5,000 in the aggregate per federal candidate in the November General Election.

As we discussed, the Royce committee does not need to amend its federal statement of organization (Form 1) to avail itself of the higher multicandidate committee contribution limits.

If you have any questions, please do not hesitate to contact the undersigned or Charles H. Bell, Jr.

Sincerely,



STEVEN G. CHURCHWELL

SC:ss
Encl.

2 2 0 4 0 7 7 3 6 7 0

OFFICES
State Capitol Building 1074
Sacramento 95814
1661 North Raymond Avenue 9211
Orange CA 92667
(714) 871-0270

Senate California Legislature



EDWARD R. ROYCE
STATE SENATOR
THIRTY-SECOND DISTRICT

COMMITTEES
PUBLIC EMPLOYMENT AND
RETIREMENT VICE CHAIRMAN
BANKING AND COMMERCE
BUSINESS AND PROFESSIONS
HEALTH AND HUMAN SERVICES
HOUSING AND URBAN AFFAIRS
INDUSTRIAL RELATIONS
SELECT COMMITTEE ON DRUG
AND ALCOHOL ABUSE
SELECT COMMITTEE ON
GOVERNMENTAL EFFICIENCY
JOINT COMMITTEE ON THE
STATE'S ECONOMY
SMALL BUSINESS DEVELOPMENT
BOARD

February 6, 1987

Mr. Tom White
Federal Election Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

This is our amended Statement of Organization to reflect the change of the Royce for Congress Committee to a multi-candidate committee. The requirements to become a multi-candidate committee were met on 10/24/86.

We were under the impression that once the requirements were met, the committee would automatically become a multi-candidate committee. We did not realize that an amended Statement was necessary. We appreciate your consideration.

Sincerely,

Marie T. P. Royce
MARIE T.P. ROYCE
Treasurer

EXHIBIT "B"

NOT PRINTED OR MAILED AT TAXPAYERS' EXPENSE

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1249 N. Lighthouse Lane
Anaheim, California 92801
February 9, 1987

Mr. Tom White
Federal Elections Commission
999 E Street NW
Washington, D.C. 20463

Dear Tom:

As a result of discussions with Robin Kelly this morning, I have taken the following steps today:

1. Congressman Wally Herger has agreed to refund \$3000. to our federal committee. I will receive this check by 5:00 p.m. tomorrow.
2. I have mailed Congressman Herger a letter explaining that of the remaining \$2000, \$1000 was for the 1986 primary campaign, and \$1000 was for the 1986 general election campaign.
3. I am withdrawing the paperwork mailed Friday, February 6, 1987 which would have qualified our committee as a multi-candidate committee. Therefore, our committee will remain a single candidate committee.

It is our understanding from conversations with Robin that these steps will rectify the situation and eliminate the possibility of any FEC action directed towards either our committee or Congressman Herger's committee.

Please let me know if there is anything else I need to do.

Sincerely,

MARIE T.P. ROYCE
Treasurer
Royce Campaign Committee

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

EXECUTIVE SESSION

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

OCT - 3 1989

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was initiated by a complaint from the Democratic Congressional Campaign Committee alleging that The Royce Campaign Committee, the principal campaign committee for Edward R. Royce, ("Royce Committee") made contributions to the Wally Herger for Congress Committee, ("WHCC") the principal campaign committee for Congressman Walter William (Wally) Herger, in excess of the contribution limits.

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II. ANALYSIS (See, General Counsel's Brief signed July 18, 1989).

