



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

January 13, 2003

VIA FAX (916-442-1280) & FIRST CLASS MAIL

Thomas E. Gauthier, Esquire
Olson, Hagel, Waters & Fishburn, LLP
555 Capitol Mall, Suite 1425
Sacramento, CA 95814-4602

RE: MUR 4788
California Democratic Party
Democratic State Central
Committee of California Federal,
and Katherine Moret, as treasurer
Democratic State Central
Committee of California Non-
Federal and Katherine Moret, as
treasurer

Dear Mr. Gauthier:

You were previously notified that on October 22, 2002, the Federal Election Commission found probable cause to believe that the California Democratic Party and the Democratic State Central Committee of California – Federal and Katherine Moret, as treasurer, violated 2 U.S.C. §§ 441b, 441d(a) and 11 C.F.R. § 102.5(a)(1)(i); the Democratic State Central Committee of California – Federal and Katherine Moret, as treasurer, violated 2 U.S.C. § 434(b); and the Democratic State Central Committee of California – Non-Federal (State) and Katherine Moret, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with the captioned matter. On October 25, 2002, you received notification of the Commission's findings and a conciliation agreement that the Commission had approved in settlement of this matter.

The Commission has reviewed your counter-proposal and, on January 7, 2003, rejected it.

the Commission has authorized the General Counsel to institute a civil action for relief in the United States District Court. Should you wish to discuss the possibility of settling this matter prior to suit or should you have any questions, please contact Stephen Hershkowitz, Assistant General Counsel, at (202) 694-1650, within five days of your receipt of this letter.

Sincerely,



Lawrence H. Norton
General Counsel

cc: Stephen Hershkowitz, OGC Litigation Division

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