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8
9 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**

10 **STATE OF CALIFORNIA**

11 In the Matter of

12 NINA JOHNSON, TONY VALLEJO,
13 and NINA JOHNSON FOR CITY
14 COUNCIL 2021,

15 Respondents.

FPPC Case No. 2021-01020

STIPULATION, DECISION AND ORDER

Date Submitted to Commission: May 2026

16
17 **INTRODUCTION**

18 Respondent Nina Johnson (“Johnson”) was an unsuccessful candidate for the City of Santa
19 Barbara City Council in the November 2, 2021 local election. Respondent Nina Johnson for City
20 Council 2021 (ID# 1440038) (the “Committee”) was Johnson’s controlled committee. Respondent
21 Tony Vallejo (“Vallejo”) served as the Committee’s treasurer.

22 This case arose from one sworn complaint and one non-sworn complaint.

23 The Political Reform Act (the “Act”)¹ requires candidates, committees, and treasurers to
24 accurately aggregate and report campaign contributions, including identifying the “responsible officer”
25 of a limited liability company (“LLC”). The Committee, Johnson, and Vallejo (collectively,
26 “Respondents”) violated the Act by failing to report the identity of the responsible officer or individual

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28 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.

1 responsible for contributions from LLCs, and by failing to aggregate and report cumulative contribution
2 amounts.

3 **SUMMARY OF THE LAW**

4 The Act and its regulations are amended from time to time. The violations in this case occurred
5 in 2021. For this reason, all legal references and discussions of law pertain to the Act’s provisions as
6 they existed at that time.

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

8 When enacting the Act, California voters specifically found and declared that previous laws
9 regulating political practices had suffered from inadequate enforcement, and it was their purpose to
10 ensure that the Act be vigorously enforced.² For this reason, the Act is to be construed liberally to
11 accomplish its purposes.³

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

16 **Duties of Treasurers and Candidates with Respect to Campaign Statements**

17 The candidate and treasurer of a committee must verify that to the best of their knowledge the
18 committee campaign statements are true and complete and use all reasonable diligence in the preparation
19 of the statements.⁶ To comply with these duties, the candidate and treasurer must cause to be checked,
20 and, if necessary, corrected, any information in campaign statements a person of reasonable prudence
21 would question based on all the surrounding circumstances of which the candidate or treasurer is aware
22 or should be aware by reason of the candidate’s or treasurer’s duties under the Act.⁷ Once circumstances
23 are known that raise a question concerning the accuracy of information on a campaign statement, an
24 inquiry is required.⁸

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26 ² Sections 81001, subd. (h), and 81002, subd. (f).

27 ³ Section 81003.

28 ⁴ Section 81002, subd. (a).

⁵ Section 81002, subd. (f).

⁶ Regulation 18427, subds. (a) and (c).

⁷ Regulation 18427, subds. (a)(5) and (c)(4).

⁸ Regulation 18427, Comment.

1 **Contribution Limits**

2 When a city has not already enacted a contribution limit, then the contribution limit for that
3 jurisdiction defaults to the contribution limits placed on contributions to a candidate for elective state
4 office.⁹ The Commission is not responsible for the administration or enforcement of a contribution limit
5 adopted by a city.¹⁰

6 **Aggregating Contributions**

7 If an individual directs or controls an entity’s contributions, the entity’s contributions shall be
8 aggregated with contributions made by both the individual and any other entity whose contributions that
9 individual directs or controls.¹¹

10 **Campaign Reporting**

11 The Act provides that each campaign statement must contain certain information about the
12 campaign’s financial activity, including contributions received and identifying information about the
13 contributor.¹²

14 With respect to contributions, for each person¹³ to whom a contribution of \$100 or more has
15 been received during the period covered by the campaign statement, the filer must disclose the
16 contributor’s: full name; street address; occupation; employer, or if self-employed, the name of the
17 business; the date and amount received for each contribution received during the period covered by the
18 campaign statement; and the cumulative amount of contributions.¹⁴

19 For contributions of \$100 or more received from an LLC that qualifies as a major donor
20 committee, the “name” of the contributor reported in a committee’s statements and reports filed under
21 the Act must include the name of the LLC and the full legal name of the LLC’s responsible officer.¹⁵ For
22 contributions of \$100 or more received from an LLC that does *not* qualify as a committee, the “name” of
23 the contributor reported in a committee’s statements and reports filed under the Act must include the

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25 ⁹ Sections 85301(d) & 85702.5(a).

26 ¹⁰ Section 85702.5(c).

