



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

August 4, 2023

Save Proposition 13 Segregated Fund Account
Civic Center Plaza
30011 Ivy Glenn Drive
Suite 223
Laguna Niguel, CA 92677



Warning Letter re: FPPC No. 2019-01371; Save Proposition 13 Segregated Fund Account

Dear Save Proposition 13 Segregated Fund Account:

The Enforcement Division of the Fair Political Practices Commission enforces the provisions of the Political Reform Act¹ (the “Act”). In 2019, The Enforcement Division opened this case in response to an anonymous complaint which raised concerns regarding the Act’s slate mailer disclaimer requirements. Based on our investigation, we are closing the case with a warning letter, as discussed below.

A “slate mailer” is a mass mailing (of more than 200 substantially similar pieces of mail) that supports or opposes a total of four or more candidates or ballot measures.² A “slate mailer organization” (“SMO”) includes any organization that:³ (a) 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 (b) received or is promised payments totaling \$500 or more in a calendar year for the production of one or more slate mailers. SMOs must file statements and reports for certain reporting periods and by certain deadlines.⁴

The Act provides that slate mailers may not be sent without certain disclaimers. For example, at the top or bottom of the front side or surface or at least one insert – or at the top or bottom of one side of surface of a postcard or other self-mailer – there must be a notice in at least 8-point roman boldface type, which must be easily legible and in a box that is set apart from any other printed matter. The notice must state the following:⁵

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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 Sections 82041.5 and 82048.3.

³ Sections 82047 and 82048.4.

⁴ Sections 84108 and 84218, *et seq.*

⁵ See Section 84305.5, subdivision (a)(2).

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 other appearing in the mailer, nor does it imply endorsement of, or opposition to, any issue set forth in the mailer. Appearance is paid for and authorized by each candidate and ballot which is designated by an *.

Also, no slate mailer may be sent unless each candidate and ballot measure that paid to appear in the slate mailer is designated by an asterisk. Any candidate or ballot measure that has not paid to appear in the slate mailer must not be designated by an asterisk.⁶

You violated the Act by failing to comply with the disclaimer and asterisk requirements that are noted above. In dissemination of the slate mailer the mailer should not have denoted an asterisk next to candidates Dan Bane, Laura Gerguson and Gene W James, because they did not pay for the creation or dissemination of the slate mailers. However, these candidates are not currently in office and two of them were not successful in the relevant election. Additionally, the committee has no prior Enforcement history in the last five years. Based on the foregoing, and in accordance with the Enforcement Division Policy Directives formally adopted by the Commission on January 26, 2023, which requires the Enforcement Division to take all appropriate actions within their discretion to decrease the Division's annual carryover caseload, the Enforcement Division is closing this case with this warning letter.⁷ Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.⁸ This resolution may not be used as a comparable case for other enforcement matters.⁹

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

⁶ See Section 84305.5, subdivision (a)(4).

⁷ <https://www.fppc.ca.gov/content/dam/fppc/NS/Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

⁸ Regulations 18360.1 and 18360.3.

⁹ See Regulation 18361.5, subdivision (e)(3).

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 Chance Felkins at cfelkins@fppc.ca.gov or 916-327-2016.

Sincerely,

Michael Chance Felkins

Michael Chance Felkins, Commission Counsel
Enforcement Division