



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20541

THIS IS THE END OF MUR # 1339

Date Filmed 6/2/82 Camera No. --- 2

Cameraman LPC

FEDERAL ELECTION COMMISSION

Removed:

- Printing slips

- Commission Comment sheets

- Memorandum to Ken Cross

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| ☐ (1) Classified Information | ☐ (6) Personal privacy |
| ☐ (2) Internal rules and practices | ☐ (7) Investigatory files |
| ☐ (3) Exempted by other statute | ☐ (8) Banking Information |
| ☐ (4) Trade secrets and commercial or financial information | ☐ (9) Well Information (geographic or geophysical) |
| ☒ (5) Internal Documents | |

Signed

date

Ray D. Johnson
May 12, 1982



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 10, 1982

Martha L. Hickey, Chairman
Santa Barbara County Republican
Central Committee
4141 State Street, F3
Santa Barbara, California 93110

RE: MUR 1339

Dear Ms. Hickey:

The Federal Election Commission has reviewed the allegations of your complaint dated November 4, 1980, and determined that on the basis of the information provided in your complaint and information provided by the United Democratic Fund (the "Respondent") there is: 1) no reason to believe that a violation of 2 U.S.C. § 441d has been committed; and, 2) reason to believe that a violation of 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) has been committed. However, after considering the circumstances of this matter, the Commission has determined to take no further action with regard to the violation and close the file as it pertains to the Respondent.

The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's action in this matter. See 2 U.S.C. § 437g(a) (8).

Should additional information come to your attention which you believe established a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a) (1) and 11 C.F.R. § 111.4.

Sincerely,

Danny L. McDonald
Vice Chairman for the
Federal Election Commission

032040324236



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 10, 1982

Cyrus J. Gardner, Esquire
Barash & Hill
One Century Plaza
2029 Century Park East
Suite 2050
Los Angeles, California 90067

RE: MUR 1339

Dear Mr. Gardner:

On May 4, 1982, the Commission found: 1) no reason to believe that your client, the United Democratic Fund, had violated 2 U.S.C. § 441d; and, 2) reason to believe that the Fund had violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within thirty days. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that making expenditures (not authorized by the National Committee of a political party pursuant to 2 U.S.C. § 441a(d)) by a local party committee in connection with the general election campaign for any candidate for President of the United States nevertheless appears to be a violation of 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) and you should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Gary L. Johansen at (202) 523-4143.

Sincerely,

Danny L. McDonald
Vice Chairman for the
Federal Election Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
United Democratic Fund)

MUR 1339

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on May 4, 1982, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1339:

1. Find reason to believe that the United Democratic Fund violated 2 U.S.C. §441a and 11 C.F.R. §110.7 (a) and (b) by making an expenditure in the general election advocating the election of Jimmy Carter and Walter Mondale, but take no further action;
2. Find no reason to believe that the United Democratic Fund violated 2 U.S.C. §441d and 11 C.F.R. §110.11 for failure to affix an adequate notice on its advertisement;
3. Approve and send the letters attached to the General Counsel's April 21, 1982 report; and
4. Close the file.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

5-4-82

Date

Marjorie W. Emmons

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS *YH* JUDY CUSTER
DATE: April 23, 1982
SUBJECT: OBJECTION - MUR 1339 - FIRST GENERAL
COUNSEL'S REPORT signed April 21, 1982,
Received in OCS, April 22, 1982, 9:54

The above-named document was circulated to the Commission on
a 48 hour basis on April 22, 1982 at 4:00.

Commissioner Aikens submitted an objection on April 23, 1982
at 3:45.

This matter will be placed on the agenda for the Executive
Session of May 4, 1982.

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April 22, 1982

MEMORANDUM TO: Marjorie Emmons
FROM: Steven Barndollar
SUBJECT: MUR 1339

Please have the attached First General Counsel's Report distributed to the Commission on a 48 hour tally basis.
Thank you.

Attachment

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SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 APR 22 A 9: 54

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY
OGC TO THE COMMISSION _____

MUR NO. 1339
DATE COMPLAINT RECEIVED BY
OGC November 10, 1980
DATE OF NOTIFICATION TO
RESPONDENT November 24, 1980
STAFF MEMBER
Gary Johansen

COMPLAINANT'S NAME: Santa Barbara County Republican
Central Committee

RESPONDENT'S NAME: United Democratic Fund

RELEVANT STATUTES: 2 U.S.C. § 441a, 2 U.S.C. § 441a(d),
26 U.S.C. § 9012(f), 26 U.S.C. § 9002(9),
2 U.S.C. § 441d, 11 C.F.R. § 110.7, 11 C.F.R.
§ 9002.9, 11 C.F.R. § 110.11

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

On November 10, 1980, the Santa Barbara County Republican Central Committee filed a complaint against the United Democratic Fund (the "Fund"). (Attachment I) The complaint alleges that the Fund violated the Federal Election Campaign Act of 1971, as amended, by making an expenditure in the general election for an advertisement advocating the election of Jimmy Carter and Walter Mondale. ^{1/} The Fund responded to the complaint on December 4, 1980. (Attachment II)

^{1/} Complainant specifically cites 11 C.F.R. § 100.7(b)(9) as the provision which is violated; however, this section pertains to the definition of contributions.

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A second issue not cited in the complaint, but discussed in this report, is whether the Fund affixed an adequate 2 U.S.C. § 441d notice to the advertisement.

FACTUAL AND LEGAL ANALYSIS

The Fund placed an advertisement in the November 3, 1980 Santa Barbara News-Press which encouraged voters to "Vote Democratic" in the November 4 general election. The advertisement also advocated the re-election of Jimmy Carter, Walter Mondale, Alan Cranston and Gary K. Hart. The notice on the advertisement read "Paid for by United Democratic Fund, 1522-A State Street, Santa Barbara: Karl Bergstrom, Chairman".

