



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

June 15, 1978

ADVISORY OPINION 1978-26

George O. Von Frank  
Treasurer, Citicorp Employees' Voluntary Political Fund  
399 Park Avenue, 32nd Floor  
New York, New York 10043

Dear Mr. Von Frank:

This is in response to your letter of April 13, 1978, in which you request an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to your proposed method of soliciting stockholders of Citicorp for contributions to the political committee sponsored by Citicorp.

Your letter states that the Citicorp Employees Voluntary Political Fund-Federal ("the Fund") in soliciting stockholders will not in every case be able to deliver materials directly to beneficial owners since some shares appear on your records in the name of brokers, dealers, banks or other nominees who hold the stock for the beneficial owners. You propose to correspond with the holders listed on your records who will in turn convey the solicitation materials to the beneficial owners.

A separate segregated fund established by a corporation in accordance with 2 U.S.C. 441b(b)(2)(C) may, as provided in 441b(b)(4)(A)(i), solicit contributions from its stockholders and their families as well as its executive or administrative personnel and their families. As noted in your request, a stockholder is defined in 11 CFR 114.1(h) as "a person who has a vested beneficial interest in stock, has the power to direct how that stock shall be voted, if it is voting stock, and has the right to receive dividends." So long as the solicitation by the Fund is intended exclusively for and speaks only to those persons falling within this definition, delivery of the solicitation materials through the conduit of owners of record to the beneficial owners of stock would be permissible under 2 U.S.C. 441b(b).

The Commission recognizes, however, that in certain circumstances the beneficial owners of Citicorp stock may be persons otherwise not qualified to make contributions under the Act. Please be advised that this opinion should in no way be construed to mean that contributions to the Fund by such persons would be permissible based solely on the fact that such persons are beneficial owners of Citicorp stock. All contributions accepted by the Fund, including those

received as a result of the described solicitation, must be lawful under the Act. Specifically, the Fund should be prepared to demonstrate on request that solicited contributions to the Fund: (1) have, in fact, come only from beneficial owners of Citicorp stock (see 2 U.S.C. 441b(b)(4)(A)(i) and 11 CFR 114.1(h)); (2) have come only from persons qualified to make contributions under the Act (see 2 U.S.C. 441b, 441c and 441e, see also 2 U.S.C. 441f); and (3) have not exceeded the contribution limitations set forth in 2 U.S.C. 441a. (See also, 2 U.S.C. 434(b).)

This response constitutes an advisory opinion concerning application of a general rule of law stated in the Act or prescribed as a Commission regulation to the specific factual situation set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Joan D. Aikens  
Chairman for the  
Federal Election Commission