



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

August 24, 2022

REBECCA J. OLSON, TREASURER
ADAM GRAY FOR CONGRESS
400 CAPITOL MALL, SUITE 1545
SACRAMENTO, CA 95814

Response Due Date
09/28/2022

IDENTIFICATION NUMBER: C00801431

REFERENCE: APRIL QUARTERLY REPORT (01/01/2022 - 03/31/2022)

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 4 item(s):

1. Schedule A of your report discloses one or more contributions that appear to be from a corporation(s) and/or labor organization(s) (see attached). 52 U.S.C. § 30118(a) (formerly 2 U.S.C. § 441b(a)) and 11 CFR § 103.3(b) prohibit the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

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

The Commission notes the refund of **some** of the apparently prohibited contributions. Please note that if you have received prohibited contributions, you must make a refund within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(1) and (2))

If you have not already done so, please amend your report to inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund is made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the

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acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

2. Schedule A of your report discloses one or more in-kind contributions made before the primary election that are designated for the general election and appear to exceed the limits set forth in the Act (see attached).

In-kind contributions of equipment, such as computers, with a long-term useful life (e.g., an election cycle, or perhaps longer) are similar to contributions of money and may be designated for elections beyond the next election, provided the contributor designates the contribution as such in writing. A contribution of this type of equipment is distinguishable from in-kind contributions that are used only for one particular election, such as non-exempt contributions of food or beverages consumed by primary election day workers, or printing or mailing costs related to general election events or fundraisers.

The in-kind contribution on your report does not have a "long-term useful life" and constitutes an excessive contribution for the primary election (see Advisory Opinion 1996-29). You must refund the excessive amount to the donor.

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

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks. Refunds are reported on Line 20(a), (b) or (c), as applicable, of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. (11 CFR § 104.8(d)(2), (3) and (4))

Although the Commission may take further legal action concerning the acceptance of excessive contributions, your prompt action to refund the excessive amount will be taken into consideration.

3. Schedule A of your report discloses one or more contributions that appear to be from a limited liability corporation(s) (LLC) (see attached). The Commission notes your additional explanation regarding the committee's corrective action taken for **some** of these contributions. 11 C.F.R. §110.1(g) allows the receipt of contributions from LLCs providing the LLC is treated as a partnership for tax purposes, and has not elected to be treated as a corporation by the Internal Revenue Service (IRS). Both LLCs that claim corporate status and those that are publicly traded would be treated as corporations for FECA purposes.

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Please amend your report to clarify if the LLCs in question are treated as partnerships. If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

4. Schedule A of your report discloses one or more contributions from an organization(s) which is not a political committee registered with the Commission (see attached). In order for your committee to accept contributions from unregistered organizations, your committee should take steps to ensure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 52 U.S.C. §§ 30116(f) and 30118 (formerly 2 U.S.C. §§ 441a(f) and 441b) or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: (1) establish a separate account which contains only those funds permitted under the Act, or (2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

If you have not already done so, please inform the Commission of your

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corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(b) or (c), as applicable, of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

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. For information about the report review process or specific filing information for your committee type, please visit www.fec.gov/help-candidates-and-committees. For more information about Requests for Additional Information (RFAI), why you received a letter, and how to respond, please visit www.fec.gov/help-candidates-and-committees/request-additional-information. Should you 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) 694-1620.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Seiler".

Mary Seiler
Campaign Finance Analyst

Apparent Excessive, Prohibited, and Impermissible Contributions
Adam Gray for Congress (C00801431)

Contributions from Possible Prohibited Entities

Contributor Name	Date	Amount	Election
Central Valley Automotive	3/21/22	\$1,000.00	P2022
Fialho Farms	2/22/22	\$1,000.00	P2022
JS Linens	2/24/22	\$500.00	P2022
Lorenzi Rentals	2/24/22	\$1,000.00	P2022
Nickel Family LLC	3/10/22	\$500.00	P2022
Tri Delta Ventures LLC	3/18/22	\$1,000.00	P2022
Valley Crest Farms LLC	3/4/22	\$2,900.00	P2022

Contributions from Possible Unregistered Organizations

Contributor Name	Date	Amount	Election
Cannella For Supervisor 2024	2/10/22	\$1,000.00	P2022
Carlos Villapudua For Assembly 2022	3/18/22	\$564.11	P2022
Carlos Villapudua For Assembly 2022	3/18/22	\$435.89	P2022
Phil Ting For Assembly 2022	2/7/22	\$1,000.00	P2022
Re-Elect Dave Long To Mid Board 2019	2/24/22	\$1,000.00	P2022

Apparent In-Kind Contributions Designated to the General Election, Made Before the Primary

Recipient Name	Date	Amount	Election
Bruno, Tony	3/17/22	\$2,900.00	G2022