The Fund states in its response that the total cost of the advertisement was \$89.10 and that the pro rata share of benefits of the advertisement to Jimmy Carter and Walter Mondale is no more than one-half of the above amount, or \$44.55. The Fund also admits in its response that prior to placing the ad it had not been authorized by the Democratic National Committee to make expenditures pursuant to 2 U.S.C. § 441a(d) in connection with the general election campaign of Jimmy Carter and Walter Mondale. The Fund, on December 1, 1980, requested the Democratic National Committee to ratify the Fund's actions by executing an agency agreement authorizing the Fund to make 2 U.S.C. § 441a(d) expenditures.

Party Expenditure

Under 2 U.S.C. § 441a(d), the national committee of a political party is specifically permitted to make limited

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expenditures in connection with the general election campaign of its candidate for President. If the expenditures are made, however, by a state committee or a subordinate committee of a state committee, the state committee or subordinate committee must be designated by the national committee as its agent (emphasis added). See 11 C.F.R. § 110.7(a)(4) and AO 1980-87.

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The Fund indicates in its response that after it made the expenditure in the general election advocating the election of Jimmy Carter and Walter Mondale it requested the Democratic National Committee to ratify the Fund's actions by executing an agency agreement authorizing the Fund to make 2 U.S.C. § 441a(d) expenditures. There is no evidence that such a ratification was ever made by the Democratic National Committee, however. In any event, the Commission has previously concluded that designation of a subordinate committee by the National Committee as its agent after the making of the expenditure by the subordinate committee is not sufficient to satisfy the agency requirements of 11 C.F.R. § 110.7(a)(4).

Further, party committees, such as the Fund, are not permitted to make independent expenditures because of the close relationship between a party and its candidates. To do so would violate 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b). The expenditure made by the Fund is below \$1,000, however. Thus, on the basis of 26 U.S.C. § 9012(f), the Fund may have believed that it could make expenditures of up to \$1,000. This provision (26 U.S.C. § 9012(f)) prohibits expenditures in excess of \$1,000

by "any political committee 2/ which is not an authorized committee with respect to the eligible candidates of a political

2/ Under the Presidential Election Campaign Fund Act, the term

"political committee" means any committee, association, or organization (whether or not incorporated) which accepts contributions or makes expenditures for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals to Federal, State, or local elective public office. 26 U.S.C. § 9002(9).

We are aware that 11 C.F.R. § 9002.9 contains an exception, for the purposes of § 9012(f), to the definition of political committee found at 26 U.S.C. § 9002(9); the regulation states that for the purpose of § 9012(f) the term "political committee" shall be defined in accordance with 11 C.F.R. § 100.5, a more narrow definition of political committee. The Commission's purpose in including this exception was to make clear that it was not asserting jurisdiction over entities not involved in Federal elections. It is arguable that some of the local party entities in question are not political committees under the narrower definitions found at § 100.5(c), since they may not have made "expenditures aggregating in excess of \$1,000 during the calendar year." 11 C.F.R. § 100.5(c). It is our view that the result reached with regard to the Fund would be the same regardless of which definition is used. Under the narrower definition found at § 100.5(c), a local party entity making expenditures of up to \$1,000 would not be a political committee and therefore 26 U.S.C. § 9012(f) would not apply. Under the broader definition of political committee found at 26 U.S.C. § 9002(9), a local party committee may have relied on § 9012(f) as authority to spend up to \$1,000 on behalf of a publicly funded presidential candidate. Thus, if § 9012(f) applies to party committees, under either definition of political committee, no local party committee would be permitted to spend more than \$1,000 on behalf of a presidential candidate who accepted public funding. The Commission need not decide whether party committees are covered by § 9012(f). Rather, as set forth, infra, the confusion over definitions and the regulations supports the conclusion that the Commission should take no action against a party committee making expenditures of up to \$1,000.

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party for President and Vice President in a Presidential election" which would constitute qualified campaign expenses if incurred by the candidate's authorized committee.

Party committees, such as the Fund, could have relied upon § 9012(f)'s prohibition on expenditures exceeding \$1,000, as a grant of permission to all political committees, including party committees, to spend up to \$1,000 in support of a Presidential candidate in a general election. The Commission explicitly adopted this view with respect to party committees in its 1977 regulations. 11 C.F.R. § 110.7(b)(5) stated:

Any expenditures by a State, county, city or congressional district committee of a political party, the primary purpose of which is to further the general election campaign of that party's nominee or nominees, that also furthers the general election campaign of that party's candidates for President and Vice President shall not constitute the making of a contribution or expenditure to a Federal candidate as long as the expenditure does not exceed \$1,000 per such committee. Such expenditures shall not count toward the limits of § 110.7(a), (b)(1) and (b)(2).

The explanation and justification for this regulation cast additional light on this provision:

[S]ubordinate state party committees may make coordinated or uncoordinated expenditures of up to \$1,000 on behalf of the party's Presidential ticket. These expenditures are reported to the Presidential candidate's principal campaign committee but do not count against any spending limitations. This provision is derived from 26 U.S.C. § 9012(f).

While it is true that the Commission in its 1980 regulations deleted § 110.7(b)(5), it did so without any explanation. This

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argument is not affected by the Supreme Court's equally divided affirmance in Federal Election Commission v. Americans for Change, 512 F.Supp. 489 (D.D.C. 1980), aff'd, 50 U.S.L.W. 4168 (January 19, 1982). That case dealt with independent expenditures, which party committees may not make. Moreover, regardless of the effect of the court's decision, it remains that party committees, such as the Fund, may have interpreted § 9012(f), particularly because of the Commission's 1977 regulation, as permitting expenditures whether coordinated or not of up to \$1,000 on behalf of Presidential candidates.

While it is conceivable that this provision is no longer necessary for party committees on account of the numerous exemptions for local party activity contained in the 1979 amendments, it would seem inadvisable to pursue local party committees for violations if their expenditures amounted to less than \$1,000. The ambiguity of the statutory language and the fact that local party committees such as the Fund may have interpreted § 9012(f) to permit expenditures of up to \$1,000 to further the election of their Presidential candidate militate against a Commission attempt to cite such committees for a violation. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Fund has violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b), but take no further action.

