1	STACEY FULHORST, Executive Director	
2	City of San Diego Ethics Commission 1010 Second Avenue, Suite 1530	
3	San Diego, CA 92101	
4	Telephone: (619) 533-3476 Facsimile: (619) 533-3448	
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6	Petitioner	
7	BEFORE THE CITY OF SAN DIEGO	
8	ETHICS COMMISSION	
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10	In re the Matter of:	) Case No.: 2013-26 (MC)
11	MARC CHASE,	) STIPULATION, DECISION, AND ) ORDER
12	Respondent.	)
13		)
14		
15	STIPULATION	
16	THE PARTIES STIPULATE AS FOLLOWS:	
17	1. Petitioner Stacey Fulhorst is the Executive Director of the City of San Diego Ethics	
18	Commission [Ethics Commission]. The Ethics Commission is charged with a duty to administer	
19	implement, and enforce local governmental ethics laws contained in the San Diego Municipal	
20	Code [SDMC] relating to, among other things, the provisions of the City's Election Campaign	
21	Control Ordinance [ECCO].	
22		rc Chase was the owner and managing member o
23	West Coast Acquisitions, LLC and South Beach	n Acquisitions, Inc. Together, these entities did
24	business as Symbolic Motor Car Company, a lu	xury automobile dealership based in La Jolla,
25	California. Mr. Chase is referred to herein as "	-
26		for consideration by the Ethics Commission at its
27	next scheduled meeting, and the agreements contained herein are contingent upon the approval	
28	of the Stipulation and the accompanying Decisi	on and Order by the Ethics Commission.

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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.

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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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1	Counts 2 and 3 - Violation of SDMC section 27.2944
2	18. Respondent violated SDMC section 27.2944 by making a \$120,000 contribution to
3	the Filner IE Committee on behalf of Azano without disclosing that Azano was the true source of
4	the funds.
5	19. Respondent violated SDMC section 27.2944 by making a \$30,000 contribution to
6	the Democratic Party on behalf of Azano without disclosing that Azano was the true source of
7	the funds.
8	Counts 4 through 15 - Violations of SDMC section 27.2991
9	20. Respondent violated SDMC section 27.2991 by aiding and abetting Azano in the
10	making of 12 contributions to the Dumanis Mayoral Committee in the names of the straw donor
11	identified above in paragraph 14, without disclosing that Azano was the true source of the funds
12	Count 16 - Violation of SDMC section 27.2991
13	21. Respondent violated SDMC section 27.2991 by aiding and abetting Azano in the
14	making of 13 contributions totaling \$6,500 to a City candidate, an amount far in excess of the
15	\$500 contribution limit.
16	Factors in Mitigation
17	22. Respondent cooperated with the Commission's investigation.
18	Conclusion
19	23. Respondent agrees to take necessary and prudent precautions to comply with all
20	provisions of ECCO in the future.
21	24. Respondent acknowledges that the Ethics Commission may impose increased fines
22	in connection with any future violations of the City's campaign laws.
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	– 5 – STIPULATION, DECISION, AND ORDER

1	25. Respondent agrees to pay a fine in the amount of \$80,000 for violating SDMC	
2	sections 27.2944 and 27.2991. This amount must be paid no later than April 9, 2014, by check	
3	or money order made payable to the City Treasurer. The submitted payment will be held	
4	pending Commission approval of this Stipulation and execution of the Decision and Order	
5	portion set forth below.	
6	[REDACTED]	
7	DATED: STACEY FULHORST, Executive Director	
8	ETHICS COMMISSION, Petitioner	
9		
10	[REDACTED]	
11	MARC CHASE, Respondent	
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14	DECISION AND ORDER	
15	The Ethics Commission considered the above Stipulation at its meeting on <u>April 10</u> ,	
16	2014. The Ethics Commission hereby approves the Stipulation and orders that, in accordance	
17	with the Stipulation, Respondent pay a fine in the amount of \$80,000.	
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19	[REDACTED]	
20	DATED: JOHN C. O'NEILL, Vice Chair	
21	SAN DIEGO ETHICS COMMISSION	
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	STIPULATION, DECISION, AND ORDER	