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Attorneys for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SACRAMENTO

FAIR POLITICAL PRACTICES COMMISSION,	)	
	)	No.
Plaintiff,	)	
	)	COMPLAINT FOR CIVIL
vs.	)	PENALTIES
	)	
CITIZENS FOR A VOICE IN GOVERNMENT,	)	
MAJOR FUNDING BY INVESTMENT	)	
MANAGER, BRANDON POWERS, LYSA RAY,	)	Exempt from Filing Fees
and CHRIS HANSEN,	)	(Gov. Code Sec. 6103)
	)	
Defendants.	)	

Plaintiff, the Fair Political Practices Commission ("Plaintiff"), alleges:

**Public Interest**

1. Plaintiff brings this action in the public interest to enforce the provisions of the Political Reform Act of 1974 found in Government Code sections 81000 through 91014 (the "Political Reform Act").

**Jurisdiction and Venue**

2. This court has original jurisdiction over this matter. As the cause of action in this matter took place in connection with a ballot measure campaign for the City of Sacramento and involved campaign statements required to be filed with the Office of the Clerk of the City of Sacramento and/or California Secretary of State, both located in the County of Sacramento, the County of Sacramento is the proper venue for this action.

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**Parties and Preliminary Facts**

3. Plaintiff is a state agency created by the Political Reform Act and authorized to bring a civil action to enforce reporting requirements of the Political Reform Act pursuant to Government Code section 91004.

4. Defendant Citizens for a Vote in Government, Major Funding by Investment Manager (“Defendant Committee”) is a primarily formed ballot measure committee supporting the Voter Approval for Public Funding of Professional Sports Arena Act in the City of Sacramento.

5. Defendant Brandon Powers (“Defendant Powers”) is an individual who is the principal officer for Defendant Committee.

6. Defendant Lysa Ray (“Defendant Ray”) is an individual who is the treasurer for Defendant Committee.

7. Defendant Chris Hansen (“Defendant Hansen”) is an individual who made a \$100,000 contribution to Defendant Committee through his agent, Loeb & Loeb, LLP, a law firm based in Los Angeles, (“Loeb & Loeb”) to support the Voter Approval for Public Funding of Professional Sports Arena Act. Defendant Hansen’s contribution was the only contribution Defendant Committee received during the first half of 2013.

8. On June 21, 2013, Loeb & Loeb made a payment of \$80,000 to GOCO Consulting, LLC, (“GoCo”), which was used by GoCo to obtain signatures on a petition supporting the Voter Approval for Public Funding of Professional Sports Arena Act, a ballot initiative that would require voters to approve the City of Sacramento’s proposed arena financing plan (hereafter referred to as “arena petition drive”). The money for this expenditure came from Defendant Hansen’s \$100,000 contribution to Defendant Committee.

9. Defendant Committee used the remaining \$20,000 from Defendant Hansen’s \$100,000 contribution to pay political consultants for services related to the arena petition drive.

**Campaign Reporting Requirements**

10. An express purpose of the Act, as set forth in Government Code section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are

1 fully and truthfully disclosed to the public, so that voters may be better informed, and so that improper  
2 practices may be inhibited.

3 11. In furtherance of this purpose of disclosure, the Act sets forth a comprehensive campaign  
4 reporting system. (Gov't Code § 84200, et seq.)

5 12. Any person or combination of persons who receive political contribution(s) totaling  
6 \$1,000 or more qualifies as a "committee" pursuant to Government Code section 82013, subdivision (a)  
7 and must file a "Statement of Organization" with the California Secretary of State within ten days of  
8 qualifying as a committee. (Gov't Code § 84101, subd. (a).)

9 13. Any person who makes contributions totaling \$10,000 or more in a calendar year  
10 qualifies as a committee pursuant to Government Code section 82013, subdivision (c).

11 14. Any person or combination of persons that qualifies as a committee must file semi-annual  
12 campaign statements each year no later than July 31 for the reporting period ending June 30 and no later  
13 than January 31 for the reporting period ending December 31. (Gov't Code §84200.) The campaign  
14 statement must include that information required by Government Code section 84211, including all  
15 contributions received and expenditures made by the committee during the reporting period. Semi-  
16 annual statements concerning city ballot measures must be filed with the clerk of that city. (Gov't Code  
17 §84215, subd. (d).)

### 18 Civil Liability

19 15. Any person who violates the Political Reform Act shall be liable in a civil action for an  
20 amount up to \$5,000. (Gov't Code §91005.5.) If a person intentionally or negligently violates any of the  
21 reporting requirements of the Political Reform Act, that person shall be liable in a civil action for an  
22 amount not more than the amount or value not properly reported. (Gov't Code §91004.)

23 16. A committee treasurer may be held jointly and severally liable, along with the committee  
24 and the principal officer, for any reporting violations committed by the committee. (Gov't Code  
25 §§83116.5, 84104 and 91006; and California Code of Regulations, title 2, section 18316.6.)

### 26 First Cause of Action

27 **(Failure to Timely File Statement of Organization by Defendants Committee, Powers, and Ray)**

28 17. Plaintiff re-alleges, and incorporates herein, paragraphs 1 through 16, above.

