September 16, 2020 Materials for the Ethics Board Submitted by Nancy Pearson

This document serves as the timeline that led to my ethics complaint filed against Councilor Esther Kennedy on July 23.

As Attorney Sullivan explained last week, the scope of this hearing is very narrow. It pertains to one claim in the complaint: *By registering the trade name, Kennedy engaged in a "transaction" with a "direct interest" in the outcome of Pop Up Portsmouth which is "in conflict with the proper discharge of her official duties.*

This boils down to just two things. Did Councilor Kennedy engage in this transaction? And does that act meet the threshold of being in conflict with the proper discharge of her duties as a City Councilor?

I will address only those things, the events that led to my filing the complaint, and the immediate aftermath when she was discovered.

On March 26, Governor Sununu shut down all non-essential business.

For the next five weeks we stood still as a community. Meanwhile, businesses were closing their doors for good.

On May 9, Chef Evan Mallet wrote an op-ed asking the City to take steps to address the economic crisis and create a recovery plan. He suggested a task force. (Image source: Seacoastonline.com)

Guest View: How will Portsmouth save its restaurants?



On May 18, in an effort to address the economic crisis brought on by the shutdown, the City created a Citizens Response Task Force to advise the City management and City Council on decisions related to COVID-19 that affect the business community and organizations in addressing the needs of re-opening, within the confines of health care advisories. (Image source: City website)



After the formation of the Task Force, members of the business and nonprofit community went immediately into action. Small working groups sprung up to work on a variety of recovery efforts. One of these projects was a "Pop Up" venue to feature performance, food, drink, and retail, in a safe outdoor setting, on the rooftop of the Foundry Garage. (Image source: Seacoastonline.com)



There were some structural challenges with the Foundry Garage rooftop, so the venue was relocated to the Bridge Street Parking Lot. (Image source: Seacoastonline.com)



On June 10, the Task Force met to discuss recovery proposals and how the City might support these efforts.

Russ Grazier, CEO of the Portsmouth Music and Arts Center and a member of the Task Force, was named Chair of the Task Force subcommittee for the Pop Up proposal.

The Task Force discussed allocating City funds toward the recovery projects and supporting them with resources and infrastructure. This support would include costs incurred by the city **and not monies given directly to the volunteer groups**. A stipulation for allocating funds was to require the Pop Up project to match the funds. Fundraising would be needed to realize the Pop Up project because support from the City would not cover all the costs. In the interest of time, the Pop Up project planned to raise funds through private donations using a mechanism called fiscal sponsorship.

Fiscal sponsorship is a well-established method for short term or one-time fundraising by a group or entity that does not have legal status as a nonprofit. Seacoast Repertory Theatre agreed to act as fiscal sponsor for the Pop Up project fundraising efforts. The Pop Up project raised just under \$120,000 in private donations toward the project. (Image source: councilfornonprofits.org)

AMERICA'S NONPROFITS	TRENDS & POLICY ISSUES TOOLS & RESOURCES OUR FOCUS & IMPACT EVERYDAY ADVOCACY
Resource Categories	Fiscal Sponsorship for Nonprofits
Advocacy	Printer-friendly version
Boards and Governance	Using a fiscal sponsorship arrangement offers a way for a cause to attract donors even when it is not yet
 Diversity, Equity, and Inclusion 	recognized as tax-exempt under Internal Revenue Code Section 501(c)(3). In essence the fiscal sponsor
 Employment 	serves as the administrative "home" of the cause. Charitable contributions are given to the fiscal sponsor,
Ethics & Accountability	which then grants them to support the cause. Learn about fiscal sponsorship in this short video (NEO Law
 Financial Management 	Group).
Fundraising	
Leadership	A fiscal sponsor is a nonprofit organization that provides fiduciary oversight, financial management, and other administrative services to help build the capacity of charitable projects.
POPULAR TAGS	//
+ Fundraising	
+ Governance	Fiscal Sponsorship: a 360 Degree Perspective, Trust for Conservation Innovation.
+ Financial Management	

On July 2nd, the volunteer working group for the Pop Up project formed a nonprofit organization under the name **Popup Portsmouth** using the full-service online platform, Legal Zoom.

