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January 17, 1989

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Eli J. Weissman
16 Stafford Drive
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Advisory Opinion No. 02-1989

Dear Mr. Weissman:

On January 5, 1989, the Commission received your request for an advisory opinion and has directed me to issue this response. In your capacity as treasurer, you have asked whether "Friends of Joseph Weisberg," a continuing political committee, may use its contributions to acquire an investment equity.

The "Friends of Joseph Weisberg" currently files quarterly reports (Form R-3) with the Commission. In a report filed on October 18, 1988, it indicated an existing balance of cash on hand of \$4,748.09. You have asked whether the continuing political committee may use this balance, or other subsequently acquired funds, to invest in the purchase of an equity entitled, "Prudential-Bache Triple Tax Free New Jersey Trust." The equity is apparently a trust consisting of tax free municipal bonds.

"The New Jersey Campaign Contributions and Expenditures Reporting Act," N.J.S.A. 19:44A-1 et seq., and the regulations promulgated thereunder, do not contain any prohibition that would preclude the purchase of such an investment. In Advisory Opinion No. 34-1980 (attached), the Commission specifically permitted a political action committee to purchase a money market certificate. The investment you contemplate is reasonably similar.

Any proceeds received from the investment must be returned for deposit into the bank account maintained by the continuing political committee before being expended; see N.J.S.A. 19:44A-12. Any receipt of interest, profit or other revenue generated by the investment equity must be disclosed as a receipt on Schedule A of the Form R-3 quarterly report.

Thank you for your inquiry.

Very truly yours,

ELECTION LAW ENFORCEMENT COMMISSION

BY:


GREGORY E. NAGY

GEN/cn
Enclosure