18. On or about June 21, 2013, Defendant Committee received a contribution of \$100,000 from Defendant Hansen thereby qualifying as a committee under Government Code section 82013, subdivision (a).

19. Defendant Committee was required to file a Statement of Organization with the Secretary of State within 10 days of qualifying as a committee.

20. Defendant Committee failed to file a Statement of Organization within 10 days of qualifying as a committee in violation of Government Code section 84101, subdivision (a).

21. Defendant Committee filed a Statement of Organization with the Secretary of State on or about August 21, 2013. Defendant Committee's filing was 51 days late and occurred only after Plaintiff filed a civil complaint and petition for a preliminary injunction in Superior Court, County of Sacramento, against Loeb & Loeb, the intermediary for Defendant Committee, seeking to compel Loeb & Loeb, and/or the persons on whose behalf it was acting, to file past-due statements.

22. Defendant Committee's failure to timely file a Statement of Organization was intentional or negligent because Defendant Committee, and its officers, knew of the filing obligation, or were negligent in failing to determine that Defendant Committee had the filing obligation.

23. Defendant Ray, as the treasurer for Defendant Committee, and Defendant Powers, as the principal officer for Defendant Committee, are jointly and severably liable, along with Defendant Committee, for this violation.

Wherefore, Plaintiff prays for judgment as set forth below.

### **Second Cause of Action**

**(Failure to Timely File Semi-annual Campaign Statement by Defendants Committee, Powers, and Ray)**

24. Plaintiff re-alleges, and incorporates herein, paragraphs 1 through 23, above.

25. On or about June 21, 2013, Defendant Committee received a contribution of \$100,000 from Defendant Hansen thereby qualifying as a committee under Government Code section 82013, subdivision (a).

26. Defendant Committee was required to file a semi-annual campaign statement for the January 1, 2013 through June 30, 2013 reporting period by July 31, 2013.

27. Defendant Committee failed to file a semi-annual campaign statement on or before July 31, 2013 in violation of Government Code section 84200, subdivision (a).

28. Defendant Committee filed a semi-annual campaign statement for the January 1, 2013 through June 30, 2013 reporting period on August 21, 2013. Defendant Committee's filing was 21 days late and occurred only after Plaintiff filed a civil complaint and petition for a preliminary injunction in Superior Court, County of Sacramento, against Loeb & Loeb seeking to compel Loeb & Loeb, and/or the persons on whose behalf it was acting, to file past-due statements.

29. Defendant Committee's failure to timely file a semi-annual campaign statement was intentional or negligent, because Defendant Committee, and its officers, knew of the filing obligation or were negligent in failing to determine that Defendant Committee had the filing obligation.

30. Defendant Ray, as the treasurer for Defendant Committee, and Defendant Powers, as the principal officer for Defendant Committee, are jointly and severably liable, along with Defendant Committee, for this violation.

Wherefore, Plaintiff prays for judgment as set forth below.

### Third Cause of Action

**(Failure to Timely File Major Donor Statement by Defendant Hansen)**

31. Plaintiff re-alleges, and incorporates herein, paragraphs 1 through 30, above.

32. By making the \$100,000 contribution to Defendant Committee before June 30, 2013, Defendant Hansen, as a major donor, qualified as a committee and was required to file a campaign statement pursuant to Government Code section 84200, subdivision (b) on or before July 31, 2013.

33. Defendant Hansen failed to file a campaign statement reporting the \$100,000 contribution to Defendant Committee on or before July 31, 2013.

34. Defendant Hansen filed a semi-annual campaign statement for the January 1, 2013 through June 30, 2013 reporting period on August 21, 2013. Defendant Hansen's filing was 21 days late and occurred only after Plaintiff filed a civil complaint and petition for a preliminary injunction in Superior Court, County of Sacramento, against Loeb & Loeb, Defendant Hansen's agent, seeking to compel Loeb & Loeb, and/or the persons on whose behalf it was acting, to file past-due statements.

35. Defendant Hansen's failure to timely file a campaign statement was either intentional or negligent because Defendant Hansen, and/or his agents, knew of the filing obligation or were negligent in failing to determine that Defendant Hansen had the filing obligation.

## Prayer

WHEREFORE, Plaintiff prays judgment against defendants as follows:

## On the First Cause of Action

1. For statutory penalties pursuant to Government Code section 91004 in an amount according to proof, but not more than the amount not properly reported;

## On the Second Cause of Action

2. For statutory penalties pursuant to Government Code section 91004 in an amount according to proof, but not to more than the amount not properly reported;

### On the Third Cause of Action

3. For statutory penalties pursuant to Government Code section 91004 in an amount according to proof, but not to more than the amount not properly reported;

## On All Causes of Action

4. For attorneys' fees and costs incurred in this action; and
5. For such other and further relief as the court deems proper.

Date: \_\_\_\_\_

## FAIR POLITICAL PRACTICES COMMISSION

By: David Bainbridge  
Senior Commission Counsel  
Attorneys for Plaintiff