

IN THE MATTER OF
STATE ADVISERS, LLC,

Respondent.

"JCOPE" Rec'd

APR - 7 2016

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT

Case No. 15-062

WHEREAS, the Joint Commission on Public Ethics ("Commission") is authorized by Executive Law §94 to conduct an investigation to determine whether a substantial basis exists to conclude that any violations of Article 1-A of the New York State Legislative Law (the "Lobbying Act") have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, this Settlement Agreement ("Agreement") is entered into by and between the Commission and State Advisers, LLC; ("Respondent");

WHEREAS, Respondent, by engaging in reportable lobbying activity in and between January 1, 2011 and December 31, 2016, is required to comply with the filing and reporting requirements set forth in the Lobbying Act;

WHEREAS, Respondent was engaged by various clients to lobby on their behalf during the biennial registration periods covering the years 2011-2016 (the "Relevant Period");

WHEREAS, Respondent acknowledges that certain filings were not timely filed or certain filings were not filed that were required to be submitted to the Commission during the Relevant Period, pursuant to the Lobbying Act;

WHEREAS, the Commission assessed late fees against State Advisers for the late filing of Lobbyist Bi-monthly Reports on behalf of various clients for the Relevant Period;

WHEREAS, after Respondent failed to pay the late fees, the assessments were referred to the New York State Office of the Attorney General ("OAG") for collection, and there remains outstanding \$4,975.44 with fees and interest as of March 8, 2016 due to the OAG;

WHEREAS, pursuant to the Lobbying Act §§ 1-e, and 1-h, the Commission is authorized to impose a fee not to exceed twenty-five dollars per day for each day that a statement of registration, bimonthly report, or client semiannual report is late and, pursuant to Lobbying Act § 1-o(b)(i), may impose penalties in an amount not to exceed the greater of twenty-five thousand dollars or three times the amount the person failed to report properly;

WHEREAS, Respondent and the Commission have agreed to resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings; and

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

1. Respondent failed to timely file and failed to submit certain Statements of Registrations, Lobbyist Bi-Monthly Reports, and valid authorizations for the Relevant Period, listed in Appendix A, in violation of §§1-e & 1-h of the Lobbying Act.
2. Respondent agrees to submit within thirty (30) days of the signing of this Agreement, any and all filings, including but not limited to registrations, bi-monthly reports, authorizations, and contracts, as required to be submitted during the Relevant Period for the matters listed in Appendix B.
3. Respondent agrees that Keith Sernick is the Responsible party for the Relevant Period and agrees to update State Advisers, LLC's profile to list Keith Sernick as the Responsible party within five (5) days of the signing of this Agreement.
4. Respondent agrees to pay to the Commission the amount of \$62,000.00 (this amount includes \$3,900 relating to registration fees due) in settlement of said violations as follows:
 - a. \$10,000 by April 15, 2016
 - b. \$10,000 by May 15, 2016
 - c. \$10,000 by June 15, 2016
 - d. \$10,000 by July 15, 2016
 - e. \$10,000 by August 15, 2016
 - f. \$12,000 by September 15, 2016.
5. Respondent agrees to pay the Office of the Attorney General in the amount of \$4,975.44 at the signing of this Agreement.
6. Respondent agrees to proceed without the notice and opportunity to respond as provided in Executive Law §94(13).
7. During the remainder of the 2016-2017 biennial registration period, in addition to any random audit of Respondent's filings that the Commission may perform in accordance with and pursuant to § 1-d of the Lobbying Act, the Respondent shall cooperate with any request by the Commission to review records relating to lobbying activity conducted during the 2016-2017 biennial registration period to determine whether filings required to be made by Respondent have been made in a timely manner and are accurate and complete. Such additional reviews, exclusive of those conducted pursuant to § 1-d, shall not occur more than once per semi-annual reporting period, *i.e.*, January 1-June 30 and July 1-December 31.
8. The Commission has agreed to the terms of this Agreement based on, among other things, the representations made to the Commission by Respondent. To the extent that representations made by Respondent are later found by the Commission to be materially incomplete or inaccurate, Respondent shall be in breach of this Agreement.

9. If the Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
10. 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.
11. Upon a breach of this Agreement, the Commission shall have 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; and (2) Respondent expressly acknowledges and agrees that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondent prior to or after the date of this Agreement, including, but not limited to, any statements, documents, or materials, if any, provided for the purposes of settlement negotiations or in submissions by Respondent or by counsel on behalf of Respondent, in any proceeding against Respondent relating to the allegations herein.
12. Respondent shall upon request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
13. Respondent understands and acknowledges that the Commission may investigate any other conduct, not covered by this Agreement, by Respondent and take any appropriate action.
14. Respondent waives the right to assert any defenses or any challenges to this Agreement, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in any forum.
15. Respondent hereby waives any rights as provided in Section 1-o(c)(iii) of the Lobbying Act and may not assert such right at any future time.
16. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
17. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
18. 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).

19. 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.
20. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
21. This Agreement shall become effective upon execution by the Commission or its designee.
22. 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.
23. By signing below, Respondent acknowledges reading this Agreement in its entirety, understanding all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement.