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Notice Provision

2 U.S.C. § 441d(a)(3) states that:

Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing or any other type of general public political advertising such communication - if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee. (emphasis added)

The advertisement used by the United Democratic Fund expressly advocates the re-election of Jimmy Carter and Walter Mondale by using the word "re-elect". The advertisement contains a statement that clearly says the advertisement was paid for by the Fund. The advertisement does not contain, however, a statement that the advertisement was not authorized by the Carter/Mondale Committee as required by 2 U.S.C. § 441d(a)(3). However, there is a discrepancy between the requirements of 2 U.S.C. § 441d(a)(3) and 11 C.F.R. § 110.11(a)(1)(iv) concerning the notification requirements of unauthorized expenditures. The statute requires both a statement of non-authorization and listing of the person paying for the communication. The regulation requires only a statement listing the committee that paid for the communication. The regulation states, "Such communication, if paid for and authorized by a political

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committee, other than an authorized committee of a candidate(s), shall clearly state that the communication has been paid for by such political committee."

It should be added that the advertisement in question clearly and conspicuously states that it was paid for by the Fund. It is apparent that there was no attempt to deceive the public, for the reader would certainly understand that the Fund paid for the advertisement. Furthermore, the amount of the expenditure involved is small, being less than \$100. Therefore, it is the Office of General Counsel's recommendation that the Commission find no reason to believe that the United Democratic Fund violated 2 U.S.C. § 441d and 11 C.F.R. § 110.11.

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Find reason to believe that the United Democratic Fund violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) by making an expenditure in the general election advocating the election of Jimmy Carter and Walter Mondale, but take no further action.
2. Find no reason to believe that the United Democratic Fund violated 2 U.S.C. § 441d and 11 C.F.R. § 110.11 for failure to affix an adequate notice on its advertisement;

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3. Approve and send the attached letters; and,
4. Close the file.

Charles N. Steele
General Counsel

April 21, 1982
Date

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments

- I. Complaint
- II. Response to complaint
- III. Letter to respondent
- IV. Letter to complainant

32040324249



SANTA BARBARA COUNTY REPUBLICAN CENTRAL COMMITTEE
4141 State Street. F3, Santa Barbara, California 93110
(805) 964-3493

622-3281
ATTACHMENT I

①

November 4, 1980

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

As Chairman of the Santa Barbara County (California) Republican Central Committee, I wish to bring to your attention and formally complain about the enclosed "slate" advertisement which appeared in local newspaper(s) Monday, November 3, 1980.

As you can see from the enclosed copy of the advertisement as it appeared in the Santa Barbara News-Press the Democratic Party organization in Santa Barbara County placed this advertisement as the United Democratic Fund, 1522-A State St., Santa Barbara, Ca. 93101, Mr. Karl Borgstrom, Chairman.

This advertisement violates the Federal Elections Campaign Act, Title 11 CFR, Part 100.7 Contribution, Section (b) 9. (See copy attached).

It is our understanding that Presidential and Vice-Presidential candidates who have accepted public financing of their campaign are precluded by this law from being listed in a newspaper slate advertisement purchased by a state or local committee of a political party.

Your review of this matter and appropriate disciplinary action is requested.

Very truly yours,

Martha L. Hickey
Martha L. Hickey
Chairman
SBCRCC

Enclosures: 2 letters (copies)
3 ads

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GEN. SEC. 11

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STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

ss.

(339)

ON NOVEMBER 4, 19 80
before me, the undersigned, a Notary Public in and for said State, personally appeared
MARTHA L. HICKEY

known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that she executed the same.

WITNESS my hand and official seal.



Delanna May Harrig
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 231—Rev. 3-64

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newspaper, magazine, or other periodical publication is not a contribution unless the facility is owned or controlled by any political party, political committee, or candidate, in which case the cost for a news story (i) which represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (ii) which is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, is not a contribution.

(3) The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not a contribution.

(4) No contribution results were an individual, in the course of volunteering personal services on his or her residential premises to any candidate or to any political committee of a political party, provides the use of his or her real or personal property to such candidate for candidate-related activity or to such political committee of a political party for party-related activity. For the purposes of 11 CFR 100.7(b)(4), and individual's residential premises, shall include a recreation room in a residential complex where the individual volunteering services resides, provided that the room is available for use without regard to political affiliation. A nominal fee paid by such individual for the use of such room is not a contribution.

(5) No contribution results where an individual, in the course of volunteering personal services to any candidate or political committee of a political party, obtains the use of a church or community room and provides such room to any candidate for candidate-related activity or to any political committee of a political party for party-related activity, provided that the room is used on a regular basis by members of the community for noncommercial purposes and the room is available for use by members of the community without regard to political affiliation. A nominal fee paid by such individual for the use of such room is not a contribution.

(6) The cost of invitations, food and beverages is not a contribution where such items are voluntarily provided by an individual volunteering personal services on the individual's residential premises or in a church or community room as specified at 11 CFR 100.7(b)(4) and (5) to a candidate for candidate-related activity or to any political committee of a political party for party-related activity, to the extent that: the aggregate value of such invitations, food and beverages provided by the individual on behalf of the candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in any calendar year.

(7) The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign, or for use by a political committee of a political party, at a charge less than the normal or comparable commercial rate, is not a contribution, provided that the charge is at least equal to the cost of such food or beverage to the vendor, to the extent that: the aggregate value of such discount given by the vendor on behalf of any single candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year.

(8) Any unreimbursed payment for transportation expenses incurred by any individual on behalf of any candidate of any political committee of a political party is not a contribution to the extent that: the aggregate value of the payments made by such individual on behalf of a candidate does not exceed \$1,000 with respect to a single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year. Additionally, any unreimbursed payment from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity is not a contribution.