Of Note: A nonprofit's articles of incorporation officially mark the creation of the organization. **Pop Up Portsmouth recruited their Directors and filed their paperwork to incorporate as a nonprofit on July 2nd, which marks the official creation of the nonprofit.** The week to ten day waiting period to be approved by the Secretary of State would be RETROACTIVE to July 2. (Images source: Brian Kelly & City website)

RECEIPT						
Order Confi	rmation Number: 63639119					
Date of Pure	chase: 07-02-202	20				
Grand Total	: said a second					
Order Sumr	nary				A	mount
Express Pla	tinum Nonprofit Corporation	- Pop Up Portsmouth			-	050.00
	Filed Articles of Incorporation					
	Corporate Kit					
	Priority Rush Service					
State	Filing Fee - NH					
Overr	ight Delivery (Next Business D	lay)				
14-Day Trial	of Business Advisory Plan				s	
	Unlimited Digital Storage					
	Attorney Consultations					
	CreditAlert [™] Plus					
	Tax Consultations					
	Access to Forms Library					
EIN Obtainn	nent					
Stand	lard Shipping					
Compliance	Calendar					
501(c)3 App	lication Preparation					
	IRS Form 1023					
	Conflict of Interest Policy					
Stand	lard Shipping					
Essential C	ompliance + Tax Preparation	Package			Se	
	Business Tax Preparation					
	Compliance Calendar					
	CreditAlert™ Plus					
	Business Advantage Member	Center Access				
	Company Minutes Manager					
	Annual Reports					
	State Tax ID					
	Access to Forms Library					
					Total Charges:	
Contact Info)		Shipping Info			
Brian Kelly	190		Brian Kelly			
(603) 785-27 brianbkellv8	'82 7@gmail.com		(603) 785-2782 brianbkelly87@gmail.co	om		
32 Broad Str	eet		32 Broad Street			
Rochester, N			Rochester, NH 03867			
Payments 8						
Date	Transaction	Payment Method		Payment Status	A	moun
7/2/20	Initial Payment	Charge To Master Card		Approved		000.01



To confirm, the volunteer working group for the Pop Up project took all legal and necessary steps to incorporate on July 2nd, which marks the date that Popup Portsmouth was created as an official nonprofit. I have included supporting documents from the NH Center for Nonprofits that confirm this. (Images source: nhnonprofits.org)

How to Start a Nonprofit in New Hampshire

Welcome to our New Hampshire Nonprofit Startup Guide! If you're passionate about helping others and have an idea to serve your community, starting a nonprofit is a great way to turn your vision into a reality. There are many different types of nonprofits - religious, educational, human service oriented, animal welfare, and more. What all nonprofits have in common is a focus on helping others and benefiting their community. You are genuinely committed to these goals so you are already well on your way!

According to the National Center for Charitable Statistics, there were over 7.000 nonprofit organizations in New Hampshire in 2012. Before you start a new nonprofit, make sure you have identified an unmet need in your community and know that there are not any existing organizations serving your cause. If another organization exists, consider working together, as that may be a better way to make an impact in your community and use existing resources.

When you are ready to start your nonprofit, plan to incorporate and apply for 501(c)(3) status, as these are important steps to fully achieve your goals. As a 501(c)(3) nonprofit, you will be able to apply for grants and accept donations, be exempt from federal corporate income tax, and limit the liability of your organization's officers and directors. Most importantly, you will gain credibility and legitimacy for your cause, instilling the public with confidence in your organization.

This guide will walk you through the basic steps to start your nonprofit in New Hampshire. Let's get started!



Nonprofits to provide insightful resources and compliance solutions to nonprofits in New Hampshire.

Welcome to Our Community We're committed to publishing free informational resources such as this how-to guide. Our resources have been shared by important industry organization including:







On July 13, there was a regular City Council meeting. All Council members were present. Task Force Chairs James Petersen and Mark Stebbins, along with State Senator Martha Fuller Clark, also a member of the Task Force, presented the economic recovery projects related to the re-open and recovery plans for the small business, arts and nonprofit community. Among the points they made to City Council were that the goal of the efforts was to "**save businesses**, **provide jobs**, **and provide safe options for the public**." They stressed that the City needed to "**move fast**, **not try to be perfect out of the start**, **and adjust on the fly as needed**." Senator Martha Fuller Clark stated these efforts were a "**plea for arts and culture**" **and that the city should be prepared to "modify and move forward**" **as needed**.

