EXHIBIT 1

INTRODUCTION


This matter arose from a referral received by the Fair Political Practices Commission’s ("Commission") Enforcement Division. An investigation of the allegations in the referral revealed that Respondents did not comply with disclosure provisions specified in the Political Reform Act (the "Act"). Specifically, Respondents failed to display the required "Notice to Voters" disclaimer on a slate mailer distributed to voters prior to the November 5, 2013 election.

For the purposes of this stipulation, Respondents’ violations of the Act are stated as follows:

COUNT 1  Respondents Parent Teacher Action Voter Guide, a slate mailer organization, Patrick Furey Jr., the Organization’s principal officer, and Gary Crummitt, the Organization’s treasurer, failed to include in a slate mailer the required disclaimer "Notice to Voters," in violation of Government Code Section 84305.5 subdivision (a)(2).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. The Act, therefore, establishes a campaign reporting system designed to accomplish this purpose of disclosure.

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.
Slate mailer organizations are included among the entities subject to the Act's campaign reporting requirements. Under the Act, a slate mailer organization is any person who directly or indirectly, does all of the following: 1) is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers; and 2) receives or is promised payments totaling five hundred dollars ($500) or more in a calendar year for the production of one or more slate mailers. (Section 82048.4, subd. (a).)

**Duty to Include Disclaimers in Slate Mailers**

Section 84305.5 requires a slate mailer organization to include certain disclosures in its mailers. Subdivision (a)(2) requires that at the top or bottom of the front side or surface of at least one insert or at the top or bottom of one side or surface of a postcard or other self-mailer, there is a notice in at least 8-point roman boldface type, which shall be in a color or print which contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter. The notice shall consist of the following statement:

"NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.""

**Liability for Violations**

Section 83116.5 provides that any person who violates any provision of this title, who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter. However, this section shall apply only to persons who have filing or reporting obligations under this title, or who are compensated for services involving the planning, organizing, or directing any activity regulated or required by this title.
Section 84108 requires slate mailer organizations to comply with Section 84100, which requires the entity to have a treasurer. Sections 83116.5 and 91006 provide that a treasurer may be held jointly and severally liable, along with the organization, for any violations of the Act.

SUMMARY OF THE FACTS


Prior to the November 5, 2013 election, Respondents produced and distributed a slate mailer consisting of 6,000 pieces supporting several candidates involved in local South Bay Area elections. All 6,000 of the mailings failed to display the required "Notice to Voters" disclaimer as required by the Act. In place of the disclaimer, the mailer displayed a brief summary of the organization. According to Respondent Furey, when Respondent Organization identified the omission it immediately halted any further distribution of the mailings.

In addition to the slate mailer sent to the South Bay Area, Respondent Organization produced and distributed three other slate mailers targeting other areas in the greater Los Angeles Area. All three of the other slate mailers properly displayed the "Notice to Voters" disclaimer.

CONCLUSION

This matter consists of one count of violating the Act, which carries a maximum possible administrative penalty of Five Thousand Dollars ($5,000).

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. The Enforcement Division also considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6), which include: the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the
Respondent demonstrated good faith in consulting with Commission staff; whether there was a pattern of violations; and whether upon learning of the violation the Respondent voluntarily filed amendment to provide full disclosure.

Additionally, liability under the Act is governed in significant part by the provisions of Section 91001, subdivision (c), which requires the Commission to consider whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith, in applying remedies and sanctions.

Failure to include the required "Notice to Voters" disclaimer is a serious violation of the Act as it deprives the public of important information. In this matter, the public would not have been able to tell which candidates and measures featured in the slate mailer actually paid to appear.

The Commission has previously assessed a penalty for a violation of section 84305.5, subsection (a)(2) in two other instances:

*In the Matter of Election Digest - A Project of The Coalition for Literacy and Tracey Pomerance-Poirier.* (FPPC No. 13/107). Respondents Election Digest - A Project of The Coalition for Literacy, a slate mailer organization, and Tracey Pomerance-Poirier, the Organization's founder, failed to provide the required "Notice to Voters" disclaimer in a color or print which contrasted with the background so as to be easily legible, on slate mailers sent in connection with the November 6, 2012 election, in violation of Government Code Section 84305.5 subdivision (a)(2). The violation was aggravated by the fact that Respondent Pomerance-Poirier had experience producing slate mailers, had already been fined twice by the Commission in connection with disclosure requirements, and appeared to have acted with intent at worst or negligence at best. On August 22, 2013, the Commission approved a fine of $3,000 for the one count.

*In the Matter of Paul Fickas and Decline to State Voter Guide.* (FPPC No. 10/959). Respondent Decline to State Voter Guide was a slate mailer organization formed and controlled by respondent Paul Fickas. Respondents failed to include required wording in the slate mailer disclaimer "Notice to Voters" and to place asterisks following the names of the candidates that paid to appear in slate mailers sent in connection with the November 2, 2010 Election. The respondents had no prior experience with producing slate mailers and did not make any effort to ensure they were in compliance with the Act.
However, respondents had no prior history of violating the Act and it did not appear they intended to deceive voters. On September 22, 2011, the Commission approved settlement of this case, with a $1,500 penalty for this violation.

The circumstances here appear to be closer aligned to the second comparable case. Most importantly, in contrast to the first case described above, the violation here was likely inadvertent and there is no evidence demonstrating that Respondents acted with an intent to deceive voters. Also, Respondent Furey, the officer who oversaw the production and distribution of the slate mailer, has no prior history of violating the Act.

However, in aggravation, Respondent Furey is an experienced political operative and should have been aware of the Act and its disclaimer requirements. In further aggravation, Respondent Crummitt has a prior history of violating the Act including In the Matter of CA Voter Guide and Gary Crummitt, FPPC No. 12/374, where Respondent Crummitt’s employer failed to provide proper identification on a slate mailer.

Proposed Penalty

After consideration of the factors of Regulation 18361.5, including whether the behavior in question was inadvertent, negligent or deliberate and the Respondent’s pattern of behavior, as well as consideration of penalties in prior enforcement actions, the imposition of a penalty of One Thousand Seven Hundred Fifty Dollars ($ 1,750) is recommended.