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The Royce Committee contributed \$4,000.00 to the Wally Herger for Congress Committee which exceeded the contribution limitations by \$3,000.00, therefore this Office recommends that the Commission find probable cause to believe that the Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A). This Office also recommends that the Commission reject the signed pre-probable cause conciliation agreement and civil penalty submitted by Respondents in settlement of this matter because this counteroffer was not received until after probable cause briefs had been received by the Counsel for the Royce Committee. Instead, as noted below, we recommend that a post probable cause conciliation agreement be offered to the Respondents.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

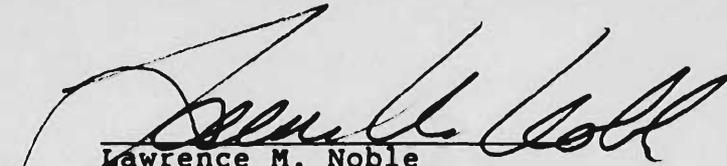
IV. RECOMMENDATIONS

1. Find probable cause to believe that The Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

2. Reject the signed pre-probable cause conciliation agreement and civil penalty submitted by The Royce Campaign Committee and Marie T.P. Royce, as treasurer.

3. Approve the attached post probable cause conciliation agreement and letter.

Date 9/21/87


Lawrence M. Noble
General Counsel

Attachments:

1. Respondents' brief
2. Respondents' signed agreement and check
3. Post Probable Cause Conciliation Agreement
4. Letter

Staff assigned: Phillip L. Wise

30040713679

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 3, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2572:

1. Find probable cause to believe that The Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).
2. Reject the signed pre-probable cause conciliation agreement and civil penalty submitted by The Royce Campaign Committee and Marie T.P. Royce, as treasurer.
3. Approve the post probable cause conciliation agreement and letter attached to the General Counsel's report dated September 21, 1989.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Oct. 4, 1989

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 5, 1989

Judith Sproul Davis, Esquire
Nielsen, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

RE: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as
treasurer

Dear Ms. Davis:

On October 3, 1989, the Federal Election Commission found that there is probable cause to believe your clients, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with \$3,000.00 in excessive contributions to the Wally Herger for Congress Committee in 1986. In addition, on October 3, 1989, the Commission also rejected the signed pre-probable cause conciliation agreement and civil penalty check submitted on behalf of your clients in settlement of this matter.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

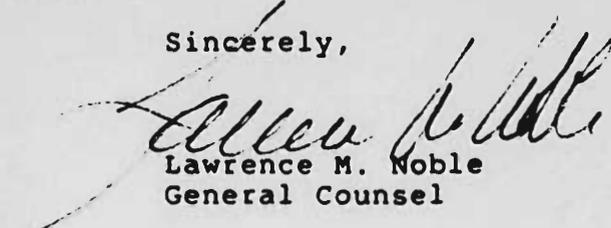
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

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Judith Sproul Davis, Esquire
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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89 OCT 30 AM 9:52

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)	
)	
The Royce Campaign Committee)	MUR 2572
and Marie T.P. Royce, as)	
treasurer)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by counsel for the Respondents. (Attachment 1).

The attached agreement contains no changes from the agreement approved by the Commission on October 3, 1989. A check for the civil penalty has been received. See General Counsel's Report, signed September 21, 1989, at Attachment 2(4).

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with The Royce Campaign Committee and Marie T.P. Royce, as treasurer.
2. Close the file.
3. Approve the attached letters.

Lawrence M. Noble
General Counsel

10-27-89
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Conciliation Agreement
2. Letter to Royce Committee
3. Letter to Complainant
4. Letter to Wyman Committee
5. Letter to Herger Committee

Staff Assigned: Phillip L. Wise

23040773630

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
The Royce Campaign Committee) MUR 2572
and Marie T.P. Royce, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 1, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2572:

1. Accept the conciliation agreement with The Royce Campaign Committee and Marie T.P. Royce, as treasurer, as recommended in the General Counsel's Report dated October 27, 1989.
2. Close the file.
3. Approve the letters as recommended in the General Counsel's Report dated October 27, 1989.

Commissioners Aikens, Elliott, Josefiak, McGarry and Thomas voted affirmatively for the decision. Commissioner McDonald did not cast a vote.

