

May 27, 2011

Laura Sinram, Senior Campaign Finance analyst
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: October Monthly Report (09/01/2010 09/30/2010)

Dear Ms. Sinram:

The Commission's preliminary review of the report referenced above raised questions concerning certain information contained in the report. We have addressed the questions below and have disclosed any changes or clarifications in our amended October Monthly Report (see amendment e-filed 5/27/11).

1. The totals listed on Lines 11(a)(i), 11(a)(ii), 11(a)(iii), 11(c), 11(c), 12, 21(a)(i), 21(a)(ii), 21(b), 21(c), 22, 23, 30(a)(i), 30(a)(ii), 30(c) and 32, Column B of the Detailed Summary Page(s) are correct. We have amended our October Monthly report to reflect the amendments to subsequent reports that affected the Calendar Year-to-Date totals disclosed on the Detailed Summary Page.
2. Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic Congressional Campaign Committee and Democratic National Committee. The transfer(s)-in was not used for subsequent payments for Federal Election Activity. To insure that these funds are used properly, we have established a depository bank account for transfer(s)-in from the Democratic Congressional Campaign Committee and Democratic National Committee. Expenses for federal election activity are issued from a separate bank account. The payments for the following descriptions disclosed on Schedule B, Line 30(b): mail-exempt act BeraCD3Gen; and mail-exempt act McNerney CD11Gen; were for mail processed by volunteers and no commercial vendor or commercial lists were used. Volunteers unpacked, labeled, sorted, bundled, and delivered mailers to the post office. These expenses meet the definition of exempt activity.
3. After review of payment(s) for LIT: doorhanger (Volunteer distributed), we determined that this expense was incorrectly disclosed on Schedule H6. This expense does not meet the definition of FEA and therefore should have been disclosed on Schedule H4 as exempt Non-FEA communication. We have amended our report to reflect the changes. The reimbursement from our non-federal committee to the Levin account for the Levin's share previously transferred to the federal committee will be disclosed on the 2011 June Monthly Report.
4. Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic Congressional Campaign Committee and Democratic National Committee. The transfer(s)-in was not used for subsequent payments for Federal Election Activity. To insure that these funds are used properly, we have established a depository bank account for transfer(s)-in from the Democratic Congressional Campaign Committee and Democratic National Committee. Expenses for federal election activity are issued from a separate bank account.
5. We have amended our report to disclose the allocable expense offsets between the federal and non-federal accounts that were previously disclosed on Schedule A supporting Line 17 of the Detailed Summary Page to Schedule H4. These allocable expense offsets are included with other allocable expenses and netted out from the transfer-out of the non-federal portion to the federal committee within the 60-day window.
6. Schedule H4 supporting Line 21(a) of our report discloses a payment(s) for 401-k employee contribution, bicycle commuter benefit, dental insurance, employee wage garnishment, federal payroll taxes, health insurance, salary, state payroll taxes, and vision

ETEXT ATTACHMENT

insurance. These payments are administrative and the employees related to these expenses spend less than 25% of their compensated time on Federal election activity or activities in connection with a Federal election.

7. We have amended our report to properly disclose the disbursement to Wells Fargo Bank MC/CG for the contribution made to the Los Angeles County Democratic Party on Schedule B, Line 22 of the Detailed Summary Page.

8. On Schedule H4, the event year-to-date total calculations for Administrative category are correct. We have amended our report to reflect the amendments to subsequent reports that affected the event-year-to-date totals on Schedule H4.

9. On Schedule H4, the expenditure made for facility rental was for a kick off rally and the expenditure made for facility rental, hotel was for a staff training/meeting expense. These expenses were not made on behalf of specifically identified federal candidates.

10. Schedule H4 discloses offset represented by payment from Liu Employment Law Firm that corresponds to disbursement made to Arthur Levy. The name of the person from whom our committee actually received funds to offset expense is disclosed as the source of the expense offset. We amended our campaign report to indicate the source of the original payment(s) in the description. See amendment filed May 27, 2011.

If you have any further questions, please contact me at (916) 442-5707.

Sincerely,

Katherine Moret
Treasurer

cc: Shawnda Westly, Executive Director
Lance Olson, Legal Counsel
