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BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

STATE OF CALIFORNIA

In the Matter of JAMES KNELL; 127 WCP, LLC; 710 STATE ST. PARTNERS, LP; 1129 STATE STREET, LP; 1213 STATE STREET, LLC; 1221 VICTORIA COURT, LP; RTK ASSOCIATES, LP; SANTA BARBARA ATHLETIC CLUB; SIMA CORPORATION; SIMA EL PASEO, LP; and SIMA MANAGEMENT CORPORATION, Respondents.	FPPC Case No. 2021-01022 **STIPULATION, DECISION AND ORDER** Date Submitted to Commission: August 2026

INTRODUCTION

Respondent James Knell ("Knell") is the Chairman of the SIMA businesses which includes Respondents 127 WCP, LLC; 710 State St. Partners, LP; 1129 State Street, LP; 1213 State Street, LLC; 1221 Victoria Court, LP; RTK Associates, LP; Santa Barbara Athletic Club; SIMA Corporation; SIMA El Paseo, LP; and SIMA Management Corporation (collectively referred to as the "Respondent Businesses" and, with Knell, "Respondents"). Throughout 2021, Knell made contributions through the Respondent Businesses to multiple candidate-controlled committees in the City of Santa Barbara.

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This case arose from sworn complaints. Knell and the Respondent Businesses violated the Political Reform Act (the "Act")[1] by failing to timely file two major donor campaign statements and a 24-hour Contribution Report.

SUMMARY OF THE LAW

The Act and its regulations are amended from time to time. The violations in this case occurred in 2021 and 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, 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]

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[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.

[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).

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]

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]

Each committee that makes a late contribution[12] must report the late contribution within 24 hours of the time it is made.[13] The 90-day period prior to the November 2, 2021 election began on August 4, 2021.[14]

Liability for Violations

Any person who violates any provision of the Act is liable for administrative penalties up to $5,000 per violation.[15]

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[8] Section 82015.5(b).

[9] Section 82013, subd. (c).

[10] Section 84200, subd. (b).

[11] Section 81005, subd. (a).

[12] "Late contribution" includes a contribution that totals in the aggregate $1,000 or more and is made to a candidate or controlled committee during the 90-day period preceding the date of the election, or on the date of the election, at which the candidate is to be voted on. (Section 82036.)

[13] Section 84203.

[14] The 2021 Filing Schedule for City and County Major Donor Committees is available at https://www.fppc.ca.gov/siteassets/documents/tad/filing_schedules/2021/2021_local_nov_05_md_ie_final.pdf.

[15] Sections 83116 and 83116.5.

SUMMARY OF THE FACTS

Prior to 2021, the City of Santa Barbara enacted campaign contribution limits for local elections.[16] As stated above, the Commission is not responsible for administering or enforcing local contribution limits.

Throughout 2021, the Respondent Businesses made contributions to four local candidate-controlled committees including Schwartz for Mayor of Santa Barbara 2021 (ID# 1435590) (the "Schwartz Committee"),[17] Reed for Santa Barbara City Council 2021 (ID# 1435617) (the "Reed Committee"),[18] Rowse for Mayor 2021 (ID# 1436925) (the "Rowse Committee"),[19] and Nina Johnson for City Council 2021 (ID# 1440038) (the "Johnson Committee").[20] Knell directed and controlled each of the contributions made by the Respondent Businesses. Since Knell 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.

Contributions to the Schwartz Committee

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

Check Date	Contributor	Amount
04/05/2021	1129 State Street, LP	$1,500
04/05/2021	1213 State Street, LLC	$1,500
04/05/2021	1221 Victoria Court, LP	$1,500
04/05/2021	127 WCP, LLC	$1,500
04/05/2021	710 State St. Partners, LP	$1,500
04/05/2021	RTK Associates, LP	$1,500
04/05/2021	Santa Barbara Athletic Club	$1,500
04/05/2021	SIMA El Paseo, LP	$1,500
	Total:	**$12,000**

[16] Santa Barbara Municipal Code section 2.03.010.

[17] Deborah Schwartz was an unsuccessful candidate for Mayor of the City of Santa Barbara in the November 2, 2021 local election.

[18] James "Barrett" Reed was an unsuccessful candidate for District 4 Council Member for the City of Santa Barbara in the November 2, 2021 local election.

[19] Randy Rowse was a successful candidate for Mayor of the City of Santa Barbara in the November 2, 2021 local election.

