

DISPOSITION AGREEMENT

This Disposition Agreement (the "Agreement") is entered into on November 4th, 2016, by and between the Office of Campaign and Political Finance ("OCPF"), Alex Matov ("Matov"), Andrian Shapiro ("Shapiro"), and the following entities: Hancock Q. Plaza, LLC; Nova Suites, LLC; 5460 Lexington Business Center, LLC; Partners' Properties, LLC; 1505 Commonwealth Avenue Realty Trust; and CV Consulting, LLC. Matov, Shapiro, and the above-named entities shall be referred to collectively as the "Respondents." The parties mutually agree to this Agreement as follows:

I. INTRODUCTION

1. Matov and/or Shapiro are members and managers in several businesses, including the LLCs identified above. At all times relevant to this Agreement, all of the above-named entities were duly-registered corporations with the Massachusetts Secretary of State's Office, with addresses of record in Allston, Massachusetts. Matov and Shapiro also have beneficial interests in the 1505 Commonwealth Avenue Trust.

2. The political contributions and other activities noted in this Agreement are controlled by the provisions of M.G.L. c. 55 and the regulations issued by OCPF in accordance with M.G.L. c. 55.

3. At all times relevant to this Agreement, the following committees were political committees duly organized with OCPF, subject to the provisions of M.G.L. c. 55, the Massachusetts campaign finance law:

Committee to Elect Thomas Koch (the "Koch Committee")

Committee to Elect Martin Walsh (the "Walsh Committee")

Committee to Elect Maura Healey (the "Healey Committee")

4. OCPF has the power and authority to review and investigate the legality, validity, completeness, and accuracy of all reports required to be filed and all actions required to be taken by political committees, candidates, treasurers, and any other person pursuant to M.G.L. c. 55 or any other laws of the Commonwealth relative to campaign contributions and expenditures.

II. FACTS AND SPECIFIC TRANSACTIONS

1. After receiving a complaint alleging campaign finance violations by Matov and Shapiro, OCPF commenced a review to determine whether the contributions disclosed in reports filed by the Committees referenced in Section I, Paragraph 3 were actually made by the named contributors using their own funds. Respondents cooperated in that review, providing business records and other information with respect to their payments to persons who contributed to those Committees.

2. Bank records obtained by OCPF reveal that one employee, Margarita Kvacheva ("Kvacheva"), deposited funds received from the Respondent entities into her personal checking account shortly after she made contributions to Massachusetts candidates and committees. Based upon a review of campaign finance reports filed with OCPF, Kvacheva had not made any other campaign contributions since 2002.

3. On or about October 9, 2015, Kvacheva made a \$1,000 contribution to the Koch Committee. On the same day, Kvacheva received two payments from the Respondents, totaling \$1,005.85: \$503.50 from Hancock Q. Plaza, LLC; and \$502.35 from Nova Suites, LLC. Both of the checks included "Reimb" as the notation on the memo line and were deposited into Kvacheva's personal checking account.

4. On or about November 13, 2015, Kvacheva made a \$1,000 contribution to the Healey Committee. On or about November 15, 2015, Kvacheva made a \$500 contribution to the Walsh Committee. On November 13, 2015, Kvacheva received three payments from the Respondents, totaling \$1,500: \$250 from 5460 Lexington Business Center, LLC; \$650 from Partners' Properties, LLC; and \$600 from 1505 Commonwealth Ave Realty Trust. Each of the three checks included "Reimb" as the notation in the memo line and were deposited into Kvacheva's personal checking account.

5. On or about March 3, 2016, Kvacheva made a \$500 contribution to the Koch Committee. On March 9, 2016, Kvacheva received a payment from CV Consulting, LLC, in the

amount of \$1,500. That check included "Bonus" as the notation in the memo line and was deposited into Kvacheva's personal checking account.

6. This Agreement covers the period from September 1, 2015 through March 31, 2016. During this time, several other individuals associated with Matov and Shapiro made contributions to committees, some of which are not referenced in this Agreement. OCPF's review with respect to individuals other than Kvacheva provided no clear basis for concluding that the Respondents reimbursed those individuals for any contributions they made during the above-referenced period. With the execution of this Disposition Agreement, OCPF's review is closed.

