



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

April 24, 2023

Sarah Lang
Bell, McAndrews & Hiltachk, LLP
o/b/o Michael Stubbs
Via email: slang@bmhlaw.com

Warning Letter re: FPPC No. 2022-00333; Michael Stubbs

Dear Sarah Lang:

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 your self-reported complaint wherein you acknowledged that your client, Michael Stubbs, violated the campaign disclosure provisions of the Act.

The Enforcement Division has completed its review of the facts in this case. Specifically, we found that William Resnick qualified as a major donor in 2017, 2018, 2019, and 2020 by making contributions totaling \$15,200, \$129,339, \$33,150, and \$112,500, respectively. Your client failed to file Major Donor Campaign Statements (Form 461) by the July 31, 2017,² January 31, 2018,³ July 31, 2018, January 31, 2019, July 31, 2019, January 31, 2020, July 31, 2020, and February 1, 2021 deadlines.

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.⁴ If the \$10,000 threshold is met in the first six months of the calendar year, a major donor committee must file Form 461 covering the period of January 1 through June 30 by July 31 of that calendar year. If additional contributions are made from July 1 through December 31, a major donor committee must file Form 461 covering the period of July 1 through December 31 by January 31 of the following calendar year.⁵

Your client violated the Act by failing to timely file eight semi-annual Major Donor Campaign Statements. However, the Enforcement Division has decided to close this case with this warning letter rather than a fine for the following reasons: you self-reported the violations on behalf your client; your client has since filed the missing campaign statements; your client reported \$30,000 or less on one of the campaign statements; some of the activity associated with the late Form 461s was otherwise timely reported by the recipients; and your client has no prior Enforcement history.

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 The violation for this statement is past the 5-year statute of limitations and is not subject to this offer.

³ The violation for this statement is past the 5-year statute of limitations and is not subject to this offer.

⁴ Section 82013(c).

⁵ Section 84200(b).

Finally, we note that a separate violation regarding seven late-filed 24-hour contribution reports was resolved via a streamline settlement approved at the April 20, 2023 Commission meeting. 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.⁶ Discretion was used based upon mitigating or aggravating circumstances and the totality of the circumstances.⁷ This resolution may not be used as a comparable case for other enforcement matters.⁸

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,

Christopher B. Burton

Christopher B. Burton, Acting Chief
Enforcement Division

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⁶ <https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/AgendaDocuments/General%20Items/2023/january/15.0-Enforcement-directives.pdf>

⁷ Regulation 18360.1.

⁸ See Regulation 18361.5, subdivision (e)(3).