



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

September 16, 2026

Kevin Ennis
Special Counsel, City of Pasadena
RWG Law
350 South Grand Avenue
Los Angeles, CA 90071

**Re: Your Request for Advice
Our File No. A-26-100**

Dear Mr. Ennis:

This letter responds to your request for advice on behalf of the City of Pasadena (“City”) Councilmember Jason Lyon regarding the conflict of interest provisions of the Political Reform Act (the “Act”) and Government Code Section 1090, *et seq.*¹ Please note that we are only providing advice under Section 1090, not under other general conflict of interest prohibitions such as common law conflict of interest.

Also, note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

We are required to forward your request regarding Section 1090 and all pertinent facts relating to the request to the Attorney General’s Office and the Los Angeles County District Attorney’s Office, which we have done. (Section 1097.1(c)(3).) We did not receive a written response from either entity. (Section 1097.1(c)(4).) We are also required to advise you that, for purposes of Section 1090, the following advice “is not admissible in a criminal proceeding against any individual other than the requestor.” (See Section 1097.1(c)(5).)

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. 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 Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

QUESTION

Does either Section 1090 or the Act prohibit Councilmember Lyon from taking part in, or the City from entering into or amending, contracts with Rose Bowl Aquatics Center (“RBAC”), given that Councilmember Lyon is employed by the law firm that will represent RBAC?

CONCLUSION

Section 1090 generally prohibits Councilmember Lyon from taking part in, and the City from entering into or amending, any contracts between the City and RBAC due to Councilmember Lyon’s employment with the law firm that represents RBAC. However, as explained below, the remote interest exception under Section 1091(b)(8) applies to allow the City to enter into, or amend, such contracts so long as Councilmember Lyon does not take part in the decisions, he discloses his interest in the contracts to the City, and such interest is noted in the City’s official records. Additionally, Councilmember Lyon must leave the room during the consideration of any such contract pursuant to the Act’s recusal requirements.

FACTS AS PRESENTED BY REQUESTER

Councilmember Lyon was first elected to the City Council on June 7, 2022, and he assumed office on December 12, 2022 and began a four year term of office on that date. Councilmember Lyon was reelected on June 2, 2026, and he will assume his new term of office in December of 2026.

In his private capacity, Councilmember Lyon is a partner with the Pasadena-based law firm of Hahn & Hahn, LLP (“Hahn & Hahn”). He joined Hahn & Hahn as an attorney “Of Counsel” in February 2017 and became a partner in Hahn & Hahn in January 2019. Through his separate, wholly-owned professional corporation, Councilmember Lyon is a part owner of Hahn & Hahn. At the present time, his ownership interest in Hahn & Hahn is less than 10 percent. Through his professional corporation, Councilmember Lyon obtained income from Hahn & Hahn aggregating \$500 or more in the last 12 months.

Councilmember Lyon’s colleagues in the business department at Hahn & Hahn have negotiated agreements such as ground leases and easements with the City on behalf of the firm’s clients. One of Hahn & Hahn’s long-term clients is RBAC. RBAC is a 501(c)(3) tax exempt nonprofit public benefit corporation that was formed in 1985. RBAC has an existing and long-standing Operating and Lease Agreement No. 19,521 -1 (“Lease Agreement”) with the City to operate an aquatics center consisting of swimming and diving pools and associated facilities in a portion of Brookside Park in the City (the “Aquatics Center”). Hahn & Hahn has provided legal services to RBAC since March 2001.

In connection with the upcoming 2028 Los Angeles Olympic Games (the “Olympic Games”) the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (“LA28”) has selected the Aquatics Center as a potential site for the diving competition. To implement that site selection decision, the City, RBAC, and LA28 have begun the process of negotiating a tri-party agreement to provide the terms and conditions for the use of the Aquatics Center for the Olympic Games. That proposed agreement is currently referred to as “Tri-Party Agreement, 2028 Olympics -- Diving Event” (the “Tri-Party Agreement”). In order to implement the terms of the Tri-Party Agreement, the City and RBAC will also need to amend the Lease Agreement (the “Lease Amendment”).

Hahn & Hahn is expecting to be asked to review, draft, and negotiate certain aspects of the Tri-Party Agreement and the Lease Amendment on behalf of RBAC. Hahn & Hahn would be paid by RBAC based on an agreed hourly rate for each hour of work performed in connection with the review, drafting, and negotiation of the Tri-Party Agreement and Lease Amendment on behalf of RBAC. Both the City and LA 28 would be represented by their own counsel.

Councilmember Lyon has not done any work for RBAC and would not be involved in any aspect of the review, revision, or negotiation of the proposed Tri-Party Agreement or Lease Amendment in connection with his work at Hahn & Hahn. Hahn & Hahn will not compensate Councilmember Lyon to achieve a particular result in a City decision, either on behalf of the firm or RBAC, and Councilmember Lyon will not receive any “incentive compensation” from the firm that ties his salary or a bonus by a predetermined formula to the revenues of the firm derived from RBAC.

