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7

8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

9 **STATE OF CALIFORNIA**

10
11 In the Matter of

FPPC Case No. 2020-01115

12 CITIZENS FOR SAFE ACCESS 2020;
13 LYNN BALLANTYNE; DOLORES
14 WELTY; 100 HOSPITALITY, LLC; and
JACQUELINE DILLEY;

STIPULATION, DECISION AND ORDER

15 Respondents.

16
17 **INTRODUCTION**

18 In 2020, the City of Pomona had two cannabis measures on its November 3 ballot: Measures PM
19 and PO.

20 Measure PM sought to authorize the Safe Access Cannabis and Industrial Cannabis zones to
21 prohibit marijuana businesses from existing within 600 feet of schools, daycares, and youth centers.
22 Measure PM passed with 51.25% of the vote.

23 Measure PO sought to authorize the Commercial Cannabis Permit Program, granting up to eight
24 permits for marijuana businesses—and maintaining marijuana businesses must be at least 1,000 feet from
25 schools, daycares, and youth facilities. Measure PO passed with approximately 59.1% of the vote.

26 Since these were competing measures, only the measure receiving the highest number of votes
27 would prevail. Thus, Measure PO prevailed, and Measure PM did not. (Source: City of Pomona
28 Resolution No. 2020-181, adopted 12/7/20 by the Pomona City Council.)

1 Respondent Citizens for Safe Access 2020 (the “PAC”) is a Los Angeles County general purpose
2 recipient committee that formed on or about August 25, 2020 (according to the committee’s initial Form
3 410 statement of organization, filed with the California Secretary of State on 8/31/20). As discussed in
4 more detail below, spending of the PAC was concentrated such that it changed status at the end of
5 September 2020 to become primarily formed in the City of Pomona to support Measure PM and/or
6 oppose Measure PO.

7 At all relevant times, respondent Jacqueline Dilley was the PAC’s treasurer and principal officer
8 (per the initial Form 410 filing).

9 Respondents Lynn Ballantyne; Dolores Welty; and 100 Hospitality, LLC qualified as major
10 donors in 2020 by virtue of making contributions (of \$10,000 or more) to the PAC.

11 This case involves violation of the Political Reform Act (the Act) with respect to advertisements
12 costing more than \$126,000.¹ The ads in question failed to include required information identifying the
13 PAC’s top contributors of \$50,000 or more—and as part of the PAC’s name, the “paid for by” language
14 of the ads failed to disclose that the PAC supported Measure PM and opposed Measure PO.

15 SUMMARY OF THE LAW

16 The Act and its regulations are amended from time to time. Unless otherwise noted, all legal
17 references and discussions of law pertain to the Act’s provisions as they existed at the time of the
18 violations in this case (2020).

19 Need for Liberal Construction and 20 Vigorous Enforcement of the Political Reform Act

21 When enacting the Political Reform Act, the people of California found and declared that:
22 “[p]revious laws regulating political practices have suffered from inadequate enforcement by state and
23 local authorities.”² Thus, it was decreed that the Act “should be liberally construed to accomplish its
24 purposes.”³

25
26 ¹ The Political Reform 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.

27 ² Section 81001, subdivision (h).

28 ³ Section 81003.

1 One purpose of the Act is to promote transparency by requiring political advertisements to
2 include information identifying top contributors (of \$50,000 or more); such ads must include accurate
3 “paid for by” disclosures, as well—identifying the committee paying for the ads by its full, legal name.
4 In the case of a committee primarily formed to support or oppose one or more ballot measures, this
5 support/opposition must be part of the committee name.⁴

6 Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will
7 be “vigorously enforced.”⁵

8 **Definitions of Advertisement and Top Contributors**

9 “Advertisement” includes any general or public communication that is authorized and paid for by
10 a committee for the purpose of supporting or opposing one or more ballot measures.⁶

11 In the case of a recipient committee that pays for an advertisement, “top contributors” are the
12 persons from whom the committee has received its three highest cumulative contributions of \$50,000 or
13 more—during the period beginning 12 months before the date of the expenditure and ending seven days
14 before the time the advertisement is sent to the printer or broadcaster.⁷

15 There are exceptions to the seven-day cutoff noted above for calculating top contributors. For
16 example, some advertisements, such as online ads, are continuously disseminated over a period of time
17 spanning multiple days or weeks. While such ads are running, if one or more new contributors qualify as
18 top contributors, the ads must be updated to reflect the new top contributors within five business days.⁸

19 Additionally, any affiliated entities whose aggregate contributions trigger “top contributor”
20 disclosures must be identified on advertisements as a single “person” who should be identified using the
21 “name of filer” designation discussed below in the section regarding proper reporting of aggregated
22 contributions.⁹

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24 ⁴ See Sections 84107 and 84501, *et seq.*

25 ⁵ Section 81002, subdivision (f).

