FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

February 1, 2011

Philip N. Deatherage
Deatherage
REDACTED

Warning Letter Re: FPPC No. 11/070, Philip N. Deatherage/Deatherage

Dear Mr. Deathrage:

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 being sent as a result of an FPPC investigation against you and Deatherage. The FPPC initiated its investigation after receiving a referral from the California Secretary of State. The referral alleged that 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 violated the Act by failing to timely file a Form 615 and a Form 625 periodic lobbying report for the July 01, 2010 through September 30, 2010 reporting period.

Section 86113 of the Act provides that lobbyists must file periodic reports. Section 82039 of the Act defines a lobbyist as an individual "who receives two thousand dollars or more in economic consideration in a calendar months, other than reimbursements for reasonable travel expenses, or whose principal duties as an employee are, to communicate directly or through his or her agents with any elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative actions." Similarly, section 82038.5 of the Act defines a lobbying firm as a business entity that receives or becomes entitled to any compensation, other than reimbursement for reasonable travel expenses, "for the purpose of influencing legislative or administrative action on behalf of any other person, and any partner, owner, officer, or employee of the business entity is a lobbyist" or "to communicate directly with

[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 18109 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.

any elective state office, agency official, or legislative official for the purposes of influencing legislative or administrative action on behalf of any other person, if a substantial or regular portion of the activities for which the business entity receives compensation is for the purpose of influencing legislative or administrative action." Section 86117(a) provides that these reports "shall be filed during the month following each calendar quarter."

The above-mentioned reports are filed by submitting a completed Form 615 and Form 625 to the California Secretary of State. You violated the Act by failing to timely file a Form 615 for the period of July 01, 2010 through September 30, 2010. Likewise, Deatherage violated the Act because it failed to file a Form 625 for the period of July 01, 2010 through September 30, 2010.

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 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.

If you have further questions regarding this matter, please contact Marina Mankaryous at (916) 322-7486.

Sincerely,

REDACTED

Gary S. Winuk
Chief, Enforcement Division

GSW/mm