The intention of the Task Force recovery efforts was clearly communicated: move fast, try not to be perfect out of the start, adjust on the fly, modify and move forward as needed.

The co-chairs recommended a \$50 thousand-dollar allocation of funds from the City to support the Pop Up project. The co-chairs explained to the Council that the funds **would not** be passed on to the Pop Up volunteer group, but would be directed toward

infrastructure costs incurred by the City for the project. This point was reiterated in writing by Task Force subcommittee chair Russ Grazier in meeting minutes dated June 15. (Image source: City website)



At the 1:52:25 mark in the video of that July 13th meeting, co-chair of the Task Force James Petersen stated to the Council that the volunteer group for the Pop Up event was "going through the process of '**incorporating as a nonprofit**' under the name, **POP UP PORTSMOUTH.**"

This was now the second time that information was stated publicly in an official City meeting by a City official.

After this update, in a unanimous roll call 9-0, the Council voted "**to authorize the Portsmouth Citizen Response Task Force** to create a plan and begin implementation for full or partial street closures, and use of street parking areas and other city-owned parking locations for restaurant, retail, and non-profit organization use through October 18th of this year, with the approval of our Police, Fire, Health, Planning, Public Works, and Inspection Departments with funding for a budget up to \$100,000.00 from the CARES Act." This unanimous vote on July 13, made the Citizens Response Task Force recovery efforts **official City policy.**

Just two days later, on July 15, according to the New Hampshire Secretary of State's Office, Councilor Kennedy reserved the business name POP UP PORTSMOUTH, preventing the newly formed nonprofit organization from using the name. (Image source: sos.nh.gov)

	NEW HAMPSHIRE Department of state						SECRETARY OF STATE William M. Gardner
							Back to Home
Business In	nformation						
Business Detail	ls						
		Business Name: POP UP PORTSMOUTH				Business ID: 846526	
		Business Type: Trade Name		Business Status: Active			
		Expiration Date: 7/15/2025				Last Renewal Date: Not Available	
	Busin	ess Creation Date: 07/15/2020			Nar	me in State of Formation: Not Available	
	Date of Formati	on in Jurisdiction: 07/15/2020					
	Princip	al Office Address: 41 PICKERING AVE, Portsa	nouth, NH, 03801, USA			Mailing Address: 41 PICKERING AVE, Portsmouth, NH, 03801, USA	
		Business Email: popupportsmouthnh@gmail.	com			Phone #: 603-828-3209	
	N	lotification Email: esthersmarina@gmail.com				Fiscal Year End Date: NONE	
Principal Purp	oose						
S.No	NAICS Code				NAICS Subcode		
1	Information				Internet Publishing and Bro	padcasting and Web Search Portals	
Page 1 of 1, r	records 1 to 1 of 1						
Trade Name In	aformation						
No Trade Name	(s) associated to this business.						
Trade Name O	wned By						
Name				Title		Address	
esther kennedy	1			Applicant		41 PICKERING AVE, Portsmouth, NH, 03801, USA	
Trademark Inf	formation						
Trademark Nu	umber	Trademark Name			Business Address	Mailing Address	
				No rec	ords to view.		
-		Film	ng History Address History	View All Other Addresses	Businesses Linked to Registered Agent	Return to Search Back	
			NH Dep		St. Room 204, Concord, NH 03301 <u>Conta</u> ology Group, LLC, All Rights Reserved.	set Us	

By registering the business name POP UP PORTSMOUTH, Councilor Kennedy delayed and jeopardized the project. The discussion related to her action is reflected in the Task Force subcommittee meeting minutes from July 20. (Image source: City website)



It has been confirmed to me by the working group for the Pop Up project, the members of the Board of Directors of Pop Up Portsmouth, and Russ Grazier, that Councilor Kennedy never attempted to contacted any of them to ask questions, seek clarification, or try to understand the nuances of nonprofit incorporation and fundraising. At no point during the July 13, City Council meeting did Councilor Kennedy state her intention to register the business name Pop Up Portsmouth.