26 ⁶ Section 84501, subdivision (a); Regulation 18450.1.

27 ⁷ Section 84501, subdivisions (b) and (c).

28 ⁸ See Section 84509.

⁹ Regulation 18450.1, subdivision (c); Lang advice letter ([I-18-160](#)), pages 2-4.

1 **Required Aggregation of Contributions**

2 The contributions of an entity whose contributions are directed and controlled by any individual
3 must be aggregated with contributions made by that individual and any other entity whose contributions
4 are directed and controlled by the same individual. Likewise, contributions made by entities that are
5 majority owned by any person must be aggregated with the contributions of the majority owner and all
6 other entities that are majority-owned by that person (unless those entities act independently in their
7 decision to make contributions). Additionally, if two or more entities make contributions that are directed
8 and controlled by a majority of the same persons, the contributions of those entities must be aggregated.¹⁰

9 **Reporting of Contributions Required to be Aggregated**

10 Any major donor committee that is required to aggregate contributions must file its campaign
11 statement reflecting the total aggregated amount made during the reporting period. The campaign
12 statement must be filed in the name of an individual (or one of the contributing entities) that directs and
13 controls the making of the payments of the entity or entities whose contributions are required to be
14 aggregated. The “name of filer” designation is a combination of the name of the person exerting the
15 direction and control—plus a statement indicating that the report includes the aggregated activities of
16 other entities directed and controlled by the filer. In itemizing the amount of each contribution made, the
17 campaign statement also must identify the name of the entity making the contributions for each itemized
18 payment made.¹¹

19 **Name Requirements for Ballot Measure Committees**

20 In the case of a committee primarily formed to support or oppose one or more ballot measures,
21 this support/opposition must be part of the committee name.¹² For example, the full, legal name of a
22 committee primarily formed to support Measure PM and oppose Measure PO would need to include the
23 phrase: “a committee for Measure PM and against Measure PO” (or similar language).

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27 ¹⁰ See Section 82015.5.

¹¹ See Regulation 18428—and the Lang advice letter ([I-18-160](#)), pages 2-3.

¹² Section 84107.

1 **Multiple Respondents with Joint and Several Liability**

2 It is the duty of a committee treasurer to ensure that the committee complies with the Act.¹³ Also,
3 the principal officers of a committee generally bear responsibility for approval of the political activity of
4 the committee.¹⁴ The treasurer and the principal officer may be held jointly and severally liable, along
5 with the committee, for violations of the Act.¹⁵

6 Likewise, any person who aids and abets a committee with respect to an advertising disclosure
7 violation may be held jointly and severally liable, along with the committee, for the violation.¹⁶ Similar
8 rules apply for persons aiding and abetting with respect to other types of violations, and for persons who
9 purposely or negligently cause another person to violate the Act.¹⁷

10 **SUMMARY OF THE FACTS**

11 As noted above, the PAC is a Los Angeles County general purpose recipient committee that
12 formed on or about August 25, 2020 (per initial Form 410 statement of organization, filed with the
13 California Secretary of State on 8/31/20).

14 PAC records reflect that in September 2020, the PAC spent more than \$29,000. All or nearly all
15 of this spending was for independent expenditures in the form of advertisements supporting Measure PM
16 and/or opposing Measure PO. No other independent expenditures (or contributions) were made during
17 this month (or the prior month).

18 Since the PAC formed as a recipient committee within six months of the City of Pomona’s
19 November 3 election in 2020—and since the PAC made independent expenditures in connection with the
20 election—the PAC was required to check for concentrated spending at the end of each month to see if it
21 crossed the threshold for a change of filing status/jurisdiction (from county to city and from being
22 general purpose to primarily formed). This change did in fact occur at the end of September 2020
23 because the PAC spent more than \$10,000 that month on independent expenditures—and more than 70%
24 of the PAC’s total spending on candidates/measures (at that time) was in support of Measure PM and/or

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26 ¹³ Sections 81004, 84100, and Regulation 18427.

