EXHIBIT 1

INTRODUCTION

Respondent Redwood City Chamber of Commerce ("Chamber") qualified as an independent expenditure committee on or about October 1, 2008, when it first made expenditures exceeding $1,000. The Chamber opposed the passage of Measure W, a Redwood City measure which would have changed the city's charter to require that certain development projects receive a two thirds majority vote in order to be approved. This measure appeared on the on the ballot in the November 4, 2008 election. In October of 2008, the Chamber spent a total of $18,643.36 on the production of and postage for two mass mailers. $4,906.75 was also spent to produce a brochure, which was not mailed out, also advocating the defeat of Measure W. Respondent violated the Political Reform Act's (the "Act")[1] by failing to comply with campaign reporting requirements.

For the purposes of this Stipulation, Respondent's violations are stated as follows:

COUNT 1: Respondent Redwood City Chamber of Commerce failed to file a supplemental independent expenditure report for the reporting period October 1 through October 18, 2008, by the October 23, 2008, due date, in violation of Section 84203.5 of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act, therefore, establishes a campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (b) defines a "committee" as including any person or combination of persons who makes independent expenditures totaling $1,000 or more in a calendar year. This type of committee is commonly referred to as an "independent expenditure" committee.

Section 82031 defines an "independent expenditure" as including an expenditure made by any person in connection with a communication that expressly advocates the election or defeat of a clearly identified candidate but which is not made to or at the behest of the affected candidate or committee.

[1] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Duty to File Supplemental Independent Expenditure Reports

Section 84203.5 provides that, in addition to any other campaign statement required by the Act, if a committee makes an independent expenditure totaling $1,000 or more in a calendar year to support or oppose a candidate, a measure or qualification of a measure, it shall file independent expenditure reports at the same time, covering the same periods, and in the places where the committee would be required to file campaign statements, as if it were formed or existed primarily to support or oppose the candidate or measure or qualification of the measure.

SUMMARY OF THE FACTS

Respondent Chamber qualified as an independent expenditure committee under the Act on or about October 1 of 2008, when it first made political expenditures exceeding $1,000. The Committee was formed to oppose the passage of Measure W, a Redwood City ballot measure which would have changed the city's charter to require certain development projects to receive a two thirds majority vote in order to be approved. This measure appeared on the on the ballot in the November 4, 2008 election. It was defeated, with 37.4% of votes cast in favor of passing the measure.

In October of 2008, the Chamber spent a total of $18,643.36 on the production of and postage for two mass mailers advocating the defeat of Measure W. $4,906.75 was also spent to produce a brochure, which was not mailed out, also advocating the advocating the defeat of Measure W. These mailers clearly identified the Chamber as the sender. Postage was paid on October First, and the first mailer was sent out on or about October 6, 2008. The Chamber also spent $645 for video production, and $875 for a magazine article. A supplemental independent expenditure report was not timely filed with Redwood City.

COUNT 1

Failure to File Supplemental Independent Expenditure Report

As an independent expenditure committee, Respondent had an obligation to file supplemental independent expenditure reports. The supplemental independent expenditure reporting period for the November 4, 2008 election was from October 1, 2008 through October 18, 2008. During this reporting period, Respondent made independent expenditures totaling, $24,784.57, which expressly advocated the defeat of Measure W. Respondent, however, failed to disclose the expenditures on a properly filed supplemental independent expenditure report by the October 23, 2008 due date.

By failing to disclose $24,784.57 in independent expenditures on a properly filed supplemental independent expenditure report, Respondent Redwood City Chamber of Commerce violated section 84203.5 of the Government Code.

CONCLUSION

This matter consists of one count, which carries a maximum possible administrative penalty of five thousand dollars ($5,000).

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in consulting with Commission staff; and whether there was a pattern of violations.

The public harm inherent in these types of violations, where pertinent information is not disclosed by the committee, is that the public is deprived of a means to discover the nature of the committee's campaign expenses. In this case, Respondent failed to timely file a campaign statement before the election.

The typical administrative penalty for failing to timely file campaign statements has varied depending upon the particular circumstances of each case. Each of the campaign statements referenced above was filed well after the applicable due date, thus depriving the public of valuable information. Accordingly, the pattern of negligence in this case justifies an administrative penalty in the amount of Three Thousand Dollars ($3,000) for the failure to file the supplemental independent expenditure report.

AGGRAVATING FACTORS

Failure to file campaign statements is a serious violation of the Act because it deprives the public of important information about a candidate's contributors and financial activities. Since none of the required statements were filed before the election, there was no information whatsoever regarding the expenditures made by the committee available to the public prior to the date of the election.

MITIGATING FACTORS

No evidence was found to indicate the lack of disclosure was anything more than negligent. Respondent has no prior enforcement history, and cooperated with the investigation. In addition, Respondent filed campaign statements disclosing the required information.

PENALTY

The facts of this case justify imposition of the agreed upon penalty of Three Thousand Dollars ($3,000) for Count 1 for a total penalty of Three Thousand Dollars ($3,000).