If Hahn & Hahn provides legal services to the RBAC in connection with the review, revision, or negotiation of the Tri-Party Agreement or Lease Amendment, the fee revenues derived from that work are anticipated to be far below \$1 million, far below five percent of the firm’s gross annual revenues, and almost certainly will not reach even one percent of the firm’s annual gross revenues.

ANALYSIS

Section 1090 generally prohibits public officials, while acting in their official capacities, from making contracts in which they are financially interested. Section 1090 is “concerned with any financial interests, other than perhaps a remote or minimal interest, which would prevent the officials involved from exercising absolute loyalty and undivided allegiance in furthering the best interests of” their respective agencies. (*Stigall v. Taft* (1962) 58 Cal.2d 565, 569.)

Under Section 1090, the prohibited act is the making of a contract in which the official has a financial interest. (*People v. Honig* (1996) 48 Cal.App.4th 289, 333.) Participation in the making of a contract is defined broadly as any act involving preliminary discussions,

negotiations, compromises, reasoning, planning, drawing of plans and specifications, and solicitation for bids. (*Millbrae Assn. for Residential Survival v. City of Millbrae* (1968) 262 Cal.App.2d 222, 237.)² A contract that violates Section 1090 is void, regardless of whether the terms of the contract are fair and equitable to all parties. (*Thomson v. Call* (1985) 38 Cal.3d 633, 646-649.)

When Section 1090 is applicable to one member of a governing body of a public entity, the prohibition cannot be avoided by having the interested board member abstain; the entire governing body is precluded from entering into the contract. (*Id.* at 649.) Notably, when members of a public board, commission, or similar body have the power to execute contracts, each member is conclusively presumed to be involved in the making of all contracts by their agency regardless of whether the member actually participates in the making of the contract. (*Fraser-Yamor Agency, Inc. v. County of Del Norte* (1977) 68 Cal.App.3d 201, 211-212; 89 Ops.Cal.Atty.Gen. 49 (2006).)

Although Section 1090 does not specifically define the term “financial interest,” case law and Attorney General opinions state that prohibited financial interests may be indirect as well as direct, and may involve financial losses, or the possibility of losses, as well as the prospect of pecuniary gain. (*Thomson v. Call*, *supra*, at pp. 645, 651-652; see also *People v. Vallerga* (1977) 67 Cal.App.3d 847, 867, fn. 5; 85 Ops.Cal.Atty.Gen. 34, 36-38 (2002); 84 Ops.Cal.Atty.Gen. 158, 161-162 (2001).) Furthermore, case law and statutory exceptions to Section 1090 make clear that the term “financially interested” must be liberally interpreted. It cannot be interpreted in a restricted and technical manner. (*People v. Gnass* (2002) 101 Cal.App.4th 1271, 1298.)

The Legislature has created various statutory exceptions to the Section 1090 prohibition where the financial interest involved is deemed to be a “remote interest,” as defined in Section 1091, or a “noninterest,” as defined in Section 1091.5. Relevant to the facts provided is the remote interest exception under Section 1091(b)(8), which relates to the duration of a business relationship. Section 1091(b)(8) states that an official will have a remote interest in the contract, where the official’s interest is “[t]hat of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to their election or appointment to office.” Thus, an official has a financial interest in a contract entered into by a government entity if the official provides services to the party contracting with that government entity, but only a remote interest if those services have been provided for at least five years prior to the official’s election or appointment to the relevant government entity.

You state Councilmember Lyon has been employed with Hahn & Hahn since February of 2017, Hahn & Hahn has been providing legal services to RBAC since March of 2001, and

² Note that a decision to modify, extend, or renegotiate a contract constitutes involvement in the making of a contract under section 1090. (See, e.g., *City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191.)

Councilmember Lyon was first elected to the City Council on June 7, 2022. Therefore, because Hahn & Hahn has been providing legal services to RBAC for more than five years prior to Councilmember Lyon's election to the City Council, he will have a remote interest in any contracts between the City and RBAC.

Accordingly, since Councilmember Lyon has a remote interest, under Section 1091(b)(8), in any contract between the City and RBAC for which Hahn & Hahn provides legal services, the City may enter into, or amend, such contracts. However, Councilmember Lyon must disclose his interest in any contract to the City, the interest must be noted in the City's records, and he must abstain from any participation in the making, or amendment, of the contracts. (Section 1091(a).) Additionally, because the remedy in this situation is for Councilmember Lyon to abstain from any participation in the making, or amendment, of such contracts, we do not analyze the conflict of interest under the Act. The remedy for conflicts under the Act would not differ from the action already required, except to note that Councilmember Lyon must leave the room during the consideration of any such contracts pursuant to the Act's recusal requirements set forth in Section 87105 and Regulation 18707.

If you have other questions on this matter, please contact me at JRinehart@fppc.ca.gov.

Sincerely,

Dave Bainbridge
General Counsel

JennaRinehart

By: Jenna C. Rinehart
Senior Counsel, Legal Division

JCR:mkk