

RECEIVED  
FAIR POLITICAL  
PRACTICES COMMISSION

SWORN COMPLAINT FORM  
(Form May Be Subject to Public Disclosure)\* 2014 APR -7 PM 4:27

AS REQUIRED BY GOVERNMENT CODE SECTION 83115, please complete the form below to file a sworn complaint with the Fair Political Practices Commission.

Mail the complaint to:

Enforcement Division  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento, CA 95814

**NOTE:** *The Fair Political Practices Commission does not enforce or address violations of the Brown Act, the content of campaign communications, residency requirements, the inappropriate use of public funds or resources (including use of uniforms or equipment), placement of campaign signs or materials on public property, or violation of a local campaign rule or campaign ordinance.*

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**Person Making Complaint**

Last Name: Kline

First Name: Stephen

Street Address: 761 Richmond Avenue

City: San Jose State: CA Zip: 95128

Telephone: (408) 768 -4154

Fax: ( ) -

E-mail: slkesq@me.com

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**\*IMPORTANT NOTICE**

Under the California Public Records Act (Gov. Code Section 6250 and following), this sworn complaint and your identity as the complainant may be subject to public disclosure. Unless the Chief of Enforcement deems otherwise, within three business days of receiving your sworn complaint we will send a copy of it to the person(s) you allege violated the law.

In some circumstances, the FPPC may claim your identity is confidential, and therefore not subject to disclosure. A court of law could ultimately make the determination of confidentiality. If you wish the FPPC to consider your identity confidential, do not file the complaint before you contact the FPPC to discuss the complaint at (916) 322-5660 or toll free at (866) 275-3772.

Person(s) Who Allegedly Violated the Political Reform Act: (If there are multiple parties involved, attach additional pages as necessary.)

Last Name: Liccardo

First Name: Sam

Committee Name: Neighbors for Sam Liccardo for Mayor 2014 (ID #1361139)  
(only if applicable)

Street Address: 3151 Olin Avenue, Suite 101

City: San Jose State: CA Zip: 95117

Telephone: (408) 627-7343

Fax: ( ) -

E-mail: jp@liccardoformayor.com

Describe, With as Much Particularity as Possible, the Facts Constituting the Alleged Violation(s) and How You Have Personal Knowledge that it Occurred.\*

SEE ATTACHMENT 1

**\*IMPORTANT!** Attach copies of any available documentation that is evidence of the violation, (for example, copies of checks, campaign materials, minutes of meetings, etc., if applicable to the complaint.) Note that a newspaper article is NOT considered evidence of a violation.

Provision(s)/Section(s) of the Political Reform Act Allegedly Violated and When the Violation(s) Occurred: (If specific sections are not known, please provide a brief summary)

Gov. Code Section 85201(d)

Gov. Code Section 84211(f) / 2 CCR Sections 18215(b)(2), 18215(b)(3), 18215(c)(3)

###

Name and Addresses of Potential Witnesses, Other than Yourself, if Known:

Last Name: SEE ATTACHMENT 2

First Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_

E-mail: \_\_\_\_\_

Last Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

E-mail: \_\_\_\_\_

###

Last Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

E-mail: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Stephen L. Kline  
(Signature)

April 7, 2014  
(Date)

Stephen L. Kline  
(Please Print Your Name)

Clear Page

Print Page

## **ATTACHMENT 1**

Attachment 1  
FPPC Complaint against Sam Liccardo and  
Neighbors for Sam Liccardo for Mayor 2014

Sam Liccardo and Neighbors for Sam Liccardo for Mayor 2014 (ID#1361139) have demonstrated a blatant disregard for the Political Reform Act's disclosure rules and the prohibitions, as follows:

1. Violation of the One Bank Account Rule. State law requires personal funds utilized by a candidate to promote his or her election to first be deposited in his or her campaign account prior to making the expenditure. This is known as the "one-bank account rule" and it applies to both state and local candidates. (Gov. Code 85201(d).)

