

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is made and entered into between the Board of Ethics of the City of Philadelphia, Bill Rubin and the Philly Proud PAC, formerly known as the Friends of Bill Rubin, jointly referred to as “the Parties.”

### **RECITALS**

- A. The Board of Ethics of the City of Philadelphia is a five-member, independent board established by ordinance, approved by Philadelphia voters in May 2006, and installed on November 27, 2006. Pursuant to section 4-1100 of the Home Rule Charter, the Board is charged with, among other things, enforcing the City’s campaign finance law which is found at Chapter 20-1000 of the Philadelphia Code. The Ethics Board has provided a detailed interpretation of the campaign finance law in its Regulation No. 1 (Campaign Finance).
- B. The Friends of Bill Rubin was the authorized candidate political committee for Bill Rubin, a candidate for the Philadelphia’s 10<sup>th</sup> City Council District seat in 2011.
- C. On April 19, 2012, Friends of Bill Rubin filed with the Secretary of the Commonwealth an amended registration form changing its name to Philly Proud PAC. The committee is no longer authorized to solicit or accept contributions on behalf of a Rubin candidacy.
- D. Paul Kaplan was the treasurer of the Friends of Bill Rubin in 2011 and is currently the treasurer of Philly Proud PAC.
- E. In 2011, Rubin was a candidate for Philadelphia’s 10<sup>th</sup> City Council District seat.
- F. Because Mr. Rubin was a candidate for a City of Philadelphia elective office, he and his authorized political committee, Friends of Bill Rubin, were subject to Philadelphia’s campaign finance law during the 2011 election.
- G. Pursuant to Philadelphia Code § 20-1002(1), in 2011, a person could not contribute more than \$2,600 to a City candidate’s candidate committee in a calendar year.
- H. Pursuant to Philadelphia Code § 20-1002(2), in 2011, a political committee could not contribute more than \$10,600 to a City candidate’s candidate committee in a calendar year.
- I. Pursuant to Code § 20-1002(12), no candidate for City elective office, and no political committee, may accept any contribution which exceeds the contribution limits set forth in Chapter 20-1000.

J. Pursuant to Code § 20-1301(1), the acceptance of an excess contribution is subject to a civil monetary penalty of three times the amount by which an accepted contribution exceeded the limit, or \$2,000, whichever is less.

K. In 2011, Friends of Bill Rubin and Rubin accepted the following contributions from the Laborer's District Council PAC:

1. \$1,000 on May 25, 2011; and
2. \$10,600 on October 6, 2011.

Laborer's District Council PAC's contributions exceeded the limits imposed by Code § 20-1002(2) by \$1,000.

L. In 2011, Friends of Bill Rubin and Rubin accepted the following contributions from Fareed Ahmed:

3. \$500 on June 6, 2011;
4. \$1,000 on September 6, 2011; and
5. \$1,500 received on October 17, 2011.

Fareed Ahmed's contributions exceeded the limits imposed by Code § 20-1002(1) by \$400.

M. The Friends of Bill Rubin disclosed all of the above contributions in campaign finance reports filed with the Board.

N. On April 17, 2012, the Friends of Bill Rubin refunded the excess contributions described above.

O. In an attempt to ensure compliance with the City's campaign finance law, the Rubin campaign maintained an on-going list of all donors that had made a contribution in excess of \$1000. All contributions that were of a magnitude that would lead to a violation if accepted were supposed to be run against that list twice, once by the person collecting the check and once by the treasurer.

P. Additionally, if the campaign thought a particular donor might make the maximum allowable contribution over the course of the calendar year, every dollar received from those donors was separately watched by campaign staff and, where appropriate, counsel.

Q. Because the initial contributions from the Laborers PAC and Fareed Ahmed were for \$1,000 or less, they were not included in the compliance list and the campaign did not expect either donor to make the maximum allowable contribution. Thus, when the campaign unexpectedly received large contributions from those donors late in the election season, the compliance system did not flag that they exceeded the limits when combined with their earlier contributions.

- R. As a City employee, Rubin is not permitted to directly or indirectly be in any manner concerned in the collection, receipt, or solicitation of contributions intended for a political purpose.
- S. At all times, Rubin, Kaplan, and the Friends of Bill Rubin/Philly Proud PAC fully cooperated with the Board's investigation of the violations described in this Agreement.
- T. The Parties desire to enter into this Agreement in order to resolve the issues described herein.

## **AGREEMENT**

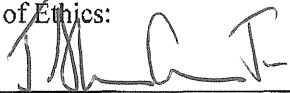
The Parties agree that:

1. Friends of Bill Rubin's and Rubin's acceptance of an excess contribution of \$400 from Fareed Ahmed violated § 20-1002(12) of the Philadelphia Code. Pursuant to Code § 20-1301(1), this violation is subject to a civil penalty of \$1,200. However, the penalty is reduced to \$200 to reflect Rubin's and the committee's cooperation and their efforts to comply with the law.
2. Friends of Bill Rubin's and Rubin's acceptance of an excess contribution of \$1,000 from Laborer's District Council violated § 20-1002(12) of the Philadelphia Code. Pursuant to Code § 20-1301(1), this violation is subject to a civil penalty of \$2,000. However, the penalty is reduced to \$500 to reflect Rubin's and the committee's cooperation and their efforts to comply with the law.
3. Philly Proud PAC and Rubin jointly shall pay the aggregate civil penalty of \$700 within 14 days of the effective date of the Agreement.
4. Payment shall be made by check made out to the City of Philadelphia and delivered to the offices of the Board.
5. Philly Proud PAC and Rubin release and hold harmless the Board and its staff from any potential claims, liabilities, and causes of action arising from the Board's investigation, enforcement, and settlement of the violations described in the Agreement.
6. In consideration of the above and in exchange for Philly Proud PAC's and Rubin's compliance with all of the terms of the Agreement, the Board waives any further penalties or fines against them for the violations described in the Agreement.
7. The Parties will not make any public statements that are inconsistent with the terms of the Agreement.

8. If the Ethics Board is forced to seek judicial enforcement of the Agreement, and prevails, Philly Proud PAC and Rubin shall be jointly and severally liable for attorneys' fees and costs reasonably expended in enforcing compliance with this Agreement. Fees for time spent by Board staff attorneys shall be calculated based upon standard and customary billing rates in Philadelphia for attorneys with similar experience.
9. The Agreement contains the entire agreement between the Parties.
10. The Parties will submit a signed copy of the Agreement to the Board for approval.
11. The Agreement shall become effective upon approval by the Board. The effective date of the Agreement shall be the date the Board approves the Agreement.
12. If the Board rejects the proposed Agreement, presentation to and consideration of the Agreement by the Board shall not preclude the Board or its staff from participating in or considering or resolving of an administrative adjudication of the matters described in the Agreement.
13. If the Board rejects the proposed Agreement, nothing in the proposed Agreement shall be considered an admission by either party and, except for paragraph 12, nothing in the Agreement shall be effective.

Dated: 5/14/12

By the Executive Director of the  
Board of Ethics:

  
\_\_\_\_\_  
J. Shane Creamer, Jr., Esquire


Dated: \_\_\_\_\_

By Bill Rubin:

  
\_\_\_\_\_

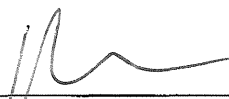
Dated: \_\_\_\_\_

By Philly Proud PAC:

  
\_\_\_\_\_  
Paul Kaplan, Treasurer

Approved by the Board of Ethics:

Effective Date: 5/15/12

  
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Richard Glazer, Esquire  
Chair