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June 15, 1992

WRITERS DIRECT DIAL NUMBER:

Federal Election Commission
ATTN: Jonathan Levin
Washington, D.C. 20463

**Supplement To
AOR 1992-16**

Re: Request for Advisory Opinion (AOR 1992-16)

Dear Mr. Levin:

The purposes of this letter are to follow-up on our telephone conversation of June 9, 1992, and to provide the additional information you requested.

Nansay Hawaii, Inc. is a wholly owned subsidiary of Nansay Corp. (Japan). Nansay Corp. is a privately held corporation involved primarily in real estate management and development.

The proposed campaign contributions would come from the operating accounts of two of Nansay Hawaii's developed properties. In my letter of May 4, 1992, I advised the Commission that the expenses of these properties, including debt service, are paid from these accounts and I related the approximate net earnings after debt service. This information was intended to correct the statement in the March 18, 1992 request that the properties "generate substantial positive cash flow; that is, income exceeding expenses, excluding debt service." It is my current understanding that these properties generate net earnings after debt service.

In the letter of March 18, 1992, I stated that, "Nansay Hawaii receives regular subsidies in the form of loans or contributions to capital from its foreign national parent." You have asked whether the two entities which would be the sources of the proposed campaign contributions receive subsidies from the foreign parent. There are no direct contributions to the operating accounts of these profit centers from the foreign parent. The subsidies from the foreign parent fund Nansay Hawaii's debt service with respect to its undeveloped properties as well as funding development costs and operating expenses incurred by Nansay Hawaii. These costs and the amounts of the

**Federal Election Commission
June 15, 1992
Page 2**

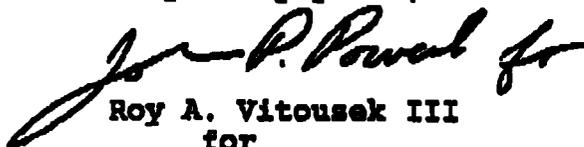
subsidies from the foreign parent exceed the amount of net revenues generated by the developed properties.

In other words, the operation of the two profit centers from which proposed campaign contributions would be made is not subsidized by the foreign parent. The operation of other aspects of Nansay Hawaii's business is subsidized. The amount of the subsidies exceeds the net revenues from the unsubsidized activity.

I hope this information adequately responds to your further questions and we will look forward to receiving the Commission's opinion.

As always, if you have any questions or require additional information, please call me at (808) 329-5811.

Very truly yours,



**Roy A. Vitousek III
for**

CADES SCHUTTE FLEMING & WRIGHT

RAV/bah