Liccardo's campaign report indicates that he contributed or loaned his campaign account \$3,045.34 for expenses incurred in connection with his campaign. Liccardo is now seeking reimbursement for these expenses. By spending personal funds without first depositing them into his campaign bank account, as suggested by the news report and Liccardo's own campaign report, he violated the one-bank account rule.

2. Liccardo's failure to disclose personal contributions. As indicated above, Liccardo's Year-End Campaign Report (Form 460) shows that he made payments in support of his campaign in the amount of \$3,045.34 for "Staff payment, office expenses, event expenses, signage" for which he is seeking reimbursement. A news report indicates that Liccardo personally financed a campaign event on October 24, 2013. Liccardo failed to disclose personal funds used to benefit his campaign as political contributions and now he is seeking reimbursement for these expenses.

When a candidate uses personal funds to benefit his or her own campaign, he or she makes a contribution to the campaign. (FPPC Regulation §18215(b)(2).) Liccardo's payments for his October 24 campaign event or for any other goods or services were contributions to his campaign and he is obligated to disclose the payments as contributions. His failure to disclose the use of personal funds for campaign purposes is a violation of the Political Reform Act's requirement that a candidate disclose on campaign reports all contributions of \$100 or more received by the candidate (Gov. Code §84211(f).)

3. In-kind contributions from event hosts. Several individuals hosted campaign events for Liccardo where in-kind contributions for food, beverages, entertainment, or other goods and services were not disclosed for the events. The campaign does not appear to have incurred any expenses for the events.

A candidate receives a contribution when he or she receives goods or services for political purposes and does not pay the fair market value of the goods or services received. State law provides an exception to the definition of contribution for a home or office campaign or fundraising event where the total cost of the event is \$500 or less. In order to qualify for the exception, the host of the event must pay for all expenses related to the event and the

total costs may not exceed \$500. Any costs not paid for by the host are in-kind contributions from the source.

The Commission should investigate whether the total costs of the events were \$500 or less and whether any costs were paid for by persons other than the host. I suspect that these events exceeded the \$500 exception and Liccardo failed to disclose the costs of the events properly as in-kind contributions.

- a. December 12, 2013 Event. Alex Tourk and Wendi Norris held a campaign fundraising event for Liccardo at Norris' art gallery on December 12, 2013. Liccardo did not disclose receiving any in-kind contributions from Norris, Tourk, or the art gallery and no other in-kind contributions appear to have been reported for this event.
  - b. December 6, 2013 Event. Chris Worrall hosted a campaign fundraising event for Liccardo on December 6, 2013. Worrall made a monetary contribution to Liccardo in the amount of \$500. If the cost of this fundraising event exceeded \$500, or the event was not otherwise within the home or office event exception, then the event costs would be considered in-kind contributions in excess of the City limits.
  - c. December 18, 2013 Event. Because the records of this event have been removed from the Liccardo for Mayor website we are unable to determine who the host of this event was. If the host made a contribution to Liccardo in the amount of \$1,100 and if the cost of this fundraising event exceeded \$500, or the event was not otherwise within the home or office event exception, then the event costs would be considered in-kind contributions in excess of the City limits.
4. SP2 Campaign Event In-kind contributions. Under both the City's campaign ordinance and the Political Reform Act, goods or services provided to a candidate at no charge or at a discount from the fair market value are contributions unless the discount is given in the regular course of business to members of the public. (2 CCR §18215(b)(3) and SJMC §12.06.050(B).) The amount of the contribution is the amount of the discount or the free goods or services.

The Silicon Valley Newsroom reported the following regarding Liccardo's campaign kickoff event: "Liccardo has a deal to offset some costs for food and venue based on how many people booze it up . . ." (Attachment 5.) The article suggests that his campaign was provided a discount for the campaign event that is not offered to the public generally. If correct, the discounted goods or services will constitute an in-kind contribution to Liccardo from SP2. If in-kind contributions were made, then this would also result in a contribution limits violation because SP2 contributed the maximum amount to Liccardo's campaign.