By circumventing the nonprofit application process via Legal Zoom and registering the business name herself, **Councilor Kennedy inserted herself into the process**, **obstructing the City's own public policy**.

Councilor Kennedy's action were now public knowledge and newsworthy. The Portsmouth Herald reported on July 21, that "Kennedy spoke with an advisory board member Monday night and made it clear she will **give the registered name**, <u>as well as</u> <u>the domain name she bought</u>, to the group if it forms as a legal nonprofit. She said that includes written bylaws she would like to include limiting vendors to Portsmouth businesses."

First, the volunteers had already gone through the legal and necessary steps to form a nonprofit.

Second, with the July 13, unanimous vote, the Council created policy that gave the *Task Force* authority and oversight over the Pop Up project, not Councilor Kennedy. By registering the business name herself and then circumventing the City's own Task Force to make demands on the group above and beyond the Task Force, Kennedy overstepped her authority in an attempt to control the outcome of Pop Up Portsmouth.

Last, if Councilor Kennedy had intended to give the business name to the group, she should have registered the name as a nonprofit in the first place. But she did not. She registered it as a trade name. A trade name is a different legal entity and cannot be "given" to a nonprofit entity. Councilor Kennedy knows how to register business names because she is an experienced and knowledgeable business woman and has registered many types of different business names in New Hampshire: (Images source: sos.nh.gov)

NEW HAMPSH DEPARTMENT	HIRE OF STATE		SECRETARY OF STATE WILLIAM M. GARDNER
Business Information			Hack to Home
Business Details			
Dusiness Details	Business Name: ESTHER'S MARINA, LLC	Business ID: 409977	
	Business Type: Domestic Limited Liability Company Mangessent Style: Manager Managed	Business Status: Good Standing	
	Manager Manager Manager Business Creation Date: 06/21/2002	Name in State of Formation: Not Available	
	Date of Formation in Jurisdiction: 06/21/2002		
	Principal Office Address: 41 PICKERING Ave., PORTSMOUTH, NH, 03801, USA Citizenship / State of Formation: Domestic/New Hampshire	Mailing Address: 41 Pickering Ave., Portsmouth, NH, 03801, USA	
		Last Annual Report Year: 2020	
	Duration: Perpetual	Next Report Year: 2021	
	Business Email: NONE	Phone #: NONE	
	Notification Email: NONE	Fiscal Year End Date: NONE	
Principal Purpose			
S.No NAICS Co		NAICS Subcode	
	DPERATION OF A MARINA AND RENTAL OF REAL ESTATE		
Page 1 of 1, records 1 to 1 of 1			
Principals Information			
Name/Title	Business Address		
Esther Kennedy / Manager	41 Pickering Ave., Portsmo	nh, NH, 03801, USA	
Page 1 of 1, records 1 to 1 of 1			
Registered Agent Information			
	Name: Kennedy, Esther		
	Registered Office Address: 41 PICKERING AVE, PORTSMOUTH, NH, 03801, USA		
	Registered Mailing Address: 41 PICKERING AVE, PORTSMOUTH, NH, 03801, USA		
Trade Name Information			
No Trade Name(s) associated to this b	usiness.		
Trade Name Owned By			
			SECRETARY OF STATE William M. Gardner
			Back to Home
Business Information			
Business Details			
	Business Name: PORTSMOUTH 400TH LLC	Business ID: 715297	
	Business Type: Domestic Limited Liability Company	Business Status: Good Standing	
	Management Style: Manager Managed Business Creation Date: 09/29/2014	Name in State of Formation: Not Available	
	Date of Formation in Jurisdiction: 09/29/2014		
	Principal Office Address: 41 Pickering Ave, Portsmouth, NH, 03801, USA Citizenship / State of Formation: Domestic/New Hampshire	Mailing Address: NONE	
	Citizenship / State of Formation: Domestic/New Hampshare	Last Annual Report Year: 2020	
		Next Report Year: 2021	
	Duration: Perpetual Business Email: NONE	Phone #: 603-431-2944	
	Notification Email: NONE	Fiscal Year End Date: NONE	
Principal Purpose			
S.No NAICS Co	de	NAICS Subcode	
	o sell maps, the shirts, books, jewery and more		
Page 1 of 1, records 1 to 1 of 1			
Principals Information			
Name/Title	Business Address		
Esther Kennedy / Manager Page 1 of 1, records 1 to 1 of 1	41 Pickering Ave., Portsmo	HII, NTI, U3901, U39A	
Registered Agent Information			
	Name: Kennedy, Esther		
	Registered Office Address: 41 PICKERING AVENUE, PORTSMOUTH, NH, 03801, USA		
	Registered Mailing Address: 41 PICKERING AVENUE, PORTSMOUTH, NH, 03801, USA		
Trade Name Information			
No Trade Name(s) associated to this b	usiness.		

