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ArentFox Schiff

Confidential

November 18, 2022

Federal Election Commission Office of Complaints Examination and Legal Administration 1050 First Street NE Washington, DC 20463 Attention: Christal Dennis

Re: <u>MUR 8073, Response by Stop Socialism in OC to Complaint filed on September 28,</u> 2022 (the "**Complaint**") before the Federal Election Commission ("FEC")

Dear Ms. Dennis:

As you know, this firm represents Stop Socialism in OC, an independent-expenditure only political committee (our "**Client**"), in connection with the above-captioned matter. The purpose of this letter is to demonstrate that the allegations against our Client in the Complaint are false and that no action should be taken by the FEC against our Client or its treasurer, David Satterfield.

As stated in the Complaint, the Federal Election Campaign Act of 1971 ("FECA") "prohibits any person from knowingly soliciting . . . a contribution from a federal contractor."¹ On January 27, 2022, our Client reported receiving a \$100,000 contribution from Vista Pacifica Enterprises Inc. ("Vista Pacifica") (such contribution, the "Subject Contribution").² If the allegations in the Complaint against Vista Pacifica are true, our Client was unaware that Vista Pacifica had any contract with the federal government at the time it received the Subject Contribution. Moreover, our Client implements controls consistent with the FECA and the FEC's rules and guidance thereunder to prevent it from inadvertently soliciting prohibited contributions, including those from federal government contractors. In addition, our Client did not have any knowledge that Vista Pacifica was a contractor with the federal government around the time of the Subject Contribution.

Our Client has also operated its committee within the "safe harbors" of FEC solicitation guidance. For example, our Client's website has the following language stating that the contributor may "not [be] a government contractor" and that any "contribution is not made

¹ See Compl. ¶12.

² Stop Socialism in OC, Apr. 2022 Quarterly Report at 6 (Apr. 10, 2022).



Federal Election Commission November 18, 2022 Page 2

from the treasury funds of an entity that is a federal contractor."³ Our Client's website further states that "[c]ontributions from . . . federal government contractors are *prohibited*."⁴ The FEC has recognized that such disclaimers and statements are sufficient safeguards for ensuring impermissible contributions are not solicited.⁵ Finally, as stated by our Client's Executive Director, David Ellis, under oath in the Affidavit enclosed herewith, our Client did not have knowledge of any contract between Vista Pacifica and the federal government at the time it received the Subject Contribution, if any such contract did in fact exist.

Because our Client's website contains disclaimers and statements in accordance with longestablished protective guidance by the FEC and because our Client did not have any actual knowledge that Vista Pacifica had federal contractor status at the time it received the Subject Contribution, our Client did not violate the FECA or the FEC's rules thereunder.

Accordingly, we respectfully request the FEC find no reason to believe Stop Socialism in O.C. and David Satterfield, as treasurer, violated 52 U.S.C. § 30109(a)(2).

Best regards,

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Craig Engle

Enclosures: Affidavit of David Ellis

³ Stop Socialism in OC, Donate, available at: <u>https://secure.anedot.com/843e00a9-ce3c-4b07-8dd9-97752c31035d/donate</u> (last visited Oct. 26, 2022) (emphasis added).

⁴ *Id*. (emphasis added).

⁵ See FEC Advisory Opinion 2011-13, FEC Advisory Opinion 1995-35 & FEC Advisory Opinion 1995-9.

Execution Version

AFFIDAVIT OF DAVID ELLIS

The undersigned hereby declares under oath the following to be true to the best of his knowledge or recollection as of the date hereof:

- 1. My name is David Ellis, I am over the age of eighteen years and am a citizen of the United States of America.
- 2. I am the Executive Director of Stop Socialism in OC, an independent-expenditure only political committee ("Stop Socialism").
- 3. I have read and am familiar with the letter dated November 18, 2022, prepared by ArentFox Schiff LLP and addressed to the Federal Election Commission ("FEC") on behalf of Stop Socialism ("AFS Letter").
- 4. I have personal knowledge of the events described in the AFS Letter and believe that the facts and circumstances as described in the AFS Letter are accurate and complete.
- 5. I am familiar with the Federal Election Campaign Act of 1971 ("**FECA**") and the FEC's rules promulgated thereunder, and I know that knowingly soliciting contributions from federal government contractors or from federal contract funds is unlawful.
- 6. Stop Socialism received a contribution from Vista Pacifica Enterprises Inc. ("Vista Pacifica") on January 27, 2022 ("Subject Contribution").
- 7. On and prior to January 27, 2022, I had not received any notice, oral or written, that Vista Pacifica was or would become a party to a contract with the federal government at the time of the Subject Contribution, nor had I received any notice, oral or written, that the Subject Contribution would consist of any funds received from any contract with the federal government.
- 8. Had I known that Vista Pacifica was a counterparty to a contract with the federal government or that the Subject Contribution would consist of any funds received from any contract with the federal government, I would not have solicited the Subject Contribution.

This Affidavit is made for the purpose of supporting facts and arguments in the AFS Letter and I swear that the above is truthful to the best of my ability and recollection pursuant to Title 18, United States Code, Section 1001 and Title 22, United States Code, Section 618(a)(2).

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> Affidavit of David Ellis Page 1 of 1

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IN WITNESS WHEREOF, the undersigned has executed this Affidavit as of this day of November 2022.

David Ellis

ACKNOWLEDGMENT

Sworn to before me and subscribed in my presence this 17^{4} day of November 2022.

WITNESS my hand and official seal.

<u>Alona moral</u> Notary Public (Seal)



Affidavit of David Ellis Signature Page