\* \* \* \* \*

## **ATTACHMENT 2**



Attachment 2  
List of Potential Witnesses

Sam Liccardo / Neighbors for Sam Liccardo Mayor 2014  
3151 Olin Avenue, Suite 101  
San Jose, CA 95117  
(408) 627-7343

Dennis Cunningham, Treasurer  
Neighbors for Sam Liccardo Mayor 2014  
3151 Olin Avenue, Suite 101  
San Jose, CA 95117  
(408) 482-3796

Alex Tourk  
Ground Floor Public Affairs  
58 2nd Street, 4th Floor  
San Francisco, CA 94105  
(415) 291-9501

Wendi Norris  
Gallery Wendi Norris  
161 Jessie Street  
San Francisco, CA 94105  
(415) 346-7812

Ryan Melchiano, Owner  
SP2 Restaurant  
72 Almaden Avenue  
San Jose, CA 95110  
(408) 299-2000

Chris Worrall, Vice-President  
Hitachi  
San Jose, CA 95129

## **ATTACHMENT 3**

Full e-mail available here: <http://thelefthook.com/2014/02/06/your-cheatln-heart/>

From: Alex Tourk

Date: Wednesday, December 4, 2013

Subject: December 12

To:

I hope you all had a great Thanksgiving holiday with your family.

My wife Wendt and I are hosting a fundraiser for San Jose Councilman Sam Liccardo, who is now running for mayor of San Jose, one of our nation's largest cities and a city that is in dire need of someone with Sam's leadership style and expertise.

The event is taking place at my wife's art gallery in South of Market on Thursday, December 12th, at 6pm. I would love to introduce you to him personally so you can see why I think he would make the ideal next Mayor for San Jose. I realize it's holiday season, but I'm hopeful you can weave this into your schedule.

Some facts about Sam.

- 1) He helped lead the successful effort to bring BART to San Jose (now under construction)
- 2) Has championed initiatives to cut fees and reduce red tape on small businesses
- 3) Worked to revitalize Downtown with new high-rise development and amenities
- 4) He's leading the charge to add 200 police officers to the streets, and to provide the technology and tools to our public works to enable San Jose to become the first major U.S. city with an extended school day.
- 5) Sam is a huge proponent of the arts...something that is clearly near and dear to me and my wife Wendt.

I hope you'll join me and my fellow co-hosts Supervisor David Chiu, Chris Kelly, Wendt Norris, and others for a discussion with Sam about the independence and innovation it will take to keep San Jose on the right track.

Please RSVP by clicking below or Text DECEMBER12RSVP to (408) 827-7343. I hope you can attend.

[http://samliccardo.nathanbuilder.com/december\\_12](http://samliccardo.nathanbuilder.com/december_12)

Sincerely,

Alex

-

Alex Tourk

Principal

Ground Floor Public Affairs

58 2nd St, 4th Floor San Francisco, CA 94105

Office: 415-291-5501

Fax: 415-520-8226

[www.gfpublishaffairs.com](http://www.gfpublishaffairs.com)

## **ATTACHMENT 4**

# **Schedule F** **Accrued Expenses (Unpaid Bills)**

Type or print in ink.  
Amounts may be rounded  
to whole dollars.

Statement covers period from <u>01/01/2013</u> through <u>12/31/2013</u>		<b>CALIFORNIA 460</b> <b>FORM</b>
		Page <u>213</u> of <u>215</u>
NAME OF FILER  Neighbors For San Liccardo For Mayor 2014		ID. NUMBER 1361139

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER

Neighbors For San Liccardo For Mayor 2014

**CODES:** If one of the following codes accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP	campaign paraphernalia/misc.	MEM	member communications	RAD	radio airtime and production costs
CNS	campaign consultants	MTG	meetings and appearances	RFD	returned contributions
CTB	contribution (explain nonmonetary)*	OFC	office expenses	SAL	campaign workers' salaries
CVC	civic donations	PET	petition circulating	TEL	t.v. or cable airtime and production costs
FIL	candidate filing/ballot fees	PHO	phone banks	TRC	candidate travel, lodging, and meals
FND	fundraising events	POL	polling and survey research	TRS	staff/spouse travel, lodging, and meals
IND	independent expenditure supporting/opposing others (explain)*	POS	postage, delivery and messenger services	TSF	transfer between committees of the same candidate/sponsor
LEG	legal defense	PRO	professional services (legal, accounting)	VOT	voter registration
LIT	campaign literature and mailings	PRT	print ads	WEB	information technology costs (Internet, e-mail)

