

City of Sacramento  
**Ethics Commission Report**  
915 I Street Sacramento, CA 95814  
www.cityofsacramento.org

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**File ID:** 2026-01361

8/24/2026

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**Receive Independent Evaluator's Report and Conduct Hearing Related to a Complaint Before the Sacramento Ethics Commission Alleging a Violation of the Levine Act and of the City of Sacramento Municipal Code Campaign Contribution Limits by Mayor Kevin McCarty (Noticed 08/13/2026)**

File ID: 2026-01361

**Location:** Citywide

**Recommendation:** Conduct a public hearing and upon conclusion: 1) pass a **Motion** receiving the Independent Evaluator's Report; and 2) take one or more of the following actions, pursuant to Section 5.5 of the Sacramento Ethics Commission Procedures: a) pass a **Motion** directing the Evaluator to conduct further investigation and report back to the Commission; b) adopt a **Resolution** finding that sufficient evidence does not exist to establish that a violation occurred and ordering that the complaint be dismissed; c) adopt a **Resolution** finding that sufficient evidence exists to establish that a violation occurred and including one or more of the actions authorized by Section 5.6; and/or d) pass a **Motion** referring the complaint to the Fair Political Practices Commission (FPPC) or another governmental agency that may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law and directing the City Clerk or City Attorney to send a copy of all relevant information to the FPPC or the agency along with the referral.

**Contact:** Mindy Cuppy, City Clerk, (916) 808-5442, mcuppy@cityofsacramento.org, Office of the City Clerk

**Presenter:** Trevor T. Taniguchi, Senior Associate, Hanson Bridgett LLP

**Attachments:**

- 1-Description/Analysis
- 2-Independent Evaluator's Report
- 3-Exhibits to Independent Evaluator's Report
- 4-Resolution Finding Sufficient Evidence
- 5-Resolution Not Finding Sufficient Evidence
- 6-Sacramento Ethics Commission Procedures
- 7-Sacramento Ethics Commission Complaint Workflow

**Description/Analysis**

**Issue Detail:** The Sacramento City Council established the Sacramento Ethics Commission (Commission) to review and consider complaints against elected and appointed City officials and to ensure that those officials are conforming their conduct to the City's laws and policies. The Commission's organization, powers, and duties are set forth in chapter 2.112 of the Sacramento City Code.

Chapter 2.112 requires, among other things, that the Commission adopt (a) rules and procedures for the conduct of its business, (b) regulations and procedures for investigations and hearings it conducts, and (c) a policy setting forth its standards for imposing penalties and exercising enforcement discretion.

To implement these requirements, the Commission adopted the Sacramento Ethics Commission Procedures (Procedures) on September 23, 2024, which are intended to establish fair and transparent standards for investigating and determining matters before the Commission, thereby ensuring the fair, just, and timely resolution of complaints presented to the Commission with the end of promoting fairness, openness, honesty, and integrity in City government and City elections.

On March 19, 2026, a complaint against Mayor Kevin McCarty was received by the City Clerk. Pursuant to Section 5 of Procedures, the complaint was referred to the Independent Evaluator (Evaluator) on March 27, 2026, to conduct a Preliminary Evaluation of the allegations, pursuant to Section 5(B) of Procedures. Based on the Preliminary Evaluation, the Evaluator determined that sufficient cause exists to warrant a full investigation of the complaint.

The City Clerk received the Evaluator's Report on May 29, 2026. The Sacramento Ethics Commission initially heard the item on June 22, 2026, and continued the item to the next regularly scheduled commission date so that the item can be properly noticed as a hearing.

Pursuant to Section 5.4 of Procedures, the City Clerk set a hearing for the earliest practical date of August 24, 2026, for the Commission to take one or more actions under Section 5.5 of Procedures upon consideration of the Evaluator's Report.

**Policy Considerations:** Not applicable.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Sacramento City Code Section 2.112 and Section 5 of the Sacramento Ethics Commission Procedures.

**Financial Considerations:** The cost to the City for the Independent Evaluator to conduct and present the investigation into this complaint is estimated at \$23,000.

**Local Business Enterprise (LBE):** Not applicable.

**TO:** City of Sacramento Ethics Commission

**FROM:** Hanson Bridgett LLP

**DATE:** May 29, 2026

**RE:** **Complaint Before the City of Sacramento Ethics Commission**  
**Respondent:** Mayor Kevin McCarty, McCarty for Mayor 2024  
**Nature of Complaint:** Alleged Violation of the Levine Act and of the Municipal Code's Campaign Contribution Limits  
**Complaint Filed:** March 19, 2026  
**Complainant:** Karla Black

## **I. EXECUTIVE SUMMARY**

Karla Black filed a complaint on March 19, 2026. (Complaint, Exhibit A.) As we understand the Complaint, it includes two distinct allegations regarding the Respondent, Mayor Kevin McCarty<sup>1</sup>:

- First, that Mayor McCarty violated California Government Code section 84308 (Levine Act) by participating in a March 25, 2025 City Council decision to extend the operational deadline for Cannabis Opportunity Reinvestment and Equity (CORE) permits when he had received campaign contributions from involved parties exceeding \$500 within 12 months of that March 25, 2025 Council decision; and
- Second, that the McCarty for Mayor 2024 campaign accepted contributions from Nasser Azimi, Teranomic Software, and Ohana Gardens, which contributions were required to be aggregated under the Sacramento Municipal Code (Municipal Code) and, when aggregated, exceeded the contribution limit in Municipal Code Section 2.13.050.