27 ¹¹ Section 82015.5(b).

28 ¹² Section 84211, subd. (f).

¹³ “Person” includes an individual, firm, partnership, joint venture, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert. Section 82047.

¹⁴ Section 84211, subd. (f).

¹⁵ Regulation 18421.10, subd. (a). The “responsible officer” of the committee is the individual primarily responsible for approving the political activity of the LLC. Regulation 18402.2, subd. (a).

1 name of the LLC and the full legal name of the individual primarily responsible for approving the
2 contribution.¹⁶

3 **Joint and Several Liability**

4 Under the Act, it is the duty of the candidate and the treasurer of a controlled committee to
5 ensure that the committee complies with all of the requirements of the Act concerning the receipt,
6 expenditure, and reporting of funds.¹⁷ The candidate and treasurer may be held jointly and severally
7 liable, along with the committee, for violations committed by the committee.¹⁸

8 **Liability for Violations**

9 Any person who violates any provision of the Act is liable for administrative penalties up to
10 \$5,000 per violation.¹⁹

11 **SUMMARY OF THE FACTS**

12 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
14 limits.

15 The Committee was required to report the responsible officer for contributions from LLCs that
16 qualified as major donors and report the individual primarily responsible for contributions from LLCs
17 that did not qualify as a committee on campaign statements and reports. Throughout 2021, the
18 Committee failed to timely report the names of the individuals primarily responsible for approving the
19 contributions made by the following LLCs:

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| Reporting Period | Date Received | Contributor | Amount |
|------------------|---------------|------------------------|--------|
| 7/1/21 – 9/18/21 | 09/13/2021 | 1213 State Street, LLC | \$750 |
| 7/1/21 – 9/18/21 | 09/13/2021 | 127 WCP, LLC | \$750 |
| 7/1/21 – 9/18/21 | 09/18/2021 | Gold Lab, LLC | \$500 |

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27 ¹⁶ Regulation 18421.10, subd. (b).

¹⁷ Sections 81004, 84100, 84104, and 84213; Regulation 18427.

28 ¹⁸ Sections 83116.5 and 91006.

¹⁹ Sections 83116 and 83116.5.

| | | | |
|--------------------------------------|------------|---|----------------|
| 7/1/21 – 9/18/21 | 09/18/2021 | Jaeger Partners, LLC | \$250 |
| 9/19/21 – 10/16/21 | 09/24/2021 | El Toro Holding, LLC | \$2,000 |
| 9/19/21 – 10/16/21 | 09/24/2021 | Santa Barbara Motors, LLC | \$2,000 |
| 10/17/21 – 10/27/21 ²⁰ | 10/20/2021 | Santa Barbara Property Management, LLC | \$1,000 |
| | | Total: | \$7,250 |

Two of the above contributions—from 1213 State Street, LLC and 127 WCP, LLC—were part of a series of 10 contributions received from different business entities for which James Knell (“Knell”) was the responsible officer. The Committee reported receiving the following 10 contributions on the pre-election campaign statement for the reporting period of July 1, 2021 through September 18, 2021:

| Check Date | Date Received | Contributor | Amount |
|------------|---------------|-----------------------------|----------------|
| 08/23/2021 | 09/13/2021 | 1129 State Street, LP | \$750 |
| 08/23/2021 | 09/13/2021 | 1213 State Street, LLC | \$750 |
| 08/23/2021 | 09/13/2021 | 1221 Victoria Court, LP | \$750 |
| 08/23/2021 | 09/13/2021 | 127 WCP, LLC | \$750 |
| 08/23/2021 | 09/13/2021 | 710 State St. Partners, LP | \$750 |
| 08/23/2021 | 09/13/2021 | RTK Associates, LP | \$750 |
| 08/23/2021 | 09/13/2021 | SIMA El Paseo, LP | \$750 |
| 08/23/2021 | 09/13/2021 | Santa Barbara Athletic Club | \$750 |
| 08/23/2021 | 09/13/2021 | SIMA Corporation | \$750 |
| 08/23/2021 | 09/13/2021 | SIMA Management Corp. | \$750 |
| | | Total: | \$7,500 |

The Enforcement Division confirmed that each of the relevant contributions was directed and controlled by Knell. Since Knell directed and controlled each contribution to the Committee, the contributions were required to be aggregated for reporting and calculating contribution limits. The Committee failed to disclose Knell’s cumulative contributions of \$7,500, which exceeded the local contribution limit, and failed to report Knell as the responsible officer of 1213 State Street, LLC and 127 WCP, LLC.