(9) The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a

printed slate card, sample ballot, palm card, or other printed listing(s) of three or more candidates for any public office for which an election is held in the State in which the committee is organized is not a contribution. The payment of the portion of such costs allocable to Federal candidates must be made from funds subject to the limitations and prohibitions of the Act. If made by a political committee, such payments shall be reported by that committee as disbursements, but need not be allocated in committee reports to specific candidates. This exemption shall not apply to costs incurred by such a committee with respect to the preparation and display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising such as billboards.

(10) Any payment made or obligation incurred by a corporation or a labor organization is not a contribution if under the provisions of 11 CFR Part 114 such payment or obligation would not constitute an expenditure by the corporation or labor organization.

(11) A loan of money by a State bank, a federally chartered depository institution (including a national bank) or a depository institution whose deposits and accounts are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration is not a contribution by the lending institution if such loan is made in accordance with applicable banking laws and regulations and is made in the ordinary course of business. A loan will be deemed to be made in the ordinary course of business if it: bears the usual and customary interest rate of the lending institution for the category of loan involved; is made on a basis which assures repayment; is evidenced by a written instrument; and is subject to a due date or amortization schedule. Such loans shall be reported by the political committee in accordance with 11 CFR 104.3(a). Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written

agreement. Any reduction in the unpaid balance of the loan shall reduce proportionately the amount endorsed or guaranteed by each endorser or guarantor in such written agreement. In the event that such agreement does not stipulate the portion of the loan for which each endorser or guarantor is liable, the loan shall be considered a contribution by each endorser or guarantor in the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. For purposes of 11 CFR 100.7(b)(11), an overdraft made on a checking or savings account shall be considered a contribution by the bank or institution unless: the overdraft is made on an account which is subject to automatic overdraft protection; the overdraft is subject to a definite interest rate which is usual and customary; and there is a definite repayment schedule.

(12) A gift, subscription, loan, advance, or deposit of money or any thing of value made to a national committee or a State committee of a political party is not a contribution if it is specifically designated to defray any cost incurred for construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office. If such gift, subscription, loan, advance, or deposit of money or any thing of value is made to a committee which is not a political committee under 11 CFR 100.5, the amount need not be reported. However, if such gift, subscription, loan, advance, or deposit of money or anything of value is made to a political committee, it shall be reported in accordance with 11 CFR 104.3(g).

(13) Legal or accounting services rendered to or on behalf of any political committee of a political party are not contributions if the person paying for such services is the regular employer of the individual rendering the services and such services are not attributable to activities which directly further the election of any designated candidate for Federal office. For purposes of 11 CFR 100.7(b)(13), a partnership shall be deemed to be the regular employer of a partner. Amount

4

Paid Political Advertisement

Paid Political Advertisement

VOTE DEMOCRATIC

on Tuesday, November 4

Polls Open 7 a.m. - 8 p.m.

For information or transportation call:
DEMOCRATIC HEADQUARTERS
963-1604

RE-ELECT

JIMMY CARTER PRESIDENT

WALTER MONDALE . . . VICE PRESIDENT

ALAN CRANSTON U.S. SENATOR

GARY K. HART ASSEMBLYMAN

Paid for by United Democratic Fund, 1522-A State St., Santa Barbara; Karl Bergstrom, Chairman.

Nov 3, 1980 (News-Press)

32040324253

ATTACHMENT II

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

JERRY M. HILL
ANTHONY H. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CYRUS J. GARDNER
CHRISTINA L. MACHON

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6004
3475

99906

OUR FILE NO.

December 1, 1980

Federal Election Commission
Washington, D.C. 20463

Attention: Mr. Rucker

Re: MUR 1339

Dear Sirs:

This office is counsel to Respondent United Democratic Fund ("Respondent") with respect to the captioned matter currently pending before the Federal Election Commission (the "Commission"). (Please refer to the letter of authorization executed by Respondent's Chairman, Mr. Karl F. Borgstrom, a copy of which letter is attached hereto marked Exhibit "A.") Respondent is affiliated with the Santa Barbara County Central Committee of California's Democratic Party.

As alleged in the within Complaint (a copy of which, without enclosures, is attached hereto marked Exhibit "B"), Respondent placed an advertisement in the November 3, 1980 Santa Barbara News-Press. (A copy of said advertisement is attached hereto marked Exhibit "C.") The total cost of this advertisement was \$89.10. As is apparent from the face of Exhibit "C," the pro rata share of benefits of said advertisement allocable to the Democratic nominees for President and Vice-President is no more than one-half of the above amount, or \$44.55.

We are advised by the Democratic National Committee (the "DNC") that it is in the process of executing an "agency agreement" with Respondent to authorize expenditures up to \$100.00 by Respondent on behalf of the DNC, to be so reported by the DNC in its next report to the Commission. (A copy of correspondence confirming said advice is attached hereto marked Exhibit "D.")

10 DEC 4 P3:11

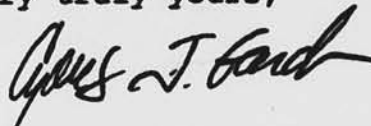
GENERAL COUNSEL

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Federal Election Commission
December 1, 1980
Page Two

In view of the facts stated herein, and without prejudice to Respondent's right to place further factual and legal matter before the Commission at a later date, Respondent respectfully requests that the Commission enter its finding that there is no reason to believe that Respondent has violated a statute or regulation over which the Commission has jurisdiction, and that the Commission terminate proceedings herein.

Very truly yours,



CYRUS J. GARDNER

CJG/dap
encls.

cc: Mr. Karl F. Borgstrom
Democratic National Committee

82040324255



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Cyrus J. Gardner, Esquire
Barash & Hill
One Century Plaza
2029 Century Park East
Suite 2050
Los Angeles, California 90067

RE: MUR 1339

Dear Mr. Gardner:

On April , 1982, the Commission found: 1) no reason to believe that your client, the United Democratic Fund, had violated 2 U.S.C. § 441d; and, 2) reason to believe that the Fund had violated 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file. The file will be made part of the public record within thirty days. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that making expenditures (not authorized by the National Committee of a political party pursuant to 2 U.S.C. § 441a(d)) by a local party committee in connection with the general election campaign for any candidate for President of the United States nevertheless appears to be a violation of 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) and you should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Gary L. Johansen at (202) 523-4143.

