

Office the General Counsel
Federal Election Commission
999 E Street, N. W.,
Washington, D. C. 20463

MUR 4853

To Whom this may Concern:

Please accept this letter as a formal complaint against Pat Neal and Pat Neal for Congress Campaign (PNCC) for the 45th Congressional District of California.

FEC campaign law requires that if a loan is made to a candidate or committee it must follow certain guidelines.

- 1) The Committee must File a Schedule C-1 on its next report and attach a copy of the Loan Documents.
- 2) FEC Schedule C-1 must contain a statement signed by an Officer of the bank certifying that the information provided by the committee is accurate and the terms and conditions of the loan comply with the FEC rules.
- 3) The Lender must be a Bank which takes deposits which are insured by the FDIC or NCUA.
- 4) The committee must insure that the Bank has Established a "perfected security interest".
- 5) The loan must be secured by collateral owned by the borrowing interest.
- 6) The loan must be made on a basis that assures repayment.

Documents obtained by complainant reveal that none of the above were followed by Pat Neal or PNCC.

According to Campaign reports Filed October 22, 1998 (PNCC) stated that the candidate borrowed \$35,500.00 from Seaside Mortgage Corporation (SMC). The FEC Disclosure form shows the loan guaranteed by Pat Neal but does not say when said loan was made or when it is due. There is no copy of the loan filed with the report nor is there a statement signed by a Officer of the institution.

Seaside Mortgage Corporation is licensed by the Department of Real Estate (DRE) and not insured by the FDIC or the NCUA.

The 48 Hour Notice filed by PNCC dated October 27, 1998 shows Candidate Neal loaning \$33,500.00 on October 26, 1998.

When the Neal Campaign was questioned about the unusual loans they were told by PNCC representative Steve Jordan that the loans were secured by the candidates home at 6471 Oakcrest in Huntington Beach. Copies obtained by complainant of the alleged loan documents show that the loan was originally made for \$35,500.00 but latter amended to \$100,000.00. Upon examination of these documents it was also discovered that the lender has not "perfected a security interest" by recording said loan against Pat Neal's Property. As of today, 21 days since the loans has been made it has still not been recorded with the County Recorders office.

Upon further examination of the title of the home allegedly owned by Pat Neal it was found that the property had been deeded to a "Living Trust" in 1991, although the trustee is Pat Neal, the deed of trust which would secure the loan against said property was in the name of Pat Neal. With out having the

benefit of seeing a copy of the Trust it is not clear whether Neal can borrow against the trust's assets for political purposes. Yet it is clear that a lender would not be able to secure a loan against a property that is not in the name of the borrower.

Finally the loan must show that it has a payment schedule that assures repayment. The loan shows interest only payments with a balloon payment of the \$100,000.00 in 6 months.

Based on the above the complainant can only assume the following is possible or even probable:

Pat Neal and PNCC are trying to disguise campaign contributions from other parties as a loan and are funneling said contribution through the alleged loan.

Pat Neal and PNCC are concealing the amount of the loan from the public by stating in her reports it was only for \$35,500.00 and without any further report to the Public increases said loan to \$100,000.00

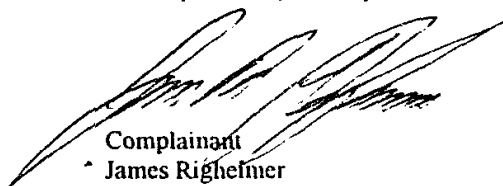
Pat Neal and PNCC used a non FDIC insured lender to carry out her subversion of the campaign finance disclosure laws knowing full well that a FDIC insured lender would not permit a loan of this type.

In Conclusion, Pat Neal is no neophyte when it comes to the lending business. She has been a licensed Real Estate Broker for more than twenty years, she was President of the California Association of Realtors and a member of the Fannie Mae Advisory Council (FNMA), which is the largest home loan lender in the country. She knows the distinction between a FDIC Insured Lender and one Licensed by the DRE. She knows the difference between a "perfected Lien and a non perfected Lien". She knows a loan secured against real estate can only be secured by the entity in title to the property. She also knows that a FDIC insured lender would never give her the type of loan she allegedly received from Seaside Mortgage Corp..