²⁰ The reporting periods are different here as 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)).

1 Johnson and Vallejo deny having any knowledge that the contributions were directed and
2 controlled by the same individual. However, based on the circumstances, a reasonably prudent person
3 would have questioned whether the contributions were directed and controlled by the same individual:
4 each of the checks was received on September 13, 2021; each of the checks had the same signature,
5 with the exception of the check received from the SIMA Corporation; each of the checks was dated
6 August 23, 2021; each of the checks had the same business address, with the exception of the check
7 received from the Santa Barbara Athletic Club; and each of the checks included "SIMA Management
8 Corp" on the check, with the exception of the check received from the Santa Barbara Athletic Club.

9 **VIOLATIONS**

10 **Count 1: Failure to Timely Disclose Responsible Officers and Individuals Primarily Responsible**
11 **for Contributions from Limited Liability Companies**

12 Respondents failed to report the responsible officer or individual primarily responsible for seven
13 contributions from LLCs on three pre-election statements for the reporting periods of July 1, 2021
14 through September 18, 2021; September 19, 2021 through October 16, 2021; and October 17 through
15 October 27, 2021, in violation of Government Code Section 84211 and Regulation 18421.10,
16 subdivisions (a) and (b).

17 **Count 2: Failure to Timely Disclose Aggregate Contributions Received**

18 In the pre-election campaign statement filed on September 25, 2021 (covering the July 1 through
19 September 18 reporting period), Respondents reported contributions from business entities directed and
20 controlled by Knell, but failed to aggregate and disclose the cumulative amount of the contributions, in
21 violation of Sections 84211, subdivision (f) and 82015.5, subdivision (b).

22 **PROPOSED PENALTY**

23 This matter consists of two proposed counts. The maximum penalty that may be imposed is
24 \$5,000 per count. Thus, the maximum total penalty that may be imposed for the counts charged here is
25 \$10,000.²¹

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²¹ Section 83116, subd. (c).

1 Late disclosure on campaign statements is included in the Streamline Program.²² Here,
2 however, Respondents’ failure to identify responsible officers and aggregate contributions hindered the
3 public’s ability to identify: (1) that the Committee had accepted contributions exceeding the local
4 contribution limit; and (2) the person responsible for the contributions. As such, the extent and gravity
5 of the public harm is more than minimal, and this matter is not eligible for the Streamline Program.

6 In determining the appropriate penalty for a particular violation of the Act, the Enforcement
7 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with
8 an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division
9 considers the facts and circumstances of the violation in the context of the following factors set forth in
10 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused
11 by the specific violation; (2) The level of experience of the violator with the requirements of the
12 Political Reform Act; (3) Penalties previously imposed by the Commission in comparable cases;
13 (4) The presence or absence of any intention to conceal, deceive or mislead; (5) Whether the violation
14 was deliberate, negligent or inadvertent; (6) Whether the violator demonstrated good faith by
15 consulting the Commission staff or any other governmental agency in a manner not constituting
16 complete defense under Government Code Section 83114(b); (7) Whether the violation was isolated or
17 part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or
18 similar laws; and (8) Whether the violator, upon learning of a reporting violation, voluntarily filed
19 amendments to provide full disclosure.²³

20 Accepting campaign contributions exceeding the contribution limits causes serious public harm,
21 as contribution limits exist to prevent persons from exerting disproportionate influence over elected
22 officials. The contribution aggregation rules exist to ensure that an individual does not use multiple
23 entities to skirt contribution limits. Regulation 18421.10 was adopted to avoid the disguising of the true
24 source of campaign contributions and to instead “allow the public to be informed of the actual
25 individuals behind an LLC’s contribution to a committee, rather than simply the name of the corporate
26 entity”²⁴ Here, although the contributions at issue were reported, they did not provide information

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28 ²² Regulation 18360.1, subd. (b).

²³ Regulation 18361.5, subd. (e).

²⁴ FPPC Legal Division Memorandum, “Adoption of Proposed Regulations 18402.2 and 18421.10 – Disclosure by

1 that would have enabled the public to identify the actual individual behind the LLC contributions.
2 Likewise, because contributions were not aggregated, the public was not made aware that Respondents
3 had accepted contributions exceeding the local contribution limit. Thus, the public did not receive any
4 disclosure regarding Knell’s affiliations with the business entities that he directed and controlled.