27 ¹⁴ Section 82047.6 and Regulation 18402.1.

28 ¹⁵ Sections 83116.5, 91006, and Regulation 18316.6.

¹⁶ Sections 84510 and 91006.

¹⁷ Sections 83116.5 and 91006.

1 in opposition to Measure PO. Thus, at the end of September 2020, the PAC changed from being a Los
2 Angeles County general purpose committee to a primarily formed committee in the City of Pomona to
3 support Measure PM and/or oppose Measure PO. (See Regulations 18227.5 and 18247.5. As of the end
4 of September 2020, all spending by the PAC on candidates/measures was for the two measures noted,
5 only.)

6 Respondent Jacqueline Dilley was the PAC’s treasurer and principal officer of record (per the
7 PAC’s initial Form 410 filing).

8 Respondents Lynn Ballantyne; Dolores Welty; and 100 Hospitality, LLC qualified as major
9 donors in 2020 by virtue of making contributions (of \$10,000 or more) to the PAC.

10 In addition to being the treasurer and principal officer of the PAC, Dilley is and was the
11 registered agent for service of process of respondent 100 Hospitality, LLC (per filings with the California
12 Secretary of State dating back to January 2015). Also, Dilley is or was the secretary of the LLC (per
13 Form LLC-12 filed with the Secretary of State 2/1/21), as well as its bookkeeper (per Form LLC-12 filed
14 5/23/19).

15 On or about September 14, 2020, the PAC received a contribution check from the LLC in the
16 amount of \$50,000. After the election, the PAC filed a Form 460 reporting that this money came from
17 Welty. When Enforcement inquired about this, Dilley advised in June 2021 that Welty was the owner of
18 the LLC. Consistent with this, filings with the Secretary of State (going back to 2015) identify Welty as
19 the sole manager of the LLC.

20 VIOLATIONS

21 All violations in this case are preserved against the statute of limitations by service of a probable
22 cause report (on or about 8/21/25), which included 26 counts. As discussed in more detail below, one of
23 the counts—involving ad disclosure issues—is subject to a penalty enhancement: up to three times the
24 cost of the ads. Since the advertisements cost at least \$126,200, the Commission has discretion to impose
25 a penalty as high as \$378,600 for this single count, which is more than enough to ensure that the penalty
26 fits the wrongdoing in this case. Thus, for settlement purposes, the other 25 counts are not being charged,
27 but information about them is being provided as aggravating background information. (These other

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1 counts are not subject to a penalty enhancement; so the maximum penalty of \$5,000 per count would
2 apply if they were charged.)

3 **Uncharged Violations**

4 These uncharged violations are summarized below:

- 5 a. *Unlawful Cash Contributions.* From August 25, 2020 through December 8, 2020, Dilley made
6 four cash contributions to the PAC (in amounts of \$100 or more) totaling approximately \$40,100.
7 Dilley made these contributions on behalf of, as an intermediary for, and as an agent of
8 Ballantyne and Welty, who reimbursed Dilley. Also, on December 8, 2020, Dilley and the PAC
9 accepted a cash contribution from Welty in the amount of \$2,000. In this way, Dilley, Ballantyne,
10 Welty, and the PAC violated Section 84300, subdivision (a), which prohibits making and
11 receiving cash contributions of \$100 or more.
- 12 b. *Major Donor Form 461 Filing Violations.* In 2020 Ballantyne contributed approximately \$65,100
13 to the PAC, but failed to file the required Form 461 major donor campaign statement (for the
14 reporting period of 1/1 – 12/31/20) by the deadline of February 1, 2021—in violation of Section
15 84200, subdivision (b). Also, Welty and 100 Hospitality, LLC committed a similar violation
16 regarding contributions to the PAC aggregating \$82,000.
- 17 c. *Major Donor Form 497 Filing Violations.* In October 2020, Ballantyne contributed \$15,000 to
18 the PAC, but failed to file the required Form 497 major donor report within 24 hours—in
19 violation of Section 84203. Welty committed similar violations with respect to two contributions
20 made to the PAC later that month (each in the amount of \$15,000).
- 21 d. *PAC's Failure to File Initial Form 410 with Los Angeles County.* On or about August 31, 2020,
22 the PAC filed a Form 410 statement of organization with the California Secretary of State. This
23 filing identified the PAC as a Los Angeles County general purpose recipient committee—with a
24 stated date of qualification of August 25, 2020. (It is unclear how the PAC qualified as a recipient
25 committee on 8/25/20, but on or about 9/4/20, the PAC did deposit a contribution in the amount
26 of \$25,000 from Ballantyne and would have qualified as a recipient committee by that date, at the
27 latest.) Within 10 days of qualifying, the PAC was required to file a Form 410 statement of
28 organization with Los Angeles County, but failed to do so. (The required Form 410 was filed with
the California Secretary of State, only.) In this way, the PAC and Dilley violated Section 84101,
subdivision (a).
- e. *PAC's Failure to File Form 460 (for period ending 9/19/20).* During the reporting period of
January 1 through September 19, 2020, the PAC made independent expenditures of \$500 or more
in support of Measure PM and/or in opposition to Measure PO. (During this period, the PAC
raised and spent more than \$100,000 and \$19,000, respectively.) For this reporting period, Dilley
and the PAC were required to file a Form 460 pre-election campaign statement with Los Angeles
County by the due date of September 24, 2020, but they failed to do so—in violation of Section
84200.5, subdivision (a)(3).
- f. *PAC's Failure to File Amended Form 410.* At the end of September 2020 (as described in more
detail above), concentrated spending caused the PAC to change status from that of being a Los
Angeles County general purpose committee—to that of being primarily formed in the City of
Pomona to support Measure PM and/or oppose Measure PO. Within 10 days, the PAC was
required to file an amended Form 410 statement of organization with the Secretary of State, Los

