

## **SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT is entered into by and among the Philadelphia Board of Ethics (the "Board"), the Friends of Juan F. Ramos (the "Committee") and the Honorable Juan F. Ramos ("Candidate Ramos").

### **RECITALS**

A. Candidate Ramos declared his candidacy for the City elective office of City of Philadelphia ("City") council-at-large on January 25, 2007 (the "Declaration Date"). As a declared candidate for City council-at-large, Candidate Ramos is subject to the City's campaign finance law. That law grants jurisdiction to the Board and mandates that the Board enforce its provisions.

B. On or about January 31, 2007, the Committee filed required 2006 Cycle 7 annual campaign finance reports in an electronic format with the Board.

C. Candidate Ramos has identified the Committee as his single candidate committee, pursuant to Philadelphia Code, §20-1003 and the Committee has a single deposit account (the "Account").

D. On or about February 27, 2007, the Board sent a letter to Candidate Ramos concerning an issue related to expenditures by and contributions to the Committee. The issue involved the prohibition on spending excess pre-candidacy contributions contained in Philadelphia Code, §20-1002(4). The Board's letter requested detailed information about contributions to and expenditures by the Committee.

E. Each of the Board, Candidate Ramos and the Committee agree and acknowledge that receipt of contributions by the Committee in excess of the limitations set forth in Philadelphia Code, §20-1002(1) and (2) prior to the Declaration Date was not violative of any provision of Chapter 20-1000 of the Philadelphia Code.

F. Specifically, without limitation, prior to the Declaration Date, the Committee received excess pre-candidacy contributions in 2006 (the "Subject Contributions") in the amount of \$27,425.00 (the "Subject Contribution Amount") from a single political action committee (the "Contributor"), which Subject Contributions, *inter alia*, were received by the Committee, prior to or at or around the time Chapter 20-1000 was amended to regulate, and became effective to regulate, such Subject Contributions, prohibiting candidate and candidate political committee usage of excess pre-candidacy contributions, and prior to the time or at or around the time the Board opined in respect of the establishment of segregated pre-candidacy excess contribution accounts. Further, the Committee has provided the Board with detailed information of relevance to the Board's specific and singular consideration of the issues and facts germane to this settlement.

G. Specifically, after February 27, 2007, in a series of information exchanges, including, without limitation, sworn testimony from the Committee and the Contributor, Candidate Ramos and the Committee fully and completely cooperated with the Board. Further, by interim agreement, the Committee has restricted and frozen use of funds in the Account in the

Subject Contribution Amount pending the effectiveness of this Settlement Agreement. Each of the Board, Candidate Ramos and the Committee agree and acknowledge that in light of this restriction and freeze, neither Candidate Ramos nor the Committee has ever been in violation of any provision of Chapter 20-1000 of the Philadelphia Code.

H. The parties desire to enter into this Settlement Agreement in order to resolve the fact- and circumstance-specific issues raised by the Board's inquiry to the Committee regarding the Subject Contributions.

## **AGREEMENT**

The parties hereto, intending to be legally bound, AGREE as follows:

1. The Committee shall establish a deposit account separate and apart from the Account that will be a segregated pre-candidacy excess contribution account (the "SPEC Account") consistent with Board Advisory Opinion 2006-003 (Dec. 18, 2006). The SPEC Account will be established within two (2) business days of the date this Settlement Agreement becomes effective by its terms. The Committee shall deposit \$13,174.62 (the "Subject Funds") into the SPEC Account. Pursuant to Philadelphia Code, §20-1002(4) and Board Advisory Opinion 2006-003, the Committee agrees that neither it nor Candidate Ramos will spend any Subject Funds deposited into the SPEC Account for the purpose of influencing the outcome of a covered election for a City elective office in and for which Candidate Ramos is a candidate or for retiring Candidate Ramos candidate indebtedness, nor may the Committee, as a candidate political committee, expend any Subject Funds for the purpose of influencing the outcome of a covered election for a City elective office in and for which Candidate Ramos is a candidate, including, but not limited to, expending Subject Funds for the purpose of paying any expenses of the Committee as a candidate political committee in that context, or for retiring Candidate Ramos candidate indebtedness. The Committee is, however, permitted to use Subject Funds for purposes contemplated by applicable law, including those indicated in Board Advisory Opinion 2006-003. The Committee shall provide the Board with the notice suggested in Board Advisory Opinion 2006-003 in respect of the SPEC Account upon its establishment.

2. In respect of the Account, once the Subject Funds have been transferred to the SPEC Account, the Committee is released of its previously agreed restriction on and freeze of use of monies on deposit in the Account and may use all monies in the Account for purposes permitted by applicable law, including, without limitation, Chapter 20-1000 of the Philadelphia Code.

3. Nothing contained in this Settlement Agreement (or any other settlement agreement with any other candidate or committee) shall bind the Board in respect of any future or other rule-making, adjudication, settlement or other action with the Committee, Candidate Ramos, or any other entity. The parties acknowledge and agree that the compromise evidenced by this Settlement Agreement relates and is justified only by the specific relevant facts of the matter. By entering into this Settlement Agreement, neither the Board nor the Committee nor Candidate Ramos acknowledge the existence or nature of liability in connection with the Subject Contributions or applicable law.

4. This Settlement Agreement contains the entire agreement by and among the Board, the Committee and Candidate Ramos and represents the sole action of the Board with regard to the matters set forth herein.

5. This Settlement Agreement shall become effective on execution and may be executed by counterpart (all Settlement Agreement counterparts taken together constituting a single, fully executed agreement).

By the Board:

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

\_\_\_\_\_  
Richard Glazer, Esquire, Chair

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

\_\_\_\_\_  
J. Shane Creamer, Jr., Esquire  
Interim Executive Director

By the Candidate:

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

\_\_\_\_\_  
The Honorable Juan F. Ramos

By the Committee:

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

\_\_\_\_\_  
Perry N. Blackman, Treasurer