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

February 22, 2011

Lois Karp, President
Concerned Citizens Coalition Marymount Expansion
REDACTED

Warning Letter Re: FPPC No. 10/1049, Concerned Citizens Coalition Marymount Expansion

Dear Ms. Karp:

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 proactive investigation begun by the FPPC against Concerned Citizens Coalition Marymount Expansion and its apparent failure to timely organize as a recipient committee and file the required campaign statement.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that Concerned Citizens Coalition Marymount Expansion did not timely organize as a recipient committee and file the required campaign statement. The Act provides that a committee's failing to organize as a recipient committee and file the campaign reports required of a recipient committee is a violation. (GC §§ 82013, subs. (a) and 84200 et seq.) Specifically, Regulation 18215 (b)(1), commonly referred to as the "first-bite of the apple" rule, was established for organizations that exist primarily for purposes other than making contributions or expenditures (multi-purposes organizations), where the organization's members or donors have no reason to suspect their payments will be used for political purposes because the organization has not made contributions or expenditures in the past. Under this rule, the first time an organization uses dues or other receipts to make contributions or expenditures, the organization's members or donors are presumed to have gained knowledge that the funds they have donated

[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.

may in the future, be used for political purposes. This is the "first bite." Accordingly, once Concerned Citizens Coalition Marymount Expansion made its first independent expenditure totaling $1,000 or more, the presumption that donors to the organization did not have reason to know that their payments would be used to make contributions or expenditures no longer applied.

The actions of Concerned Citizens Coalition Marymount Expansion violated the Act because the contribution of $2,200 made to Save Our City III on October 25, 2010, followed the "first bite" independent expenditure made on October 19, 2010, and required Concerned Citizens Coalition Marymount Expansion to form as a recipient committee and file the campaign statements required by recipient committees. Because, however, Concerned Citizens Coalition Marymount Expansion did not appear to be avoiding disclosure, you filed the forms to disclose a late independent expenditure and subsequently a late contribution, and you have since filed the required statements to form and terminate a recipient committee, we have decided to close this case.

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 questions regarding this matter, please contact Adrianne Korchmaros at (916) 322-8241.

Sincerely,

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Gary S. Winuk, Chief
Enforcement Division

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