

FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

March 20, 2009

Devin Smith, Treasurer Brave New PAC 777 S. Figueroa Street, Suite 4050 Los Angeles, CA 90017

Response Due Date: April 20, 2009

Identification Number: C00446005

Reference: Amended October Quarterly Report (7/1/08 – 9/30/08), received 1/30/09

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) 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 2 items:

- 1. Your committee filed 48 hour notices informing the Commission of independent expenditures made in support or opposition of federal candidates with "Buying Time LLC" as the payee(s). However, the amounts and dates of public dissemination disclosed on these notices do not appear to correlate with the entries on Schedule E, supporting Line 24 for the reporting period. If your committee has filed 48 hour notices supporting independent expenditures not reflected on your reports, you must file Schedule E during the appropriate reporting period to disclose these payments. Please amend your report to clarify this discrepancy and provide further information concerning these notices.
- 2. Your Amended October Quarterly Report (7/1/8 9/30/08), received 1/30/09 discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been

incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed <u>during</u> <u>each two-year election cycle</u> beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

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) 694-1157.

Sincerely, Youra 9. Sunair

Laura E. Sinram

Senior Campaign Finance Analyst

Reports Analysis Division