7. OCPF has no reason to believe that the recipient committees knew or had reason to know that the \$3,000 contributed by Kvacheva as described in Section II, Paragraphs 3 through 5 were, as OCPF has concluded, made with funds provided by another until they were so notified during OCPF's review. The contributions were made with checks drawn on the personal checking account of the named contributor and it would have appeared to the recipients of the checks, absent other information, that the contributions were, in fact, from Ms. Kvacheva.

8. The candidates or Committees that received the contributions OCPF has described in Section II, Paragraphs 3-5 of this Agreement have voluntarily disgorged or will voluntarily disgorge amounts equivalent to the contributions made by making payments to entities in a manner consistent with the residual funds clause in M.G.L. c. 55, § 18 in the following aggregate amounts: \$1,500 (by the Koch Committee); \$1,000 (by the Healey Committee); and \$500 (by the Walsh Committee). The funds will be disgorged by December 31, 2016.

III. THE RESPONDENTS' POSITION

1. Ms. Kvacheva is a highly valued and well compensated executive who provides services to many of the businesses in which Respondents Matov and Shapiro participate. Her compensation is allocated to her by those entities based upon what she does for them. She is reimbursed for out of pocket expenses and bonused as appropriate. She has worked her way to the top of Respondents' enterprises and her political interest has increased as her responsibilities have increased.

Participation in the political process is important to the individual Respondents and other members of their businesses and social circles, many of whom are of Ukranian origin. Freedom of Speech and Freedom of Association are given effect in the political process and no one should be excluded from participation in it based on personal or business relationships. Messrs. Matov and Shapiro were proud of Ms. Kvacheva's desire to participate in the political process and fully supportive of it, but her compensation was based on merit. The Respondents deny violating the state's campaign finance law and state that any violation of the state's campaign finance law or its implementing regulations was unintentional.

Without admitting wrongdoing, the Respondents acknowledge OCPF's authority to draw the conclusions it has as set forth in Section IV below, for the purposes of resolving this matter in accordance with Section V.

IV. OCPF'S CONCLUSIONS

Based upon OCPF's review, OCPF has concluded that the Respondents have violated the following sections of M.G.L. c. 55:

1. Corporate Contributions and Realty Trust Contributions – M.G.L. c. 55, § 8 and 970 CMR 1.04(15)

Section 8 states that business corporations may not "directly or indirectly" contribute to a candidate. The statute also provides that officers or agents acting on behalf of a corporation may not make such contributions using corporate money. In addition, the regulations promulgated pursuant to M.G.L. c. 55 prohibit contributions from realty trusts. OCPF concludes that the corporate Respondents and the 1505 Commonwealth Ave. Realty Trust made contributions to Massachusetts candidates by reimbursing Kvacheva for contributions she made to the Healey, Walsh, and Koch Committees in the aggregate amount of \$3,000.

2. Contributions Made in a Manner Intended to Disguise the True Source of the Contributions – M.G.L. c. 55, § 10

Section 10 states that no person may "make a campaign contribution in any name except his own, or in any manner for the purpose of disguising the true origin of the contribution...".

The Respondents violated this provision by arranging for Kvacheva to make contributions to the Koch, Healey, and Walsh Committees in her own name, in the aggregate amount of \$3,000, using funds provided by another, in a manner that disguised the true origin of the funds.

