



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
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June 27, 2013

Mr. Bobby Liu
Chief Compliance Officer
MD Sass Securities, LLC

1 **REDACTED**
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Warning Letter Re: FPPC No. 13/0393, Bruce D. George; MD Sass Securities, LLC

Dear Mr. Liu:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),¹ found in Government Code section 81000, et seq. This letter is in response to a non-filer referral from the California Secretary of State which alleged you violated the Act's lobbying reporting provisions.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you failed to timely file Form 615s on behalf of Mr. Bruce D. George, as one of your in-house lobbyists, for the following quarter:

– January 1, 2012 through March 31, 2012

Under Section 86113 of the Act, lobbyists¹ must complete and verify a periodic report (Form 615) containing all activity expenses incurred and certain contributions made or delivered by the lobbyist during the reporting period. The Form 615 is to be provided to the lobbyist's employer²

¹ For purposes of the Act, "Lobbyist" includes an individual:

- (1) Who receives \$2,000 or more in compensation in a calendar month for engaging in direct communication with a qualifying official for the purpose of influencing legislative or administrative action. [§ 82039 (a)(1), Reg. §§ 18239 (a)(1), (b)]
- (2) Whose principal duties as an employee (spending one-third or more of their paid work-time/month) are to engage in direct communication with a qualifying official for the purpose of influencing legislative or administrative action. [§ 82039 (a)(1); Reg. §§ 18239 (a)(2), (c)]
- (3) Who was hired by an external manager to solicit, market, consult, broker or act as an intermediary in connection with the offer or sale of securities, assets, or services of an external manager to a state public retirement system in California or an investment vehicle. [§§ 82039 (a)(2), 82047.3, 82025.3; Reg. § 18239 (a)(3)]

² For the definition of a "lobbyist employer," see § 82039.5 and Reg. § 18239.5.

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.

or lobbying firm³ within two weeks following the end of each calendar quarter. (§ 86113.) The Form 615 is to be filed with SOS as an attachment to the Report of Lobbying Firm (Form 625), pursuant to Section 86114, or Report of Lobbyist Employer (Form 635), pursuant to Section 86116, by the times specified in Section 86117 and in the manner required by Sections 86118 and 84605.

Thus, under the law as it is presently written, you, as the lobbyist employer, have the specific obligation to file your lobbyists' 615s with SOS, and to notify the SOS of any lobbyists you no longer employ.

Your actions violated the Act because you failed to file the aforementioned report by the specified deadline. However, since you do not have a history of violating the Act, we are closing your case with this warning letter. 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 FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your 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 FPPC 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 FPPC's website ten (10) days from the date of this letter.

The FPPC publishes forms and manuals to facilitate compliance with the provisions of the Act. If you need any of these publications, or guidance regarding your obligations, please call the FPPC's Technical Assistance Division at (866) 275-3772 or visit our website at www.fppc.ca.gov.

If you have further questions regarding this letter, please contact Tracey Frazier at (916) 327-2019.

Sincerely,

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Gary S. Winuk
Chief, Enforcement Division

cc: Chris Reynolds
California Secretary of State
Political Reform Division

GSW:tf:rb

³ For the definition of a "lobbying firm," see § 82038.5 and Reg. § 18238.5.