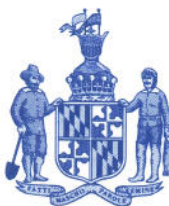


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For Immediate Release

June 13, 2008

Edward St. John Charged Civilly with Campaign Finance Violations

The State Prosecutor announced today that Edward St. John, the owner of St. John Properties, Inc. has been charged in eleven (11) civil citations with making campaign contributions in excess of the statutory limitations through third parties who were then reimbursed for those contributions. Making contributions through third parties who expect to be reimbursed violates section 13-602(a)(5) of the Election Law Article. Mr. St. John has agreed to pay the maximum fine of \$5,000 for each offense or a total of **\$55,000**. In addition to the fine, Mr. St. John will contribute another **\$55,000** to "College Bound", a non-profit organization which assists underprivileged children in Baltimore with college expenses.

The charges arise from contributions made by several St. John vice presidents who fully expected that they would be reimbursed by Mr. St. John for the contributions at a later time. In fact, those vice presidents, Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros and H. Richard Williamson, were reimbursed for the contributions as a part of their year end bonus. Since there was insufficient evidence to establish that Mr. St. John knew that such actions violated Maryland law, civil citations were filed, instead of criminal charges.

As a part of the agreement, Mr. St. John agreed to disclose all of the contributions made by any of the St. John affiliated limited liability companies (LLCs). Eighteen of those LLCs were formed between May, 2005 and November, 2005 and there was nothing in the public record to associate them with St. John Properties. The address of St. John Properties was never used in any public record and certain internal documents at St. John referred to the bank accounts for these 18 entities as the "untraceable" accounts. In this case, Mr. St. John used these and other LLCs, as well as third parties, to pay various campaigns more than \$300,000 during just one election cycle. Those contributions were made to both Democrats and Republicans. However, the investigation by the State Prosecutor's Office determined that all of the contributions were within the amounts permitted by Maryland law.

The investigation originated as a result of a report published by Common Cause. In that report, Common Cause commented about unusual nature of the contributions and the fact that the public documents shed no light about the real owners or even the real addresses of these LLCs.

The State Prosecutor, Robert A. Rohrbaugh, commented,

“Under the law in this State, Maryland citizens should have the opportunity to know who is contributing to what politician in order to judge the actions of their elected officials. While the total contributions in this case did not exceed the amounts permitted by Maryland law, the use of third parties or LLCs to disguise the true source of the contributions certainly violates the spirit of Maryland’s law, if not the letter of the law. Those contributors who cross the legal line, even unintentionally, will, at a minimum, face substantial fines.”

Edward St. John is represented by William J. Murphy whose telephone number is 410-783-7000.

STATE OF MARYLAND

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IN THE

VS.

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DISTRICT COURT OF

EDWARD ST. JOHN

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MARYLAND FOR

*

ANNE ARUNDEL COUNTY

*

CASE NUMBER:

Affidavit in Support of Civil Citation

I, Shanna Hajdun, a Special Agent for the Office of the State Prosecutor, first being duly sworn, state that the following information is true and accurate based upon my investigation.

1. On or about May 11, 2006, six (6) Vice Presidents of St. John Properties, Inc., Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson and Gerard Wit wrote checks to "Friends of Martin O'Malley." Each check was for an amount between \$2,500 and \$3,500. Each check was given as a political contribution to "Friends of Martin O'Malley" at the request of Edward St. John and was made with the expectation that the amount of the contribution would be reimbursed to them by Edward St. John through St. John Properties, Inc. In fact, Edward St. John, who is the Chief Executive Officer of St. John Properties, Inc., authorized and paid the reimbursement in February, 2007 as part of the year end bonus for each of the respective Vice Presidents.

2. On or about October 13, 2006 and November 28, 2006, five (5) Vice Presidents of St. John Properties, Inc, Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, and H. Richard Williamson wrote checks to the "Friends of Jim Smith" campaign. The contributions ranged between \$1,000 and \$2,000. Each check was given as a political contribution to Friends of Jim Smith" at the request of Edward St. John, and given with the expectation that the amount of the contribution would be reimbursed to them by Edward St. John through St. John Properties,

Inc. As expected, Edward St. John, who is the Chief Executive Officer of St. John Properties, authorized and paid the reimbursement in February, 2007 as part of the year end bonus for each of the respective Vice Presidents.

