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August 20, 2025

Chair Silver & Commissioners Brandt, Ortiz, Wilson and Zettel  
California Fair Political Practices Commission  
1102 Q Street, Suite 3000  
Sacramento, CA 95811  
*via email only at: CommAsst@fppc.ca.gov*

Re: Comment Letter on Proposed Regulation 18430.1

Dear Chair Silver and Commissioners Brandt, Ortiz, Wilson and Zettel:

Thank you for the opportunity to provide additional information regarding the proposed changes to Regulation 18430.1, and to request clarifying regulatory language which makes clear that the proposed regulation is not intended to cover prepaid expense cards, which are distinct from prepaid debit, prepaid credit or gift cards. My comment is hopefully superfluous, as it does not seem that the Commission intends to prohibit the use of prepaid expense cards, such as PEX cards. However, the recent submission of comments by CPAA mentions PEX cards in a manner which highlights the necessity to properly delineate expense cards from debit, credit and gift cards.

Many of my clients use prepaid expense cards to provide campaign agents with a tool to handle normal and permissible daily transactions. As the CPAA letter points out, it is not always feasible to ask campaign volunteers to pay for items out of pocket and request reimbursement. Nor is it always feasible for a candidate to use his or her personal credit to obtain a campaign credit card, whether because of concerns about personal credit scores or potential debt. As the Commission no doubt agrees, a lack of personal funds and credit should not be an obstacle to an individual engaging in the electoral process.

Prepaid expense cards differ from prepaid debit, prepaid credit and gift cards in a number of important ways. The prepaid expense card with which I am most familiar is the PEX card. PEX cards have been analyzed by the Commission, and deemed to be an appropriate method for campaign agents to pay legitimate campaign expenses. (*FPPC Advice Letter to Toffer Grant* (2011) I-11-111.) The Commission at that time determined a campaign's use of PEX cards does not violate the one-bank account rule (Cal. GC section 85201) or the investment/expenditure of campaign funds rules (2 Cal. Code of Regs. section 18524), so long as the campaign complies with reporting and record keeping requirements (Cal. GC sections 84200 et seq & 84101; 2 Cal. Code of Regs. sections 18401 & 18421.9). In short, the Commission has for nearly 15 years differentiated prepaid expense cards as a specifically permitted form of payment for campaigns.

Prepaid expense cards have only advanced since 2011 and the maturation of online banking. At this time, it seems that prepaid expense cards, such as PEX cards, sufficiently address all of the concerns enumerated by the Commission in drafting its proposed amendments to Regulation 18430.1. Attached are several screenshots which have been provided to me by a professional treasurer with whom I work on several clients. These screenshots demonstrate that each PEX card is funded exclusively by a campaign bank account, that all necessary records are kept for each PEX card transaction and that monthly statements provide the same or more transaction data which is provided to campaigns in credit card statements. In addition, PEX cards permit campaigns to limit the use of PEX cards for only specific types of merchants. For instance, campaigns can and do prohibit the use of PEX cards to make a purchase from any entertainment or international merchant. If a PEX card user attempts to use the PEX card at any such merchant, the card will decline that transaction.

Given that prepaid expense cards, such as PEX cards, are clearly different from prepaid debit, prepaid credit or gift cards, and specifically in the areas of concern raised by Commission staff, I presume that it is not the intention of the Commission to ban prepaid expense cards. To make that clear, I suggest borrowing from the specific rationale of Advice Letter I-11-111, and adding the following sentence to the end of subdivision (a)(1) of proposed Regulation 18430.1: "A prepaid expense card is not considered prepaid debit, prepaid credit or gift cards. A candidate or committee may only use a prepaid expense card if the prepaid expense card satisfies Section 85201 of the Act and Regulation 18524, and provides a candidate or committee with records which permit the candidate or committee to meet all requirements set forth in Sections 84101 and 84200 et seq of the Act, and Regulations 18401 and 18421.9." The addition of this language to enumerate the permissibility of prepaid expense cards would also seem to address the concerns raised in the CPAA comment letter – concerns with which I agree entirely – though I will of course defer to the association to speak for its membership.

Thank you again for the opportunity to provide these clarifying comments. Please let me know if I can provide any additional information or answer any questions.

Sincerely,



Nicholas Sanders

Attachments-

- (1) Redacted screenshots of PEX card online banking portal provided by third party treasurer;
- (2) Redacted copy of PEX card statement provided by third party treasurer.



## Dashboard

New account

### Your PEX Account at a glance

PEX Account balance

\$ [REDACTED]

Open cards

1

Available card funds

\$ [REDACTED]

Pending card transactions

\$0.00

Total funds

\$110.72

Pending ACH transfers

\$0.00

[See less](#)

Total ledger balance at 12am (ET)

\$ [REDACTED]

Card spend since 12am (ET)

\$0.00

### Rebate rewards

Lifetime earned

\$0.00

Year-to-date earned

\$0.00

### Notifications

On Monday, September 1, 2025, the PEX offices are closed in observance of Labor Day. There will be no PEX Account deposits. ACH and wire transfers will not be posted until the next business morning, Tuesday, September 2, 2025

Dashboard

Transactions

Cards

Requests

Payments

Team members

Review

Reports

Business settings

Apps

Onboarding Checklist  
3 more steps







Team members   Vendors   Batch operations   Card orders

Order cards

Filters



Find in this table

0 selected Status Spend policy Add funds Zero balances Request Physical

<input type="checkbox"/>	Card name 	Spend policy	Status	Balance	Quick fund 
<input type="checkbox"/>	<div></div>		Active	\$ <div></div>	\$ <input type="text"/>

Onboarding Checklist  
3 more steps





Dashboard

Transactions

Cards

Requests

Reimbursements

Card requests

Payments

Team members

Review

Reports

Business settings

Apps

Onboarding Checklist

3 more steps

## Transfers

[Make a transfer](#) [Low-balance transfers](#) [ACH instructions](#) [Wire instructions](#)

Please select a To and From account to initiate a funds transfer.