NEW HAMPSHIRE DEPARTMENT OF STATE				RETARY OF STATE Liam M. Gardner
				Back to Home
Business Information				
Business Details				
Business Name: TRENDING PORTSMOUTH		Business ID: 7	36520	
Business Type: Trade Name	·	Business Status: Active		
Expiration Date: 12/14/2020		Last Renewal Date: 1	lot Available	
Business Creation Date: 12/14/2015		Name in State of Formation: 1	lot Available	
Date of Formation in Jurisdiction: 12/14/2015				
Principal Office Address: 41 Pickering Ave, Portsmouth, NH, 0380	01, USA	Mailing Address: N		
Business Email: NONE		Phone #: P		
Notification Email: NONE		Fiscal Year End Date: ?	IONE	
Principal Purpose				
S.No NAICS Code		NAICS Subcode		
1 OTHER / Distribution of Information				
Page 1 of 1, records 1 to 1 of 1				
Trade Name Information				
No Trade Name(s) associated to this business.				
Trade Name Owned By				
Name	Title	Ad	dress	
Esther Kennedy	Applicant	41	Pickering Ave, Portsmouth, NH, 03801, USA	
Trademark Information				
Trademark Number Trademark Name		Business Address	Mailing Address	
	No record			
Filing History	Address History View All Other Addresses	Businesses Linked to Registered Agent Return to Search	Back	
	NH Department of State, 107 North Main St. Version 2.1 © 2014 PCC Technolo	Room 204, Concord, NH 03301 <u>Contact Us</u> gy Group, LLC, All Rights Reserved.		

Business Information				
Business Deta	ails			
	Business Name: PORTSMOUTH 1623	Business	ID: 715298	
	Business Type: Trade Name	Business Sta	atus: Active	
	Expiration Date: 9/29/2024	Last Renewal Date: 6/27/2019		
	Business Creation Date: 09/29/2014	Name in State of Format	tion: Not Available	
	Date of Formation in Jurisdiction: 09/29/2014			
	Principal Office Address: 41 Pickering Ave, Portsmouth, NH, 03801, USA	Mailing Add	ress: NONE	
	Business Email: NONE	Phor	ne #: NONE	
	Notification Email: NONE	Fiscal Year End E	Date: NONE	
Principal Pu	Principal Purpose			
S.No	NAICS Subcode NAICS Subcode			
1	OTHER / tee shirts, maps, books			
Page 1 of 1, records 1 to 1 of 1				
Trade Name	Information			
No Trade Name	No Trade Name(s) associated to this business.			
Trade Name	Owned By			
Name		Title	Address	
Esther Kennedy		Applicant	41 Pickering Ave, Portsmouth, NH, 03801, USA	