With regards to the Federal Elections Commission Campaign laws, though Ms. Neal is a first time candidate, she has been involved with the Realtor PAC for many years and has worked to raise money for the PAC and helped Federal Candidates get funding from said PAC. In fact Candidate Neal purports to have raised \$50,000.00 for Governor Pete Wilson in 1994. Ms. Neal, her campaign staff and Treasurer are all very well versed FEC Regulation with regards to Campaign Finance.

In Summary, this complaint is charging that Pat Neal and PNCC have intentionally violated campaign finance law and in doing so illegally channeled at least \$35,000.00 and probably much more into her campaign. There is also strong evidence that she may have conspired with Seaside Mortgage Corporation and others to hide the identity of campaign contributors. I do not believe that any of this is an unintentional campaign finance reporting error.

Thank you with your help in this matter.


Complainant
James Righelmer

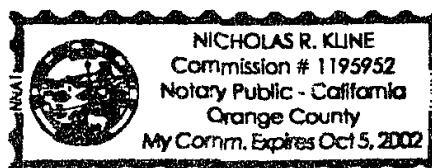
17400 Brookhurst St.
Fountain Valley, CA 92708
714-963-5555

Subscribed and Sworn to

before me this 31 of Oct 1998



NOTARY PUBLIC



3-22-1995 9:03AM

FROM

... must be surrendered to Trustee for cancellation and retention before reconveyance will be made.

NOTE SECURED BY DEED OF TRUST

SEE MODIFICATION ON REINSTATEMENT—INTEREST INCLUDED

\$ 35,500.00 Redondo Beach California, October 9, 19 98

In installments as herein stated, for value received, I/we, jointly and severally, promise to pay to
Seaside Mortgage Corporation, a California Corporation

or order, at place designated the sum of
Thirty Five Thousand Five Hundred and No/100 DOLLARS
 with interest from October 9, 1998 on unpaid
 principal at the rate of 13.5 per cent per annum; principal and interest payable in installments of Three
Hundred Ninety nine and 58/100 DOLLARS
 or more on the same day of each calendar month, beginning on the 9th
 day of November 19 98, and continuing until April 9, 1999
at which time all remaining sums of principal and interest shall be due and
payable.

Each payment shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment when due the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Interest after default shall continue at the rate stated above, unless otherwise provided in writing above this paragraph. Principal and interest payable in lawful money of the United States. If action be instituted on this note I/we promise to pay such sum as the Court may fix as attorney's fees. This note is secured by DEED OF TRUST to North American Title Company, Inc., a California corporation, as Trustee.

Patricia W. Neal
 PATRICIA W. NEAL

3-22-1995 9:02AM

FROM

Order No. _____ Enter No. _____
AND WHEN RECORDED MAIL TO

Name: SeaSide Mortgage Corp.
Street Address: 1506 Crenshaw Blvd., Suite A
City & State: Torrance, Calif.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS
(INDIVIDUAL)
(DUE ON SALE CLAUSE) A.P.N. _____

This Deed of Trust, made this 9th day of October 1998, between

PATRICIA W. NEAL, A WIDOW

6471 Oakcrest Circle, Huntington Beach, Calif. 92648, herein called Trustor,
whose address is

(trustor and grantor)

(city)

(state)

(zip)

North American Title Company, a California corporation, herein called Trustee, and

SeaSide Mortgage Corporation, a California Corporation

, herein called Beneficiary.

Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Orange County, California, described as:

See attached exhibit A for legal description and made a part hereof.

Steve John

*Shirley Wana record
in proven of leg recorded*

Calis this week - know even Paul Ed Intellman

If the trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary, shall have the right, at its option, except as prohibited by law, to declare an indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future successive transactions.

