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August 9, 2021

To: Members of the Ethics Commission

From: Eric Willett, Senior Investigator and Streamlined Program Administrator

Subject: AGENDA ITEM 5: Proposed SARP Stipulation, Decision and Order

In the Matter of Eamonn Herlihy and Richard Hart (SFEC Complaint No. 1819-062,

1920-035).

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 SARP 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.

Regulatory Background

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*.

This proposed stipulation was reached pursuant to the Commission's <u>Streamlined Administrative</u> <u>Resolution Program</u>. 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, noting that the Commission receives public comment once for all consent items collectively.

LeeAnn Pelham 1 **Executive Director** Eric Willett 2 Senior Investigative Analyst 3 San Francisco Ethics Commission 4 25 Van Ness Avenue, Suite 220 San Francisco, CA 94102 5 (415) 252-3100 Telephone (415) 252-3112 Facsimile 6 BEFORE THE SAN FRANCISCO 7 **ETHICS COMMISSION** 8 9 In the Matter of) SFEC Complaint Nos. 1819-062 and 1920-035 10 EAMONN HERLIHY and RICHARD HART,) Streamlined Administrative Resolution Program 11 Respondents. STIPULATION, DECISION, AND ORDER 12 13 14 THE PARTIES STIPULATE AS FOLLOWS: 15 1. This Streamlined Administrative Resolution Program Stipulation, Decision, and Order 16 (Stipulation) is made and entered into by and between Eamonn Herlihy and Richard Hart (hereinafter 17 18 "Respondents") and the San Francisco Ethics Commission (the Commission). 19 2. Respondents and the Commission agree to settle and resolve all factual and legal issues 20 in this matter and to reach a final disposition through the Commission's Streamlined Administrative 21 Resolution Program and without an administrative hearing. Upon approval of this Stipulation and full

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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.

Streamlined Stipulation and any action taken by the Commission or its staff on this matter.

Respondents understand and knowingly and voluntarily waive all rights to judicial review of this

- 3. Respondents acknowledge responsibility for and agree to pay an administrative penalty as set forth in Exhibit A. Respondents agree that the administrative penalty set forth in Exhibit A is a reasonable administrative penalty.
- 4. Within ten business days of the Commission's approval of this Stipulation, Respondents shall either pay the penalty through the City's online payment portal or otherwise deliver to the following address the sum as set forth in Exhibit A in the form of a check or money order made payable to the "City and County of San Francisco":

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

- 5. If Respondents fail to comply with the terms of this Stipulation, then the Commission may reopen this matter and prosecute Respondents under Section C3.699-13 of the San Francisco Charter for any available relief.
- 6. Respondents understand, and hereby knowingly and voluntarily waive, any and all procedural rights under Section C3.699-13 of the San Francisco Charter and the Commission's Enforcement Regulations with respect to this matter. These include, but are not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' expense, to confront and cross-examine all witnesses testifying at the hearing and to subpoena witnesses to testify at the hearing.
- 7. Respondents understand and acknowledge that this Stipulation is not binding on any other government agency with the authority to enforce the San Francisco Campaign & Governmental Conduct Code section 1.100 *et seq.*, and does not preclude the Commission or its staff from cooperating with or assisting any other government agency in its prosecution of Respondent for any allegations set forth in Exhibit A, or any other matters related to those violations of law set forth in Exhibit A.

- 8. This Stipulation is subject to the Commission's approval. In the event the Commission declines to approve this Stipulation, the Stipulation shall become null and void, except Paragraph 9, which shall survive.
- 9. In the event the Commission rejects this Stipulation, and further administrative proceedings before the Commission are necessary, Respondents agree that the Stipulation and all references to it are inadmissible. Respondents moreover agree not to challenge, dispute, or object to the participation of any member of the Commission or its staff in any necessary administrative proceeding for reasons stemming from his or her prior consideration of this Stipulation.
- 10. This Stipulation, along with the attached Exhibit A, reflects the entire agreement between the parties hereto and supersedes any and all prior negotiations, understandings, and agreements with respect to the transactions contemplated herein. This Stipulation may not be amended orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties and approved by the Commission at a regular or special meeting.
- 11. This Stipulation shall be construed under, and interpreted in accordance with, the laws of the State of California. If any provision of the Stipulation is found to be unenforceable, the remaining provisions shall remain valid and enforceable.
- 12. The parties hereto may sign different copies of this Stipulation, which will be deemed to have the same effect as though all parties had signed the same document.

	Dated:	07-29-2021 13:55:46 PDT	LeeAnn Pelham 2ACC7A331EF7459
1			Landau Parina Fire and Parina Parina
2			LEEANN PELHAM, EXECUTIVE DIRECTOR SAN FRANCISCO ETHICS COMMISSION
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4			DocuSigned by:
5	Dated:	07-28-2021 09:37:47 PDT	Eamonn Herlily A8D8D03CDB8745E
6			EAMONN HERLIHY
7			
8		07 20 2021 12.01.22 ppr	DocuSigned by: Richard Hart
9	Dated:	07-28-2021 12:01:33 PDT	F87BE90E9B92404
10			RICHARD HART
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DECISION AND ORDER The foregoing Stipulation of the parties in the matter of "Eamonn Herlihy and Richard Hart, SFEC Complaint No. 1819-062 and 1920-035," 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: YVONNE LEE, ACTING CHAIRPERSON SAN FRANCISCO ETHICS COMMISSION

Exhibit A 1 Description of Respondent: At all times relevant to this matter, Eamonn Herlihy and Richard Hart each 2 had an ownership interest of 50 percent in 1001 17th Street Associates LLC and 33 percent in 121 9th LLC. 3 4 5 Description of Violation: While under the direction and control of majority owners Herlihy and Hart, 1001 17th Street Associates LLC and 121 9th LLC made the following affiliated entity contributions that 6 when aggregated pursuant to SF C&GCC section 1.114(e)(2) exceeded the \$500 contribution limit provided by SF C&GCC section 1.114(a): 7 8 1001 17th Street Associates LLC 1. \$500 to Vallie Brown for Supervisor 2019 on December 10, 2018. 9 2. \$500 to John Dennis for Supervisor 2018 on November 5, 2018. 121 9th LLC 10 1. \$500 to Vallie Brown for Supervisor 2019 on December 10, 2018. 2. \$500 to John Dennis for Supervisor 2018 on November 5, 2018. 11 12 13 Specific Eligibility Requirements: Eamonn Herlihy and Richard Hart must sign and return this stipulated 14 agreement within 90 days of contact by the Commission's Enforcement Division. 15 16 17 **Specific Financial Penalty Modifiers:** 18 \$1,000 if corrective action is taken and the stipulation is signed and returned by August 16, 2021 19 \$2,000 if corrective action is taken and the stipulation is signed and returned by September 13, 2021 20 \$3,000 if corrective action is taken and the stipulation is signed and returned by October 13, 2021 21 22 23 24 25 26 27 6 28