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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

STATE OF CALIFORNIA

In the Matter of:

CITIZENS FOR LAGUNA’S FUTURE
and GLENN GRAY,

Respondents.

FPPC Case No. 2023-00009

STIPULATION, DECISION AND ORDER

Date Submitted to Commission: August 2026

INTRODUCTION

Respondent, Citizens for Laguna’s Future (the “Committee”), is a primarily formed ballot measure committee that opposed the City of Laguna Beach’s Measure Q in the November 8, 2022 General Election. Glenn Gray (“Gray”) served as the Committee’s principal officer and treasurer.

Respondents committed numerous violations of the Political Reform Act (the “Act”),¹ including a failure to timely change the name of the Committee to reflect its opposition of Measure Q and include the Committee’s proper name on advertisements, including a website, yard sign, and flyer.

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¹ The Political Reform Act – sometimes simply referred to as the Act – is contained in Government Code sections 81000 through 91014. All statutory references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to this source.

SUMMARY OF THE LAW

The Act and its regulations are amended from time to time. The violations in this case occurred in 2022. For this reason, all legal references and discussions of law pertain to the Act's provisions as they existed at that time.

Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act

When enacting the Act, the people of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities.² Thus, it was decreed the Act "should be liberally construed to accomplish its purposes."³

A central purpose of the Act is to promote transparency by ensuring that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper practices are inhibited.⁴ Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be "vigorously enforced."⁵

Primarily Formed Committee

A "recipient committee" is a person or combination of persons who directly or indirectly receives contributions totaling \$2,000 or more in a calendar year.⁶ A "primarily formed committee" includes a recipient committee which is formed or exists primarily to support a single measure.⁷

Duty to Name Committee Correctly

Within 30 days of the designation of the numerical order of propositions appearing on the ballot, any committee which is primarily formed to support or oppose a ballot measure shall, if opposing the measure, include the statement, "a committee against Proposition _____," in any reference to the committee required by law.⁸ A primarily formed ballot measure committee must also identify the title and ballot measure letter in its statement of organization.⁹ Whenever there is a change in any of the information contained in a statement of organization, including the committee name, an amendment

² Section 81001, subd. (h).

³ Section 81003.

⁴ Section 81002, subd. (a).

⁵ Section 81002, subd. (f).

⁶ Section 82013, subd. (a).

⁷ Section 82047.5, subd. (a).

⁸ Section 84107.

⁹ Section 84102, subd. (d).

1 shall be filed within ten days to reflect the change.¹⁰ The committee must file the original of the
2 amendment with the Secretary of State and a copy with the local filing officer.¹¹

3 **Advertisement Disclosure**

4 An “advertisement” under the Act means any general or public communication that is authorized
5 and paid for by a committee for the purpose of supporting or opposing a candidate(s) for elective office
6 or a ballot measure(s).¹²

7 Under the Act, any advertisement paid for by a primarily formed committee shall include the
8 words “Ad Paid for by” followed by the name of the committee.¹³

9 The Act sets out certain display requirements for these disclosures as displayed on electronic
10 advertisements. Websites must include the above disclosures in a contrasting color and in no less than 8-
11 point font.¹⁴

12 The Act also sets out certain display requirements for these disclosures as displayed on print
13 advertisements designed to be individually distributed, including flyers. Flyers must include the above
14 disclosures in a disclosure area with a solid white background and shall be in a printed or drawn box on
15 the bottom of at least one page and the text in the disclosure area shall be in a contrasting color, centered
16 horizontally and in no less than 10-point font.¹⁵

17 The Act also sets out certain display requirements for these disclosures as displayed on print
18 advertisements that are larger than those designed to be individually distributed, including yard signs.
19 Yard signs must include the above disclosures in a printed or drawn box with a solid white background
20 on the bottom of the advertisement that is set apart from any other printed matter and each line of the
21 written disclosures shall be in a contrasting color in standard Arial Regular type no less than 5 percent of
22 the height of the advertisement, and shall not be condensed to be narrower than a normal non-condensed
23 standard Arial Regular type.¹⁶

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25 ¹⁰ Section 84103, subd. (a).

26 ¹¹ Sections 84103, subd. (a); and 84215.

27 ¹² Section 84501.

28 ¹³ Section 84502.

¹⁴ Section 84504.3, subd. (c).

¹⁵ Section 84504.2, subd. (a).

¹⁶ Section 84504.2, subd. (b).