V. RESOLUTION

In order to resolve the matters now before OCPF, the parties agree, pursuant to 970 C.M.R. 3.07(1) and M.G.L. c. 55, § 3, as follows:

1. The Respondents shall, jointly and severally and upon execution of this Agreement, make a payment or payments to the Commonwealth in the amount of \$10,000 in the nature of a civil forfeiture and payments of OCPF's reasonably incurred investigation costs.
2. The Respondents agree not to provide or arrange to provide funds to any third person to enable that person to make political contributions, whether from the Respondents' personal, corporate, or realty trust funds or any other source.
3. To effectuate paragraph 2, for a three year period ending December 31, 2019, the Respondents will, upon request by OCPF, provide documentation of any reimbursement or bonus payments made to any employee who has made a campaign contribution subject to M.G.L. c. 55.
4. OCPF agrees not to refer the Respondents to any other governmental agency, including, without limitation, the Office of the Attorney General, for any failure to comply with the provisions of M.G.L. c. 55 cited herein, with respect to the conduct that is specifically referenced in this Agreement or which was subject to OCPF's investigation.
5. OCPF may, at any time, review compliance with the Agreement. If it believes that the provisions of the Agreement have been violated, after notice to the Respondents, OCPF may, notwithstanding the provisions of the foregoing paragraph, proceed with any action consistent with M.G.L. c. 55 or otherwise authorized by law.

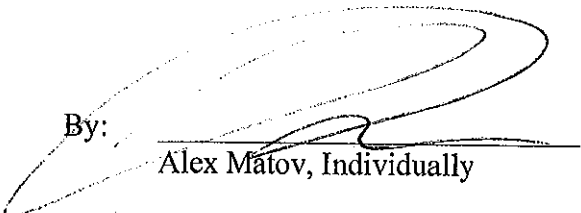
6. The provisions of this Agreement shall be severable and should any provisions be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Agreement shall remain in full force. Nothing contained herein constitutes an admission by any of the Respondents.

7. This Agreement shall be binding upon OCPF and the Respondents, and, where applicable, the Respondent's corporate officers, including their successors.

8. This Agreement is a public record under M.G.L. c. 4, § 7 and shall be subject to public inspection as required by M.G.L. c. 66, § 10.

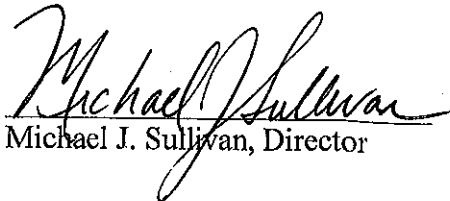
ALEX MATOV

By:

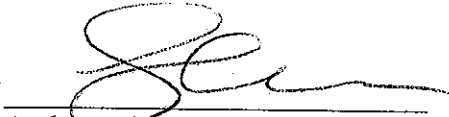

Alex Matov, Individually

OFFICE OF CAMPAIGN AND
POLITICAL FINANCE

By:

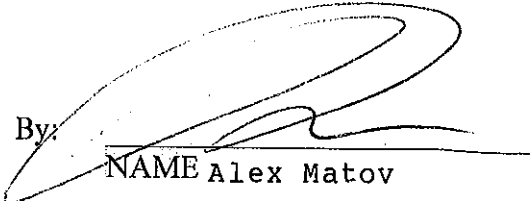

Michael J. Sullivan, Director

ANDRIAN SHAPIRO


Andrian Shapiro, Individually

HANCOCK Q. PLAZA, LLC

By:


NAME Alex Matov

NOVA SUITES, LLC

By:


NAME Alex Matov

PARTNERS' PROPERTIES, LLC


By:


NAME Alex Matov

5460 LEXINGTON BUSINESS CENTER, LLC

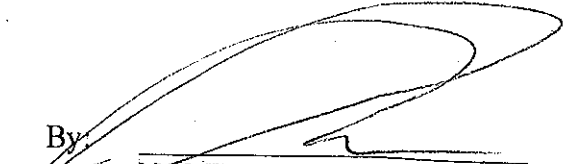
CV CONSULTING, LLC

By:



NAME Alex Matov

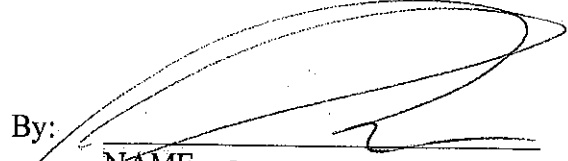
By:



NAME Alex Matov

1505 COMMONWEALTH AVE. REALTY TRUST

By:



NAME Alex Matov