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8 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
9 STATE OF CALIFORNIA

10
11 In the Matter of:

12 R4: REDONDO RESIDENTS FOR
13 RESPONSIBLE REVITALIZATION

14 Respondent.

FPPC No. 15/112

15
16 STIPULATION, DECISION, AND ORDER

17 **INTRODUCTION**

18 R4: Redondo Residents for Responsible Revitalization (“Committee”) was a recipient committee
19 that opposed Measure B on the ballot in the City of Redondo Beach for the March 3, 2015 election. The
20 Political Reform Act (the “Act”)¹ requires a committee to include the full name of the committee on all of
21 its advertising. The Committee violated the Act by failing to include its full name on its advertisements.

22 **SUMMARY OF THE LAW**

23 All statutory references and discussions of law pertain to the Act’s provisions as they existed in
24 2015.

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27 ¹ The Political Reform Act is contained in Government Code Sections 8100 through 81014. All statutory references
28 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.

1 **Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act**

2 When enacting the Political Reform Act, the people of California found and declared that previous
3 laws regulating political practices suffered from inadequate enforcement by state and local authorities.²
4 For this reason, the Act is to be construed liberally to accomplish its purposes.³ One purpose of the Act is
5 to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and
6 truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ To further this
7 purpose, the Act requires that the source of an advertisement be disclosed on the advertisement. Another
8 stated purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be
9 “vigorously enforced.”⁵

10 **Advertisement Disclosure**

11 An “advertisement” under the Act means any general or public advertisement which is authorized
12 and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective
13 office or a ballot measure(s).⁶ On mass mailings and other written advertisements by a committee that
14 supports or opposes a ballot measure, the committee must print its full name on the advertisement.⁷ The
15 phrase “paid for by” must be written adjacent to the committee name.⁸

16 A committee whose primary activities are to oppose a single measure is considered a primarily
17 formed ballot measure committee.⁹ If a committee makes more than 70% of its total expenditures on
18 candidates and measures on a single candidate or measure, the committee is deemed to exist primarily to
19 support or oppose that candidate or measure even if it does not identify itself as a primarily formed
20 committee.¹⁰ The name of a primarily formed ballot measure committee that opposes a measure must
21 include the letter or number of the measure, and a statement that the committee is against the measure.¹¹

24 ² § 81001, subd. (h).

25 ³ § 81003.

26 ⁴ § 81002, subd. (a).

27 ⁵ § 81002, subd. (f).

28 ⁶ § 84501.

⁷ §§ 84305 subd. (a) and 84504, subd. (c).

⁸ Regs. 18435, subd. (d) and 18450.4, subd. (b)(1).

⁹ § 82047.5 and Reg. 18247.5, subd. (d).

¹⁰ Reg. 18247.5, subd. (d)(3).

¹¹ §84107.

1 Consequently, a ballot measure committee’s advertising disclosure statement containing the committee’s
2 name must include reference to the ballot measure letter.¹²

3 **SUMMARY OF THE FACTS**

4 Measure B proposed to change the zoning designation for property in Redondo Beach that
5 contained a decommissioned power plant. The change in zoning would have allowed for a mixed-use
6 development on the former power plant site. The petition drive to place Measure B on the ballot began in
7 August of 2014 and the measure qualified for the ballot and was designated “Measure B” on November
8 18, 2014.

9 The Committee, which consisted of a group of citizens opposed to large-scale development in
10 Redondo Beach, filed its initial Statement of Organization with the Secretary of State on November 3,
11 2014. It qualified as a committee on or about December 3, 2014 when it received contributions of \$1,000
12 or more. The Committee identified itself on its Statement of Organization as a city general purpose
13 committee. The Committee contends in forming as a general purpose committee it intended to support or
14 oppose various measurers and candidates consistent with its stance against large-scale development in
15 Redondo Beach.

16 Despite the Committee’s stated intent to operate as a general purpose committee, the vast
17 majority of its expenditures leading up to the 2015 election were to oppose Measure B. As a result, it
18 qualified as a primarily formed ballot measure committee. For the January 18, 2015 through February
19 14, 2015 reporting period, the Committee’s expenditures supporting a candidate or measure were
20 \$8,040, of which \$7,440 was on expenditures opposing Measure B (92.5%). For the February 15, 2015
21 through June 30, 2015 reporting period, the Committee’s total expenditures on a candidates or measure
22 were \$8,476, of which \$7,976 was spent opposing Measure B (94.1%). The Committee did not change
23 its name to reflect its status as a primarily formed ballot measure committee opposing Measure B.

24 Many of the expenditures discussed above were for advertisements. The Committee produced at
25 least four different written advertisements advocating against the passage of Measure B. The
26 advertisements included: 4,700 flyers printed on 8 ½” x 11” paper with color printing on both sides that
27 cost approximately \$761; two separate sets of door hangers with color printing on both sides in a quantity
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¹² §84504.

1 of 15,000 per set that cost approximately \$4,340 total to produce and distribute; and a mass mailing
2 produced in a quantity of 4,969 and printed in color on 8 ½” x 11” cardstock with content on both side
3 that cost approximately \$1,402.

4 The flyers did not include the name of the Committee, or the phrase “paid for by.” The flyers did
5 include two references to “R4” as well as the internet address for the Committee’s website and Facebook
6 page. Further, it was clear from the content on all of the advertisements that the Committee opposed
7 Measure B.

