



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUN 27 2007

**Thomas W. Hiltachk
Bell, McAndrews & Hiltachk, LLP
455 Capitol Mall
Suite 801
Sacramento, CA 95814**

**RE: MUR 5712
Gov. Arnold Schwarzenegger**

Dear Mr. Hiltachk:

On March 14, 2006, the Federal Election Commission notified your client, Governor Arnold Schwarzenegger, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to your client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on February 21, 2007, voted to dismiss the allegations as they pertain to Governor Schwarzenegger. The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Adam Schwartz, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Thomasenia P. Duncan
General Counsel

**BY: Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement**

**Enclosure
Factual and Legal Analysis**

29044240078

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Gov. Arnold Schwarzenegger

MUR: 5712

This matter arises from a complaint file by Art Torres concerning a fundraising solicitation sent in connection with an event co-hosted by Californians for Schwarzenegger 2006, Governor Arnold Schwarzenegger's gubernatorial re-election committee, and the California Republican Party, a State party committee. The face of the solicitation features photographs of Senator McCain and Governor Schwarzenegger and the words "SPRING INTO ACTION" "with Governor Arnold Schwarzenegger and Special Guest Senator John McCain." The same words (absent the Governor's first name) also appear on the top of the second page, under which are boxes for donors to check donation amounts ranging from \$1,000 (for an individual ticket) to \$100,000 (for two seats at the head table with the Governor, a table of ten with premiere seating, tickets to the host committee reception, and photos with the Governor). At the bottom of this page, as well as on the third and final page of the solicitation, is a boxed disclaimer stating:

We are honored to have Senator John McCain as our Speaker for this event. However, the solicitation for funds is being made only by Californians for Schwarzenegger and the California Republican Party. In accordance with federal law, Senator McCain is not soliciting individual funds beyond [the] federal limit, and is not soliciting funds from corporations or labor unions.

The complainant alleged that Governor Schwarzenegger aided and abetted Senator McCain in violating the "soft money" prohibitions enacted in the Bipartisan Campaign Reform Act, specifically, 2 U.S.C. § 441i(e) and 11 C.F.R. § 300.62, which prohibit Federal candidates and officeholders from, among other things, soliciting funds in connection with any non-Federal election unless the funds are in amounts that do not exceed the Federal Election Campaign Act of 1971, as amended (the "Act's") contribution limits and do not come from prohibited sources.

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The Act does not impose liability for aiding and abetting another individual or entity in violating 2 U.S.C. § 441i(e). The Commission therefore dismisses the allegation that Governor Schwarzenegger violated the Act by aiding and abetting Senator McCain in raising donations in amounts exceeding the contribution limits of the Act.

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