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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

STATE OF CALIFORNIA

In the Matter of GASPAR GENE MONTESANO; JOE'S CAFE, INC.; LUCKY VILLAGE, INC.; QUATTRO, INC.; and BREADHEAD, INC., Respondents.	FPPC Case No. 2026-00582 **STIPULATION, DECISION AND ORDER** Date Submitted to Commission: August 2026

INTRODUCTION

Respondent Gaspar Gene Montesano ("Montesano") is the chief executive officer of Joe's Cafe, Inc., Lucky Village, Inc., Quattro, Inc., and Breadhead, Inc. (collectively referred to as the "Respondent Businesses" and, with Montesano, "Respondents"). In May 2021, Montesano made multiple contributions through the Respondent Businesses to the Schwartz for Mayor of Santa Barbara 2021 committee.

This case was initiated by the Fair Political Practices Commission's Enforcement Division upon discovery of the violation while investigating a related case. Montesano and the Respondent Businesses violated the Political Reform Act (the "Act")[1] by failing to timely file a major donor campaign statement.

[1] The Political Reform Act is contained in Government Code §§ 81000 through 91014, and all statutory references are to this code. The regulations of the Fair Political Practice Commission are contained in §§ 18104 through 18998 of Title 2 of the California Code of Regulations, and 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 2021. 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, California voters specifically found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and it was their purpose to ensure that the Act be vigorously enforced.[2] For this reason, the Act is to be construed liberally 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]

Contribution Limits

When a city has not already enacted a contribution limit, then the contribution limit for that jurisdiction defaults to the contribution limits placed on contributions to a candidate for elective state office.[6] The Commission is not responsible for the administration or enforcement of a contribution limit adopted by a city.[7]

Aggregating Contributions

If an individual directs or controls an entity's contributions, the entity's contributions shall be aggregated with contributions made by both the individual and any other entity whose contributions that individual directs or controls.[8]

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[2] Sections 81001, subd. (h), and 81002, subd. (f).
[3] Section 81003.
[4] Section 81002, subd. (a).
[5] Section 81002, subd. (f).
[6] Sections 85301(d) & 85702.5(a).
[7] Section 85702.5(c).
[8] Section 82015.5(b).

Major Donor Campaign Statements and Reports

Under the Act, "committee" includes any person or combination of persons who directly or indirectly makes contributions totaling $10,000 or more in a calendar year to candidates or committees.[9] This type of committee is known as a major donor committee.

A major donor committee must file a campaign statement each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31, if it made contributions during the six-month period before the closing date of the statements.[10] If a campaign statement is required to be filed before or on a specified date and the filing due date falls on a Saturday or Sunday, the filing due date for the statement is extended to the next regular business day.[11]

Liability for Violations

Any person who violates any provision of the Act is liable for administrative penalties up to $5,000 per violation.[12]

SUMMARY OF THE FACTS

Prior to 2021, the City of Santa Barbara enacted campaign contribution limits for local elections.[13] As stated above, the Commission is not responsible for administering or enforcing local contribution limits.

In May 2021, the Respondent Businesses made contributions to a local candidate-controlled committee, Schwartz for Mayor of Santa Barbara 2021 (ID# 1435590) (the "Schwartz Committee").[14] Montesano directed and controlled each of the contributions made by the Respondent Businesses. Because Montesano directed and controlled each of the contributions made by the Respondent Businesses, the contributions were required to be aggregated for purposes of reporting and calculating whether the local contribution limits were exceeded.

Montesano, through the Respondent Businesses, made the following contributions to the Schwartz Committee:

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[9] Section 82013, subd. (c).
[10] Section 84200, subd. (b).
[11] Section 81005, subd. (a).
[12] Sections 83116 and 83116.5.
[13] Santa Barbara Municipal Code section 2.03.010.
[14] Deborah Schwartz was an unsuccessful candidate for Mayor of the City of Santa Barbara in the November 2, 2021 local election.

Check Date	Contributor	Amount
05/04/2021	Joe's Cafe, Inc.	$4,900
05/04/2021	Lucky Village, Inc.	$4,900
05/04/2021	Quattro, Inc.	$4,900
05/04/2021	Breadhead, Inc.	$4,900
	Total:	**$19,600**

These contributions exceeded the local contribution limit. The Schwartz Committee disclosed the contributions from the Respondent Businesses in 2021, but did not disclose Montesano as the responsible officer for each business until 2026.

Failure to Timely File Major Donor Campaign Statement

On May 4, 2021, after making contributions to the Schwartz Committee, Montesano and the Respondent Businesses met the $10,000 threshold to qualify as a major donor committee. As a major donor committee, Montesano and the Respondent Businesses were required to file a major donor campaign statement for the reporting period of January 1, 2021 to June 30, 2021, by the August 2, 2021 due date, but failed to do so. This major donor campaign statement would have disclosed contributions totaling $19,600. This major donor campaign statement has been filed as part of this settlement agreement.

