

203 East Main Street, Spartanburg, SC 29319  
864-597-8000



January 15, 2020

**Via e-mail only (cela@fec.gov)**

Jeff S. Jordan  
Assistant General Counsel  
Complaints Examination and Legal Administration  
Federal Election Commission  
1050 First Street, NE  
Washington, DC 20463

**Re: MUR 7673  
Campaign Finance Investigation – Denny's, Calexico, CA**

Dear Mr. Jordan:

Denny's, Inc. ("Denny's" or the "Company") provides the following in response to your request for information for your investigation into possible campaign finance violations arising out of the Denny's restaurant in Calexico, California. Your correspondence indicates that an individual who has identified as an employee of the Calexico Denny's appears to be a foreign national who has made two contributions to the campaign of a candidate for city council which would be illegal under the presumed circumstances. Further and as noted, the Denny's in Calexico is **owned by** Alejandro Campillo, the father of the candidate which also "raises the question of whether there was any improper reimbursement by Denny's" for contributions made.

This letter serves to advise you that the Calexico location is, as you seemingly recognize, an independently owned and operated Denny's franchise, making it a separate and distinct business entity from our company, Denny's, Inc. While the governing Franchise Agreement does authorize the franchisee to serve a limited menu of uniform and quality food products and utilize the Denny's trade names, service marks, and trademarks in the operation of its independent franchise restaurant, it also makes clear that the Company has no control over the day-to-day operations of the franchised location which would subject it to your investigation. As distinct entities, Denny's and the franchisee have separate bank accounts, their own operating permits and licenses, and maintain their own bookkeeping, financial, business, and personnel records. Further, Denny's and the franchisee have no common management, no common ownership or financial control, no interrelation of operations, and, importantly here, no centralized control of labor relations.

I specifically refer to Paragraphs 1.4, 14.1, and 14.5 of the Agreement which respectively state:

*It is expressly understood and agreed by the parties that Franchisee is not for any purpose an employee or agent of the Company, and that all of the personnel employed by Franchisee at the Restaurant will be employees or agents of the Franchisee as an independent contractor and will not be employees or agents of the Company.*

\* \* \* \*

*Franchisee agrees to maintain wages, hours, working conditions and other benefits for all of its employees. . .*

\* \* \* \*

*It is mutually understood and agreed by the parties that Franchisee retains the responsibility and independent authority, notwithstanding any provision of the Agreement, to maintain and enforce personnel policies and procedures including but not limited to hiring, firing, and disciplining its employees. Nothing contained in this Agreement shall be construed or interpreted so that any employee of the Franchisee becomes or is deemed to be an employee or agent of the Company. Franchisee shall be solely responsible for the maintenance and handling of all employee matters. . . and Franchisee agrees to hold the Company and its affiliates and subsidiaries harmless for any failure by Franchisee to act in such a manner.*

With no ownership, agency relationship, or control of or interrelation of operations at the location in question, Denny's, Inc. would not be a proper party to this investigation. Further, as required by terms of the Franchise Agreement, the Franchisee would be solely responsible for handling claims arising out of its operation of the restaurant.

*Franchisee agrees to defend at its own cost and to indemnify and hold harmless the Company, its subsidiaries, parent and affiliates, shareholders, directors, officers, employees and agents from and against any and all loss, costs, expenses (including attorneys' fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the use, condition, construction, equipment, decorating, maintenance or operation of the Restaurant . . . Such loss, claims, costs, expenses, damages, and liabilities shall include, without limitation, those arising from latent or other defects in the Restaurant, whether or not discoverable by the Company, and those arising from the death of or injury to any person or arising from damage to the property of Franchisee or the Company, their agents or employees, or any third person, firm or corporation . . .*

Accordingly, we deny that Denny's, Inc. employs the person identified or that it otherwise participated in any unlawful activity as to the political campaign which is the subject of this complaint. Though your letter was sent to a proper street address and proper party in Mr. Campillo, we are providing for correct name for the franchise ownership of the Calexico location below and would request that all further correspondence regarding this matter be directed to that entity, rather than Denny's, Inc.

**Campillo Food Services, Inc.  
110 W. Cole Road  
Calexico, California 92231**

By further request, we would like confirmation that Denny's, Inc. will no longer be associated with this investigation based on the facts above. I can be contacted by email (preferred) at [sphillips@dennys.com](mailto:sphillips@dennys.com) or by phone at 864-597-7327. We appreciate your anticipated cooperation.

Sincerely,  
DENNY'S, INC.



Susan Phillips  
Manager, Litigation and Employee Relations

c: Campillo Food Services, Inc.