FAIR POLITICAL PRACTICES COMMISSION
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March 4, 2011

Protected Settlement Communication
(Evid. Code §§ 1152, 1154)

✓Dr. Steven Choi
Steven Choi for Assembly 2010
REDACTED

Lysa Ray
Steven Choi for Assembly 2010
REDACTED

RE: Warning Letter
In the Matter of Steven Choi, Steven Choi for Assembly 2010 Committee, and Lysa Ray; FPPC No. 10/097

Dear Dr. Choi and Ms. Ray:

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 Dr. Steven Choi, Steven Choi for Assembly 2010 Committee ("Committee"), and Lysa Ray that alleged that personal loans were made to the Committee in an amount over the legal limit and an improper refund of a candidate contribution was made in addition to other reporting problems with relation to these activities.

The Commission has completed its investigation of the facts of this case. Specifically, the Commission found that on December 17, 2009, Dr. Choi deposited a $100,000 loan into the Committee's bank account and then deposited a second $100,000 on December 22, 2009, as an additional loan. Then, on December 31, 2009, Ms. Ray refunded the second $100,000 to Dr. Choi. In explanation, Ms. Ray stated that since a second loan of $100,000 was impermissible, and Dr. Choi did not intend to make a contribution of the money, she refunded the funds to Dr. Choi. These actions violated the Act since Section 85307 does not authorize a candidate to make

[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.

personal loans to his or her campaign exceeding $100,000 outstanding and, additionally, Section 85319 does not permit contributions to be returned to candidates. However, since Ms. Ray refunded the money immediately upon notification that it was deposited erroneously as a loan and this was accomplished before the closing of the reporting period for that campaign statement, we have decided to close this case with a warning letter.

This letter serves as a written warning. The information in this letter 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 a Commission 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 Commission. If you wish to avail yourself of these proceedings by requiring 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 Commission 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.

Please contact me with any questions you may have regarding this letter.

Sincerely,

REDACTED

Galena West
Senior Commission Counsel
Enforcement Division