Sincerely,

92040324256



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Martha L. Hickey, Chairman
Santa Barbara County Republican
Central Committee
4141 State Street, F3
Santa Barbara, California 93110

RE: MUR 1339

Dear Ms. Hickey:

The Federal Election Commission has reviewed the allegations of your complaint dated November 4, 1980, and determined that on the basis of the information provided in your complaint and information provided by the United Democratic Fund (the "Respondent") there is: 1) no reason to believe that a violation of 2 U.S.C. § 441d has been committed; and, 2) reason to believe that a violation of 2 U.S.C. § 441a and 11 C.F.R. § 110.7(a) and (b) has been committed. However, after considering the circumstances of this matter, the Commission has determined to take no further action with regard to the violation and close the file as it pertains to the Respondent.

The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's action in this matter. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe established a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

32040324257

100386

GCC#4611

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

TELECOPIER NO. (213) 552-4985

JERRY M. HILL
ANTHONY H. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CYRUS J. GARDNER
CHRISTINA L. MACHON

OUR FILE NO. _____

April 30, 1981

Mr. Gary Johansen
Federal Election Commission
Washington, D.C. 20463

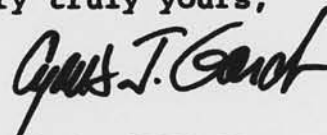
Re: MUR 1339

Dear Mr. Johansen:

Thank you for your call this morning regarding the referenced matter. Per our conversation, we will await the results of further Commission staff review of this and related matters before proceeding any further.

Once again, thank you for your courtesy and cooperation in this matter.

Very truly yours,



CYRUS J. GARDNER

CJG/dap

cc: Karl F. Borgstrom

31 MAY 4 P 2:56

GENERAL COUNCIL

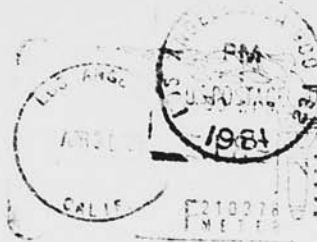
82040324258

LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

2020 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067



Mr. Gary Johansen
Federal Elections Commission
Washington, D.C. 20463

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100196

RECEIVED

ECC 4507

81 APR 16 11:05

LAW OFFICES
BARASH & HILLONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177
TELECOPIER NO. (213) 552-4968

CABLE ADDRESS: BARHILL

OUR FILE NO. _____

JERRY M. HILL
ANTHONY H. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
GARY L. BOSTWICK
CYRUS J. GARDNER
CHRISTINA L. MACHON

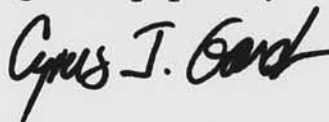
April 13, 1981

Mr. Gary Johansen
Federal Election Commission
Washington, D.C. 20463Re: MUR 1339

Dear Mr. Johansen:

The DNC counsel has responded to our inquiries regarding the referenced matter, and I believe that we will shortly proceed to a resolution along the lines you suggested; I hope that same will terminate these proceedings. Once again, thank you for your cooperation and courtesy in this matter.

Very truly yours,



CYRUS J. GARDNER

CJG/dap
cc: Karl F. Borgstrom

21:2d 91 APR 16

RECEIVED
GENERAL INVESTIGATIVE
DIVISION
APR 16 1981

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LAW OFFICES

BARASH & HILL

ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050

LOS ANGELES, CALIFORNIA 90067



Mr. Gary Johansen
Federal Election Commission
Washington, D.C. 20463

100099

RECEIVED

COC #

4416

81 APR 6 10:44

LAW OFFICES
BARASH & HILLONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

TELECOPIER NO. (213) 552-4988

OUR FILE NO. 99906JERRY M. HILL
ANTHONY M. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CYRUS J. GARDNER
CHRISTINA L. MACHON

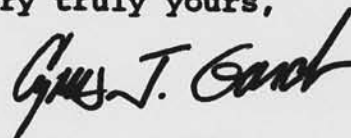
April 1, 1981

Mr. Gary Johansen
Federal Election Commission
Washington, D.C. 20463Re: MUR 1339

Dear Mr. Johansen:

Thank you very much for your telephone inquiry this morning regarding the captioned matter, and for your suggestions for resolving this problem. I will contact Mr. Harrington at the DNC today and seek to dispose of this matter along the lines you suggested.

Very truly yours,



CYRUS J. GARDNER

CJG/dap

cc: Mr. Karl F. Borgstrom
United Democratic Fund

820403224262

LAW OFFICES

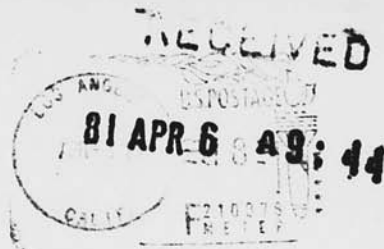
3 BARASH & HILL

ONE CENTURY PLAZA

6 2029 CENTURY PARK EAST, SUITE 2050

LOS ANGELES, CALIFORNIA 90067

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Mr. Gary Johansen
Federal Election Commission
Washington, D.C. 20463

RECEIVED
911454
80 DEC 4 P1:22

600
3475

LAW OFFICES
BARASH & HILL

ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

JERRY M. HILL
ANTHONY M. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CYRUS J. GARDNER
CHRISTINA L. MACHON

OUR FILE NO. 99906

December 1, 1980

Federal Election Commission
Washington, D.C. 20463

Attention: Mr. Rucker

Re: MUR 1339

Dear Sirs:

This office is counsel to Respondent United Democratic Fund ("Respondent") with respect to the captioned matter currently pending before the Federal Election Commission (the "Commission"). (Please refer to the letter of authorization executed by Respondent's Chairman, Mr. Karl F. Borgstrom, a copy of which letter is attached hereto marked Exhibit "A.") Respondent is affiliated with the Santa Barbara County Central Committee of California's Democratic Party.

