

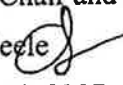


RICHARDS | WATSON | GERSHON

ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101
Telephone 213.626.8484 Facsimile 213.626.0078

MEMORANDUM

TO: Honorable Chair and Members of the Campaign Finance Ethics Commission
FROM: Craig A. Steele 
DATE: September 24, 2007
SUBJECT: Case No. 2006-06 - Stipulated Resolution

RECOMMENDATION

It is recommended that the Commission adopt the attached Decision and Order, approving a stipulated resolution of the above-referenced case, with the respondent Ventura County Business Development Political Action Committee ("PAC") admitting one violation of the Ordinance and paying a fine of \$400.

BACKGROUND

Case No. 2006-06 involves a complaint filed by the County's Election Division. Briefly summarized, the complaint alleges that the respondent Ventura County Business Development PAC violated Section 1270 of the Ordinance by making an independent expenditure from a fund that had accepted individual contributions that exceeded the County's \$600 per contributor limit. The Ordinance permits independent expenditures only from segregated funds raised in compliance with the contribution limit.

The respondent PAC received four contributions totaling \$6,000. Two individual contributors gave \$500 each. A different PAC gave \$1,000 and one corporate contributor gave \$2,000. The contributions were accepted by the respondent. The respondent reported making independent expenditures from those contributed funds in support of candidate Judy Mikels on June 2, 2006. The reported independent expenditures totaled \$1,072.99. The respondent asserts that it did not raise or spend additional funds after June 2, 2006 and no subsequent reports were filed.

After learning from the Elections Division that a violation had occurred, the respondent returned contributions in excess of the \$600 limit to the contributors, as well as unspent funds. The copies of all financial transactions, refunds and other relevant documents were all available to the County on request.

MEMORANDUM

Honorable Chair and Members of the Campaign Finance Ethics Commission
September 24, 2007
Page 2

Section 1270(a) of the Ventura County Campaign Finance Ordinance provides:

“(a) Except as provided in subsection (b) below, no committee shall make a contribution or independent expenditure to support or oppose a candidate if that committee has received a contribution from any person that exceeded, or caused the cumulative amount the committee received from that person to exceed six hundred dollars (\$600) in the twelve calendar months immediately prior to the date the committee’s contribution or independent expenditure is made.”

The exception in subsection 1270(b) of the Ordinance does not apply in this case. The respondent thus violated Section 1270(a) of the Ordinance by making an independent expenditure in support of a candidate for the Ventura County Board of Supervisors within 12 months of having received contributions in excess of \$600 from two of four contributors.

The respondent, through counsel, admitted the violation and stipulated to a resolution of this matter. Under the provisions of the Ordinance, the Commission technically could impose a maximum fine of \$5,000 or up to \$5,400.00 (three times the amount of contributions accepted in excess of \$600 per contributor). However, the respondent has no other history of enforcement and has cooperated with the investigation. The respondent’s history, cooperation and the limited nature of the violation justify a reduced penalty in this case. The stipulated fine of \$400 represents the amount by which the \$1,000 PAC contribution exceeded the \$600 per contributor limit. The independent expenditure at issue, totaling slightly more than \$1,000, did not require use of the additional excess contribution, which was refunded to the contributor. Since the total amount of the independent expenditure was only slightly in excess of \$1,000, a fine of \$400 for a first violation is proportionate and will serve as a deterrent in future cases.

RECOMMENDATION

Based on the foregoing, it is recommended that your Commission adopt the attached decision and order, approving the stipulated resolution of Case No. 2006-06 and fine of \$400.

Attachment(s)

CRAIG A. STEELE (State Bar No. 162523)
RICHARDS, WATSON & GERSHON
355 South Grand Avenue, 40th Floor
Los Angeles, CA 90071
(213)626-8484
INVESTIGATOR

County of Ventura Elections Division - COMPLAINANT

BEFORE THE COUNTY OF VENTURA CAMPAIGN FINANCE
ETHICS COMMISSION

_____)	Case Nos. 2006-06
In the Matter of:)	
)	
Ventura County Business Development PAC)	STIPULATION, DECISION AND
)	ORDER
)	
RESPONDENTS)	
)	

The appointed outside Investigator for the County of Ventura Campaign Finance Ethics Commission ("Commission") in this matter, Craig A. Steele, and Respondent Ventura County Business Development PAC ("Committee") (Committee is herein referred to as "Respondents") hereby agree that this Stipulation will be submitted for consideration by the Commission at its next scheduled meeting, and that the agreements herein are contingent upon the approval of this stipulation and the accompanying Decision and Order by the Commission.

The parties agree to enter into this Stipulation to finally resolve all factual and legal issues raised in Case No. 2006-06 and to reach a final disposition without the necessity of holding an administrative hearing to determine the liability of the Respondents. Upon approval of the Decision and Order by the Commission and compliance with the terms of this Stipulation by Respondents, the Commission shall take no further enforcement action relating to complaints or allegations regarding the facts and circumstances underlying Case Nos. 2006-06.

