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BEFORE THE
STATE OF FLORIDA
COMMISSION ON ETHICS

CONFIDENTIAL

In re: Jeffrey Marc Siskind,

Respondent.

Complaint No. 18-185

ADVOCATE'S RECOMMENDATION

The undersigned Advocate, after reviewing the Complaint and Report of Investigation filed in this matter, submits this Recommendation in accordance with Rule 34-5.006(3), F.A.C.

RESPONDENT/COMPLAINANT

Respondent, Jeffrey Marc Siskind, was a candidate for Attorney General in 2018. Complaint was filed by Robert Gibson of West Palm Beach, Florida.

JURISDICTION

The Executive Director of the Commission on Ethics determined that the Complaint was legally sufficient and ordered a preliminary investigation for a probable cause determination as to whether Respondent violated Article II, Section 8, Florida Constitution, and Section 112.3144, Florida Statutes. The Commission on Ethics has jurisdiction over this matter pursuant to Section 112.322, Florida Statutes.

The Report of Investigation was released on July 15, 2019.

ALLEGATION

Respondent is alleged to have violated Article II, Section 8, Florida Constitution, and Section 112.3144, Florida Statutes, by filing an inaccurate 2017 CE Form 6, "Full and Public Disclosure of Financial Interest."

APPLICABLE LAW

Article II, Section 8 Florida Constitution provides:

(a) All elected constitutional officers and candidates for such offices and, as may be determined by law, other public officers, candidates, and employees shall file full and public disclosure of their financial interests.

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(i) Schedule—On the effective date of this amendment and until changed by law:

(1) Full and public disclosure of financial interests shall mean filing with the secretary of state by July 1 of each year a sworn statement showing net worth and identifying each asset and liability in excess of \$1,000 and its value together with one of the following:

a. A copy of the person's most recent federal income tax return;
or

b. A sworn statement which identifies each separate source and amount of income which exceeds \$1,000. The forms for such source disclosure and the rules under which they are to be filed shall be prescribed by the independent commission established in subsection (f), and such rules shall include disclosure of secondary sources of income.

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Section 112.3144(1), Florida Statutes, provides as follows

(1) An officer who is required by s. 8, Art. II of the State Constitution to file a full and public disclosure of his or her financial interests for any calendar or fiscal year shall file that disclosure with the Florida Commission on Ethics.

ANALYSIS

As a candidate for the position of Attorney General of Florida, Respondent filed a 2017 CE Form 6, "Full and Public Disclosure of Financial Interests," on June 22, 2018. (ROI 1, Exhibit

A) Respondent used June 20, 2018 as his reporting date. (Exhibit A1) He listed his net worth as \$2,120,035.77 in Part A – Net Worth and Western Credit Resolution Trust (Trust) as an asset worth \$5,574,554.20 under Part B – Assets. (ROI 4, Exhibit A1)

Respondent advised that the value of the Trust is based on its interests in CannaMed Pharmaceuticals, LLC, and that interest is based upon the valuation of CannaMed multiplied by the probability of obtaining a license to grow marijuana in the state of Maryland. (ROI 14, 15, Exhibit B) However, Respondent was denied a license by the Maryland Medical Cannabis Commission in May 2016 for which he sued. (ROI 15) Respondent advised that he was still in litigation when he filed his 2017 CE Form 6. (ROI 15) He advised the Trust is real and believes the 300+ page license application is worth tens of millions of dollars. (ROI 16) He contends that he is simply waiting for the United States Drug Enforcement Administration (DEA) to award a license and contract to CannaMed to grow medical marijuana. (ROI 16)

Complainant alleges that Respondent misstated his financial assets on his 2017 CE Form 6. (ROI 5) Complainant alleges that Respondent's interest in the Trust is "worthless," as Respondent's company, Chance & Anthem, LLC, filed for bankruptcy on February 12, 2018 and CannaMed does not own a license to do business. (ROI 5) Bankruptcy records filed on February 12, 2018 by Respondent on behalf of Chance & Anthem reflect a \$1,000 value for Chance & Anthem's interest in CannaMed. (ROI 6, Complaint 8) Complainant maintains that Respondent's valuation of the Trust is faulty, consequently, so is Respondent's net worth. (ROI 5)

Respondent advised that he was a settlor of the Trust which was established following his personal Chapter 11 bankruptcy as a vehicle to make certain some of his creditors were paid. (ROI 13) On April 24, 2018, Respondent filed an amended bankruptcy form which valued Chance & Anthem's interest in CannaMed at \$14,000,000. (ROI 8, Exhibit C) He advised that the value he

assigned to Chance & Anthem's interest in CannaMed was only a nominal value which may be deemed a placeholder. (ROI 9)

Respondent advised that the Trust owns 75% of CannaMed which encompasses 70% of Chance & Anthem's interest and 5% of his personal interest. (ROI 13) He further advised that the Trust owns his 100% title and interest in Chance & Anthem. (ROI 13) He recalled the remaining 25% of assets in the Trust are "either in the hands of investors, having been sold or gifted, or in treasury stock having not been distributed." (ROI 13)

The instant investigation found that the CannaMed name was forfeited on October 13, 2017 and purchased by another person on February 7, 2019. (ROI 17) Chance & Anthem bankruptcy trustee, Robert C. Furr, advised that CannaMed had a zero cash value as of December 13, 2018, a little less than six months after Respondent's reporting date. (ROI 18)

The CE Form 6 instructions provide, "How to Value Assets: Value each asset by its fair market value on the date used in Part A for your net worth." According to Merriam-Webster, "fair market value" is defined as a price at which buyers and sellers with a reasonable knowledge of pertinent facts and not acting under any compulsion are willing to do business.

Respondent is asking the public to believe that an entity to which he does not own the name nor has a license to do business could be sold for \$14,000,000 and thus his percentage via the trust is worth over \$5,000,000.¹ There is sufficient evidence to show that the Trust's value disclosed by Respondent is inaccurate which consequently means the net worth is inaccurate as well.

Therefore, based on the evidence before the Commission, I recommend that the Commission find probable cause to believe that Respondent violated Article II, Section 8, Florida Constitution, and Section 112.3144, Florida Statutes.


¹ The CE Form 6 instructions provide, "How to Value Assets: Trusts: You are deemed to own an interest in a trust which corresponds to your percentage interest in the trust corpus."

RECOMMENDATION

It is my recommendation that:

There is probable cause to believe that Respondent violated Article II, Section 8, Florida Constitution, and Section 112.3144, Florida Statutes, by filing an inaccurate 2017 CE Form 6, "Full and Public Disclosure of Financial Interest."

Respectfully submitted this 6th day of August, 2019.


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