[20] Nina Johnson was an unsuccessful candidate for District 6 Council Member for the City of Santa Barbara in the November 2, 2021 local election.

These contributions exceeded the local contribution limit. The Schwartz Committee disclosed receiving the relevant contributions on April 16, 2021. Additionally, the contributions were timely disclosed by the Schwartz Committee on the semi-annual campaign statement for the reporting period of January 1, 2021 to June 30, 2021.

Contributions to the Reed Committee

Knell, through the Respondent Businesses, made the following contributions to the Reed Committee:

Check Date	**Contributor**	**Amount**
06/17/2021	1129 State Street, LP	$1,500
06/17/2021	1213 State Street, LLC	$1,500
06/17/2021	1221 Victoria Court, LP	$1,500
06/17/2021	127 WCP, LLC	$1,500
06/17/2021	710 State St. Partners, LP	$1,500
06/17/2021	RTK Associates, LP	$1,500
06/17/2021	SIMA El Paseo, LP	$1,500
06/18/2021	Santa Barbara Athletic Club	$1,500
	Total:	**$12,000**

These contributions exceeded the local contribution limit. The Reed Committee disclosed receiving the relevant contributions on June 21, 2021. Additionally, the contributions were timely disclosed by the Reed Committee on the semi-annual campaign statement for the reporting period of January 1, 2021 to June 30, 2021.

On or around October 12, 2021, after receiving notice from the Enforcement Division that a complaint had been filed on the issue, the Reed Committee returned a portion of all eight contributions, roughly four months from the date the contributions were received. As a result, the Reed Committee kept $612.50 of each contribution, for an aggregated total of $4,900.

Contributions to the Rowse Committee

Knell, through the Respondent Businesses, made the following contributions to the Rowse Committee:

Check Date	**Contributor**	**Amount**
06/17/2021	1129 State Street, LP	$1,500
06/17/2021	1213 State Street, LLC	$1,500

06/17/2021	1221 Victoria Court, LP	$1,500
06/17/2021	127 WCP, LLC	$1,500
06/17/2021	710 State St. Partners, LP	$1,500
06/17/2021	RTK Associates, LP	$1,500
06/17/2021	SIMA El Paseo, LP	$1,500
06/18/2021	Santa Barbara Athletic Club	$1,500
	Total:	**$12,000**

These contributions exceeded the local contribution limit. The Rowse Committee disclosed receiving the relevant contributions on June 21, 2021. Additionally, the contributions were timely disclosed by the Rowse Committee on the semi-annual campaign statement for the reporting period of January 1, 2021 to June 30, 2021.

Contributions to the Johnson Committee

Knell, through the Respondent Businesses, made the following contributions to the Johnson Committee:

Check Date	Contributor	Amount
08/23/2021	1129 State Street, LP	$750
08/23/2021	1213 State Street, LLC	$750
08/23/2021	1221 Victoria Court, LP	$750
08/23/2021	127 WCP, LLC	$750
08/23/2021	710 State St. Partners, LP	$750
08/23/2021	RTK Associates, LP	$750
08/23/2021	SIMA El Paseo, LP	$750
08/23/2021	Santa Barbara Athletic Club	$750
08/23/2021	SIMA Corporation	$750
08/23/2021	SIMA Management Corp.	$750
	Total:	**$7,500**

These contributions exceeded the local contribution limit. The Johnson Committee disclosed receiving the relevant contributions on September 13, 2021. Additionally, the contributions were timely disclosed by the Johnson Committee on the pre-election campaign statement for the reporting period of August 8, 2021 to September 18, 2021.[21]

[21] The Johnson Committee qualified as a committee on August 8, 2021. The reporting periods are different here as

Failure to Timely File Major Donor Campaign Statements and 24- Hour Contribution Report

On April 5, 2021, after making contributions to the Schwartz Committee, Knell and the Respondent Businesses met the $10,000 threshold to qualify as a major donor committee. As a major donor committee, Knell 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 made totaling $36,000. This major donor campaign statement has been filed as part of this settlement agreement.

Additionally, as a major donor committee that made contributions during the last half of 2021, Knell and the Respondent Businesses were required to file a major donor campaign statement for the reporting period of July 1, 2021 to December 31, 2021, by the January 31, 2022 due date, but failed to do so. This major donor campaign statement would have disclosed contributions made totaling $7,500. This major donor campaign statement has been filed as part of this settlement agreement.