VIOLATIONS

Count 1: Failure to Timely File Major Donor Campaign Statement by August 2, 2021 Due Date

Montesano and the Respondent Businesses failed to timely file a semi-annual campaign statement for the reporting period ending June 30, 2021, by the August 2, 2021 due date, in violation of Government Code Sections 84200, subdivision (b).

PROPOSED PENALTY

This matter consists of three proposed counts. The maximum penalty that may be imposed is $5,000 per count. Thus, the maximum penalty that may be imposed for the count charged here is $5,000.[15]

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[15] Section 83116, subd. (c).

Late campaign statements and reports by major donor filers are included in the Streamline Program.[16] Here, however, Respondents' contributions resulted in an undisclosed local contribution limit violation. The Commission is not responsible for the administration or enforcement of a contribution limit adopted by a city. Consequently, Respondents have not been charged for violating the local contribution limit. However, by failing to file a major donor campaign statement, neither the public nor local agencies had sufficient transparency to discover the local contribution limit violation. As such, the extent and gravity of the public harm is more than minimal, and this matter is not eligible for the Streamline Program.[17]

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

The public harm inherent in campaign late-filing and late-reporting violations is that the public is deprived of important, time-sensitive information regarding campaign activity. Here, Respondents failed to file a major donor campaign statement that would have disclosed a local contribution limit violation.

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[16] Regulation 18360.1, subd. (b)(10).
[17] Regulation 18360.1, subd. (d)(5)(D).
[18] Regulation 18361.5, subd. (e).

The Commission considers penalties in prior cases with the same or similar violations and comparable facts. *In the Matter of Reverge Anselmo*; FPPC Case No. 2022-00402. Respondent, a major donor committee, engaged in campaign activities from 2020 through 2022 and failed to file four semi-annual campaign statements and two 24-hour Contribution Reports. The Commission approved a total penalty of $21,500, with individual penalties ranging from $2,000 to $4,500. The penalty amount for each violation largely corresponded to the value of the unreported activity in the respective late campaign statement or report. For example, where the unreported activity in an unfiled semi-annual campaign statement was $10,000, Anselmo paid a penalty of only $2,500. Where the unfiled semi-annual campaign statements had unreported activity above $100,000, however, Anselmo was charged penalties between $4,000 and $4,500. The Commission approved the total penalty of $21,500 in June 2025.

Here, the unreported activity in the late semi-annual statement would have been $19,600. This amount is low compared to the amounts that warranted higher penalties in *Anselmo*. However, the violations here are aggravated by the fact that a properly filed statement would have disclosed a local contribution limit violation—a fact not present in *Anselmo*. The violation is further aggravated by the fact that, as a major donor committee, under Regulation 18428(b)(2), Montesano was required to notify recipient committees of the "name of filer" under which the contribution would be reported on his campaign statement. Had he done so, it is more likely that the recipient committees would have either rejected the contributions that exceeded the local contribution limit or at least reported Montesano as the source of the various contributions. As such, a penalty of $4,000 is recommended to account for the added public harm in this case.

After considering the factors listed in Regulation 18361.5 and penalties in prior similar cases, a total penalty of $4,000 is recommended.

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents Gaspar Gene Montesano, Joe's Cafe, Inc., Lucky Village, Inc., Quattro, Inc., and Breadhead, Inc., hereby agree as follows:

1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate summary of the facts in this matter.

2. This stipulation will be submitted for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting – or as soon thereafter as the matter may be heard.

3. This stipulation resolves all factual and legal issues raised in this matter – for the purpose of reaching a final disposition without the necessity of holding an administrative hearing to determine the liability of Respondents pursuant to Section 83116.

4. Montesano has had the opportunity to consult with his attorney, and understands, and hereby knowingly and voluntarily waives any and all procedural rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to, the right to appear personally at any administrative hearing held in this matter, to be represented by an attorney at Respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially reviewed.

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

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

7. The parties to this agreement may execute their respective signature pages separately. A copy of any party's executed signature page, including a hard copy 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: ________________________ ____________________________________

Gaspar Gene Montesano, individually and on behalf of Joe's Cafe, Inc., Lucky Village, Inc., Quattro, Inc., and Breadhead, Inc., Respondents

The foregoing stipulation of the parties "In the Matter of Gaspar Gene Montesano; Joe's Cafe, Inc.; Lucky Village, Inc.; Quattro, Inc.; and Breadhead, Inc.," FPPC Case No. 2026-00582, 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