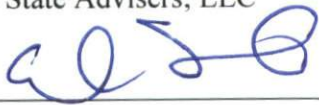
Dated: 4/28/2016



Morica Stamm
General Counsel
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO
THIS 1 DAY OF April, 2016

Respondent- State Advisers, LLC

By: _____

Name: Keith Sernick

Title: President

Approved:

Daniel J. Horwitz
Chair

Marvin E. Jacob
Seymour Knox, IV
Hon. Eileen Koretz
Gary J. Lavine
Hon. Mary Lou Rath
David A. Renzi
Michael A. Romeo, Sr.
Hon. Renee R. Roth
Michael K. Rozen
Dawn L. Smalls
George H. Weissman

Members

APPENDIX A

AJM CAPITAL, LLC (TAX LIEN ADVISORS LLC)

2013-14

- \$200 registration fee
- Bimonthly reports and/or termination

2011-12

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

AMERICAN TAX FUNDING SERVICING LLC

2015-16

- Contract

2013-2014

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

BIGFOOT MEDIA PROPERTIES

2013-14

- \$200 registration fee
- Bimonthly report (Sep/Oct 2013) and/or termination

2011-12

- \$100 registration fee
- Contract

BLACKBOARD INC.

2013-14

- \$200 registration fee
- Contract

CAPITAL WIRELESS, LLC

2015-16

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

2013-14

- Contract
- \$100 registration fee
- Bimonthly reports (May/Jun – Nov/Dec 2014) and/or termination

CAREERARC GROUP LLC

2013-14

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

CEA CAPITAL HOLDINGS

2015-16

- Contract
- Bimonthly (May/June 2015)

CELL SCIENCE SYSTEMS CORPORATION

2013-14

- \$200 registration fee
- Bimonthly reports (Jul/Aug 2013; Nov/Dec 2013) and/or termination

COSMOLEDO LLC

2015-16

- \$200 registration fee
- Contract
- Bimonthly report (May/June 2015) and/or termination

2013-14

- Bimonthly reports (Nov/Dec 2014) and/or termination

ERIC KAYSER USA

2013-14

- \$200 registration fee
- Bimonthly reports (all of 2014) and/or termination

EXTEND FERTILITY, LLC

2015-16

- \$200 registration fee
- Contract
- Bimonthly report (May/June 2015) and/or termination

HANSEL N' GRETAL BRAND INC.

2013-14

- \$200 registration fee
- Contract
- Bimonthly reports (Jan/Feb 2014) and/or termination

PANNONE LOPES DEVEREAUX & WEST LLC

2015-16

- \$200 registration fee
- Contract
- Bimonthly report (May/June 2015) and/or termination

2013-14

- Need filing fee
- Contract
- Bimonthly reports (May/June – Nov/Dec 2014) and/or termination

READY PAC FOODS, INC. (GROVE CONSULTING)

2015-16

- \$200 registration fee
- Bimonthly report (May/June 2015) and/or termination

2013-14

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

TOWN OF RAMAPO

2015-16

- \$200 registration fee
- Contract
- Bimonthly report (May/June 2015) and/or termination

2013-14

- \$200 registration filing fee
- Contract
- Bimonthly reports and/or termination

2011-12

- \$200 registration fee

VAL TRAN, INC./ADVANCE TRANSPORTATION SOLUTIONS (VMC CONSULTANTS, LP)

2015-16

- \$200 registration fee
- Contract
- Bimonthly report (May/June 2015) and/or termination

2013-14

- \$200 registration fee
- Contract
- Bimonthly reports and/or termination

2011-12

- Contract
- Bimonthly report (July/August 2011)

**APPENDIX B
OUTSTANDING MATTERS**

AJM CAPITAL, LLC (TAX LIEN ADVISORS LLC)

2013-14

- \$200 registration fee due

2011-12

- \$200 registration fee due
- Need contract

AMERICAN TAX FUNDING SERVICING LLC

2015-16

- Need contract

2013-2014

- \$200 registration fee due

BIGFOOT MEDIA PROPERTIES

2013-14

- \$200 registration fee due
- Bimonthly report (Sep/Oct 2013 and Nov/Dec 2013)

2011-12

- \$100 registration fee due
- Need contract
- Bimonthly report (November/December 2012)

BLACKBOARD INC.

2013-14

- \$200 registration fee due
- Need contract

CAPITAL WIRELESS, LLC

2015-16

- \$200 registration fee due

2013-14

- \$100 registration fee due

CAREERARC GROUP LLC

2013-14

- \$200 registration fee due

CELL SCIENCE SYSTEMS CORPORATION

2013-14

- \$200 registration filing fee
- Bimonthly reports (Jul/Aug 2013 & Nov/Dec 2013)

COSMOLEDO LLC

2015-16

- \$200 registration fee due

ERIC KAYSER USA

2013-14

- \$200 registration fee due
- Bimonthly reports (All of 2014)

EXTEND FERTILITY, LLC

2015-16

- \$200 registration fee due

HANSEL N' GRETAL BRAND INC.

2013-14

- \$200 registration fee due

PANNONE LOPES DEVEREAUX & WEST LLC

2015-16

- \$200 registration fee due
- Need contract
- Need bimonthly report (May/June 2015)

2013-14

- \$200 registration fee due
- Bimonthly reports (May/June 2014 & Nov/Dec 2014)

READY PAC FOODS, INC. (GROVE CONSULTING)

2015-16

- \$200 registration fee due

2013-14

- \$200 registration fee due

TOWN OF RAMAPO

2015-16

- \$200 registration fee due

2013-14

- \$200 registration fee due

VAL TRAN, INC./ADVANCE TRANSPORTATION SOLUTIONS (VMC CONSULTANTS, LP)

2015-16

- \$200 registration fee due
- Need contract

2013-14

- \$200 registration fee due
- Need contract

2011-12

- Need contract covering time period corresponding to bi-monthly reports