EXHIBIT 1

INTRODUCTION

Respondent Neighbors Opposing Tebbs, Eason, & Haney for Fire Board 2010 ("Respondent Committee") was a recipient committee primarily formed to oppose Bruce Tebbs, Tony Eason, and Bob Haney, in the November 2, 2010, Deer Springs Fire Protection District Board Member election. Respondent Thomas J. Francl ("Respondent Francl") was Respondent Committee's treasurer at all relevant times.

On October 15, 2010, Respondent Committee and Respondent Francl ("Respondents") paid for and authorized 1,000 telephone calls that were similar in nature and that did not disclose the name of Respondent Committee to the recipients of the telephone calls.

Respondents' violation of the Political Reform Act (the "Act")[1] consists of the following:

Count 1: On or about October 15, 2010, Respondent Neighbors Opposing Tebbs, Eason, & Haney for Fire Board 2010, and its treasurer Respondent Thomas Francl, expended campaign funds on telephone calls that were similar in nature and 500 or more in number that did not disclose the name of the organization that authorized or paid for the telephone calls to the recipients of the telephone calls, in violation of Government Code section 84310, subdivision (a).

SUMMARY OF THE LAW

All statutory references and discussions of law pertain to the Act's provisions as they existed at the time of the violations.

Liberal Construction and Vigorous Enforcement of the Political Reform Act

When the Act was enacted, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities. (Section 81001, subd. (h).) To that end, Section 81003 requires that the Act be liberally construed to achieve its purposes.

One of the purposes of the Act is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited. (Section 81002, subd. (a).) Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced." (Section 81002, subd. (f).)

[1] The Political Reform Act is contained in Government Code Sections 81,000 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.

Identification Requirements for Telephone Calls that are Similar in Nature and Aggregate 500 or More in Number

Pursuant to Section 84310, subdivision (a), a committee "may not expend campaign funds, directly or indirectly, to pay for telephone calls that are similar in nature and aggregate 500 or more in number, made by an individual, or individuals, or by electronic means and that advocate support of, or opposition to, a candidate, ballot measure, or both, unless during the course of each call the name of the organization that authorized or paid for the call is disclosed to the recipient of the call."

Under Regulation 18440, subdivision (c)(1), a committee pays for a call whether it pays directly for the call or pays another person to make the call on its behalf.

Treasurer Liability

Under Section 81004, subdivision (b), Section 84100 and Regulation 18427, subdivision (a), a committee's treasurer has the duty to ensure compliance with all requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. Pursuant to Sections 83116.5 and 91006, the treasurer of a committee may be held jointly and severally liable, along with the committee, for the committee's violations.

SUMMARY OF THE FACTS

In early October of 2010, Respondent Francl, on behalf of Respondent Committee, asked Thomas Donnelly, a sitting member of the Deer Springs Fire Protection District Board, to arrange for calls to be made in support of Jean F. Slaughter, Robert E. Osby, and Bret A. Sealey, who were running for the Deer Springs Fire Protection District Board in the November 2, 2010, election. On or about October 15, 2010, Frank Donnelly arranged and paid $370 for 1,000 identical and automated telephone calls to be made to voters in the Deer Springs Fire Protection District with a message from him asking voters to vote for Jean F. Slaughter, Robert E. Osby, and Bret A. Sealey in the November 2, 2010, Deer Springs Fire Protection District Board Member election. On or about October 15, 2010, Respondent Francl, on behalf of Respondent Committee, reimbursed Frank Donnelly $370 for the cost of the telephone calls.

The telephone calls were made between October 15, 2010, and October 22, 2010, and the telephone calls did not disclose to its recipients that Respondent Committee had authorized and paid for the telephone calls.

Accordingly, Respondents committed one violation of the Act, as follows:

Count 1

Failure to Disclose the Name of the Organization that Authorized or Paid for 500 or more Similar Telephone Calls

On or about October 15, 2010, Respondent Neighbors Opposing Tebbs, Eason, & Haney for Fire Board 2010, and its treasurer Respondent Thomas Francl, expended campaign funds on

telephone calls that were similar in nature and 500 or more in number that did not disclose the name of the organization that authorized or paid for the telephone calls to the recipients of the telephone calls, in violation of Government Code section 84310, subdivision (a).

CONCLUSION

This matter involves one count of violating the Act which carries a maximum administrative penalty of $5,000.

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division of the Fair Political Practices Commission (the "Commission") 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(s) demonstrated good faith in consulting with Commission staff; whether there was a pattern of violations; and whether upon learning of the violation the respondent voluntarily filed amendments to provide full disclosure. The facts are required to be considered by the Commission under Regulation 18361.5.

Failure to include the proper caller identification in Robocalls is a serious violation of the Act because it deprives the public of important information regarding the sponsor of the telephone calls. In this matter, 1,000 telephone calls were made without proper disclosure, and therefore recipients of the Robocalls were denied information regarding the true source of the call.

The violation was likely due to Respondent Francl's negligence and lack of experience with the Act, rather than deliberate acts to deceive the public. Also, the Robocalls were positive ads supporting candidates rather than negative ads. Additionally, Respondent Francl demonstrated good faith in cooperating with the Enforcement Division's investigation of this matter and Respondents do not have a history of action by the Enforcement Division.

Section 84310 has no history of fines. Recent penalties approved by the Commission concerning violations of Section 84305, subdivision (a), disclosure requirements for mass mailing, a section of the Act that has a very similar purpose to Section 84310, include:

- *In the Matter of Chico Democrats 08 and Michael Worley*, FPPC No. 09/537. This case involved one count of a violation of Section 84305, subdivision (a). A penalty of $2,500 was approved by the Commission on January 28, 2011, due to respondents' action of intentional identification of a fictitious committee on a mass mailer, which misled the public regarding the sponsor of the mailing. Respondents had no prior history of violating the Act and cooperated with the Enforcement Division's investigation.

In this matter, Respondents' actions were less egregious because Respondents did not intentionally mislead the public regarding the sponsor of the Robocalls, and therefore an

imposition of an administrative penalty in the amount of $1,500 for Count 1 is recommended. This is in the low range of penalties recommended for violations of Section 84305, subdivision (a).

After consideration of the factors of Regulation 18361.5, and consideration of penalties in prior enforcement actions, the imposition of a penalty of $1,500 is recommended.

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