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$ 35,500.00 executed by Trustor in favor of Beneficiary or order. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

3-22-1995 9:03AM

FROM

herby, that provisions (1) to (14), inclusive, of the fictitious deed of trust recorded in Santa Barbara County and Seema County October 18, 1961, and in all other counties October 23, 1961, is the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of the county, viz.:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	433	894	King	732	838	Placer	895	381	Stearns	29	335
Alpine	1	230	Lake	382	39	Plumas	151	5	Sticksyou	488	181
Amador	104	348	Lassen	171	471	Riverside	3085	523	Solano	1186	183
Butte	1165	1	Los Angeles	72066	899	Sacramento	4331	82	Sonoma	1851	889
Calaveras	145	152	Marina	810	170	San Benito	271	383	Stanislaus	1715	436
Colusa	236	617	Marin	1508	339	San Bernardino	5667	61	Sutter	672	287
Contra Costa	3878	47	Mariposa	77	292	San Francisco	4232	905	Tehama	401	288
Del Norte	78	414	Merced	579	530	San Joaquin	2476	371	Trinity	53	398
El Dorado	568	465	Merced	1547	538	San Luis Obispo	1151	12	Tulare	2384	276
Fresno	4628	572	Modoc	164	851	San Mateo	4878	428	Yuba	135	47
Glenn	422	184	Mono	52	429	Santa Barbara	1878	880	Ventura	2082	385
Humboldt	557	327	Monterey	2134	538	Santa Clara	5335	341	Yolo	653	245
Imperial	1091	501	Napa	638	88	Santa Cruz	1431	434	Yuba	334	488
Inyo	147	698	Nevada	805	328	Shasta	684	528			
Kern	3427	80	Orange	5889	877	San Diego					

Strikes 2 Book 1861, Page 18287

(which provisions, identical in all counties, are printed on attached herewith) hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF CALIFORNIA

COUNTY OF Los Angeles

SS.

On October 9, 1998 before me,Judith A. Marisco, personally appearedPatricia W. Neal

Signature of Trustor

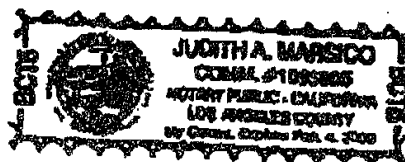
Patricia W. Neal

PATRICIA W. NEAL

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESSED my hand and official seal.

Signature

Judith A. Marisco

(This area for official notarial seal)

FOR RECONVEYANCE SEND TO THE NEAREST OFFICE OF NORTH AMERICAN TITLE COMPANY REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

Dated _____

TO NORTH AMERICAN TITLE COMPANY, Trustee:

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, as payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all encumbrances of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

MAIL RECONVEYANCES TO:

(By) _____

(By) _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.

FROM

Patricia W Neal
PATRICIA W. NEAL

[illegible]

Page Previous Page Goto Page # Next Page Last Page
PORTS INDEX NEW SEARCH NEW ADVANCED SEARCH

SCHEDULE C
 (Revised 3/80)

LOANS

Page of for
 LINE NUMBER
 (Use separate schedules
 for each numbered line)

Name of Committee (in Full) Pat Neal for Congress			
A. Full Name, Mailing Address and ZIP Code of Loan Source Seaside Mortgage Corp. Redondo Beach, CA		Original Amount of Loan 35,500.00	Cumulative Payments To Date -0-
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period 35,500.00	
Terms: Date Incurred _____ Date Due _____ Interest Rate 13.5 % (per)		<input type="checkbox"/> Secured	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code Pat Neal 7755 Center Ave #1100 Huntington Bch, CA 92647		Name of Employer Pat Neal Occupation Real Estate Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Balance Outstanding at Close of This Period	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per)		<input type="checkbox"/> Secured	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
2. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
3. Full Name, Mailing Address and ZIP Code		Name of Employer Occupation Amount Guaranteed Outstanding: \$	
SUBTOTALS This Period (This Page Optional)			35,500.00
TOTAL C This Period (This Page Optional)			

Goto Page #

Next Page

Last Page

Oct-26-98 09:00P Jules Glazer

1

P.03

48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reverse Side for Instructions)

 RECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

Oct 27 8 16 AM '98

To be used to report all contributions (including loans) of \$1000 or more, received within 29 days of the election.

