

000 5051 McDonald

RECEIVED
ELECTION CO.

CONGRESSMAN

CHRIS SMITH GETS RESULTS

50 JAN 10 7:11:30
CAMPAIGN HEADQUARTERS
1351 Kuser Road
Hamilton, NJ 08619
(609) 586-2800

January 4, 1990

AOR 1990-2

Mr. Lawrence M. Noble
Office of General Council
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: Committee to Re-Elect Congressman Chris Smith
ID Number 08005

Dear Mr. Noble:

We request the commission review the proposed transaction detailed below and issue an Advisory Opinion to the above committee.

Proposed Transaction

The Monmouth County Republican Committee has requested The Committee to Re-Elect Congressman Chris Smith to collateralize a loan it is negotiating with a Bank. The Bank will require the Congressman's Committee to deposit up to \$20,000 in a CD with said Bank. The CD will be released as collateral when the County's Committee repays the loan. The initial term is not expected to exceed six months. The CD will bear a fair rate of interest payable to the Congressman's Committee.

The Monmouth County Republican Committee is not registered with the Federal Election Commission but is a local political party campaign fund.

The \$20,000 that the Congressman's Committee will use to purchase the CD are "Excess Campaign Funds" from the Committee's November 1988 election.

The only involvement of The Congressman's Committee is to collateralize the loan. All terms of repayment, interest rates and loan term have been independently negotiated by the Bank and responsible members of the County's Committee.

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FEDERAL ELECTION COMMISSION
90 JAN -8 AM 1:25

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FEDERAL ELECTION COMMISSION
90 JAN -8 AM 9:58

**Advisory
Opinion
Requested**

Is it permissible under the Federal Election Campaign Act of 1971, as amended, for The Committee to Re-Elect Congressman Chris Smith to collateralize a loan in the amount of \$20,000, on behalf of the Monmouth County Republican Committee, with its excess campaign funds from the November 1988 election?

Should you require any further information I can be reached at the following numbers:

Office (201)272-7000
Fax (201)272-7101

We appreciate your time and prompt attention to this matter.

Sincerely,


James J. Flannery
Treasurer