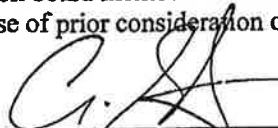
Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural rights under the Ventura County Ordinance Code, the Procedural Rules of the Commission and, as applicable State law including, without limitation, the issuance and receipt of an accusation, the right to personally appear at any administrative hearing held in this matter, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, and to have the Commission or an impartial administrative law judge hear the matter.

Respondents stipulate that they have violated the Ventura County Ordinance Code as described in Exhibit 1, attached hereto and incorporated herein by reference, and that Exhibit 1 is a true and accurate summary of the facts in this matter.

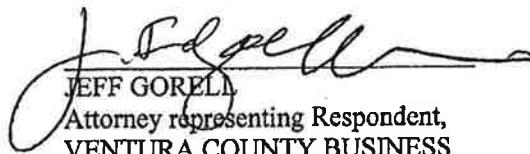
Respondents agree to the issuance of the attached Decision and Order and imposition by the Commission of administrative penalties in the amount of four hundred dollars (\$400.00) to be paid to the Clerk of the Board of Supervisors in the form of a cashier's check, payable to the "General Fund of the County of Ventura," within fourteen (14) calendar days following the approval of the attached Decision and Order of the Commission.

The parties agree that in the event the Commission refuses to accept this Stipulation, it shall become null and void. Respondents further stipulate and agree that in the event the Commission rejects the Stipulation and a full evidentiary hearing before the Commission becomes necessary, no Commission board members or staff, nor the Executive Director, shall be disqualified because of prior consideration of this Stipulation.

DATED: 9/24/07


CRAIG A. STEELE, Investigator
COUNTY OF VENTURA CAMPAIGN
FINANCE ETHICS COMMISSION

DATED: September 24, 2007


JEFF GORELL
Attorney representing Respondent,
VENTURA COUNTY BUSINESS
DEVELOPMENT PAC

DECISION AND ORDER

The County of Ventura Campaign Finance Ethics Commission ("Commission") has considered the above Stipulation and the attached exhibit at its meeting on _____ . The Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondents shall pay a stipulated fine of \$400.00 to the General Fund of the County of Ventura upon approval of this Decision and Order.

DATED: _____

Hon. William L. Peck, Chair
COUNTY OF VENTURA CAMPAIGN
FINANCE ETHICS COMMISSION

EXHIBIT 1

Respondent Ventura County Business Development PAC (the "Committee") filed a form 410 Statement of Organization as a Committee on June 2, 2006. Betty Pressley signed the form as the Committee Treasurer and there were no other Principal Officers listed for the Committee. According to the Form 410, the Committee was "primarily formed" to support the re-election of Judy Mikels, a member of the Board of Supervisors of Ventura County, District 4. Four days after the original Form 410 was filed, the Committee amended Form 410 to delete the "primarily formed" designation and to re-designate as a General Purpose Committee.

The Committee timely filed a Late Independent Expenditure (Form 496) report as required by applicable law. The Late Independent Expenditure Report indicated that on June 2, 2006, the Committee received four contributions from individual donors totaling \$6,000. Two individual contributors gave \$500 each. One Political Action Committee gave \$1,000 and one corporate contributor gave \$2,000. The contributions were accepted by the Committee.

The Committee reported making independent expenditures from those contributed funds in support of candidate Judy Mikels on June 2, 2006. The reported independent expenditures totaled \$1,072.99. The Committee asserts that it did not raise or spend additional funds after June 2, 2006 and no subsequent reports were filed.

After learning from the Elections Division that a violation had occurred, the Committee returned contributions in excess of the \$600 limit to the contributors. The copies of all financial transactions, refunds and other relevant documents were all furnished to the County on request.

Section 1270(a) of the Ventura County Campaign Finance Ordinance provides:

"(a) Except as provided in subsection (b) below, no committee shall make a contribution or independent expenditure to support or oppose a candidate if that committee has received a contribution from any person that exceeded, or caused the cumulative amount the committee received from that person to exceed six hundred dollars (\$600) in the twelve calendar months immediately prior to the date the committee's contribution or independent expenditure is made."

The exception in subsection 1270(b) of the Ordinance does not apply in this case. Respondents violated Section 1270(a) of the Ventura County Campaign by making an independent expenditure in support of a candidate for the Ventura County Board of Supervisors within 12 months of having received contributions in excess of \$600 from two of four contributors. Respondents assert that the alleged violation was not intentional and that it was technical in nature.

Under the provisions of the Ordinance, the Commission technically could impose a maximum fine of \$5,000 or up to \$5,400.00 (three times the amount of contributions accepted in excess of \$600 per contributor).

FACTORS IN MITIGATION

The Respondents have no other history of enforcement and have cooperated with the investigation. Respondents' history, cooperation and the nature of the violation justify a reduced penalty in this case. The stipulated fine of \$400 represents the amount by which the \$1,000 PAC contribution exceeded the \$600 per contributor limit. The independent expenditure at issue, totaling slightly more than \$1,000 did not require use of the additional excess contribution, which was refunded to the contributor. The Committee ceased fundraising and independent expenditure activity once it was notified of the violation.

###