



Corporation for the Advancement of Psychiatry
Political Action Committee

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

AOR 1997-24

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Federal Election Commission
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Subject: Advisory Opinion Request

Dear Members of the Commission:

Pursuant to 11 CFR Part 112, The Corporation for the Advancement of Psychiatry requests an advisory opinion concerning various issues affecting its separate segregated fund that will arise should the corporation dissolve and terminate its operations as now contemplated.

Background

The Corporation for the Advancement for Psychiatry (CAP) is a non-stock corporation exempt from taxation under 501(c)(6) of the Internal Revenue Code. CAP was incorporated in the District of Columbia in 1981 to promote social justice and further human welfare through the advancement of psychiatry and to represent the interests of psychiatry before legislative and other government bodies. Soon after its incorporation, CAP established a separate segregated fund, CAPPAC. CAPPAC solicits contributions from the approximately 4,500 dues paying members of CAP.

For various reasons, the Board of Directors of CAP is considering dissolving the corporation and terminating its existence. However, various individuals, most of whom are members of CAP, hope to continue to operate CAPPAC as a non-connected political committee. According to CAPPAC's most recent financial report filed with the FEC on July 31, 1997, it had \$60,129.56 in its federal depository account in the form of contributions collected from CAP's membership. Upon the dissolution of CAP, CAPPAC contemplates taking the following steps. First, CAPPAC would amend its bylaws to conform to its new status. For instance, its bylaws would be amended to indicate that it is no longer the separate segregated fund of CAP, but rather a non-connected political committee and that individuals who contribute to CAPPAC would be deemed voting members of CAPPAC and entitled to participate in the governance of the organization. Second, CAPPAC would move its offices to a new location and the CAP employee who administered CAPPAC would become an employee of CAPPAC. And third, it would solicit contributions from a broad range of individuals.

CAP-PAC is a separate segregated fund established by the Corporation for the Advancement of Psychiatry. Voluntary political contributions by individuals to CAP-PAC should be written on personal checks. Contributions are not limited to the suggested amount. CAP-PAC will not favor or disadvantage anyone based upon the amounts of or failure to make PAC contributions. Voluntary political contribution are subject to the limitations FEC Regulations Section 110.1, 110.2 and 110.5 (Federal Regulations require this notice.) Contributions to the committee are not tax deductible as charitable contributions for federal income tax purposes.

Advisory Opinion Request

As a result of the above, the following issues have arisen and which we request be resolved by an advisory opinion from this Commission:

1. Upon termination of CAP, may CAPPAC continue in existence as a non-connected political committee by amending its FEC Form 1 to indicate its new status?
2. If CAPPAC may continue in existence as a non-connected political committee following the termination of CAP, may it continue to use the name CAPPAC?
3. If CAPPAC may continue in existence as a non-connected political committee following the termination of CAP, may it retain the funds contributed to CAPPAC prior to CAP's termination and use those funds for making contributions and expenditures?
4. If CAPPAC may continue in existence as a non-connected political committee following the termination of CAP, may it purchase from CAP at fair market value the mailing lists, personal computer and other equipment that are currently used as part of PAC administration?

Thank you in advance for addressing these issues.

Sincerely yours,



[Treasurer]
Corporation for the Advancement of
Psychiatry Political Action Committee