As alleged in the within Complaint (a copy of which, without enclosures, is attached hereto marked Exhibit "B"), Respondent placed an advertisement in the November 3, 1980 Santa Barbara News-Press. (A copy of said advertisement is attached hereto marked Exhibit "C.") The total cost of this advertisement was \$89.10. As is apparent from the face of Exhibit "C," the pro rata share of benefits of said advertisement allocable to the Democratic nominees for President and Vice-President is no more than one-half of the above amount, or \$44.55.

We are advised by the Democratic National Committee (the "DNC") that it is in the process of executing an "agency agreement" with Respondent to authorize expenditures up to \$100.00 by Respondent on behalf of the DNC, to be so reported by the DNC in its next report to the Commission. (A copy of correspondence confirming said advice is attached hereto marked Exhibit "D.")

30 DEC 4 P3:11

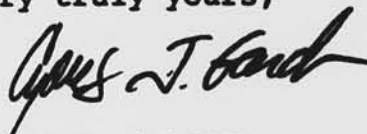
RECEIVED
GENERAL COUNSEL

32040324264

Federal Election Commission
December 1, 1980
Page Two

In view of the facts stated herein, and without prejudice to Respondent's right to place further factual and legal matter before the Commission at a later date, Respondent respectfully requests that the Commission enter its finding that there is no reason to believe that Respondent has violated a statute or regulation over which the Commission has jurisdiction, and that the Commission terminate proceedings herein.

Very truly yours,



CYRUS J. GARDNER

CJG/dap
encls.

cc: Mr. Karl F. Borgstrom
Democratic National Committee

32040324263

820403224266

RECEIVED
DEC 1 1980
BARASH & HILL

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Attention: Mr. Randal Rucker

Re: MUR 1339

Dear Mr. Rucker:

This is intended to serve as notification to the Federal Election Commission that the law firm of Barash & Hill is authorized to present the defense of Respondent United Democratic Fund in the above-referenced matter.

Dated: *December 25, 1980*

UNITED DEMOCRATIC FUND

By *Karl Borgström*
Karl Borgström,
Chairman

32040324267

820403224268



SANTA BARBARA COUNTY REPUBLICAN CENTRAL COMMITTEE
4141 State Street, F3, Santa Barbara, California 93110
(805) 964-3493

November 4, 1980

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

As Chairman of the Santa Barbara County (California) Republican Central Committee, I wish to bring to your attention and formally complain about the enclosed "slate" advertisement which appeared in local newspaper(s) Monday, November 3, 1980.

As you can see from the enclosed copy of the advertisement as it appeared in the Santa Barbara News-Press the Democratic Party organization in Santa Barbara County placed this advertisement as the United Democratic Fund, 1522-A State St., Santa Barbara, Ca. 93101, Mr. Karl Bergstrom, Chairman.

This advertisement violates the Federal Elections Campaign Act, Title 11 CFR, Part 100.7 Contribution, Section (b) 9. (See copy attached).

It is our understanding that Presidential and Vice-Presidential candidates who have accepted public financing of their campaign are precluded by this law from being listed in a newspaper slate advertisement purchased by a state or local committee of a political party.

Your review of this matter and appropriate disciplinary action is requested.

Very truly yours,

Martha L. Hickey
Martha L. Hickey
Chairman
SEORCC

Enclosures: 2 letters (copies)
3 ads

NOV 10 P2:05

82040324269

82040324270

VOTE DEMOCRATIC

on Tuesday, November 4

Polls Open 7 a.m. - 8 p.m.

For information or transportation call:

DEMOCRATIC HEADQUARTERS

963-1604

RE-ELECT

JIMMY CARTER PRESIDENT

WALTER MONDALE . . . VICE PRESIDENT

ALAN CRANSTON U.S. SENATOR

GARY K. HART ASSEMBLYMAN

Paid for by United Democratic Fund, 1522-A State St., Santa Barbara, Karl Bergstrom, Chairman.

32040324271

82040324272

JERRY M. HILL
ANTHONY M. BARASH
A. CATHERINE STEEL
HOWARD A. PARELSKIN
CYRUS J. GARDNER
CHRISTINA L. MACHON

LAW OFFICES
BARASH & HILL
ONE CENTURY PLAZA
2029 CENTURY PARK EAST, SUITE 2050
LOS ANGELES, CALIFORNIA 90067
(213) 553-1177

OUR FILE NO. 99906

December 1, 1980

Ms. Pat Whittaker
Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Re: Federal Election Commission MUR 1339

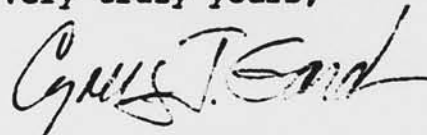
Dear Ms. Whittaker:

As you are aware, this office is counsel to Respondent United Democratic Fund with respect to the captioned matter.

This will confirm our conversation of this date wherein you advised that the Democratic National Committee (the "DNC") is in the process of executing an agency agreement with United Democratic Fund authorizing expenditures up to \$100.00 on behalf of the DNC, and that said expenditures are to be so reported by the DNC in its next report to the Federal Election Commission.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,


CYRUS J. GARDNER

CJG/dap
cc: Mr. Karl F. Borgstrom

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FROM " "

BARASH & HILL

ONE CENTURY PLAZA

2029 CENTURY PARK EAST, SUITE 2050 LOS ANGELES, CALIFORNIA 90067

TO " "

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Attention: Mr. Rucker

DEC-1963 3542

RECEIVED

MEMORANDUM

TO: ELISSA

FROM: RANDAL R. *RR.*

SUBJECT: RESPONDENT NAME AND ADDRESS IN MUR # 1339

DATE: 11/13/80

The name and address of the respondent in MUR # 1339 follow:

United Democratic Fund
1522-A State St.
Santa Barbara, CA 93101
Mr. Karl Borgstrom, Chairman

If you need any more information regarding this MUR, please let me know.

