



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 15, 2013

THOMAS W. HILTACHK, TREASURER
SPIRIT OF DEMOCRACY AMERICA
455 CAPITOL MALL, SUITE 600
SACRAMENTO, CA 95814

Response Due Date
03/22/2013

IDENTIFICATION NUMBER: C00521211

REFERENCE: JULY QUARTERLY REPORT (05/14/2012 - 06/30/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 5 item(s):

1. Schedule A supporting Line 11(a)(i) of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §§110.1(d) and 110.2(d) prohibit a committee and its affiliates from receiving any contribution from another political committee or person in excess of \$5,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund

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must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

2. Itemized disbursements must include a brief statement or description of why each disbursement was made. Please amend Schedule B supporting Line 21(b) of your report to clarify the following description(s): "Consulting Services." For further guidance regarding acceptable purposes of disbursement, please refer to 11 CFR 104.3(b)(3)(i).

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf.

3. Schedule E of your report indicates that your committee may have failed to file one or more of the required 24 hour report(s) regarding "last minute" independent expenditures (see attached). A political committee must file a 24 hour report with the Federal Election Commission as specified in 11 CFR §104.4(c), within 24 hours of any independent expenditures of \$1,000 or more with respect to a given election, made between two and twenty days before an election. The report must be received by the Commission by 11:59 p.m. on the day following the date on which independent expenditures that aggregate \$1,000 or more are publicly distributed or disseminated. These expenditures must then be fully itemized on Schedule E, or as memo entries on Schedule E and reflected on Schedule D if distributed or disseminated prior to payment, of the next report required to be filed by the committee. Although the

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Commission may take further action concerning this matter, your prompt response will be taken into consideration. (11 CFR §104.3(b))

4. Schedule E for Line 24 of your report discloses MEMO entries for apparent independent expenditures made on behalf of "Paul Cook" during this reporting period. However, a Schedule D supporting Line 10 has not been provided. Please be advised that if a communication is aired in one reporting period and the payment is made in a later reporting period, the independent expenditure should be reported as a memo entry on Schedule E when the communication is publicly disseminated or distributed, and on a Schedule D if it is a reportable debt under 11 CFR §104.11. Subsequently, when the payment for the independent expenditure is made, the report should show a payment on Schedule E and the same payment on Schedule D, if applicable. Please amend your report to clarify this apparent discrepancy. (11 CFR §104.4)

5. The independent expenditure schedule (Schedule E) should disclose the following information: the name and mailing address of the payee, the purpose of the expenditure, the date of payment, the amount of payment, the name and office sought, state and district (if applicable) of the federal candidate, the calendar year-to-date, per election, for office sought total, the election designation, an indication of whether the candidate was supported or opposed and the signature of the treasurer. Please amend Schedule E by providing the office sought, state and district (if applicable) of the federal candidate, and the calendar year-to-date, per election, for office sought total. (11 CFR §104.3(b)(3)(vii))

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1173.

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Sincerely,

A handwritten signature in black ink that reads "Ashley Carter". The signature is written in a cursive, flowing style with a long horizontal stroke extending from the end of the name.

Ashley Carter
Senior Campaign Finance Analyst
Reports Analysis Division

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**Excessive, Prohibited, and Impermissible Contributions
Spirit of Democracy America (C00521211)**

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Report
Charles Munger, Jr.	5/17/12	\$117,000.00	2012 July Quarterly
Charles Munger, Jr.	6/28/12	\$14,000.00	2012 July Quarterly
San Manuel Band of Mission Indians	5/30/12	\$50,000.00	2012 July Quarterly

Missing 24 Hour Report (Schedule E)
Spirit of Democracy America (C00521211)

Name of Payee	Date	Amount	Candidate	Election
Aaron, Thomas & Associates, Inc.	5/21/12	\$7,111.93	Paul Cook	P2012 - CA
Political Data, Inc.	5/21/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/21/12	\$7,360.00	Paul Cook	P2012 - CA
Aaron, Thomas & Associates, Inc.	5/22/12	\$6,306.03	Paul Cook	P2012 - CA
Political Data, Inc.	5/22/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/22/12	\$6,400.00	Paul Cook	P2012 - CA
Aaron, Thomas & Associates, Inc.	5/23/12	\$9,593.17	Paul Cook	P2012 - CA
Political Data, Inc.	5/23/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/23/12	\$7,360.00	Paul Cook	P2012 - CA
Aaron, Thomas & Associates, Inc.	5/25/12	\$9,323.75	Paul Cook	P2012 - CA
Political Data, Inc.	5/25/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/25/12	\$6,400.00	Paul Cook	P2012 - CA
Aaron, Thomas & Associates, Inc.	5/29/12	\$7,111.93	Paul Cook	P2012 - CA
Political Data, Inc.	5/29/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/29/12	\$7,360.00	Paul Cook	P2012 - CA
Aaron, Thomas & Associates, Inc.	5/30/12	\$11,484.98	Paul Cook	P2012 - CA
Political Data, Inc.	5/30/12	\$763.55	Paul Cook	P2012 - CA
United States Post Office	5/30/12	\$7,360.00	Paul Cook	P2012 - CA
Cabletime	5/30/12	\$3,577.65	Paul Cook	P2012 - CA
Colsky Media	5/30/12	\$2,050.00	Paul Cook	P2012 - CA
NCC Media	5/30/12	\$31,272.35	Paul Cook	P2012 - CA