



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 21, 1979

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1979-44

Mr. Anthony Gaeta, Jr.  
Vice President-General Counsel  
United Carolina Bancshares Corporation  
Box 632  
Whiteville, North Carolina 28472

Dear Mr. Gaeta:

This responds to your letter of August 7, 1979, requesting an advisory opinion on behalf of The Public Affairs Fund ("the Fund"), a political committee registered with the Commission, 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 executive and administrative personnel.

You state that the Fund is the separate segregated fund of the Waccamaw Bank and Trust Company of Whiteville, North Carolina ("Waccamaw"), one of five wholly-owned subsidiaries of United Carolina Bancshares Corporation ("UCB"), a multi-bank holding company. You indicate that UCB is presently undergoing an internal corporate reorganization, as a result of which UCB will have two wholly-owned subsidiary banks, United Carolina Bank, Monroe ("Monroe"), and United Carolina Bank, Whiteville ("Whiteville"), and a third wholly-owned non-bank, data processing subsidiary, United Carolina Bancshares Data Services Corporation ("Data Services"). Whiteville will be the successor by merger to Waccamaw and two other wholly-owned subsidiary banks. You ask whether or not it would be appropriate under existing law and regulations for the Fund, after the described reorganization, to solicit the executive and administrative personnel of UCB and each of its three post-reorganization wholly-owned subsidiaries.

The Commission concludes that it would be permissible for the Fund to solicit the executive and administrative personnel of UCB and each of its wholly-owned subsidiaries. As you know, the Act clearly permits a separate segregated fund to solicit the executive and 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 the executive and administrative personnel (and their families) of the corporation's subsidiaries, branches, divisions, and affiliates. 11 CFR 114.5(g)(1). See also Explanation and Justification of 11 CFR 114.5(g), House Doc. 95-44, p. 108; and Advisory Opinion 1978-75, copy enclosed. Since UCB, Monroe, Whiteville and Data Services are affiliated entities, i.e., parent corporation and wholly-owned subsidiaries, the situation you describe in your request clearly falls within the intended meaning of 114.5(g)(1). Therefore, The Public Affairs Fund may lawfully solicit all qualified executive and administrative personnel (and their families) of UCB and its three wholly-owned subsidiaries. See also 11 CFR 114.1(c).

The Commission notes that all separate segregated funds (or political committees) established by a corporation, its affiliates, subsidiaries, branches, and divisions are treated as a single political committee and 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)

Robert O. Tiernan  
Chairman for the  
Federal Election Commission