

Law Offices of

OLSON

HAGEL &

FISHBURN

LLP

January 18, 2005

VIA HAND DELIVERY

Ms. Tricia Knight
 Initiative Coordinator
 Attorney General's Office
 1300 I Street
 Sacramento, CA 95814

RECEIVED
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INITIATIVE COORDINATOR
 ATTORNEY GENERAL'S OFFICE

RE: REQUEST FOR TITLE AND SUMMARY

Dear Ms. Knight:

I hereby request that the Attorney General prepare a title and summary for the enclosed proposed initiative. Enclosed is a check for \$200. My residence address is attached to this letter.

Very Truly Yours,

OLSON HAGEL & FISHBURN LLP

LANCE H. OLSON

LHO:all
 Enclosure

Lance H. Olson
 Bruce J. Hoge
 Diane M. Fishburn
 Elizabeth L. Gabe
 Deborah B. Coplan
 Thomas E. Gauthier
 N. Eugene Hill
 Robert S. McWhorter

Of Counsel:
 Leroy Y. Fong

SECTION 1 - Findings and Declarations

The People of California find and declare that:

Corporations make political contributions and expenditures without the approval of the stockholders and owners of the corporations.

Corporations should be accountable to their stockholders and owners prior to making political contributions and expenditures.

Requiring the express approval of the stockholders and owners prior to making political contributions and expenditures will establish necessary accountability.

SECTION 2 - Prohibition on Corporate Campaign Contributions and Expenditures

Government Code § 85300.5 added to read:

(a) Notwithstanding any other provision of law, and except as provided in subdivision (b), it is unlawful for any corporation with stockholders to directly or indirectly make any contribution or expenditure in connection with any elective office, any contribution or expenditure in connection with any ballot measure, or any contribution or expenditure for issue advocacy. It shall also be unlawful for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation to consent to any contribution or expenditure by a corporation prohibited by this section.

(b) Prior to making any contribution or expenditure in connection with any elective office, any contribution or expenditure in connection with any ballot measure, or any contribution or expenditure for issue advocacy, the stockholders of the corporation must adopt by written resolution authorization for such contributions or expenditures. This resolution shall state in clear and unambiguous language the recipients of the contributions or expenditures, the amount of contributions or expenditures authorized, the purposes of such contributions or expenditures and the time period within which such authority shall exist. The resolution and vote approving such contribution or expenditure shall be maintained in the corporation's records.

SECTION 3 - Severability

It is the intent of the People that the provisions of this Act are severable and that if any provision of this Act, or the application thereof to any person or circumstances, is held invalid such invalidity shall not affect any other provision or application of this Act which can be given effect without the invalid provision or application.