3 2 0 4 0 3 2 4 2 7 5



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Karl Borgstrom
Chairman
United Democratic Fund
1522-A State Street
Santa Barbara, California 93101

Re: MUR 1339

Dear Mr. Borgstrom:

This letter is to notify you that on November 10, 1980, the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1339. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against your Committee in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

82040324276

Letter to: Karl Borgstrom
Page Two

If you have any questions, please contact Randal Rucker, the staff member assigned to this matter at (202) 523-4166. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
Charles N. Steele
General Counsel

Enclosure

1. Complaint
2. Procedures



82040324277



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 13, 1980

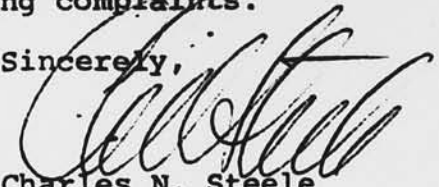
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Martha L. Hickey, Chairman
Santa Barbara County Republican
Central Committee
4141 State Street
F3
Santa Barbara, California 93110

Dear Ms. Hickey:

This letter is to acknowledge receipt of your complaint of November 4, 1980, against the United Democratic Fund which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondent will be notified of this complaint within 5 days and a recommendation to the Federal Election Commission as to how this matter should be initially handled will be made 15 days after the respondent's notification. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,


Charles N. Steele
General Counsel

Enclosure

32040324278

820403224279

1380

FEDERAL
MAIL



1339 Rucker

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" section.

1. The following service is requested (check one.)
☐ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.....
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery.....
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
 Martha J. Hickey

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 947283
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
 Olga H Pavlov

4. DATE OF DELIVERY
 11-7-80

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

U.S. MAIL
 17
 17
 17

60003281



SANTA BARBARA COUNTY REPUBLICAN CENTRAL COMMITTEE
4141 State Street. F3, Santa Barbara, California 93110 (805) 964-3493

November 4, 1980

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

As Chairman of the Santa Barbara County (California) Republican Central Committee, I wish to bring to your attention and formally complain about the enclosed "slate" advertisement which appeared in local newspaper(s) Monday, November 3, 1980.

As you can see from the enclosed copy of the advertisement as it appeared in the Santa Barbara News-Press the Democratic Party organization in Santa Barbara County placed this advertisement as the United Democratic Fund, 1522-A State St., Santa Barbara, Ca. 93101, Mr. Karl Borgstrom, Chairman.

This advertisement violates the Federal Elections Campaign Act, Title 11 CFR, Part 100.7 Contribution, Section (b) 9. (See copy attached).

It is our understanding that Presidential and Vice-Presidential candidates who have accepted public financing of their campaign are precluded by this law from being listed in a newspaper slate advertisement purchased by a state or local committee of a political party.

Your review of this matter and appropriate disciplinary action is requested.

Very truly yours,

Martha L. Hickey
Martha L. Hickey
Chairman
SBCRCC

Enclosures: 2 letters (copies)
3 ads

82040324280

30 NOV 10 P 2:05

GEN. ...

newspaper, magazine, or other periodical publication is not a contribution unless the facility is owned or controlled by any political party, political committee, or candidate, in which case the cost for a news story (i) which represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (ii) which is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, is not a contribution.

(3) The value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee is not a contribution.

(4) No contribution results were an individual, in the course of volunteering personal services on his or her residential premises to any candidate or to any political committee of a political party, provides the use of his or her real or personal property to such candidate for candidate-related activity or to such political committee of a political party for party-related activity. For the purposes of 11 CFR 100.7(b)(4), and individual's residential premises, shall include a recreation room in a residential complex where the individual volunteering services resides, provided that the room is available for use without regard to political affiliation. A nominal fee paid by such individual for the use of such room is not a contribution.

(5) No contribution results where an individual, in the course of volunteering personal services to any candidate or political committee of a political party, obtains the use of a church or community room and provides such room to any candidate for candidate-related activity or to any political committee of a political party for party-related activity, provided that the room is used on a regular basis by members of the community for noncommercial purposes and the room is available for use by members of the community without regard to political affiliation. A nominal fee paid by such individual for the use of such room is not a contribution.

Title 11—Federal Elections

(6) The cost of invitations, food and beverages is not a contribution where such items are voluntarily provided by an individual volunteering personal services on the individual's residential premises or in a church or community room as specified at 11 CFR 100.7(b)(4) and (5) to a candidate for candidate-related activity or to any political committee of a political party for party-related activity, to the extent that: the aggregate value of such invitations, food and beverages provided by the individual on behalf of the candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in any calendar year.

(7) The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign, or for use by a political committee of a political party, at a charge less than the normal or comparable commercial rate, is not a contribution, provided that the charge is at least equal to the cost of such food or beverage to the vendor, to the extent that: the aggregate value of such discount given by the vendor on behalf of any single candidate does not exceed \$1,000 with respect to any single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year.

(8) Any unreimbursed payment for transportation expenses incurred by any individual on behalf of any candidate of any political committee of a political party is not a contribution to the extent that: the aggregate value of the payments made by such individual on behalf of a candidate does not exceed \$1,000 with respect to a single election; and on behalf of all political committees of each political party does not exceed \$2,000 in a calendar year. Additionally, any unreimbursed payment from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity is not a contribution.