Same Day ACH transfers are available on external bank accounts linked with online validation. Standard ACH transfers may take up to four (4) business days to process. If you need to fund your account more quickly, you should consider initiating an [ACH](#) or [Wire](#) transfer directly from your bank.

Amount to transfer

\$ 0.00

From

Amalgamated Bank

Account number

To

Account number

Account balance

Dashboard

Transactions

Cards

Requests

Reimbursements

Card requests

Payments

Team members

Review

Reports

Business settings

Apps

Onboarding Checklist

3 more steps

Card details

Exp: 01/2027

Available balance

Current balance

Card status

Active

Transactions

Declines

Spend rules

Statements

Scheduled card funding

Owner

Filters

Date: April 2025

Description	Date & time	Status	Amount	Balance
NGP VAN INC MOTO	02 Apr 2025, 1:18 AM			



Dashboard

Transactions

Cards

Requests

Reimbursements

Card requests

Payments

Team members

Review

Reports

Business settings

Apps

Onboarding Checklist

3 more steps

← Card details



\$

Available balance

\$

Current balance

Card status

Active

- Transactions
- Declines
- Spend rules
- Statements
- Scheduled card funding
- Owner

Changes to spend rules are effective immediately. [Reset](#)

Please communicate changes to your cardholders.

- Custom rules for this cardholder
- Use a predefined policy


General rules

- Use Auto Card Funding
- International use

- In-person and online spend rules
- Time-based spend limits

Fund





Dashboard

Transactions

Cards

Requests

Reimbursements

Card requests

Payments

Team members

Review

Reports

Business settings

Apps

Onboarding Checklist

3 more steps

- Custom rules for this cardholder
- Use a predefined policy

General rules

- Use Auto Card Funding ⓘ
- International use ⓘ

> In-person and online spend rules

> Time-based spend limits

Merchant categories

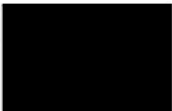

Cardholders can use their cards at the following merchant categories.

<input checked="" type="checkbox"/> Educational Services	
<input checked="" type="checkbox"/> Entertainment	
<input checked="" type="checkbox"/> Fuel & Convenience Stores	
Fuel Pumps Only	
<input checked="" type="checkbox"/> Grocery Stores	
<input checked="" type="checkbox"/> Hardware Stores	
Healthcare & Childcare Services	
<input checked="" type="checkbox"/> Professional Services	
<input checked="" type="checkbox"/> Restaurants	
<input checked="" type="checkbox"/> Retail Stores	
<input checked="" type="checkbox"/> Travel & Transportation	
Automotive Dealers	
Vehicle dealerships (car, RV, motorcycle, boat, recreational)	
<input type="checkbox"/> Allow purchases at these places	
	_____ per purchase
	_____ per day (Midnight to midnight)
	_____ per week (Sunday to Saturday)
	_____ per month (1st to 31st)
	_____ per year (resets on December 31 annually)
	_____ lifetime

> Merchants

> Limit days for spending

> Limit states for spending



Dashboard

Transactions

Cards

Requests

Reimbursements

Card requests

Payments


Team members

Review

Reports

Business settings

Apps

Onboarding Checklist  
3 more steps

## Reports

Generate Scheduled reports Report history Statements

Report type:

Reconciliation report

☒ Run now ☐ Schedule ☐ Export

Start date

07/20/2025

End date

08/20/2025

Today This month Last month Since this time last month

Additional filters (optional)

Preview





PEX Account Statement

01/01/2025 - 01/31/2025  
Page 1 of 1

[Redacted]  
393 7th Ave Ste 301  
  
San Francisco, CA 94118

PEX Client Services  
866-685-1898  
adminsupport@pexcard.com

Funds on Deposit with PEX

	PEX Account	Card Accounts	Total
Starting Balance	[Redacted]	[Redacted]	[Redacted]
Deposits	-	-	\$0.00
Withdrawals	-	-	\$0.00
Card Funding	-	-	\$0.00
Disputes	-	-	\$0.00
Purchases	-	[Redacted]	[Redacted]
Account Fees	[Redacted]	-	[Redacted]
Ending Balance	[Redacted]	[Redacted]	[Redacted]
Previous Month Rebate	-	-	\$0.00

PEX Account Activity Detail

Date	Description	Deposits	Withdrawals	Card Funding	Account Fees	Balance
Starting Balance						\$ [Redacted]
01/08/2025	Monthly Fee: \$8.00 for 1 card account				[Redacted]	\$ [Redacted]
Ending Balance						\$ [Redacted]

Card Account Activity Detail

Card Account (last 4 digits)	Starting Balance	Card Funding	Purchases	Disputes	Account Fees	Ending Balance
[Redacted]	\$ [Redacted]		[Redacted]			[Redacted]

Card Account Purchase Detail

Date	Card Account (last 4 digits)	Description	MCC	MCC Description	Amount
01/15/2025	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]