1 Angeles County, and with the City of Pomona disclosing this change of status—with an updated
2 PAC name, reflecting that the PAC was “a committee for Measure PM and against Measure PO,”
3 or similar language. However, this required amendment was not filed with any of the noted filing
4 officers. In this way, Dilley and the PAC violated Sections 84103; 84107; Regulations 18227.5,
5 subdivision (e)(1); and 18247.5, subdivision (f)(1).

- 6 g. *PAC’s Failure to File Form 460 (for period ending 10/17/20)*. During the reporting period of
7 September 20 through October 17, 2020, the PAC made independent expenditures of \$500 or
8 more in support of Measure PM and/or in opposition to Measure PO. (During this period, the
9 PAC raised and spent approximately \$15,000 and \$56,657, respectively.) For this reporting
10 period, Dilley and the PAC were required to file a Form 460 pre-election campaign statement
11 with Los Angeles County and with the City of Pomona by the due date of October 22, 2020, but
12 they failed to do so—in violation of Section 84200.5, subdivision (a)(1); Regulations 18227.5,
13 subdivision (e)(1); and 18247.5, subdivision (f)(1).
- 14 h. *PAC’s Failure to File Form 460 (for period ending 12/31/20)*. For the reporting period of
15 October 18 through December 31, 2020, the PAC was required to file a Form 460 semi-annual
16 campaign statement with Los Angeles County and with the City of Pomona by the due date of
17 February 1, 2021, but Dilley and the PAC failed to do so—in violation of Section 84200,
18 subdivision (a); Regulations 18227.5, subdivision (e)(1); and 18247.5, subdivision (f)(1).
19 (Financial records reflect that during this period, the PAC raised and spent approximately \$32,000
20 and \$69,548, respectively.)
- 21 i. *PAC’s Failure to File Form 460 (for period ending 6/22/21)*. For the reporting period of January
22 1 through June 30, 2021, the PAC was required to file a Form 460 semi-annual campaign
23 statement with the City of Pomona by the due date of August 2, 2021. However, on or about May
24 10, 2021, the PAC filed a Form 410 (with the Secretary of State) with a purported termination
25 date of “5/5/21.” This purported termination was premature because a terminating committee
26 must have no surplus funds—and at the time of filing, more than \$600 remained in the PAC’s
27 bank account. (These funds were not withdrawn by Dilley until on or about 6/22/21.) Another
28 requirement is that a terminating committee must have filed all required campaign statements,
disclosing all reportable transactions. Thus, the earliest that the PAC could have terminated was
on June 22, 2021—when Dilley emptied the PAC’s bank account—and only upon filing a final
Form 460 semi-annual campaign statement for the reporting period of January 1 through June 22,
2021 (disclosing withdrawal of the remaining funds). However, no such Form 460 was filed with
the City of Pomona (nor with Los Angeles County—nor with the Secretary of State). In this way,
the PAC and Dilley violated Sections 84200, subdivision (a); 84214; and Regulation 18404. (Of
note, the PAC did file a single Form 460 with the Secretary of State on or about 5/10/21.
However, the filing purported to be for a non-compliant reporting period: 8/5/20 – 1/11/21. Also,
the filing included multiple reporting/disclosure issues, but did note an ending cash balance of
approximately \$606. Additionally, the statement was filed with the Secretary of State, only—not
at the local level.)
- j. *PAC’s Failure to File Form 496 and 497 24-hour Reports*. On or about September 16, 2020, the
PAC paid approximately \$3,997 for 500 yard signs supporting Measure PM. The PAC and Dilley
were required to disclose this independent expenditure within 24 hours by filing a Form 496 24-
hour report with the City of Pomona, but they failed to do so—in violation of Section 84204.
Later that month, the PAC and Dilley failed to file a similar report disclosing more than \$9,500
spent on Facebook and Google ads in support of Measure PM and/or in opposition to Measure
PO. Additionally, on October 14, 2020, the PAC received a contribution in the amount of \$15,000

