

## Sasha Linker

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**From:** KC Jenkins <kcjenkins@bmhlaw.com>  
**Sent:** Monday, June 10, 2024 5:00 PM  
**To:** CommAsst  
**Cc:** Chloe Hackert; Dave Bainbridge  
**Subject:** Comments re June 13, 2024 Agenda Item 4

### EXTERNAL EMAIL

Hello:

The Regulatory Committee of the California Political Attorneys Association (CPAA) submits the following comments on Item 4 on the June 13, 2024 Commission agenda. These are in addition to comments, suggestions, and edits previously submitted to Ms. Hackert on the first drafts of the updated manuals. Thank you for your consideration.

Manual 3 (Ballot Measure Committees): no additional comments.

Manual 4 (General Purpose Committees): no additional comments.

Manual 5 (Major Donors):

- Page 1.3, the reference to non-donor funds says: *“Examples of non-donor income include interest payments and sales revenue.”* We suggest expanding this sentence to include not only what the statute says (84222(c)(5)(B) - investment income, including capital gains, or income earned from providing goods, services, or facilities, whether related or unrelated to the multipurpose organization’s program, sale of assets, or other receipts that are not donations) - but to also include conference fees (as explicitly categorized by the *Mintzer* Advice Letter, I-15-242).
- Page 2.2: Under Cryptocurrency, it says, “Major donors may make cryptocurrency contributions, which are considered **non**monetary contributions....” – change to “monetary.”
- Page 4.17: regarding the sentence, *“A limited liability company (LLC) that qualifies as a major donor must include in the “Name of Filer” field the name of the LLC and the full legal name of its responsible officer...”* Regulation 18402.2 says an LLC that qualifies as a committee under 82013(b) or (c) must identify a responsible officer on each statement and report filed, but doesn’t specify that it be in the “Name of Filer” field. Maybe this can be reworded to say the “Name of Filer” field is a suggestion? Or strike the words *“in the “Name of Filer” field”*?
  - o This comment also applies to Manual 6, page 3.11.
- Page 4.23, regarding the sentence, *“In the ‘Description of Payment’ column, include ‘cryptocurrency contribution’ in the description.”* Is this required? If not, suggest not including it in the manual. I remember the Commission discussing a potential required reporting description, but don’t see that it’s in the final version of Regulation 18421.2. I see the language has been stricken in Manual 4, page 4.24.
- Page 4.35, on the sample Form 409: the “Date Qualification Threshold Met” field must also be completed. The Secretary of State will reject the Form 409 if this field isn’t completed.
  - o This comment also applies to Manual 6, page 3.37.
- Page 4.36, suggest rewording the very first sentence on that page as follows (new language in bold): *“The “principal officer” of **an LLC that qualifies as a committee under Section 82013(a)** is the individual....”*
  - o This comment also applies to Manual 6, page 3.38.

- Page 4.37, the following language at the beginning of “(4) Verification” should be removed. It states: *“If the filer is an individual, the verification statement must be signed by the individual. If the filer is an entity or other organization...”* Individuals do not file a Form 409, only LLCs do. That paragraph should begin with, “A responsible officer of the entity or organization, or an attorney...”
  - o This comment also applies to Manual 6, page 3.39.
- Page 4.38, Question B under “Answering Your Questions.” Suggest the last sentence of the answer to Question B read (new language in bold): “If additional capital contributions of \$10,000 or more are received **in any calendar year the LLC qualifies as a committee or sponsor**, a Form 409 amendment would be required to be filed.
  - o This comment also applies to Manual 6, page 3.40.

Manual 6 (IE Committees):

- Page 2.15, the sections on Updating a Disclosure, Advertisements in Languages Other than English, Advertisement Disclosure Exceptions – these were not also in Manual 5. In addition, the rule on ads in languages other than English is now out of date – the committee name stays in English, pursuant to Regulation 18450.6.
- Page 3.11, regarding the sentence, *“Enter the email address of an entity or organization filing the statement”* – 461 doesn’t currently require an email address.

Manual 7 (Slate Mailers): no additional comments

***KC Jenkins***  
***Attorney***  
 BELL, MCANDREWS  
 & HILTACHK, LLP

455 Capitol Mall, Suite 600  
 Sacramento, CA 95814  
 P: (916) 442-7757  
 F: (916) 442-7759  
 E: [kcjenkins@bmhlaw.com](mailto:kcjenkins@bmhlaw.com)  
 Follow us on [Twitter](#)

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