Since Knell and the Respondent Businesses made contributions to the Johnson Committee during the 90-day period preceding the November 2, 2021 local election, Knell and the Respondent Businesses were required to file a 24-hour Contribution Report, by the August 24, 2021 due date, but failed to do so.

VIOLATIONS

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

Knell 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).

Count 2: Failure to Timely File Major Donor Campaign Statement by January 31, 2022 Due Date

Knell and the Respondent Businesses failed to timely file a semi-annual campaign statement for the reporting period ending December 31, 2021, by the January 31, 2022 due date, in violation of Government Code Sections 84200, subdivision (b).

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there is a local ordinance that requires three pre-election campaign statements to be filed prior to each election (City of Santa Barbara Local Ordinance § 2.03.100, subd. (A)).

Count 3: Failure to Timely File 24-Hour Contribution Report by August 24, 2021 Due Date

Knell and the Respondent Businesses failed to timely file a 24-hour Contribution Report by the August 24, 2021 due date, in violation of Government Code Section 84203.

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 counts charged here is $15,000.[22]

Late campaign statements and reports by major donor filers are included in the Streamline Program.[23] Here, however, the Respondents' contributions resulted in several undisclosed local contribution limit violations. 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 on multiple occasions. However, by failing to file major donor campaign statements and reports, neither the public nor local agencies had sufficient transparency to discover those local contribution limit violations. As such, the extent and gravity of the public harm is more than minimal, and this matter is not eligible for the Streamline Program.[24]

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

[22] Section 83116, subd. (c).
[23] Regulation 18360.1, subd. (b)(10).
[24] Regulation 18360.1, subd. (d)(5)(D).

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.[25]

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 two major donor campaign statements and a 24-hour Contribution Report, which would have disclosed numerous local contribution limit violations.

In this case, the violations appear to be negligent, as Knell was inexperienced with the Act, had no prior enforcement history, and the Enforcement Division found no evidence of any intentional violation of the Act. While Knell directed and controlled the Respondent Businesses' contributions, Knell mistakenly understood that only a portion of the contributions would be attributed to Knell based on his ownership interest in each business. Based on Knell's calculations, the contributions did not exceed the local contribution limits. The public harm was somewhat mitigated because the relevant contributions were disclosed by the candidate-controlled committees on campaign statements timely filed prior to the election. Additionally, the Reed Committee returned the over-the-limit contributions prior to the election. Knell has been fully cooperative with the Enforcement Division in this matter.

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.

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[25] Regulation 18361.5, subd. (e).

Here, the unreported activity in the late semi-annual statements would have been $36,000 and $7,500. The late 24-hour Contribution Report similarly would have disclosed a $7,500 to the Johnson Committee. These amounts are low compared to the amounts that warranted higher penalties in *Anselmo*. However, the violations here are aggravated by the fact that properly filed statements and reports would have disclosed multiple local contribution limit violations—a fact not present in *Anselmo*. The violations are further aggravated by the fact that, as a major donor committee, under Regulation 18428(b)(2), Knell 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 Knell as the source of the various contributions. As such, penalties of $4,000 per violation are 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 $12,000 is recommended.

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents, James Knell; 127 WCP, LLC; 710 State St. Partners, LP; 1129 State Street, LP; 1213 State Street, LLC; 1221 Victoria Court, LP; RTK Associates, LP; Santa Barbara Athletic Club; SIMA Corporation; Sima El Paseo, LP; and SIMA Management Corporation, 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. Knell has consulted with his attorney, Robert A. Curtis, 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 against them an administrative penalty in the amount of $12,000. 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: ________________________ ____

James Knell, individually and on behalf of 127 WCP, LLC; 710 State St. Partners, LP; 1129 State Street, LP; 1213 State Street, LLC; 1221 Victoria Court, LP; RTK Associates, LP; Santa Barbara Athletic Club; SIMA Corporation; Sima El Paseo, LP; and SIMA Management Corporation, Respondents

The foregoing stipulation of the parties "In the Matter of James Knell; 127 WCP, LLC; 710 State St. Partners, LP; 1129 State Street, LP; 1213 State Street, LLC; 1221 Victoria Court, LP; RTK Associates, LP; Santa Barbara Athletic Club; SIMA Corporation; Sima El Paseo, LP; and SIMA Management Corporation," FPPC Case No. 2021-01022, 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