BEFORE THE CITY OF SAN DIEGO
ETHICS COMMISSION

In re the Matter of:  
MARC CHASE,  
Respondent.

) Case No.: 2013-26 (MC)

STIPULATION, DECISION, AND ORDER

STIPULATION

THE PARTIES STIPULATE AS FOLLOWS:

1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer, implement, and enforce local governmental ethics laws contained in the San Diego Municipal Code [SDMC] relating to, among other things, the provisions of the City’s Election Campaign Control Ordinance [ECCO].

2. At all times mentioned herein, Marc Chase was the owner and managing member of West Coast Acquisitions, LLC and South Beach Acquisitions, Inc. Together, these entities did business as Symbolic Motor Car Company, a luxury automobile dealership based in La Jolla, California. Mr. Chase is referred to herein as “Respondent.”

3. This Stipulation will be submitted for consideration by the Ethics Commission at its next scheduled meeting, and the agreements contained herein are contingent upon the approval of the Stipulation and the accompanying Decision and Order by the Ethics Commission.
4. This Stipulation resolves all factual and legal issues raised in this matter by the Ethics Commission concerning the Respondent’s conduct without the necessity of holding an administrative hearing to determine Respondent’s liability.

5. Respondent understands and knowingly and voluntarily waives any and all procedural rights under the SDMC, including, but not limited to, a determination of probable cause, the issuance and receipt of an administrative complaint, the right to appear personally in any administrative hearing held in this matter, the right to confront and cross-examine witnesses testifying at the hearing, the right to subpoena witnesses to testify at the hearing, and the right to have the Ethics Commission or an impartial hearing officer hear this matter. Respondent agrees to hold the City of San Diego harmless from any and all claims or damages resulting from the Commission’s investigation or this stipulated agreement, or any matter reasonably related thereto. Respondent further agrees that the terms of this Stipulation constitute compliance with the provisions of SDMC section 26.0450 in that the Stipulation includes a recitation of facts, a reference to each violation, and an order.

6. Respondent acknowledges that this Stipulation is not binding upon any other law enforcement or government agency and does not preclude the Ethics Commission from referring this matter to, cooperating with, or assisting any other law enforcement or government agency with regard to this or any other related matter.

7. The parties agree that in the event the Ethics Commission refuses to accept this Stipulation, it shall become null and void. Respondent further agrees that in the event the Ethics Commission rejects the Stipulation and a full evidentiary hearing before the Ethics Commission becomes necessary, no member of the Ethics Commission or its staff shall be disqualified because of prior consideration of this Stipulation.

Summary of Law and Facts

8. ECCO imposes limits on contributions to City candidates in order to prevent the corruption and appearance of corruption that would result if candidates for elective City office were permitted to accept large campaign contributions. At all times mentioned herein, the contribution limit for City candidates was $500 per election. SDMC § 27.2935.
9. In order to prevent circumvention of the $500 contribution limit, ECCO prohibits any person from making a contribution on behalf of another, or while acting as an intermediary or agent of another, without disclosing to the recipient the true source of the funds. SDMC § 27.2944. Requiring the identity of the true source making a contribution serves to ensure that no one contributes more than $500 to a candidate. Making a contribution on behalf of another without the requisite disclosure is prohibited by ECCO because it deprives the public of important information concerning the identity of campaign donors.

10. ECCO also prohibits any person from counseling, aiding, abetting, advising, or participating with any other person to commit a violation of ECCO. SDMC § 27.2991.

11. On approximately December 29, 2011, Respondent made a contribution in the amount of $500 to the Bonnie Dumanis for Mayor 2012 committee [Dumanis Mayoral Committee]. At the time he made this contribution, Respondent was acting as an intermediary for one of his customers, Jose Susumo Azano Matsura [Azano], who was the true source of the funds. Respondent did not disclose this fact to the Dumanis Mayoral Committee.

12. On approximately September 27, 2012, Respondent made a contribution in the amount of $120,000 through his company, South Beach Acquisitions, Inc., to the San Diegans in Support of Bob Filner for Mayor 2012 committee [Filner IE Committee], a committee that was not controlled by the candidate but instead made independent expenditures to support his candidacy. At the time he made this contribution, Respondent was acting as an intermediary for Azano, who was the true source of the funds. Respondent did not disclose this fact to the Filner IE Committee.