5 The violations at issue here were isolated to a single election. There is no evidence that the
6 Committee or Johnson had any prior campaign experience. Vallejo has prior experience with the Act,
7 as Vallejo was appointed to the Goleta City Council in 2014 and was a candidate for Goleta City
8 Council in 2016. However, the requirement to identify the responsible officer of an LLC contributor
9 was adopted only in 2020.

10 The Committee and Johnson do not have a prior history of violating the Act. Vallejo, as
11 treasurer of a candidate-controlled committee, has prior enforcement history which resulted in a
12 mainline stipulation being approved on June 21, 2018, with a total penalty of \$7,500, for failing to
13 provide sufficient notice to potential major donor committees (1 count), accepting prohibited cash
14 contributions of \$100 or more (1 count), and failing to timely disclose subvendor payments (2
15 counts).²⁵

16 The Commission considers penalties in prior cases with the same or similar violations and
17 comparable facts. A recent case similarly involving a local candidate-controlled committee failing to
18 report contributions over the limit is *In the Matter of Kimberly Ho for City Council and Kimberly Ho*;
19 FPPC No. 2021-01068 (approved August 21, 2025). Ho was a successful candidate in the November 3,
20 2020 General Election. In 2021, Ho was served with a notice of intent for a recall. While campaigning
21 to oppose the recall efforts, Ho accepted non-monetary contributions from Ho’s spouse totaling
22 \$13,800, which exceeded the \$4,900 contribution limit by \$8,900. Ho and her committee failed to
23 timely disclose receipt of the over-the-limit contributions on campaign statements. The Commission
24 imposed a total penalty of \$5,500, with a \$2,000 penalty imposed for failing to timely disclose non-
25 monetary contributions.

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Limited Liability Companies,” June 8, 2020.

²⁵ *In the Matter of Roger Aceves for Supervisor 2014, Roger S. Aceves, and Tony Vallejo*; FPPC No. 2017-00145.

1 A penalty similar to that approved in *Ho* is recommended here. In *Ho*, the official not only
2 accepted contributions over the local contribution limit, but failed to report them altogether. In this
3 case, Respondents timely disclosed receipt of the contributions from businesses controlled by Knell.
4 Likewise, the other contributions from LLCs unassociated with Knell were also reported. Respondents'
5 failures in this case were based on the failure to report the responsible officer for each LLC
6 contribution, as well as the failure to aggregate and report cumulative contributions, as opposed to the
7 failure in *Ho* to report the contributions altogether. Thus, the ultimate effect was similar to that seen in
8 *Ho*—that is, the public was deprived of sufficient information to identify: (1) that Respondents had
9 accepted contributions exceeding the contribution limit; and (2) the ultimate source of those
10 contributions.

11 In aggravation, because Respondents failed to aggregate the contributions from Knell's business
12 entities, the Committee also failed to file a 24-hour Contribution Report identifying Knell as a
13 contributor of more than \$1,000 within 90 days of the election. For settlement purposes, this additional
14 violation will not be charged separately but will be used as aggravation.

15 Based on the above, a total penalty of \$4,000 is recommended, with a \$2,000 penalty per count.

16 CONCLUSION

17 Complainant, the Enforcement Division of the Fair Political Practices Commission, and
18 Respondents, Nina Johnson, Tony Vallejo, and Nina Johnson for City Council 2021, hereby agree as
19 follows:

- 20 1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate
21 summary of the facts in this matter.
- 22 2. This stipulation will be submitted for consideration by the Fair Political Practices Commission
23 at its next regularly scheduled meeting – or as soon thereafter as the matter may be heard.
- 24 3. This stipulation resolves all factual and legal issues raised in this matter – for the purpose of
25 reaching a final disposition without the necessity of holding an administrative hearing to determine the
26 liability of Respondents pursuant to Section 83116.
- 27 4. Respondents understand and hereby knowingly and voluntarily waive any and all procedural
28 rights set forth in Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This

1 includes, but is not limited to, the right to appear personally at any administrative hearing held in this
2 matter, to be represented by an attorney at Respondents' own expense, to confront and cross-examine
3 all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an
4 impartial administrative law judge preside over the hearing as a hearing officer, and to have the matter
5 judicially reviewed.

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

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

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

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

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27 Dated: _____

Nina Johnson, individually and on behalf of Nina Johnson
for City Council 2021, Respondents

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Dated: _____

Tony Vallejo, individually and on behalf of Nina Johnson
for City Council 2021, Respondents

The foregoing stipulation of the parties “In the Matter of Nina Johnson, Tony Vallejo, and Nina Johnson for City Council 2021,” FPPC No. 2021-01020, 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