1 **Duty to File Campaign Statements**

2 The Act requires committees and treasurers to file campaign statements and reports at specific
3 times disclosing information regarding contributions received and expenditures made by the campaign
4 committees.¹⁷ If the filing due date for a statement or report falls on a Saturday, Sunday, or official state
5 holiday, then the filing due date shall be extended to the next regular business day.¹⁸

6 **Pre-Election Campaign Statements**

7 All committees primarily formed to support or oppose a measure appearing on the ballot to be
8 voted on at the next election shall file the applicable pre-election campaign statements.¹⁹ The first pre-
9 election campaign statement, for the period ending 45 days before the election, shall be filed no later
10 than 40 days before the election.²⁰ The second pre-election campaign statement, for the period ending 17
11 days before the election, shall be filed no later than 12 days before the election.²¹

12 **Joint and Several Liability of Committee and Treasurer**

13 It is the duty of the treasurer of a committee to ensure that the committee complies with the
14 campaign reporting provisions of the Act.²² It is the duty of the committee's principal officer to
15 authorize the content of communications made by the committee, authorize expenditures made by the
16 committee, and determine the committee's campaign strategy.²³ A treasurer and principal officer may be
17 held jointly and severally liable for violations committed by the committee.²⁴

18 **Liability for Violations**

19 Any person who violates any provision of the Act is liable for administrative penalties up to
20 \$5,000 per violation.²⁵

21 **SUMMARY OF THE FACTS**

22 The Committee filed its initial statement of organization on or about July 20, 2022, listing itself
23 as a primarily formed ballot measure committee that opposed "An Ordinance Creating an Overlay
24

25 ¹⁷ See Section 84200, *et seq.*

26 ¹⁸ Regulation 18116, subd. (a).

27 ¹⁹ Section 84200.5, subd. (a).

28 ²⁰ Section 84200.8, subd. (a).

²¹ Section 84200.8, subd. (b).

²² Section 84104 and Regulation 18427, subd. (a).

²³ Section 82047.6; Regulation 18402.1, subd. (b).

²⁴ Sections 83116.5 and 91006.

²⁵ Sections 83116 and 83116.5.

1 Zoning District and Requiring Voter Approval of Major Development Projects.” Approval of the
2 measure would make it that new housing in some areas would require voter approval. The Committee
3 was formed to oppose the measure as the belief was that this would harm growth within the City. On or
4 about August 5, 2022, the Committee filed an amendment to its statement of organization indicating that
5 it qualified as a committee on August 3, 2022. The Committee received \$222,188 in contributions and
6 made \$207,181.92 in expenditures in 2022 and remains open. Measure Q, a local zoning measure, was
7 unsuccessful, receiving approximately 36 percent of the vote.

8 Although the Committee was primarily formed to oppose Measure Q, its name did not reflect its
9 opposition to the ballot measure. The ballot measure was assigned the letter “Q” before the committee
10 filed the initial statement of organization, meaning the committee would have been aware of the ballot
11 measure’s letter designation. Further, the Committee also maintained a website, flyers, and yard signs
12 that failed to identify the Committee by its proper name. Instead, the advertisements contained the
13 disclaimer that they were “paid for by Citizens for Laguna’s Future.”

14 The Committee also failed to timely file a pre-election campaign statement for the reporting
15 period of July 1, 2022 through September 24, 2022 by the September 29, 2022 deadline. According to
16 the City Clerk, the statement was received on October 4, 2022. According to the statement, the
17 committee received \$157,688 in contributions and had \$22,096.57 in expenditures.

18 VIOLATIONS

19 **Count 1: Failure to Properly Name the Committee**

20 The Committee and Gray failed to timely change the name of the Committee to reflect its
21 opposition of the pertinent ballot measure, Measure Q, and failed to include the Committee’s proper
22 name on advertisements, including a website, yard sign, and flyer, in violation of Sections 84103,
23 84107, and 84502.

24 **PROPOSED PENALTY**

25 This matter consists of one proposed count. The maximum penalty that may be imposed is
26 \$5,000 per count. Thus, the maximum penalty that may be imposed for the counts charged here is
27 \$5,000.²⁶

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²⁶ Section 83116, subd. (c).

1 This case is excluded from the Tier One Streamline Program because the Committee's activity
2 during the reporting period during which the Committee's name was incorrect exceeded \$10,000.²⁷ This
3 case is excluded from the Tier Two Streamline Program because the Committee's activity during the
4 reporting period during which the Committee's name was incorrect exceeded \$50,000.²⁸

5 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
6 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an
7 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division
8 considers the facts and circumstances of the violation in the context of the following factors set forth in
9 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused
10 by the specific violation; (2) The level of experience of the violator with the requirements of the
11 Political Reform Act; (3) Penalties previously imposed by the Commission in comparable cases; (4) The
12 presence or absence of any intention to conceal, deceive or mislead; (5) Whether the violation was
13 deliberate, negligent or inadvertent; (6) Whether the violator demonstrated good faith by consulting the
14 Commission staff or any other governmental agency in a manner not constituting complete defense
15 under Government Code Section 83114(b); (7) Whether the violation was isolated or part of a pattern
16 and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and
17 (8) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide
18 full disclosure.²⁹

19 Respondents do not have a prior history of violating the Act, and the violations contained herein
20 do not appear to be part of a pattern of disregard for the Act. Further, the Enforcement Division found
21 no evidence that Respondents intended to conceal, deceive, or mislead the public.