NEW HAMPSHIRE DEPARTMENT OF STATE			SECRETARY OF STATE William M. Gardner		
			Back to Ho		
Purchase in formation			U Date to the		
Business Information					
Business Details					
Business Name: ONE PORTSMOUTH		Business ID: 727325			
Business Type: Trade Name Expiration Date: 6/8/2025	Business Status: Active Last Renewal Date: 3/4/2020				
Expression Date: 6/8/2025 Business Creation Date: 06/08/2015		Last Renewal Date: 3/4/2020 Name in State of Formation: Not Available			
Date of Formation in Jurisdiction: 06/08/2015		Name in State of Pormation: Not Available			
Principal Office Address: 41 Pickering Ave, Portsmouth, NH, 03801, USA		Mailing Address: 41 Pickering Ave, Portsmouth, NH, 03801, USA			
Business Email: NONE		Phone #: NONE			
Notification Email: NONE		Fiscal Year End Date: NONE			
Principal Purpose					
S.No NAICS Code	NAICS Subcode				
1 Other Services (except Public Administration)	Political Organizations				
Page 1 of 1, records 1 to 1 of 1					
Trade Name Information					
No Trade Name(s) associated to this business.					
Trade Name Owned By					
Name	Title	Address			
Esther Kennedy	Applicant	41 Pickering Ave, Portsmouth, NH, 03801, USA			
Trademark Information					
Trademark Number Trademark Name	Business Address	Mailing Address			
	No records to view.				
Filing History Address	History View All Other Addresses Businesses Linked to Registered Ag	ent Return to Search Back			
	NH Department of State, 107 North Main St. Room 204, Concord, NH 03301 C				

For reference, a nonprofit business name registration looks like this: (Image source: sos.nh.gov)

NEV DEF	N HAMPSHIRE PARTMENT OF STATE	SECRETARY OF STATE WILLIAM M. GARDNER
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Business Info	rmation	0
	indion	
Business Details		
	Business Name: POPUPNH	Business ID: 846884
	Business Type: Domestic Nonprofit Corporation	Business Status: Good Standing
	Business Creation Date: 07/20/2020	Name in State of Incorporation: Not Available
	Date of Formation in Jurndietion: N/A Principal Office Address: 40 Chauncey street, Portsmouth, NH,	03801, USA Mailing Address: 40 Chauncey street, Portsmouth, NH, 03801, USA
	Citizenship / State of Incorporation: Domestic/New Hampshire	USBOT, USA Stating Address. 40 Chauticey street, Fortsmouth, RE, USBOT, USA
	Concerning / some or incorporation. Domestic/New Hampshile	Last Nonprofit Report Year: N/A
		Next Report Year: 2025
	Duration: Not Stated	
	Business Email: popupnh@gmail.com	Phone #: 603-583-8015
	Notification Email: abagley21@gmail.com	Fiscal Year End Date: NONE
Principal Purpose		
S.No	NAICS Code	NAICS Subcode
1	Arts, Entertainment, and Recreation	Other Performing Arts Companies
Page 1 of 1, record	ds 1 to 1 of 1	
Principals Informat	tion	
Name/Title		Business Address
JoAnna Kelley / Tres	asurer	103 Raleigh way, Portsmouth, NH, 03801, USA
Joshua Denton / Pres	sident	110 Brewery Lane #312, Pottsmouth, NH, 03801, USA
Andrew Bagley / See	cretary	40 Chauncey Street, Portsmouth, NH, 03801, USA
Kimberly Davis / Di	rector	PO Box 136, W Nottingham, NH, 03291, USA
North Sturtevant / D	irector	250 Highland Street, Portsmouth, NH, 03801, USA
< Previous	2 3 Next> Page 1 of 3, records 1 to 5 of 14 Go to Page	
Registered Agent In	aformation	
	Name: Not Available	
	Registered Office Address: Not Available	
	Registered Mailing Address: Not Available	
	Registereu staning Autress: Not Available	

I have provided screen shots and the source of meeting minutes, articles, legal documents, and NH Secretary of State public records to show that Councilor Kennedy registered a business name already claimed by a nonprofit organization, just two days after voting to support their project in her official capacity as City Councilor.

By she inserted herself into the process, and obstructed official Council policy. She circumvented the City's own Citizens Response Task Force and by her own admission, made demands of the volunteer group above and beyond the Task Force. She overstepped her authority in an effort to control and affect the outcome of Pop Up Portsmouth and the City's recovery efforts.

This Ethics Board is left to decide, did Councilor Kennedy engage in this transaction? And does it meet the threshold of being in conflict with the proper discharge of her duties as a City Councilor?