



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

NOREEN AMBROSE
CHAIR

YVONNE LEE
VICE-CHAIR

DAINA CHIU
COMMISSIONER

LARRY BUSH
COMMISSIONER

JAMES BELL
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

Date: July 2, 2021

To: Members of the Ethics Commission

From: Jeff Pierce, Director of Enforcement & Legal Affairs

Subject: **AGENDA ITEM 4: Proposed SARP Stipulation, Decision and Order**
• *In the Matter of Yes on Proposition C – Universal Childcare in San Francisco, Norman Yee, and Nancy Warren (SFEC Complaint No. 1718-128).*

Summary This memorandum provides information regarding the Proposed SARP Stipulation appearing in this agenda item and what the Commission may do next regarding this Proposed Stipulation.

Action Requested The Commission may approve the Proposed SARP Stipulation by majority vote, or it may provide guidance to Commission Staff regarding the Proposed SARP Stipulation.

Pursuant to the Commission's Enforcement Regulations, the Executive Director may enter negotiations with a respondent at any time to resolve the factual and legal allegations in a complaint by way of a stipulated order (i.e. a negotiated settlement). Enf. Reg. § 12(A). The Regulations require that the stipulated order set forth the pertinent facts and may include an agreement as to anything that could be ordered by the Commission under its authority pursuant to Charter section C3.699-13. *Id.*

Immediately after the Executive Director enters a stipulated order with a respondent, the Executive Director must inform the Commission of the proposed stipulation. Enf. Reg. § 12(E). Thereafter, any member of the Commission may request that the stipulated order be reviewed in public session by the full panel of the Commission during its next meeting. *Id.*

As of today, no Commissioner had requested review of the attached streamlined stipulated order in public session by the full panel of the Commission. It therefore appears on the Consent Calendar. The Commission may approve the stipulation by majority vote, or it may provide guidance to Commission Staff regarding the Proposed SARP Stipulation. Enf. Reg. § 12(F).

Members of the public may comment on the Proposed SARP Stipulation.

LeeAnn Pelham
Executive Director
Eric Willett
Senior Investigative Analyst

San Francisco Ethics Commission
25 Van Ness Avenue, Suite 220
San Francisco, CA 94102
(415) 252-3100 Telephone
(415) 252-3112 Facsimile

BEFORE THE SAN FRANCISCO
ETHICS COMMISSION

In the Matter of)	SFEC Complaint No. 1718-128
)	
YES ON PROPOSITION C – UNIVERSAL CHILDCARE)	
IN SAN FRANCISCO, NORMAN YEE, AND NANCY)	
WARREN)	Streamlined Administrative Resolution Program
)	STIPULATION, DECISION, AND ORDER
Respondents.)	

THE PARTIES STIPULATE AS FOLLOWS:

1. This Streamlined Administrative Resolution Program Stipulation, Decision, and Order (Stipulation) is made and entered into by and between Yes on Proposition C – Universal Childcare in San Francisco, Norman Yee, and Nancy Warren (“Respondents” collectively) and the San Francisco Ethics Commission (the Commission).

2. Respondents and the Commission agree to settle and resolve all factual and legal issues in this matter and to reach a final disposition through the Commission’s Streamlined Administrative Resolution Program and without an administrative hearing. Upon approval of this Stipulation and full performance of the terms outlined in this Stipulation, the Commission will take no future action against Respondents, and this Streamlined Stipulation shall constitute the complete resolution of all claims by the Commission against Respondents related to the violations of law described in Exhibit A.

1 Respondents understand and knowingly and voluntarily waive all rights to judicial review of this
2 Streamlined Stipulation and any action taken by the Commission or its staff on this matter.

3 3. Respondents acknowledge responsibility for and agree to pay an administrative penalty
4 as set forth in Exhibit A. Respondents agree that the administrative penalty set forth in Exhibit A is a
5 reasonable administrative penalty.

6 4. Within ten business days of the Commission's approval of this Stipulation, Respondents
7 shall either pay the penalty through the City's online payment portal or otherwise deliver to the
8 following address the sum as set forth in Exhibit A in the form of a check or money order made payable
9 to the "City and County of San Francisco":
10

11 San Francisco Ethics Commission
12 Attn: Enforcement & Legal Affairs Division
13 25 Van Ness Avenue, Suite 220
14 San Francisco, CA 94102

15 5. If Respondents fail to comply with the terms of this Stipulation, then the Commission
16 may reopen this matter and prosecute Respondents under Section C3.699-13 of the San Francisco
17 Charter for any available relief.

