



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

June 19, 2015

Greenheart Land Company

C/O Rebecca Olson

Miller & Olson, LLP

[REDACTED]

[REDACTED]

Warning Letter Re: FPPC No. 14/1248, Greenheart Land Company

Dear Ms. Olson:

The Enforcement Division of the Fair Political Practices Commission (the “Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a complaint filed against your clients, Greenheart Land Company (“Greenheart”), and Committee for a Vibrant Downtown – No on Measure M – Major Funding by Greenheart Land Company (the “Committee”) that alleged that Greenheart and the Committee failed to disclose on campaign statements expenditures and contributions related to a telephone survey paid for by Greenheart.

The Enforcement Division has completed its investigation of the facts in this case. Specifically, we found that in June of 2014, Greenheart, a commercial property developer, hired Godbe Corporation (“Godbe”) to conduct a telephone survey to gauge public sentiment about commercial development in Menlo Park. Greenheart paid Godbe \$31,030 for its services. The survey took place in July of 2014.

Based in part on the result of the Godbe survey, Greenheart officials created the Committee to oppose Measure M, a ballot measure that would have limited commercial office space in Menlo Park. Greenheart made a \$200,000 monetary contribution to the Committee on

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

July 30, 2014. Greenheart also made a non-monetary contribution to the Committee by paying for the Godbe survey. Greenheart was the Committee's only contributor.

The Committee used its funds to produce campaign literature and mailers opposing Measure M, and for slate mailers supporting certain candidates for city council in Menlo Park. The Committee made use of the findings of the Godbe survey in its effort to oppose Measure M. The Committee successfully defeated Measure M in the general election.

Greenheart timely filed a major donor statement covering the period from January 1, 2014 through September 30, 2014. The major donor statement disclosed the \$200,000 monetary contribution but failed to disclose the non-monetary contribution that resulted from Greenheart providing the results of the Godbe survey to the Committee. The Committee also did not timely disclose receiving the Godbe survey information as a non-monetary contribution on its campaign statement for that period. Greenheart and the Committee both filed amended statements disclosing the Godbe survey non-monetary contribution upon learning of the complaint in this case.

On May 21, 2015, the Commission approved a stipulation, decision, and order whereby the Committee admitted failing to timely disclose on its campaign statement the non-monetary contribution of the Godby survey results from Greenheart, and paid a fine of \$2,500 for that violation.

The Act requires major donor committees to disclose the total amount of contributions the major donor makes and provide information about the recipients of the contributions on the major donor committee's campaign statements.² An entity qualifies as a major donor committee under the Act when it makes contributions totaling \$10,000 or more in a calendar year.³ Under the Act, a "contribution" includes any goods or services received by a candidate or committee at no charge or at a discount from fair market value.⁴ This type of contribution is commonly referred to as a "non-monetary" contribution.

By failing to timely disclose making the non-monetary contribution of the Godby survey data to the Committee, Greenheart violated Section 84211, subdivisions (b), (i), and (k).

The Enforcement Division has determined that further enforcement action is not warranted since Greenheart filed amended statements upon learning of their error, and Greenheart created the Committee and was its only contributor so it was ultimately responsible for the fine paid by the Committee. Greenheart's violation and the violation that resulted in a fine

² Section 84211, subdivisions (b), (i) and (k).

³ Section 82013, subdivision (c).

⁴ Regulation 18215, subdivision (b)(3).

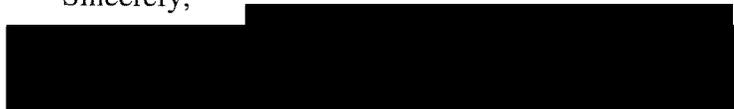
for the Committee were a single mistake by the individuals who operated both entities in failing to recognize that the survey constituted a non-monetary contribution. Also, neither Greenheart nor the Committee have a history of prior enforcement actions.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an Enforcement Division case resolution without administrative prosecution or fine. But the warning letter resolution does not provide your client with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Commission. If your client wishes to avail itself of these proceedings by requesting that its case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the Enforcement Division will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the Commission's website ten (10) days from the date of this letter.

If you need forms or a manual, or guidance regarding your obligations, please call the Commission's Toll-Free Advice Line at 1-866-275-3772 or visit our website at www.fppc.ca.gov. Please feel free to contact me at (916) 323-6302 with any questions you may have regarding this letter.

Sincerely,



✓ Dave Bainbridge
Senior Commission Counsel
Enforcement Division

cc: Heyward Robinson, complainant