Attest:

Nov. 1, 1989
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Monday, October 30, 1989	9:52
Circulated to the Commission:	Monday, October 30, 1989	4:00
Deadline for vote:	Wednesday, November 1, 1989	4:00

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FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

November 8, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert F. Bauer, Esquire
Democratic Congressional
Campaign Committee
430 South Capitol Street, S.E.
Washington, D.C. 20003

RE: MUR 2572

Dear Mr. Bauer:

This is in reference to the complaint you filed with the Federal Election Commission on January 19, 1988, concerning contributions from The Royce Campaign Committee to the Herger for Congress Committee.

On May 17, 1988, the Commission found reason to believe the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441a(f) but determined to take no further action. The Commission also found no reason to believe the Wally Herger for Congress Committee and Jerry Crippen, as treasurer, violated 2 U.S.C. § 441b(a) and closed the file with respect to these respondents. On that same date, the Commission also found no reason to believe the Phil Wyman Committee violated 2 U.S.C. § 441b(a) and closed the file as to this respondent.

After conducting an investigation in this matter, the Commission found that there was probable cause to believe The Royce Campaign Committee and Marie T.P. Royce, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. On November 1, 1989, a conciliation agreement signed by the respondents was accepted by the Commission, thereby concluding the matter.

Accordingly, the Commission closed the file in this matter on November 1, 1989. A copy of this agreement is enclosed for your information.

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Robert F. Bauer
Page 2

If you have any questions, please contact Phillip L. Wise,
the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosures
Conciliation Agreement
General Counsel's Report
Certification

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

November 8, 1989

J. Curtis Herge, Esquire
Herge, Sparks, Christopher and Biondi
Suite 200
8201 Greensboro Drive
McLean, Virginia 22102

RE: MUR 2572
Wally Herger for Congress
Committee and Jerry Crippen,
as, treasurer

Dear Mr. Herge:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

November 8, 1989

Robert F. Kovach, Treasurer
The Phil Wyman Committee
P.O. Box 1953
Bakersfield, California 93303

RE: MUR 2572
The Phil Wyman Committee and
Robert F. Kovach, as
treasurer

Dear Mr. Kovach:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

November 8, 1989

Judith Sproul Davis, Esquire
Nielsen, Merksamer, Hodgson,
Parrinello & Mueller
770 L Street, Suite 800
Sacramento, CA 95814

CLOSED

RE: MUR 2572
The Royce Campaign Committee
and Marie T.P. Royce, as
treasurer

Dear Ms. Davis:

On November 1, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Judith Sproul Davis
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Royce Campaign Committee and) MUR 2572
Marie T.P. Royce, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the Democratic Congressional Campaign Committee. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that The Royce Campaign Committee and Marie T.P. Royce, as treasurer ("Respondents") violated 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in his matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Royce Campaign Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Marie T.P. Royce is the treasurer of The Royce Campaign Committee.

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3. The Royce Campaign Committee, the principal campaign committee for Edward R. Royce, made contributions in excess of the contribution limits to the Wally Herger for Congress Committee, the principal campaign committee for Congressman Walter William (Wally) Herger.

4. The Royce Campaign Committee loaned the Wally Herger for Congress Committee \$1,000.00 on March 10, 1986, and \$4,000.00 on October 31, 1986. 2 U.S.C. § 431(8) defines "contribution" to include a loan. This resulted in \$3,000.00 in excessive contributions. The excessive contributions were refunded to Respondents.

V. Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate exceed \$1,000.00. 2 U.S.C. § 431(11) defines "person" to include a committee.

VI. Respondents contributed \$3,000.00 to the Wally Herger for Congress Committee in violation of 2 U.S.C. § 441a(a)(1)(A).

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Seven Hundred Fifty dollars (\$750.00), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement

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or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: *Lois G. Lerner*
Lois G. Lerner
Associate General Counsel

11-6-89
Date

FOR THE RESPONDENTS:

Judith Sprawl Davis
(Name) *attorney for Respondents*
(Position)

October 16, 1989
Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2572

DATE FILMED 12/1/89 CAMERA NO. 4

CAMERAMAN AS

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