18 6. Respondents understand, and hereby knowingly and voluntarily waives, any and all
19 procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's
20 Enforcement Regulations with respect to this matter. These include, but are not limited to, the right to
21 appear personally at any administrative hearing held in this matter, to be represented by an attorney at
22 Respondents' expense, to confront and cross-examine all witnesses testifying at the hearing and to
23 subpoena witnesses to testify at the hearing.

24 7. Respondents understand and acknowledge that this Stipulation is not binding on any
25 other government agency with the authority to enforce the San Francisco Campaign & Governmental
26 Conduct Code section 1.100 *et seq.*, and does not preclude the Commission or its staff from cooperating
27

1 with or assisting any other government agency in its prosecution of Respondent for any allegations set
2 forth in Exhibit A, or any other matters related to those violations of law set forth in Exhibit A.

3 8. This Stipulation is subject to the Commission's approval. In the event the Commission
4 declines to approve this Stipulation, the Stipulation shall become null and void, except Paragraph 9,
5 which shall survive.

6 9. In the event the Commission rejects this Stipulation, and further administrative
7 proceedings before the Commission are necessary, Respondents agree that the Stipulation and all
8 references to it are inadmissible. Respondents moreover agree not to challenge, dispute, or object to
9 the participation of any member of the Commission or its staff in any necessary administrative
10 proceeding for reasons stemming from his or her prior consideration of this Stipulation.

11 10. This Stipulation, along with the attached Exhibit A, reflects the entire agreement
12 between the parties hereto and supersedes any and all prior negotiations, understandings, and
13 agreements with respect to the transactions contemplated herein. This Stipulation may not be amended
14 orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties
15 and approved by the Commission at a regular or special meeting.

16 11. This Stipulation shall be construed under, and interpreted in accordance with, the laws
17 of the State of California. If any provision of the Stipulation is found to be unenforceable, the remaining
18 provisions shall remain valid and enforceable.

19 12. The parties hereto may sign different copies of this Stipulation, which will be deemed to
20 have the same effect as though all parties had signed the same document.
21
22
23
24
25
26
27
28

06-28-2021 | 12:48:58 PDT
Dated: _____

DocuSigned by:
LeeAnn Pelham
2ACC7A331EF7459...

LEEANN PELHAM, EXECUTIVE DIRECTOR
SAN FRANCISCO ETHICS COMMISSION

06-28-2021 | 11:44:29 PDT
Dated: _____

DocuSigned by:
Norman Yee
B876CE8E74604F0...

NORMAN YEE, PRINCIPAL OFFICER

06-28-2021 | 10:34:00 PDT
Dated: _____

DocuSigned by:
Nancy Warren
2F4E0BA56738424...

NANCY WARREN, TREASURER

DECISION AND ORDER

The foregoing Stipulation of the parties in the matter of “Yes on Proposition C – Universal Childcare in San Francisco and Nancy Warren, SFEC Complaint No. 1718-128,” including the attached Exhibit A, is hereby accepted as the final Decision and Order of the San Francisco Ethics Commission, effective upon execution below by the Chairperson.

IT IS SO ORDERED.

Dated: _____

NOREEN AMBROSE, CHAIRPERSON
SAN FRANCISCO ETHICS COMMISSION

Exhibit A

Description of Respondent: Yes on Proposition C – Universal Childcare San Francisco (the Committee) was a primarily formed ballot measure committee formed to support Proposition C in the June 2018 election. Norman Yee was the Committee's Principal Officer and Nancy Warren was the Committee's Treasurer.

Description of Violation: The Committee created seven campaign advertisements without proper disclaimers for seven counts in violation of SF C&GCC section 1.161:

- 1) The Committee distributed a mailer that failed to identify the Committee's top 3 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 2) The Committee distributed a doorhanger that failed to identify the Committee's top 3 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 3) The Committee distributed a flyer that failed to identify the Committee's top 3 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 4) The Committee's website failed to identify the Committee's top 3 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 5) The Committee made an English language video that failed to identify the Committee's top 2 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 6) The Committee made a Chinese language video that failed to identify the Committee's top 2 donors of \$5,000 or more. SF C&GCC § 1.161(a).
- 7) The Committee made an English language video that failed to include required formatting when identifying the Committee's top 2 donors of \$5,000 or more. SF C&GCC § 1.161(a).

Specific Eligibility Requirements: Respondents must sign and return this stipulated agreement within 90 days of first contact by the Commission's Enforcement Division.

Specific Financial Penalty Modifiers:

✓ \$3,500 if signed and returned by July 9, 2021.

\$3,500 + 2% of the cost of the advertisements if signed and returned by August 9, 2021.

\$7,000 + 3% of the cost of the advertisements if signed and returned by September 7, 2021.