

CALIFORNIA THOROUGHBRED BREEDERS ASSOCIATION FEDERAL PAC  
C/O DAVID L. GOULD COMPANY  
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February 23, 2006

Ms. Maureen Benitz  
Senior Campaign Finance Analyst  
Reports Analysis Division  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Committee Identification Number: C00375154

Dear Ms. Benitz:

This letter is a response to your letter of January 18, 2006 requesting a response regarding the filing of our Mid-Year Report (01/01/2005-06/30/2005).

In your letter of January 18, 2006 you raised the same issues as in your letter of September 22, 2004 regarding the filing of our April Quarterly Report (01/01/2004-03/31/2004). I quote from our November 8, 2004 response:

"Schedule A, Line 17, shows 'Other Federal Receipts', included on these pages is bank interest and the Purchase of Stallion Stud Rights by individuals or entities. These purchases are not contributions. Contributions relating to the Sale of these Stud Rights are listed as In-Kind: Stallion Mating Season donations listed on Schedule A, Line 11 a. [see Footnote A below] The receipts listed on line 17 were purchases made at the Annual Stallion Season Auction. No corporate contributions were made; purchases were made at fair market value and nothing more. This same issue was raised by a previous analyst. After review by FEC counsel, purchase of Stud Rights was deemed not a contribution."

Since it is time consuming to respond to your inquiries, we were wondering if you could somehow flag this committee so that we will not be required to respond a fourth time to Stallion Stud Rights sales?

As to your inquiry into Schedule B reimbursements to our connected organization, we refer you to the following FEC rules which appear in the FEC's "Campaign Guide for Non-connected Committees"

on page 3

"... a nonconnected committee may nonetheless receive limited financial and administrative support from a sponsoring organization . . . "

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**ETEXT ATTACHMENT**

and page 62:

"A sponsoring organization makes an in-kind contribution to a nonconnected committee when it:

Pays a vendor for the committee's supplies, rent, telephone bills, postage, printing, etc.;

Provides goods or services to the committee at its own expense, such as a payroll deduction system to collect contributions;

or

Pays the salary of an individual when he or she is working on committee business."

Instead of what could have been a legitimate in-kind contribution, our connected organization was reimbursed.

We trust this clarifies any misunderstanding as to the filing report in question.

Sincerely yours,

David L. Gould,  
Assistant Treasurer

[Footnote A: In-Kind Stallion Mating Season donations for these sales were listed in our report for the period 11/23/2005-12/31/2004]

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