
IN THE MATTER OF INNER CITY DEVELOPMENT, LLC
(Respondent)

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT

Case No. 12-20

WHEREAS, the Joint Commission on Public Ethics (the "Commission") has authority pursuant to Executive Law §94 to conduct an investigation to determine whether a substantial basis exists to conclude that a violation of Article one-a of the Legislative Law (the "Lobbying Act") has occurred, to issue a report of its finding of a substantial basis to conclude that a violation has occurred, and to impose penalties for such violation as provided for in the Lobbying Act;

WHEREAS, this Settlement Agreement ("Agreement") is entered into by and between the Commission and Inner City Development, LLC (the "Respondent");

WHEREAS, Respondent was a registered client in 2010, in that Respondent retained, employed or designated a lobbyist and Respondent reasonably anticipated that they would expend or incur reportable compensation and expenses in an amount in excess of \$5,000 during the 2010 calendar year, and as such Respondent was required to comply with the reporting requirements set forth in the Lobbying Act;

WHEREAS, Respondent was required to file the 2010 July/December Client Semi-Annual Report (the "Report") by January 18, 2011 pursuant to the Lobbying Act §1-j;

WHEREAS, Respondent failed to file the required report notwithstanding notice by Commission staff that the filing was overdue, it was subject to late fees, and it had an opportunity to submit the required filings and avoid administrative enforcement procedures and applicable penalties;

WHEREAS, on April 19, 2012, a formal Notice of Failure to File was issued which afforded the Respondent, 15 days to file the required report;

WHEREAS, on May 14, 2012, the Commission issued a Notice of Substantial Basis Investigation;

WHEREAS, Respondent submitted the 2010 July/December Client Semi-Annual Report on June 14, 2012;

WHEREAS, Respondent is no longer in operation or engaging in lobbying activity in New York State, and has provided information to the Commission demonstrating its financial condition;

WHEREAS, in lieu of appearing in an adjudicatory proceeding that could result in the assessment of a civil penalty against Respondent, the parties to this Agreement have agreed to resolve their dispute in a manner that avoids further administrative proceedings;

NOW THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of the violation set forth herein, the parties stipulate and agree that:

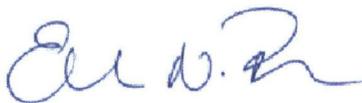
- I. Respondent admits that it violated §1-j of the Lobbying Act as set forth herein;
- II. Respondent and its Managing Member each agree not to register as a lobbyist or engage in lobbying activities as a lobbyist or lobbying client in New York State for a period of two years from the date of this agreement.
- III. Respondent and its Managing Member agree that should they engage in lobbying activities in New York State after the expiration of the two-year period referenced above, each will file all required documents, including registrations, with the Commission; comply with the reporting requirement set forth in the Lobbying Act; and will participate in an ethics training course subject to the Commission's approval.
- IV. If Respondent breaches this Agreement, it shall be in the Commission's sole discretion to deem the Agreement null and void in its entirety, issue a new Substantial Basis Investigation Report, which may include additional charges against Respondent, and proceed with an enforcement action. As to any new Substantial Basis Investigation Report or enforcement action by the Commission pursuant to this paragraph: (1) Respondent waives any claim that such action is time-barred by a statute of limitations or any other time-related defenses, provided that such action would not have been time-barred if brought on or before the date of this Agreement; and (2) Respondent expressly acknowledges and agrees that the Commission may use any statements herein, or any other statements, documents or other materials produced or provided by Respondent prior to or after the date of this Agreement, including, but not limited to, any statements, documents, or other materials, if any, provided for the purposes of settlement negotiations or in submissions by Respondent or by counsel on behalf of Respondent, in any enforcement proceeding against Respondent relating to the allegations herein.
- V. Respondent shall, upon request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
- VI. The Commission has agreed to the terms of this Agreement based on, among other things, the representations made to the Commission by Respondent or its counsel, if any. To the extent that representations made by Respondent or its counsel are later found to be materially incomplete or inaccurate by the Commission, Respondent shall be in breach of this Agreement under Paragraph IV herein.
- VII. Notwithstanding the provisions of this Agreement, Respondent understands and acknowledges that the Commission may investigate other knowing and wilful violations of the Lobbying Act, if any, by Respondent and take any appropriate action. Respondent hereby waives any rights, as provided in §1-o(c)(iii) of the

Lobbying Act, to relief from the assessment of a penalty and may not assert such right in relation to any future enforcement proceeding.

- VIII. Respondent waives any statute of limitations or other time-related defenses applicable to the subject of the Agreement and any claims arising from or relating thereto, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in an article 78 proceeding or by any other means.
- IX. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
- X. Respondent consents to the jurisdiction of the Commission in any proceeding or action to enforce this Agreement.
- XI. It is understood that this Agreement is not confidential and will be made public within 45 days of its execution in accordance with Executive Law §§94(14) & (19).
- XII. Respondent agrees not to take any action or to make, permit to be made, authorize, or agree to, any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects Respondent's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Commission is not a party. A violation of this Paragraph constitutes a breach of this Agreement by Respondent under Paragraph IV herein.
- XIII. This Agreement constitutes the entire agreement between the parties and supersedes any prior communication, understanding, or agreement, whether oral or written, concerning the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth in this Agreement has been relied upon by any party to this Agreement.
- XIV. Any amendment or modification to this Agreement shall be in writing and signed by all parties.
- XV. This Agreement shall become effective upon execution by the Commission or its designee.
- XVI. In the event that one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

XVII. By signing below, Respondent acknowledges reading this Agreement in its entirety, understands all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement.

Dated:



New York State
Joint Commission on Public Ethics

ACCEPTED AND AGREED TO
THIS 20 DAY OF May, 2013

Inner City Development, LLC

By: Sheldon Lieb 5/20/13
Managing Member

Name: Sheldon Lieb

Title: Managing member