



## FAIR POLITICAL PRACTICES COMMISSION

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April 1, 2010

Mark Edwards

**REDACTED**

**RE: FPPC No. 07/583; Mark Edwards**

Dear Mr. Edwards:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act (the "Act") found in Government Code Section 81000, and following. As you are aware, the Commission received a complaint against you alleging that you violated conflict of interest provisions of the Act. These allegations referred to your participation in discussion in the "General Plan Update Including Goals and Policies on Conversion of Timberland" on August 16, 2007, June 28, 2007, and September 6, 2007, while serving on the Mendocino County Planning Commission.

Under the Act, no public official at any level of state or local government may make, participate in making, or in any way use or attempt to use his or her official position to influence a governmental decision in which the official knows or has reason to know he or she has a disqualifying conflict of interest. (Section 87100.) To determine whether an individual has a disqualifying conflict of interest, the Commission generally employs the following sequenced analysis: (1) is the individual a public official; (2) did the official make, participate in making, or use or attempt to use the official position to influence a governmental decision; (3) what are the official's economic interests, (4) are the official's economic interests directly or indirectly involved in the governmental decision; (5) what is the applicable materiality standard for each economic interest involved; and (6) is it reasonably foreseeable that the governmental decision will have a material financial effect on the official's economic interest.<sup>1</sup> (See Regulation 18700.)

Under Section 87100, a conflict of interest exists when you, as a public official, make, participate in making, or attempt to use your official position to influence a governmental decision in which you know or have reason to know you have a "financial interest." You have a "financial interest" in a decision, within the meaning of Section 87100, if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on any source of income aggregating

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<sup>1</sup> The additional two steps of the analysis - whether the public generally exception applies and whether the individual is legally required to participate in the governmental decision - are inapplicable to this matter.

\$500 or more which you received within 12 months of the decision. (Section 87103, subdivision (c).) You are the president of, and have an ownership interest in, North Coast Resource Management, Inc. and an ownership interest in Crows Roost Ranch, which produces grapes. Thus, you have a financial interest in both of these entities.

Section 18705.1(c)(4) delineates the materiality standard for economic interests in business entities. The financial effect of a governmental decision on the business entity is material if it is reasonably foreseeable that: the gross revenues for a fiscal year will increase or decrease by an amount of \$20,000 or more; the business entity will incur or avoid additional expenses or reduce or eliminate existing expenses for a fiscal year in the amount of \$5,000 or more; or the decision will result in an increase or decrease in the value of the business entity's assets or liabilities of \$20,000 or more. When an official has a 10 percent investment interest or more in a business entity, the official also has an economic interest in the clients of the business as sources of income. (§ 82030, subd. (a).)

The economic interests that we examined included North Coast Resource Management ("NCRM") and Crows Roost Ranch. We also examined two of NCRM's timber company clients as indirect economic interests; the Soper-Wheeler Company and Mendocino Redwood Company, both of which provided NCRM with more than \$10,000 in annual revenue in 2008. The governmental decisions regarding the General Plan policies for the conversion of timberland, where your economic interests were not directly involved, did not appear to create a reasonably foreseeable financial effect on your economic interests because the provisions of the timberland conversion policies outlined objectives for a process that is ultimately overseen by the State Department of Forestry. There is also no evidence that anything other than minimal timberland conversion has occurred in Mendocino County in the past decade, thus, there is not evidence of a foreseeable, material economic effect. These decisions would not materially effect your economic interests in the manner delineated in section 18705.1(c)(4). The Commission has completed a review of the forgoing allegations and closed this case without finding a violation.

The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act, so if you need forms or manuals, or guidance regarding your obligations, please call the Commission's Technical Assistance Division at 1-866-275-3772. Please also visit our website at [www.fppc.ca.gov](http://www.fppc.ca.gov).

Sincerely,

**REDACTED**

Zachary W. Norton  
Commission Counsel  
Enforcement Division