8 The door hangers and mass mailing did include the Committee name and “paid for by.” But, like
9 the flyers, the door hangers and mass mailing did not include in the disclosure of the Committee name the
10 ballot measure committee disclosure requirement, i.e. that the Committee was opposed to Measure B.

11 The voters of Redondo Beach rejected Measure B at the March 2015 city election.

12 **VIOLATION**

13 Count 1: Failure to include proper disclaimer on advertisement

14 The Committee failed to include reference to Measure B in its name on its advertisements and
15 failed to include the Committee’s full name and “paid for by” on approximately 3,200 flyers the
16 Committee distributed in violation of sections 84305, subdivision (a) and 84504, subdivision (c), and
17 Regulation 18450.4, subd. (b)(1).

18 **PROPOSED PENALTY**

19 This matter consists of one count of violating the Act, which carries a maximum administrative
20 penalty of \$5,000.

21 In determining the appropriate penalty for a particular violation of the Act, the Commission
22 considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis
23 on serving the purposes and intent of the Act. Additionally, the Commission considers the facts and
24 circumstances of the violation in context of the factors set forth in regulation 18361.5, subdivision (d): 1)
25 the seriousness of the violations; 2) the presence or lack of intent to conceal, deceive or mislead the voting
26 public; 3) whether the violation was deliberate, negligent, or inadvertent; 4) whether the respondent
27 demonstrated good faith in consulting with Commission staff; 5) whether there was a pattern of violations;
28 and 6) whether, upon learning of the violation, the violator voluntarily provided amendments to provide

1 full disclosure.

2 In this case, the Committee did not intend to conceal or mislead the voters because each
3 advertisement identified the Committee as the source of advertisement and it was clear the Committee
4 opposed Measure B. The Enforcement Division found no evidence the violations were deliberate. Instead,
5 they appear to be the result of the Committee volunteers' lack of experience with the Act.

6 The Commission also considers penalties in prior cases involving similar violations. *In the Matter*
7 *of Citizens for Yes on Measure B, Kevin Berger, and Jim L. Theis*, FPPC No. 14/1147, concerned a ballot
8 measure committee that produced 20,000 flyers at a cost of \$819 that did not include proper disclosure of
9 the committee name. The flyers did include reference to the committee's website. The committee was
10 made up of volunteers with little or no experience in political campaigns. The Commission imposed a
11 penalty of \$2,500 for the violation at its November, 2016 meeting.

12 The present case also involved a group of volunteers with little to no experience with campaigns.
13 The Committee's advertisements clearly indicated the Committee was responsible for the advertisements
14 and the Committee's position on Measure B was clear from the content of the advertisements. Further, the
15 Committee reported expenditures for the advertisements on its campaign statements. But a moderately
16 higher penalty is justified in this case because the Committee produced more advertising than in the
17 comparable case and because the Committee name was never changed to include reference to Measure B.

18 Therefore, an administrative penalty of \$3,000 is recommended.

19 CONCLUSION

20 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
21 respondent R4: Redondo Residents for Responsible Revitalization hereby agree as follows:

22 1. Respondent violated the Act as described in the foregoing pages, which are a true and
23 accurate summary of the facts in this matter.

24 2. This stipulation will be submitted for consideration by the Fair Political Practices
25 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.

26 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose
27 of reaching a final disposition without the necessity of holding an administrative hearing to determine
28 the liability of respondent pursuant to Section 83116.

1 4. Respondent has consulted with its attorney, Stevan Colin of Gabriel & Associates, and
2 understands, and hereby knowingly and voluntarily waives, any and all procedural rights set forth in
3 sections 83115.5, 11503, 11523, and regulations 18361.1 through 18361.9. This includes, but is not
4 limited to the right to appear personally at any administrative hearing held in this matter, to be
5 represented by an attorney at respondent’s own expense, to confront and cross-examine all witnesses
6 testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial
7 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially
8 reviewed.

9 5. Respondent agrees to the issuance of the decision and order set forth below. Also,
10 Respondent agrees to the Commission imposing against it an administrative penalty in the amount of
11 \$3,000. One or more cashier’s checks or money orders totaling said amount—to be paid to the General
12 Fund of the State of California—is/are submitted with this stipulation as full payment of the
13 administrative penalty described above, and same shall be held by the State of California until the
14 Commission issues its decision and order regarding this matter.

15 6. If the Commission refuses to approve this stipulation—then this stipulation shall become
16 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
17 rejected, all payments tendered by Respondent in connection with this stipulation shall be reimbursed to
18 Respondent. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
19 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
20 Director, shall be disqualified because of prior consideration of this Stipulation.

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7. The parties to this agreement may execute their respective signature pages separately. A copy of any party’s executed signature page including a hardcopy of a signature page transmitted via fax or as a PDF email attachment is as effective and binding as the original.

Dated: _____

Galena West, Chief of Enforcement
Fair Political Practices Commission

Dated: _____

Rob Gaddis, on behalf of R4: Redondo Residents for
Responsible Revitalization

The foregoing stipulation of the parties “In the Matter of R4: Redondo Residents for Responsible Revitalization,” FPPC No. 15/112, is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon execution below by the Chair.

IT IS SO ORDERED.

Dated: _____

Joann Remke, Chair
Fair Political Practices Commission