

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of) CA 09-02
)
Jeffrey Stone)
Pacific Northwest Ltd.)
Respondents.)
_____)

CONCILIATION AGREEMENT

On or around October 2008, Barbara U. Wong, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Jeffrey Stone ("Stone") and Pacific Northwest Ltd. ("Pacific"), jointly "Respondents." The investigation was initiated pursuant to the express authority of section 11-193(a)(7), Hawaii Revised Statutes ("HRS"), for a determination of whether the Hawaii campaign spending laws had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Respondents and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement"), upon complete performance of the conditions stated herein, has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents having voluntarily and fully cooperated with this investigation desire to resolve further administrative proceedings and any potential litigation by entering into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 1. On or around October 2008, Barbara U. Wong, Executive Director for the Commission, initiated an investigation of Respondents involving excess contributions in violation of Hawaii campaign finance laws.
 2. Friends of Todd Apo (“Friends”) is the candidate committee for Todd Apo, a candidate for a four-year nonstatewide office.
 3. Section 11-204(a), HRS, provides in relevant part as follows:

(a)(1) No person or any other entity shall make contributions to:..... A candidate seeking nomination or election to a four-year non-statewide office or to the candidate’s committee in an aggregate amount greater than \$4,000 during an election period..”
 4. Section 11-204(f), HRS, provides as follows:

“All payments made by a person or political party whose contributions or expenditure activity is financed, maintained, or controlled by any corporation, labor organization, association, political party, or any other person or committee, including any parent, subsidiary, branch, division, department, or local unit of the corporation, labor organization, association, political party, political committees established and maintained by a national political party, or any other person, or by any group of those persons shall be considered to be made by a single person or political party.”

5. Stone owns a controlling interest in Pacific as he is the President, Secretary, and Director of Pacific.
6. The election period for Apo and Friends is from November 2, 2004 through November 4, 2008.
7. Apo and Friends reported receiving from Respondents and Respondents agree that \$5,000 in contributions were made as follows:

| | | |
|-------------------------|-------------------|---------|
| Pacific Northwest, Ltd. | December 22, 2005 | \$1,000 |
| Jeffrey R. Stone | December 19, 2007 | \$4,000 |

8. Respondents acknowledge that one excess contribution totaling \$1,000 was inadvertently made to Apo and Friends allegedly in violation of section 11-204(a)(1), HRS.
9. On October 20, 2008, Apo self-reported receiving the excess contribution from Respondents.
10. The excess contribution was not knowingly, intentionally, or recklessly made pursuant to section 11-229, HRS.
11. Section 11-204(e), HRS, reads as follows:

“Any candidate, candidate's committee, or committee that receives in the aggregate more than the applicable limits set forth in this section in any primary, initial special, special, or general election from a person, shall be required to return any excess contribution to the original donor within thirty days of receipt of the excess contribution. Any excess contribution not returned to the original donor within thirty days shall escheat to the Hawaii election campaign fund. ..”

12. The \$1,000 excess contribution, dated December 19, 2007, to Apo and Friends was not returned within thirty days after the contribution was received by Apo and Friends.

VII. Settlement Terms

1. As final settlement of the matter and issues in this Conciliation Agreement 09-02, Respondents understand and agree to an assessment of Two Hundred Sixty Dollars (\$260) pursuant to section 11-228, HRS.
2. Terms of payment of the assessment shall be by Order of the Commission.
3. Respondents agree to comply with Hawaii laws on campaign contributions and expenditures.
4. Respondents acknowledge that the excess contribution of \$1,000 to Apo and Friends shall escheat to the Hawaii election campaign fund.
5. It is understood that this Conciliation Agreement is intended to remedy or correct the alleged violation or has done so, but it is not an admission of liability or guilt by Respondents.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action

in the Circuit Court of the First Circuit pursuant to section 11-228(c),
HRS.

- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Barbara Uphouse Wong, Executive Director

Date: _____

FOR THE RESPONDENTS:

Jeffrey Stone

Pacific Northwest Ltd.

Date: _____

By: Jeffrey Stone
Its: President

Date: _____