1 from Ballantyne—plus two contributions from Welty on October 22 and 28 (also in amounts of
2 \$15,000 each). Receipt of these three contributions was required to be reported by the PAC and
3 Dilley within 24 hours on Form 497 24-hour reports, but the required reports were not filed—in
4 violation of Section 84203.

- 5 k. *Failure to Send Required Major Donor Notification Letters.* In September and October 2020, the
6 PAC received initial contributions from major donors as follows: \$25,000 from Ballantyne on
7 September 4; \$50,000 from 100 Hospitality, LLC on September 14; and \$15,000 from Welty on
8 October 22. Within two weeks of receipt, the PAC was required to send notice to each of these
9 contributors regarding the need to file campaign statements and reports (as major donors). Also,
10 within one week of receiving Welty’s contribution, the PAC was required to notify Welty of the
11 need to file Form 497 24-hour reports (because Welty’s contribution was received during the 90-
12 day 24-hour reporting period after the PAC changed status from general purpose to primarily
13 formed). However, these required notices were not sent. In this way, the PAC and Dilley violated
14 Section 84105.
- 15 l. *Unlawful Cash Withdrawal.* On or about June 22, 2021, Dilley withdrew approximately \$606
16 from the PAC’s bank account in the form of cash. In this way, Dilley and the PAC violated
17 Section 84300, subdivision (b), which prohibits cash expenditures of \$100 or more.

18 **Charged Violation:**

19 **Count 1 (advertising top contributor disclosures)**

20 On or about September 14, 2020, 100 Hospitality, LLC contributed \$50,000 to the PAC. In so
21 doing, the LLC became a top contributor/major funder of \$50,000.¹⁸

22 On or about September 16, 2020, multiple contributions made by Ballantyne to the PAC (in
23 August/September 2020) reached a combined total of approximately \$50,100. In making these
24 contributions, Ballantyne also became a top contributor/major funder of \$50,000 or more.

25 Financial records reflect that on and after September 21, 2020, the PAC spent at least: \$64,900 on
26 Facebook ads in support of Measure PM and in opposition to Measure PO; \$35,200 on Google ads in
27 support of Measure PM; and \$26,100 on mailers/flyers in support of Measure PM. The total cost of these

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¹⁸ The next month, Welty contributed \$32,000 to the PAC. Welty was a controlling (actual or de facto) owner, manager, principal, member, director, and/or officer of the LLC. She directed and controlled the contribution from the LLC. As such, instead of identifying the LLC as a top contributor/major funder of \$50,000 or more, it would have been appropriate to refer to Welty and the LLC as “Dolores Welty, including aggregated contribution of entity directed and controlled by Dolores Welty” (or similar language). See Section 82015.5; Regulation 18428, subdivision (b)(1); and the Lang advice letter ([I-18-160](#)), pages 2-4.

1 ads (disseminated on and after 9/21/20) was at least \$126,200. Ad samples reflect that these ads failed to
2 include the required major funding disclosures regarding top contributors of \$50,000 or more.¹⁹

3 In this way, the PAC and Dilley violated Section 84503. Also, within the meaning of Section
4 84510, subdivision (b), respondents Ballantyne; Welty; and 100 Hospitality, LLC aided and abetted in
5 the carrying out of this violation.

6 **STREAMLINE EXCLUSION**

7 This case is excluded from the streamline settlement program because the extent and gravity of
8 the public harm is more than minimal.

