



## FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

May 12, 2014

Stephen Kaufman  
o/b/o Neighborhood Market Association  
Kaufman Legal Group

# REDACTED

**Warning Letter: Case No. 14/251; Neighborhood Market Association**

Dear Mr. Kaufman:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"),<sup>1</sup> found in Government Code Section 81000, et seq. This letter is a result of a pro-active investigation begun against your client by the FPPC that alleged the Neighborhood Market Association (the "Association") made a contribution and failed to timely disclose that contribution. We are closing this matter with a warning letter.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that on or around October 21, 2013, the Association made a \$10,000 contribution to the Neighborhoods for Nathan Fletcher-A Committee to Support Nathan Fletcher for Mayor 2013, Sponsored by Neighborhood Market Association and Restoring Trust in San Diego, and failed to timely disclose that contribution.

The Neighborhood Market Association is a sponsored general purpose committee that is required to file campaign disclosure statements. The Association used loan proceeds to make a \$10,000 contribution and thus, as a major donor, was required to file a major donor campaign statement. Alternatively, if the Association met all of the criteria in Regulation 18419, it would not be required to file a major donor report, but would simply disclose the contribution on the Association's committee's filing, and have a responsible officer of the Association sign the Form 460.

Your client's actions violated the Act because they failed to disclose the \$10,000 contribution either as a major donor, or as an intermediary through the Association's committee's filings pursuant to Regulation 18419. However, because the contribution was disclosed by the candidate, your client amended the campaign statement to reflect the contribution as soon as they were made aware of the omission, and because your client does not have an enforcement history, we are closing this matter with a warning letter.

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<sup>1</sup> 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 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.

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 FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide your client with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If your client wishes to avail themselves of these proceedings by requesting that the 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 FPPC 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 FPPC's website ten (10) days from the date of this letter.

Please feel free to contact Teri Rindahl at 916.327.2018 with any questions you may have regarding this letter.

Sincerely,

**REDACTED**

Gary S. Winuk, Chief  
Enforcement Division

GSW/tr