



**Federal Election Commission
Washington, DC 20463**

February 2, 2007

Charles H. Bell, Esq.
455 Capitol Mall, Suite 801
Sacramento, CA 95814

Re: ADR # 340
California Republican Party and Keith Carlson, Treasurer

Dear Mr. Bell:

Enclosed is the signed copy of the agreement resolving the referral initiated on February 6, 2006 with the Federal Election Commission ("FEC/Commission") against California Republican Party and Keith Carlson, Treasurer ("Respondents"). The agreement for ADR 340 (RR 06L-06) was approved by the Commission on January 23, 2007 – the effective date of the agreement.

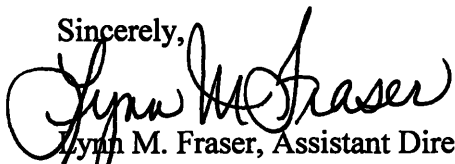
Note that paragraph 9 of the agreement specifies that Respondents shall comply with the terms of this settlement within sixty (60) days of the effective date of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn M. Fraser". The signature is fluid and cursive, with the first name "Lynn" being more prominent.

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 340
Source RR 06L-06
Case Name California Republican Party

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with Charles H. Bell, Esq. and Fred Arjani, CPA, representing the California Republican Party and Keith Carlson, in his official capacity as Treasurer ("the Committee" or "Respondents"). 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 Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:


1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") 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. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division ("RAD") referred Respondents for failing to disclose all financial activity on their 2003 July Monthly and 2003 September Monthly Reports. Specifically, Respondents filed an amended 2003 July Monthly Report to disclose additional receipts totaling \$85,000.00. In addition, Respondents filed an amended 2003 September Monthly Report to disclose additional disbursements totaling \$168,223.78.
4. Treasurers of political committees are required to report all financial activity, including all receipts and all disbursements, pursuant to the FECA. 2 U.S.C. §§ 434(b)(2), 434(b)(4), 11 C.F.R. §§ 104.3(a), 104.3(b).
5. Respondents contend that, following resolution of a previous matter, the Committee undertook a complete overhaul of its financial accounting procedures. Those changes in procedure resulted in numerous amended reports being filed in an effort to comply with the FECA. Respondents stated that the Committee, in an effort to ensure future

compliance, retained an accounting firm with extensive experience in campaign finance compliance, and required two Committee representatives to attend FEC compliance training.

6. Respondents, in a continued effort to avoid similar errors in the future, agree to develop a FEC compliance manual for staff reference on reporting and disclosure issues.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms within sixty (60) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 340 (RR 06L-06), and effectively resolves the issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

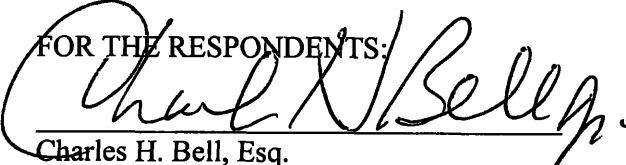
FOR THE COMMISSION:

Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office



1/24/07
Date Signed

FOR THE RESPONDENTS:



Charles H. Bell, Esq.
Representing the California Republican Party
and Keith Carlson, Treasurer

1/2/07
Date Signed