



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 30, 1978

AO 1978-75

Mr. John M. Batten, Treasurer
United Good Government Fund
P.O. Box 66423
Chicago, Illinois 60666

Dear Mr. Batten:

This is in response to your letter of September 18, 1978, requesting an advisory opinion on behalf of the United Good Government Fund ("the Fund"), a political committee, concerning application of the Federal Election Campaign Act of 1971, as amended, ("the Act"), to the solicitation of voluntary contributions to the Fund from certain stockholders.

You state that the Fund is the separate segregated fund of United Airlines, Inc. ("United"), a wholly-owned subsidiary of UAL, Inc. ("UAL"). Specifically, you ask whether the Fund may solicit contributions from the stockholders of UAL, the parent corporation of United.

The Commission concludes that it would be permissible for the United Good Government Fund to solicit the stockholders of the parent corporation, UAL. As you know, the Act clearly permits a separate segregated fund to solicit the stockholders, executive or administrative personnel and their families of the corporation that establishes and administers the fund. 2 U.S.C. 441b(b)(4)(A)(i). It is also permissible, under the Commission's regulations, for a corporation and/or its separate segregated fund to solicit executive or administrative personnel of the corporation's subsidiaries and affiliates. 11 CFR 114.5(g)(1). In its Communication to Congress transmitting its regulations, the Commission states that subsection 114.5(g) specifically allows a corporation to solicit the stockholders and executive or administrative personnel of its subsidiaries, branches, divisions and affiliates. Since UAL and United are affiliated entities, i.e., parent corporation and wholly-owned subsidiary, the situation you describe in your request clearly fits within the intended meaning of 11 CFR 114.5(g)(1). Therefore, the United Good Government Fund may lawfully solicit the individual stockholders of UAL who qualify as stockholders under 114.1(h) of the Commission's regulations.

The Commission notes that all separate segregated funds (or political committees) established by a corporation, its affiliates, subsidiaries, branches and divisions are subject to a single contribution limitation. 2 U.S.C. 441a(a)(5), 11 CFR 110.3(a)(1)(i).

This response constitutes an advisory opinion concerning the Application of a general rule of law stated in the Act, or prescribed as a Commission regulation to the specific factual situation set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Joan D. Aikens
Chairman for the
Federal Election Commission