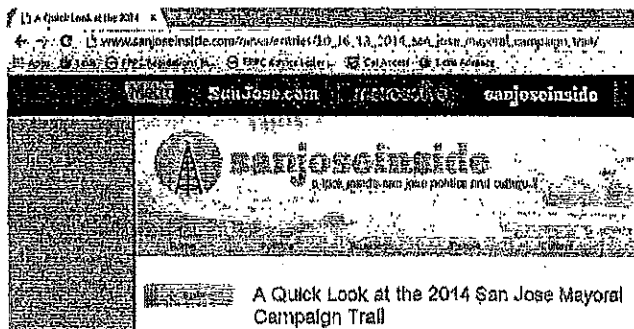
NAME AND ADDRESS OF CREDITOR (IF COMMITTEE, ALSO ENTER ID. NUMBER)	CODE OR DESCRIPTION OF PAYMENT	(a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD (ALSO REPORT ON E)	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
San Liccardo San Jose, CA 95113	Reimbursement - Staff payment, office expenses, event expenses, signage	0.00	3,045.34	0.00	3,045.34
Sutton Law Firm San Francisco, CA 94108	PRO	0.00	4,798.01	0.00	4,798.01
Jonathan Padilla San Jose, CA 95148	Reimbursement - Event supplies, volunteer food, office supplies	0.00	168.24	0.00	168.24

* Payments that are contributions or independent expenditures must also be summarized on Schedule D.	<b>SUBTOTALS \$</b>	0.00\$	8,011.59\$	0.00\$	8,011.59
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## **Schedule F Summary**

1. Total accrued expenses incurred this period. (Include all Schedule F, Column (b) subtotals for accrued expenses of \$100 or more, plus total unitemized accrued expenses under \$100.) **INCURRED TOTALS \$ 8,223.62**
2. Total accrued expenses paid this period. (Include all Schedule F, Column (c) subtotals for payments on accrued expenses of \$100 or more, plus total unitemized payments on accrued expenses under \$100.) **PAID TOTALS \$ 0.00**
3. Net change this period. (Subtract Line 2 from Line 1. Enter the difference here and on the Summary Page, Column A, Line 9.) **NET \$ 8,223.62**  
May be a negative number

## **ATTACHMENT 5**



Available at:

[http://www.sanjoseinside.com/news/entries/10\\_16\\_13\\_2014\\_san\\_jose\\_mayoral\\_campaign\\_trail/](http://www.sanjoseinside.com/news/entries/10_16_13_2014_san_jose_mayoral_campaign_trail/)

## A Quick Look at the 2014 San Jose Mayoral Campaign Trail

Posted by [Silicon Valley Newsroom](#) on Wednesday, October 16, 2013 [Comments \(3\)](#)



*The most notable candidates for San Jose's mayor's race next year include (left to right): Dave Cortese, Madison Nguyen, Pierluigi Oliverio, Sam Liccardo and Pete Constant. Cortese is the only candidate who has not officially declared an intent to run.*

San Jose Inside takes a quick look at what some of the candidates for the 2014 mayor's race in San Jose have been up to and what political insiders are saying.



*SP2 will host Sam Liccardo's mayoral campaign kickoff party on Oct. 24.*

### Sam Liccardo

Sam Liccardo will have his official campaign kickoff Oct. 24 at downtown San Jose's SP2 Communal Bar + Restaurant. Many of the 1980s old guard will be out in force, including Tom McEnery, a former San Jose mayor and San Pedro Square's godfather. It should be a hell of a party, but don't expect an open bar. Liccardo has a deal to offset some costs for food and venue based on how many people booze it up, meaning he'll be paying out of pocket due to campaign fundraising restrictions from now until December.