9 **PROPOSED PENALTY**

10 For settlement purposes, only one count is recommended in this case—for which the maximum
11 penalty may be as high as \$378,600 (three times the cost of the ads described above).²⁰

12 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
13 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an
14 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division
15 considers the facts and circumstances of the violation in the context of the following factors:²¹

- 16 1. the extent and gravity of the public harm caused by the specific violation;
- 17 2. the level of experience of the violator with the requirements of the Act;
- 18 3. penalties previously imposed by the Commission in comparable cases;
- 19 4. the presence or absence of any intention to conceal, deceive or mislead;
- 20 5. whether the violation was deliberate, negligent or inadvertent;
- 21 6. whether the violator demonstrated good faith by consulting Commission staff or any other
22 governmental agency in a manner not constituting a complete defense under Section 83114,
subdivision (b);
- 23 7. whether the violation was isolated or part of a pattern—and whether the violator has a prior
24 record of violations of the Act or similar laws; and
- 25 8. whether the violator, upon learning of a reporting violation, voluntarily filed amendments to
provide full disclosure.

26 ¹⁹ In aggravation, after September 2020, the “paid for by” disclosures of the advertisements failed to use a required
27 committee name identifying that the PAC was “a committee for Measure PM and against Measure PO” or similar language (in
violation of Sections 84107 and 84502).

²⁰ Section 84510.

²¹ These factors are set forth in Regulation 18361.5, subdivision (e)(1) through (8).

1 **Count 1 (advertising top contributor disclosures)**

2 A vital purpose of the Act is to ensure transparency in advertising disclosures so that voters are
3 fully informed about sources of funding. For this reason, advertising “paid for by” disclosures are
4 required to identify top contributors of \$50,000 or more. Failure to provide this type of required
5 information results in significant harm to the public—depriving the voters of important information that
6 the Act mandates must be disclosed before the election, when the information matters most.

7 *Comparable Case*

8 Recently, the Commission approved settlement of another case involving an enhanced penalty for
9 this type of advertising violation. [In the Matter of Ryan Ogulnick; AC 2525 Main, LLC; RHW Holdings,](#)
10 [LLC; Beverly Grossman Palmer; and the PAC known as “Californians for Ethical Patient Care, Yes on](#)
11 [Tinajero for Mayor and Sarmiento and Reyna for City Council; No on Bacerra for City Council, Santa](#)
12 [Ana 2018, Sponsored by 19th Green OC, LLC”](#) – FPPC Case No. 18/1194 (approved Feb. 13, 2025), a
13 committee paid for online ads that contained misleading and inaccurate “major funding” disclosures
14 regarding top contributors (of \$50,000 or more). This violation was charged as a single count—for which
15 the Commission imposed a penalty in the amount of \$50,000.

16 Both cases involve respondents with no history of prior, similar violations—who cooperated with
17 Enforcement’s investigation.

18 Both cases involve additional counts that could have been charged, but for settlement purposes,
19 these were noted as aggravating information, instead of being charged. (In the current case, these
20 uncharged violations are summarized above. In Ogulnick these uncharged violations included: failure to
21 file a year-end semi-annual Form 461 major donor statement and a Form 497 24-hour report regarding
22 contributions by the developer respondents to the PAC; dissemination of online ads and mass mailings,
23 which failed to disclose that the PAC was “Sponsored by Santa Ana Developers” (or similar wording);
24 and failure to identify the PAC’s development company sponsors on campaign filings.)

25 In Ogulnick, the developer respondents who sponsored and financed the PAC were relatively
26 inexperienced with respect to political campaigns. Similar facts are present in the current case with
27 respect to the major donor respondents: Ballantyne, Welty, and 100 Hospitality, LLC. (Form 461 filings
28 with the Secretary of State reflect some major donor/independent expenditure activity by Ballantyne and

1 the LLC in 2016, but the Enforcement Division found insufficient evidence to establish that the major
2 donor respondents possessed significant experience with ad disclosure requirements in this case.)

3 *Mitigating Differences*

4 Ogulnick involved a professional treasurer/campaign attorney—who had ample reason to be
5 familiar with the requirements of the Act. Similar facts are not present in the current case. Dilley is not an
6 attorney, and despite possessing some prior experience as a treasurer/major donor, it does not appear
7 (based on the available evidence) that Dilley was well-versed with the requirements of the Act.

