



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number ADR 160
Source PMUR 418
Case Name Sonoma National Bank

NEGOTIATED SETTLEMENT

This matter was referred to the Federal Election Commission by the Office of the Comptroller of the Currency ("OCC"). Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("FECA"), and to resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Lyman G. Lea, Esq. on behalf of Sonoma National Bank ("Respondent"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and the Respondent have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance of the FECA on the part of the Respondent. The Commission's use of ADR procedures is authorized in "The Administrative Dispute Resolution Act of 1996", 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. The Respondent has voluntarily entered into this agreement with the Commission.
3. OCC discovered during its review of Sonoma National Bank of Santa Rosa, CA that the Bank had purchased tickets to an award dinner sponsored by the Sonoma County Republican Party. The review, which was part of OCC's supervisory and regulatory responsibilities, disclosed an expenditure of \$1,600 used to purchase eight tickets for Bank executive officers and directors to attend a dinner honoring the "Distinguished Citizen of the Year".
4. It is unlawful for any national bank to make a contribution or expenditure in connection with any election for any political office or in connection with any primary election or political convention or caucus held to select candidates for any political office or any officer or any director of any national bank to consent to any contribution or expenditure by the national bank. 2 U.S.C. § 441b(a). The aforementioned prohibition extends to any election to any political office, including local, State and Federal offices. 11 C.F.R. § 114.2(a).
5. Respondent acknowledged the purchase of tickets to the award dinner, however, Respondent contends it was unaware that the prohibition on national banks contributing to election campaigns would be applied to the purchase of tickets to an award dinner.

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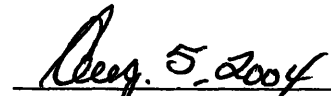
Respondent contends that in purchasing the tickets for attendance at the award dinner it was honoring a leading citizen of the community and not contributing to an election campaign. After being advised of the prohibition by the OCC, the Bank assisted the OCC in the investigation.

6. In order to resolve this matter and avoid similar issues in the future, Respondent agrees to: (1) adopt and distribute within thirty (30) days of the effective date of this agreement a corporate policy advising Bank officers and directors that it is illegal for any national bank to make a contribution or expenditure in connection with any election to any political office or any office or director of a national bank to consent to any contribution or expenditure by the national bank to election campaigns; (2) to incorporate the aforementioned policy statement into the Bank's on going Standards of Conduct Policy; and (3) pay a civil penalty of \$500.
7. Respondent agrees that all information provided to resolve this matter is true and accurate to the best of its knowledge and that it signs this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if the Respondent fails to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty for collection or undertake civil action in the U.S. District for the District of Columbia to secure compliance.
9. This agreement will become effective on the date signed by all the parties and approved by the Commission. Respondent shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 160/PMUR 418 and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

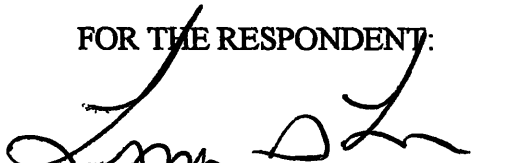
FOR THE COMMISSION:


Allan D. Silberman, Director
Alternative Dispute Resolution Office


Allan D. Silberman


Date

FOR THE RESPONDENT:


Lyman G. Lea, Esq. for
Sonoma National Bank


Date

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