13. On approximately October 4, 2012, Respondent made a contribution in the amount of $30,000 through his company, West Coast Acquisitions, LLC, to the San Diego County Democratic Party Committee [Democratic Party], which then made expenditures to support the mayoral candidacy of Bob Filner. At the time he made this contribution, Respondent was acting as an intermediary for Azano, who was the true source of the funds. Respondent did not disclose this fact to the Democratic Party.
14. In late December 2011 and early January 2012, Respondent made arrangements for the following employees of Symbolic Motor Car Company and their spouses to make contributions of $500 each to the Dumanis Mayoral Committee:

(a) Richard Ahumada
(b) Olivia Falcone
(c) Sean and Kristine Hughes
(d) Michael and Maria Pedace
(e) Christopher Peterson

During the same time period, Respondent also made arrangements for the following individuals to make contributions of $500 each to the Dumanis Mayoral Committee; his former employee Elliott Grossman and Grossman’s spouse; his personal assistant, Maria Luisa Zarate Lajud; and his business associate William Noon and Noon’s spouse.

15. When Respondent made the arrangements for the 12 contributions totaling $6,000 described in paragraph 14, he also arranged to reimburse each of the contributors with funds he received from Azano. In so doing, Respondent aided and abetted Azano in the making of 12 contributions in the names of the straw donors identified in paragraph 14 without disclosing to the Dumanis Mayoral Committee that Azano was the true source of the funds.

16. By personally making a $500 contribution to the Dumanis Mayoral Committee on behalf of Azano, and by arranging for the straw donors identified in paragraph 14 to make 12 additional contributions totaling $6,000 to the Dumanis Mayoral Committee on behalf of Azano, Respondent aided and abetted Azano in the making of contributions totaling $6,500 to a City candidate, an amount far in excess of the $500 contribution limit.

Counts

Count 1 - Violation of SDMC section 27.2944

17. Respondent violated SDMC section 27.2944 by making a $500 contribution to the Dumanis Mayoral Committee on behalf of Azano without disclosing that Azano was the true source of the funds.

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Counts 2 and 3 - Violation of SDMC section 27.2944

18. Respondent violated SDMC section 27.2944 by making a $120,000 contribution to the Filner IE Committee on behalf of Azano without disclosing that Azano was the true source of the funds.

19. Respondent violated SDMC section 27.2944 by making a $30,000 contribution to the Democratic Party on behalf of Azano without disclosing that Azano was the true source of the funds.

Counts 4 through 15 - Violations of SDMC section 27.2991

20. Respondent violated SDMC section 27.2991 by aiding and abetting Azano in the making of 12 contributions to the Dumanis Mayoral Committee in the names of the straw donors identified above in paragraph 14, without disclosing that Azano was the true source of the funds.

Count 16 - Violation of SDMC section 27.2991

21. Respondent violated SDMC section 27.2991 by aiding and abetting Azano in the making of 13 contributions totaling $6,500 to a City candidate, an amount far in excess of the $500 contribution limit.

Factors in Mitigation

22. Respondent cooperated with the Commission’s investigation.

Conclusion

23. Respondent agrees to take necessary and prudent precautions to comply with all provisions of ECCO in the future.

24. Respondent acknowledges that the Ethics Commission may impose increased fines in connection with any future violations of the City’s campaign laws.
25. Respondent agrees to pay a fine in the amount of $80,000 for violating SDMC sections 27.2944 and 27.2991. This amount must be paid no later than April 9, 2014, by check or money order made payable to the City Treasurer. The submitted payment will be held pending Commission approval of this Stipulation and execution of the Decision and Order portion set forth below.

[REDACTED]

DATED:__________________

STACEY FULHORST, Executive Director
ETHICS COMMISSION, Petitioner

[REDACTED]

DATED:__________________

MARC CHASE, Respondent

DECISION AND ORDER

The Ethics Commission considered the above Stipulation at its meeting on April 10, 2014. The Ethics Commission hereby approves the Stipulation and orders that, in accordance with the Stipulation, Respondent pay a fine in the amount of $80,000.

[REDACTED]

DATED:__________________

JOHN C. O’NEILL, Vice Chair
SAN DIEGO ETHICS COMMISSION