1. NAME OF COMMITTEE OR FULL

Pat Neal for Congress

ADDRESS (number and street)

9531 Via Ricardo

CITY, STATE, AND ZIP CODE

Burbank, CA 91504

2. NAME OF EMPLOYER

Pat Neal

3. LOAN OR LOANS

45 LO/CA

Any information taken from such reports and statements must not be used or given out by any person for the purpose of influencing the outcome of the election. Any person who violates this provision may be subject to criminal and civil penalties.

FEC IDENTIFICATION NUMBER

C00330753

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount
Patricia Neal 9531 Via Ricardo Burbank, CA 91504	Self employed Occupation: Realtor	10/26/98	33,500.00 LOAN
B. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation	Date (month, day, year)	Amount
C. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation	Date (month, day, year)	Amount
D. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation	Date (month, day, year)	Amount
E. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation	Date (month, day, year)	Amount
SIGNATURE (optional)		DATE	For further information contact: Federal Election Commission 999 E Street, NW, Washington, DC 20463 Tel Free 800-426-9530, Local 202-219-3422

FEC FORM 6

(11/93)

91-195844

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Name Patricia W. Neal
 Street C/O Copper Penny Real Estate
 Address 1267A Hoover
 City & State L Garden Grove, Calif. 92641

MAIL TAX STATEMENTS TO

same

Name
 Street
 Address
 City & State L

\$5.00
 C-8

RECORDING REQUESTED BY
 CONTINENTAL LAWYERS TITLE CO.
 RECORDED IN OFFICIAL RECORDS
 OF ORANGE COUNTY, CALIFORNIA

-225 PM APR 25 '91

Lee A. Branch RECORDED

SPACE ABOVE THIS LINE FOR RECORDERS USE

Individual Grant Deed
 THIS FORM FURNISHED BY CALIFORNIA COUNTIES TITLE COMPANY

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ 0 TRANSFER TO A REVOCABLE TRUST FOR THE BENEFIT OF THE GRANTOR

- () computed on full value of property conveyed, or
 () computed on full value less value of liens and encumbrances remaining at time of sale.
 () Unincorporated state: (x) City of Huntington Beach, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

PATRICIA W. NEAL

hereby GRANT(S) to

THE JACK S. AND PATRICIA W. NEAL 1978 LIVING REVOCABLE TRUST, PATRICIA W. NEAL, TRUSTEE

the following described real property in the City of Huntington Beach
 County of Orange, State of California:

Lot 129 of Tract 13621 as per map recorded in Book 636
 Pages 21-29 incl. of Miscellaneous Maps in the office of the County
 Recorder of said Orange County.

AKA: 6471 Oakcrest Drive, Huntington Beach, Calif. 92648

"This document filed for record by Continental
 Lawyers Title Company as an accommodation
 only. It has not been examined as to its ex-
 ecution or as to its effect upon the title."

Dated: April 22, 1991

STATE OF CALIFORNIA
 COUNTY OF Orange

On April 22, 1991 before
 me, the undersigned, a Notary Public in and for said State,
 personally appeared Patricia W. Neal

personally known to me or proved to me on the basis of sat-
 isfactory evidence to be the person whose name is
 subscribed to the within instrument and acknowledged that
 she executed the same.

WITNES my hand and official seal.

Signature Martha A. Morrow
 Martha A. Morrow



Patricia W. Neal

(This area for official notary seal)

Title Order No. Escrow or Loan No.

MAIL TAX STATEMENT AS DIRECTED ABOVE

CCT-287