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2 City of San Diego Ethics Commission
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Petitioner

**BEFORE THE CITY OF SAN DIEGO
ETHICS COMMISSION**

In re the Matter of:) Case Nos.: 2023-13
)
CHELSEA INVESTMENT) **STIPULATION, DECISION, AND**
CORPORATION,) **ORDER**
)
Respondent.)
)
)
)

STIPULATION

THE PARTIES STIPULATE:

1. Petitioner Sharon Spivak is the Executive Director of the City of San Diego Ethics Commission (Ethics Commission). The Ethics Commission is charged with administering, implementing, and enforcing local governmental ethics laws in the San Diego Municipal Code (SDMC) relating to, among other things, the provisions of the Municipal Lobbying Ordinance, SDMC section 27.4001, *et seq.*
2. At all times referenced in this Stipulation, Chelsea Investment Corporation was an organization lobbyist registered with the Office of the City Clerk. Chelsea Investment Corporation is referred to herein as "Respondent."
3. This Stipulation will be submitted to the Ethics Commission for consideration at its next meeting. The agreements in this Stipulation are contingent upon the Ethics Commission's approval of the Stipulation and the accompanying Decision and Order.

1 including reporting “any *contributions* totaling \$100 or more made by the *organization*
2 *lobbyist* or any of its owners, compensated officers, or *lobbyists* ... to ... (B) a
3 *candidate*-controlled ballot measure committee ...” (SDMC § 27.4017(b)(4), emphasis in
4 original).

5 11. On January 18, 2022, Respondent registered as an organization lobbyist
6 with the City Clerk for the 2022 calendar year.

7 12. On January 21, 2023, Respondent filed a disclosure report covering
8 October 1 through December 31, 2022. This report did not identify a \$25,000
9 contribution made on October 28, 2022, by Respondent to the *Affordable Homes for*
10 *San Diego lead [sic] by Chris Cate – Yes on Measure C* committee (Measure C
11 committee). The Measure C committee was a candidate-controlled ballot measure
12 committee registered with the City Clerk.

13 13. On June 26, 2023, in response to a request from Commission staff,
14 Respondent filed an amendment to its 2022 fourth-quarter report to disclose the
15 contribution mentioned in paragraph 12.

16 Counts

17 **Count 1 – Violation of SDMC Section 27.4017**

18 14. Respondent violated SDMC section 27.4017 by failing to disclose all
19 information required by the City’s Lobbying Ordinance when it filed its 2022 fourth-
20 quarter disclosure report. In particular, as described above, Respondent failed to
21 disclose its \$25,000 contribution to a candidate-controlled ballot measure committee.

22 Factors in Aggravation

23 15. Respondent received two previous warnings – on December 6, 2021, and
24 November 8, 2022 – for failing to report all contributions on its quarterly disclosure
25 reports.

26 Conclusion

27 16. Respondent agrees to take necessary and prudent precautions to ensure
28 compliance with all provisions of ECCO in the future.

1 17. Respondent acknowledges that the Ethics Commission may impose
2 increased fines in connection with any future violations of the City’s campaign laws.

3 18. Respondent agrees to pay a fine in the amount of \$1,000 for one violation
4 of SDMC section 27.4017. Respondent will provide the Ethics Commission with a check
5 payable to the City Treasurer totaling \$1,000 on or before September 1, 2023. The
6 check will be held pending Ethics Commission approval of this Stipulation and the
7 execution of the Decision and Order portion set forth below.

8 [REDACTED]
9 DATED: _____ Sharon Spivak, Petitioner
10 SAN DIEGO ETHICS COMMISSION

11 [REDACTED]
12 DATED: _____ James J. Schmid, Chairman
13 CHELSEA INVESTMENT CORPORATION

14 **DECISION AND ORDER**

15
16 The Ethics Commission considered the above Stipulation at its August 17, 2023
17 meeting. The Ethics Commission hereby approves the Stipulation and orders that, in
18 accordance with the Stipulation, Respondent pay a fine in the amount of \$1,000.

19 [REDACTED]
20 DATED: _____ Caridad Sanchez, Chair
21 SAN DIEGO ETHICS COMMISSION

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