



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

January 4, 2023

Steven S. Lucas
Nielsen Merksamer
o/b/o Matthew Paige
Via email: slucas@nmgovlaw.com

Warning Letter re: FPPC No. 2023-00003, Matthew Paige

Dear Steven S. Lucas:

The Enforcement Division of the Fair Political Practices Commission (“FPPC”) enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a self-referral reporting your client’s failure to timely electronically file a major donor campaign statement (Form 461) for the reporting period of January 1, 2020 through December 31, 2020.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that your client qualified as a major donor committee as a result of their contribution made during the 2020 calendar year. We found that, although your client filed a paper version of the required campaign statement (Form 461), they failed to file electronically. We also found that your client failed to file a 24-hour contribution report (Form 497) in connection with their \$25,000 contribution made during the 90-day period before the pertinent election.

Under the Act, an individual or entity that makes contributions totaling \$10,000 or more in a calendar year qualifies as a major donor committee and incurs filing obligations.² If the \$10,000 threshold is met in the first six months of the calendar year, a major donor must file a Form 461 covering the period of January 1 through June 30 by July 31 of the calendar year. If the threshold is met in the latter six months of the calendar year, a major donor must file a campaign statement (Form 461) covering the period January 1 through December 31 by January 31 of the following calendar year. Additionally, if an individual or entity qualifies as a state major donor committee and makes contributions and/or expenditures of \$25,000 or more during a calendar year, they must also electronically file the required campaign statements.

Furthermore, the Act requires a major donor committee that makes a contribution(s) totaling \$1,000 or more during the 90-day period prior to the relevant election, or on the date of the election, to file a 24- hour contribution report (Form 497) within 24 hours of the time the contribution was made.³

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Section 82013(c)

³ Sections 82036 and 84203

Your client's actions violated the Act because they failed to timely electronically file a campaign statement (Form 461) by the February 1, 2021 deadline and to timely file a 24-hour contribution report (Form 497). However, the Enforcement Division has decided to close this case with a warning letter for the following reasons: they self-reported the violation before public discovery and Enforcement contact; they timely filed the required campaign statement in paper form; the committee that received their late contribution timely disclosed upon receipt of the contribution; the contribution for the calendar year was \$30,000 or less; the 24-hour contribution report (Form 497) would not have been due within the 16 days prior to the election; and they have no prior history with Enforcement.

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 Enforcement Division case resolution without administrative prosecution or fine. The Commission has adopted Regulation 18360.1 to authorize the Enforcement Division to issue warning letters to conclude cases in specified circumstances. 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 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 Enforcement Division 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.

If you have any questions regarding this letter, please contact Amber Rodriguez at arodriguez@fppc.ca.gov or (916) 322-1198.

Sincerely,

Angela J. Brereton

Angela J. Brereton, Chief
Enforcement Division

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