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The purpose of this report is to describe the reporting of unauthorized disbursements reported on our Form 3X for Year end 2011.

On page 20, Schedule B, item A, we reported a disbursement of \$3,020.79 as going to Durkee & Associates. This was an embezzlement of our funds by Durkee & Associates who by their having control and signature authority over our bank account, used the stated amount of our funds for their benefit. Kinde Durkee was arrested and found guilty of embezzling the funds of numerous candidates and committees who used her services to file FEC and other reports.

On page 20, Schedule B, item B, we reported a disbursement of \$496.74 as going to Superior Court of California. This amount of money was determined to be the balance in our federal account at the time the FBI seized all of the Durkee & Associates bank accounts. These funds are impounded by the court and may or may not ever be available to our committee. Should these funds be returned to our committee, they would be reported as a receipt as of the date received.

There are numerous news articles about the case with links to some of them here:  
<http://articles.latimes.com/2011/sep/05/local/la-me-campaign-arrest-20110905>  
[http://www.huffingtonpost.com/2012/03/30/kinde-durkee-pleads-guilty\\_n\\_1392139.html?ref=politics](http://www.huffingtonpost.com/2012/03/30/kinde-durkee-pleads-guilty_n_1392139.html?ref=politics)  
<http://www.politico.com/news/stories/0512/76070.html>

The latest news that the committee has is from:

U. S. Department of Justice  
United States Attorney's Office  
Eastern District of California  
501 I. Street, Suite 10-100  
Sacramento, California 95814-2322

Re: United States vs. Kinde Durkee  
Case Number 2011R00203 and Court Docket Number: 12-CR-00123

We filed a Victim Impact Statement stating our losses and requesting notification of any disposition of the case and the funds.

As of this date, Ms Durkee has pleaded and been found guilty.  
Sentencing was scheduled for June 20, 2012, however we have received no information regarding a sentence.