

In response to FEC letter dated November 3:

Item 1:

The California Republican Party's(CRP) accounting department has confirmed with us that the transactions in question were allocable expenses they paid to us. Since its FEC audit the CRP has paid allocable expenses with two checks, one federal and one non federal, per FEC instruction. The bounty payments from the CRP were also deemed "consideration" for services rendered and not "contributions" by the FEC informally. The CRP bouny payments received by our committee were paid and received in this fashion. Therefore they have been reported and Miscellaneous Receipts on Schedule L and based on past correspondence between the FEC and the CRP, no corrective action is required.

Item 2:

Voter registration is listed as the purpose on the original September Monthly Filing for all 4 entries for line 4a.

Item 3:

Payments for payroll and fringe benefits is for administrative employee who spend less than 25 percent of their time on FEA. The committee use employees and volunteers. The committee tracks employee time spent on federal election activity and federal campaigns on a monthly basis per FEC regulations. We have no wages for Schedule B.

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