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July 29, 2016

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Jeff S. Jordan
Assistant General Counsel
Federal Election Commission
Complaints Examination & Legal Administration
999 E Street NW
Washington, D.C. 20436

Re: MUR 7061

Dear Mr. Jordan:

We submit this letter as counsel on behalf of Hillary for America ("HFA"), the principal campaign committee of Secretary Hillary Rodham Clinton, and Jose H. Villareal, in his official capacity as treasurer (collectively, "Respondents") in response to a complaint received by the Federal Election Commission (the "FEC" or "Commission") on May 9, 2016 (the "Complaint").

The Complaint appears to allege that the Hillary Victory Fund ("HVF"), a joint fundraising committee in which HFA was a participant, accepted excessive contributions because its state party participants were affiliated and shared a single contribution limit. This allegation is wrong as a matter of law. The Commission should immediately find no reason to believe a violation occurred, dismiss the Complaint and close the file.

A. Factual Discussion

HVF is a joint fundraising committee organized pursuant to 11 C.F.R. § 102.17(b)(1) (2016). At the time of the complaint, its participants included HFA, the Democratic National Committee and 32 state party committees as defined in 11 C.F.R. § 100.14(a).¹ The Complaint appears to have been prompted by an April 15, 2016 HVF fundraising event in San Francisco, at which HVF solicited contributions up to the participants' combined limits.

B. Legal Discussion

The claim that HVF's state party participants share a single contribution limit is legally meritless. "[S]eparate contribution limits ... apply to contributions made or received by national and State party committees." Affiliated Committees, Transfers, Prohibited Contributions, Annual Contribution Limitations and Earmarked Contributions, 54 Fed. Reg. 34,098, 34,101 (1989). The

¹ See FEC Form 1, Statement of Organization, Hillary Victory Fund (amended Sept. 10, 2015), available at <http://docquery.fec.gov/pdf/570/201509109001633570/201509109001633570.pdf>.

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Federal Election Campaign Act of 1971, as amended, 52 U.S.C. § 30101 *et seq.* ("the Act") permits each state party to accept contributions of up to \$10,000 in any calendar year from a person, and up to \$5,000 from a multicandidate committee. *See* 52 U.S.C. § 30116(a)(1)(D), (a)(2)(C). Although the Act establishes affiliation criteria by which political committees may share incoming and outgoing contribution limits, *see id.* § 30116(a)(5) and 11 C.F.R. § 110.3(a), they do not make the state parties affiliated with one another. *See* 11 C.F.R. §§ 110.3(a)(2)(iv) and 110.3(b). Rather, the affiliation criteria apply when a state party has a subordinate committee in the same state that is not independent. *See* 11 C.F.R. § 110.3(b)(3).²

When state parties engage in joint fundraising, Commission rules permit them to establish a separate joint fundraising committee, which may receive contributions up to the participants' combined limits. *See* 11 C.F.R. § 102.17(c)(5). In the litigation that preceded the Supreme Court's decision in *McCutcheon v. FEC*, the Commission was explicit that these rules apply when state parties raise funds together under the joint fundraising rules. *See* Brief for Appellee at 37, *McCutcheon v. Fed. Election Comm'n*, 134 S.Ct. 1434 (2014) (No. 12-536). The Commission said clearly that an individual could give "\$10,000 per year to each of 50 committees." *Id.* "Candidates, the national party committees, and their state party affiliates could simply form a 'joint fundraising committee,' which could then receive a lump-sum contribution of hundreds of thousands or millions of dollars to be parceled out in base-limit-compliant pieces to the various party-affiliated entities." *Id.* No statutory or regulatory change or judicial decision has rendered this statement incorrect since it was made.

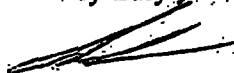
Thus, the Complaint alleges no facts which describe a violation of the Act. *See* 11 C.F.R. § 111.4(d)(3). The Complaint is premised entirely on the erroneous belief that the state party participants shared a common contribution limit under Commission rules, when in fact the opposite is true.

² *See also* Campaign Guide for Political Party Committees, Fed. Election Comm'n 16 (Aug. 2013), available at <http://www.fec.gov/pdf/partygui.pdf> ("A state party committee and local party committee within that state are presumed to be affiliated. That is, all contributions received and made by local party committees count against the state committee's limits.") (emphasis added). In Advisory Opinion 2004-12, the Commission applied the affiliation criteria to a regional organization established, financed, maintained and controlled by nine state parties, and found that contributions to the regional organization would be proportionately attributable to each of the sponsoring state parties. *See* FEC Adv. Op. 2004-12 (Democrats for the West). However, that opinion assumed that each of the state parties otherwise enjoyed a separate \$10,000 limit. *See id.* n. 3.

Jeff S. Jordan
July 29, 2016
Page 3

For the foregoing reasons, we respectfully request that the Commission find no reason to believe that Respondents violated the Act and dismiss the matter immediately.

Very truly yours,



Marc E. Elias
Rachel L. Jacobs