3. Therefore, the total number of contributions made indirectly in the name of one of the Vice Presidents instead of Edward St. John to the two campaigns was eleven (11). The total amount given was \$25,000.

4. In addition, between approximately May, 2005 and November, 2005 Edward St. John and his employees formed eighteen (18) new limited liability companies. Internally, on the accounting records of St. John Properties, the membership interests in eighteen (18) existing limited liability companies were then transferred to the newly created entities. As examples, the membership interests in Bark River Joint Venture, LLC were transferred to Dominion Ventures, LLC and the membership interest in Garrison Investors I, LLC were transferred to Horse Mill, LLC. The old entities thus became solely-owned affiliates of the new entities. The list of these St. John controlled entities described herein is:

NEW ENTITY	OLD ENTITY
a. Dominion Ventures, LLC	Bark River Joint Venture, LLC
b. Horse Mill, LLC;	Garrison Investors I, LLC
c. Howard Crossing, LLC;	Columbia Center II, LLC
d. Perfectly Positive, LLC;	Lisbon Plaza, LLC
e. Rolling Hills, LLC;	Columbia Center III, LLC
f. Cherry Branch, LLC;	Oak Creek, LLC
g. McCormick Business, LLC;	LRB Investors, LLC
h. Stoney Acres, LLC;	Waukesha Investors, LLP
i. Ashland Park, LLC;	Franklin Corporate Center, LLC
j. Brandywine Meadows, LLC;	Timonium Business Center, LLC
k. Frederick Business District, LLC;	Liberty Investors, LLC
l. Waxpool, LLC;	Loudoun Corporate Center
m. Halethorpe Joint Venture, LLC;	Vero Road Investors, LLC
n. Washington Business Enterprises, LLC;	Monocacy Business Center, LLC
o. Baehr Partners, LLC;	Mequon II, LLC

- p. Beach Investors, LLC;
- q. Magothy Investors, LLC;
- r. Northern Technology, LLC;

Mountain Road Investors II, LLC
Mountain Road Investors I, LLC
Heat Business Center, LLC

5. As a part of the plan to conceal the ownership of the newly created LLCs (and thus conceal the source of the political contributions made by them), resident agent service providers such as Incorp Services, Inc in Lutherville, IncParadise in Bladensburg and Maryland Agent Services, Inc., in Pasadena were used to form the new entities. The articles of organization which were filed with the Maryland Department of Assessments and Taxation ("SDAT") by these resident agent companies made no mention that these LLCs were connected to Mr. St. John or St. John Properties. In fact, the listed "address of the principal office" or "address of the LLC in Maryland" for each of the newly created LLCs was the office of the incorporating company, and not the address of St. John Properties, Inc. which was the address used by the old St. John entities.

6. When the new LLCs were formed, new bank accounts were also established at various institutions, including BB&T, Mercantile and M&T, and the primary signers on the accounts were the Vice Presidents of St. John Properties, including Stanley Meros, H. Richard Williamson, and Jeffrey Gish. While the signature cards maintained internally by the banks reflected the real address of the newly created entities as 2560 Lord Baltimore Drive, Baltimore, Maryland 21244, which is the main office of St. John Properties, the embossed addresses on the checks of the new entities, which were used to make political contributions, were the addresses of the resident agent companies which did the incorporating. For example, the check for Howard Crossroads, LLC listed the address of the company as 1519 York Road, Lutherville, Maryland 21093, which was actually the address of the Incorp Services, the incorporating company.

According to certain internal documents of St. John Properties, Inc., some of those new checking accounts were referred to as the “untraceable” accounts.

7. At the direction of Edward St. John, the newly created entities used these checks to make political contributions in late 2005 and early 2006, and the total amount of those contributions was approximately \$115,603. However, the accounting records maintained by St. John Properties reflect that, when the contributions made by each old entity was added to the contributions by each respective new entity, the combined amounts contributed by each pair of entities did not exceed any limitation for contributions to a single candidate or for all candidates during a four-year election cycle under applicable provisions of the Maryland Election Law statute. The total contributions made by all of the LLC and partnership entities affiliated with Edward St. John, and by employees of St. John Properties, Inc., totaled in excess of \$300,000 for the 2003-2006 election cycle.

I solemnly affirm under the penalties of perjury that the contents of the foregoing paper are true to the best of my knowledge, information, and belief.

6/12/08

Special Agent Shanna Hajdun