8 In Ogulnick, it was noted that the developer respondents wanted to conceal their involvement, but
9 this did not rule out negligence. However, Ogulnick did involve certain hallmarks often associated with
10 intentional wrongdoing, including campaign money laundering and misleading reporting with respect to
11 the true sources of funding for contributions totaling \$320,000. No information was made available to the
12 public about the involvement of the developer respondents as top contributors, sponsors, and the true
13 sources of funding for the PAC in that case. The opposite is true; respondents sought to create the
14 misleading and inaccurate impression that an intermediary company was the true source of the PAC’s
15 financial support.

16 In the current case, there is no direct evidence of intent to conceal, and the facts are more
17 consistent with the possibility of negligence, especially given: the inexperience of the PAC’s treasurer;
18 the absence of money laundering; and a post-election filing, which did identify significant contributions
19 from Ballantyne and Welty (albeit late).

20 Although the current case involves a complete failure to report political activity before the
21 election, it does not involve false reporting. In contrast, Ogulnick involved misleading reporting, which
22 served to conceal true sources of funding, sponsorship, and top contributors (of \$50,000 or more).

23 In Ogulnick, the campaign efforts of the respondents were partially successful. (The PAC
24 successfully supported one candidate over another for Santa Ana City Council, Ward 4—but two other
25 supported candidates were defeated.) In contrast, respondents’ election efforts were unsuccessful in the
26 current case.

27 Also, the current case involves unique circumstances, which were not present in Ogulnick.
28 Specifically, respondents contend that, in substantial part, the violations in this case arose from the

1 activities and directions of Waldon Randall Welty, who passed away in 2021. The late Mr. Welty had
2 cannabis business interests and personal relationships with Ballantyne, Dolores Welty, and Dilley—and
3 Mr. Welty was known to be politically active. (For example, see [No Action Closure Letter in FPPC Case](#)
4 [No. 2018-01486 to Californians for Responsible Government; Jackie Dilley; and Waldon Randall](#)
5 [Welty.](#))

6 *Recommended Penalty: \$85,000*

7 For these types of violations, the Commission has discretion to impose a penalty in an amount up
8 to three times the cost of the ads.

9 Ogulnick involved ads costing approximately \$22,177. The current case involves ads costing at
10 least \$126,200.

11 In Ogulnick, the penalty of \$50,000 equated to approximately 75% of the maximum. In the
12 current case, a penalty in the amount of \$85,000 would equate to approximately 22.5% of the maximum,
13 and this is what Enforcement recommends due to the mitigating differences that are discussed above.

14 **CONCLUSION**

15 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
16 respondents Citizens for Safe Access 2020; Lynn Ballantyne; Dolores Welty; 100 Hospitality, LLC; and
17 Jacqueline Dilley hereby agree as follows:

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

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

5 5. Respondents agree to the issuance of the decision and order set forth below. Also,
6 respondents agree to the Commission imposing against them an administrative penalty in the amount of
7 \$85,000. One or more payments totaling this amount—to be paid to the General Fund of the State of
8 California—is/are submitted with this stipulation as full payment of the administrative penalty described
9 above, and they will be held by the State of California until the Commission issues its decision and order
10 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 stipulation is
13 rejected, all payments tendered by respondents in connection with this stipulation shall be reimbursed to
14 respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
15 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
16 Director, shall be disqualified because of prior consideration of this Stipulation.

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1 7. The parties to this agreement may execute their respective signature pages separately. A
2 copy of any party’s executed signature page—including a hardcopy of a signature page transmitted via
3 fax or as a PDF email attachment—is as effective and binding as the original.
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6 Dated: _____

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

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10 Dated: _____

_____ Lynn Ballantyne, Respondent

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13 Dated: _____

_____ Dolores Welty, individually, and on behalf of 100
Hospitality, LLC, Respondents

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17 Dated: _____

_____ Jacqueline Dilley, individually, and on behalf of
Citizens for Safe Access 2020, Respondents

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20 The foregoing stipulation of the parties “In the Matter of Citizens for Safe Access 2020; Lynn
21 Ballantyne; Dolores Welty; 100 Hospitality, LLC; and Jacqueline Dilley,” FPPC Case No. 2020-01115,

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1 is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective
2 upon execution below by the Chair.

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IT IS SO ORDERED.

Dated: _____

Adam E. Silver, Chair
Fair Political Practices Commission