



Federal Election Commission  
Washington, DC 20463

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

March 8, 2005

Michael J. Schroeder, Esq.  
1851 East First Street, Suite 1160  
Santa Ana, CA 92705

Re: ADR 222 (MUR 5497)

Dear Mr. Schroeder:

On July 30, 2004, the Federal Election Commission ("Commission") received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the Respondents, Stabenow for Senate and Angela M. Autera, Treasurer, Citizens for Sarbanes and Sebastia Svolos, Treasurer, and Friends of Lou Papan and Victor Kyriakis, Treasurer. In its memorandum to the Commission, dated February 25, 2005, this office stated:

**ADR 222/MUR 5497:** The complaint alleges that Friends of Lou Papan ("Papan committee"), a California State Assembly committee, contributed prohibited "soft money" when it made a donation of \$750 to citizens for Sarbanes ("Sarbanes committee") and \$250 to Stabenow for Senate ("Stabenow committee"). The complaint also alleges that as the Papan committee accepts corporate donations and donations in excess of Federal contribution limits, the contributions to candidates for Federal office violate the FECA. In addition, Complainant alleges the receipt of prohibited contributions by the Sarbanes committee and the Stabenow committee also violates the FECA. The Complainant points out a reporting violation in that the Sarbanes committee incorrectly listed the contribution as being from Lou Papan individually, rather than from the Papan committee, and that the Stabenow committee did not report any employer or occupation relevant to the contribution. The Papan committee contends that the contributions to the Sarbanes committee and the Stabenow committee were made from the committee's Federal account that only consists of funds subject to the prohibitions and limitations of the FECA. The

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Response from the Sarbanes committee stated that the contribution did not result in a violation, as the Papan committee demonstrated that the contribution came from an account that included only funds permissible under the FECA. No response was received from the Stabenow committee. Based on a review of the allegations, the contributions at issue, the responses of Respondents and the law, there is no evidence there was a violation of the FECA.

Accordingly, the Commission closed its file in this matter on March 3, 2005.

The FEC is obligated by federal regulations to make a finding to terminate its proceedings public, as well as the basis therefore. 11 C.F.R. § 111.20(b). In addition, the Commission will also place on the record copies of the complaint, correspondence exchanged between Respondents and the Commission, and reports prepared for the Commission by this office to assist in its consideration of this matter. Accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lynn M. Fraser  
Assistant Director, ADR Office

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