(9) The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a

Chapter I—Federal Election Commission

printed slate card, sample ballot, palm card, or other printed listing(s) of three or more candidates for any public office for which an election is held in the State in which the committee is organized is not a contribution. The payment of the portion of such costs allocable to Federal candidates must be made from funds subject to the limitations and prohibitions of the Act. If made by a political committee, such payments shall be reported by that committee as disbursements, but need not be allocated in committee reports to specific candidates. This exemption shall not apply to costs incurred by such a committee with respect to the preparation and display of listings made on broadcasting stations, or in newspapers, magazines, and similar types of general public political advertising such as billboards.

(10) Any payment made or obligation incurred by a corporation or a labor organization is not a contribution if under the provisions of 11 CFR Part 114 such payment or obligation would not constitute an expenditure by the corporation or labor organization.

(11) A loan of money by a State bank, a federally chartered depository institution (including a national bank) or a depository institution whose deposits and accounts are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration is not a contribution by the lending institution if such loan is made in accordance with applicable banking laws and regulations and is made in the ordinary course of business. A loan will be deemed to be made in the ordinary course of business if it: bears the usual and customary interest rate of the lending institution for the category of loan involved; is made on a basis which assures repayment; is evidenced by a written instrument; and is subject to a due date or amortization schedule. Such loans shall be reported by the political committee in accordance with 11 CFR 104.3(a). Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written

agreement. Any reduction in the unpaid balance of the loan shall reduce proportionately the amount endorsed or guaranteed by each endorser or guarantor in such written agreement. In the event that such agreement does not stipulate the portion of the loan for which each endorser or guarantor is liable, the loan shall be considered a contribution by each endorser or guarantor in the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. For purposes of 11 CFR 100.7(b)(11), an overdraft made on a checking or savings account shall be considered a contribution by the bank or institution unless: the overdraft is made on an account which is subject to automatic overdraft protection; the overdraft is subject to a definite interest rate which is usual and customary; and there is a definite repayment schedule.

(12) A gift, subscription, loan, advance, or deposit of money or anything of value made to a national committee or a State committee of a political party is not a contribution if it is specifically designated to defray any cost incurred for construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office. If such gift, subscription, loan, advance, or deposit of money or anything of value is made to a committee which is not a political committee under 11 CFR 100.5, the amount need not be reported. However, if such gift, subscription, loan, advance, or deposit of money or anything of value is made to a political committee, it shall be reported in accordance with 11 CFR 104.3(g).

(13) Legal or accounting services rendered to or on behalf of any political committee of a political party are not contributions if the person paying for such services is the regular employer of the individual rendering the services and such services are not attributable to activities which directly further the election of any designated candidate for Federal office. For purposes of 11 CFR 100.7(b)(13), a partnership shall be deemed to be the regular employer of a partner. Amount:

STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

204032428239
ss.

ON NOVEMBER 4, 1980,
before me, the undersigned, a Notary Public in and for said State, personally appeared
MARTHA L. HICKEY

_____, known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that she executed the same.

WITNESS my hand and official seal.



Delanna May Harrig
Notary Public in and for said State.

VOTE DEMOCRATIC

on Tuesday, November 4

Polls Open 7 a.m. - 8 p.m.

For information or transportation call:
DEMOCRATIC HEADQUARTERS

963-1604

RE-ELECT

JIMMY CARTER PRESIDENT

WALTER MONDALE . . . VICE PRESIDENT

ALAN CRANSTON U.S. SENATOR

GARY K. HART ASSEMBLYMAN

Paid for by United Democratic Fund, 1322-A State St., Santa Barbara; Karl Bergstrom, Chairman.

Nov 3, 1980 (New Press)



SANTA BARBARA COUNTY REPUBLICAN CENTRAL COMMITTEE
4141 State Street. F3, Santa Barbara, California 93110
(805) 964-3493

November 4, 1980

General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

As Chairman of the Santa Barbara County (California) Republican Central Committee, I wish to bring to your attention and formally complain about the enclosed "slate" advertisement which appeared in local newspaper(s) Monday, November 3, 1980.

As you can see from the enclosed copy of the advertisement as it appeared in the Santa Barbara News-Press the Democratic Party organization in Santa Barbara County placed this advertisement as the United Democratic Fund, 1522-A State St., Santa Barbara, Ca. 93101, Mr. Karl Borgstrom, Chairman.

This advertisement violates the Federal Elections Campaign Act, Title 11 CFR, Part 100.7 Contribution, Section (b) 9. (See copy attached).

It is our understanding that Presidential and Vice-Presidential candidates who have accepted public financing of their campaign are precluded by this law from being listed in a newspaper slate advertisement purchased by a state or local committee of a political party.

Your review of this matter and appropriate disciplinary action is requested.

Very truly yours,

Martha L. Hickey

Martha L. Hickey
Chairman
SBCRCC

Enclosures: 2 letters (copies)
3 ads

NOV 10 1980 2:05
GENERAL

32040324284

STATE OF CALIFORNIA

COUNTY OF SANTA BARBARA

} ss.

ON NOVEMBER 4, 19 80,
before me, the undersigned, a Notary Public in and for said State, personally appeared
MARTHA L. HICKEY

_____, known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that she executed the same.

WITNESS my hand and official seal.



Delanna May Harrig
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 231—Rev. 3-64

32040324

VOTE DEMOCRATIC

on Tuesday, November 4

Polls Open 7 a.m. - 8 p.m.

For information or transportation call:
DEMOCRATIC HEADQUARTERS
963-1604

RE-ELECT

JIMMY CARTER PRESIDENT

WALTER MONDALE . . . VICE PRESIDENT

ALAN CRANSTON U.S. SENATOR

GARY K. HART ASSEMBLYMAN

8 2 3 4 0 3 2 4 2 8 7

SAN ZENTRAL COMMITTEE
1980 STREET NO. F3
TA BARBARA, CA. 93110
PM

SAN
NOV 2
PM
1980

SAN
PM
1980



GENERAL COUNSEL
FEDERAL ELECTIONS COMMISSION
1325 K STREET, N.W.
WASHINGTON, D.C. 20463



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1339

Date Filmed 6/2/82 Camera No. --- 2

Cameraman GPC

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