22 The Commission considers penalties in prior cases with the same or similar violations and
23 comparable facts.

24 *In the Matter of Committee for Excellent High Schools, Karen Loebbaka, and Kevin Saavedra,*
25 FPPC Case No. 2019-00219. Respondents, a primarily formed ballot measure committee, and its
26 treasurer and principal officer, failed to timely change the name of the committee to reflect the

27 ²⁷ Regulation 18360.1, subd. (e)(5).

28 ²⁸ Regulation 18360.1, subd. (e)(5).

²⁹ Regulation 18361.5, subd. (e).

1 supported ballot measure, and failed to include the ballot measure in the committee name on their
2 website, in violation of Sections 84103, 84107, and 84502. In April 2020, the Commission approved a
3 fine of \$3,000 on one count.

4 A higher penalty than that approved in *Committee for Excellent High Schools, Karen Loebbaka,*
5 *and Kevin Saavedra* is recommended. Similar to *Excellent High Schools*, the Committee failed to
6 change their name at any point prior to the pertinent election. Unlike *Excellent High Schools*, the
7 Respondents had a broader scope of affected advertisements, which includes yard signs and flyers along
8 with the website.

9 Furthermore, in aggravation of Count 1, the Respondents committed an additional violation of
10 the Act that is not being charged herein in the interest of settlement. In particular, Respondents failed to
11 timely file the Committee's pre-election campaign statement for the reporting period of July 1, 2022
12 through September 24, 2022 by the September 29, 2022 due date. The statement was not filed until
13 October 4, 2022, five days after the due date, but well before the November 8, 2022 General Election.

14 Under these circumstances, it is respectfully submitted that imposition of an agreed-upon penalty
15 in the amount of \$4,000 is justified.

16 CONCLUSION

17 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
18 Respondents, Citizens For Laguna's Future and Glenn Gray, hereby agree as follows:

- 19 1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate
20 summary of the facts in this matter.
- 21 2. This stipulation will be submitted for consideration by the Fair Political Practices Commission at
22 its next regularly scheduled meeting – or as soon thereafter as the matter may be heard.
- 23 3. This stipulation resolves all factual and legal issues raised in this matter – for the purpose
24 of reaching a final disposition without the necessity of holding an administrative hearing to
25 determine the liability of Respondents pursuant to Section 83116.
- 26 4. Respondents understand, and hereby knowingly and voluntarily waive, any and all
27 procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through
28 18361.9. This includes, but is not limited to the right to appear personally at any administrative

1 hearing held in this matter, to be represented by an attorney at Respondents' own expense, to
2 confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to
3 testify at the hearing, to have an impartial administrative law judge preside over the hearing as a
4 hearing officer, and to have the matter judicially reviewed.

5 5. Respondents agree to the issuance of the decision and orders set forth below. Also,
6 Respondents agree to the Commission imposing against them an administrative penalty in the
7 amount of \$4,000. One or more cashier's checks or money orders totaling said amount – to be
8 paid to the General Fund of the State of California – is/are submitted with this stipulation as full
9 payment of the administrative penalty described above, and same shall be held by the State of
10 California until the Commission issues its decision and order regarding this matter.

11 6. If the Commission refuses to approve this stipulation – then this stipulation shall become
12 null and void, and within fifteen business days after the Commission meeting at which the
13 stipulation is rejected, all payments tendered by Respondents in connection with this stipulation
14 shall be reimbursed to Respondents. If this stipulation is not approved by the Commission, and if
15 a full evidentiary hearing before the Commission becomes necessary, neither any member of the
16 Commission, nor the Executive Director, shall be disqualified because of prior consideration of
17 this stipulation.

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7. The parties to this agreement may execute their respective signature pages separately. A copy of any party's executed signature page, including a hardcopy of a signature page transmitted via fax or as a PDF email attachment, is as effective and binding as the original.

Dated: _____

Kendall L.D. Bonebrake, Chief of Enforcement
Fair Political Practices Commission

Dated: _____

Glenn Gray, individually and on behalf of
Citizens For Laguna's Future, Respondent

The foregoing stipulation of the parties "Citizens For Laguna's Future and Glenn Gray," FPPC Case No. 2023-00009, is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon execution by the Chair.

IT IS SO ORDERED.

Dated: _____

Adam E. Silver, Chair
Fair Political Practices Commission