We first conducted a preliminary evaluation of the complaint, as required by the Commission's rules. We determined that if true, the facts in the Complaint could give rise to a violation of the Ethics Laws within the Commission's jurisdiction. Accordingly, we proceeded to conduct an investigation. Our investigation reached the following conclusions regarding the Complaint's two allegations:

- There is no evidence supporting the allegation that entities subject to the March 25, 2025 Council decision made any contributions to the Mayor's campaign within 12 months of the March 25, 2025 decision. Accordingly, we do not find that Mayor McCarty violated the Levine Act—incorporated into the Municipal Code and part of the Ethics Laws within the Commission's jurisdiction.

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<sup>1</sup> The Complaint also suggests that the Commission investigate "whether the relationship between contributors and affected entities created an appearance of impropriety," and "whether any additional ethics violations occurred..." We consider these allegations to be vague and speculative and do not address them in this Report.

- Perhaps unique to the City, the Municipal Code includes two provisions that together lead to the conclusion that no violation of the Ethics Laws within the Commission's jurisdiction occurred concerning the campaign contribution limitation. First, the Municipal Code explicitly states that a candidate is ordinarily not responsible for any violation of the contribution aggregation rule. Second, the contributors, who might be responsible for a Municipal Code violation if their contributions were required to be aggregated, are not subject to the Elections Commission's jurisdiction.

Accordingly, this Report concludes that sufficient evidence does not exist to establish that a violation of the Ethics Laws has occurred.

## II. ANALYSIS

### A. Preliminary Evaluation of the Complaint

Mayor McCarty was notified of the allegations and presented with a complete copy of the Complaint and the Commission's Procedures on March 30, 2026. (See Exhibit B.) Our first step in the process under the Commission's Procedures is to conduct a preliminary evaluation to determine whether a complaint warrants an investigation. (Sacramento Ethics Commission Procedures Section 5.2(B); stating that "[t]he Evaluator shall complete a preliminary evaluation to determine whether sufficient cause exists to conduct a full investigation.") Sufficient cause exists if the Complaint alleges facts which, if proved, would violate a provision of the Ethics Law within the Commission's jurisdiction. (Id.) In making the preliminary evaluation, the Evaluator must only consider the Complaint not any extrinsic evidence. (Id.)

Our preliminary evaluation considered the following:

- The Complaint identifies a specific governmental decision, the March 25, 2025 City Council approval of CORE permits and alleges that Mayor McCarty participated in that decision.
- The Complaint alleges that Mayor McCarty accepted campaign contributions from individuals and/or entities that were CORE permittees that directly benefitted from the March 25, 2025 City Council decision.
- The Complaint alleges that Mayor McCarty's 2024 mayoral campaign accepted campaign contributions from Nasser Azimi, entities that are either controlled by Mr. Azimi or share common ownership or control, and that those contributions should have been aggregated under the Municipal Code's aggregation requirements, resulting in contributions over the Municipal Code's limit of \$4,350 per election.

We determined that the Complaint's allegations implicated provisions of the Ethics Laws within the Commission's jurisdiction. Our preliminary evaluation then concluded the following:

- First, Municipal Code Section 2.13.180 incorporates by reference the Political Reform Act, including those provisions known as the Levine Act. If the

Complaint's alleged facts are proven, then Mayor McCarty allegedly participated in the March 25, 2025 Council decision in violation of the Municipal Code.

- Second, Municipal Code Section 2.13.050 establishes a limit of campaign contributions for the office of mayor of \$4,350 per election. Section 2.13.060 explains the circumstances under which contributions from multiple persons and/or entities should be aggregated for purposes of the contribution limitations set forth in Section 2.13.050. If the Complaint's facts are proven, then Mayor McCarty conceivably violated the Municipal Code Section 2.13.050 if he knowingly accepted campaign contributions above the contribution limit.

Based on the above, our preliminary evaluation concluded that the Complaint met the Commission's sufficiency standard—it alleges that Mayor McCarty accepted campaign contributions and participated in a governmental decision in violation of the Levine Act and accepted campaign contributions that, when aggregated, were above the contribution limit. Accordingly, we commenced an investigation.

B. Conduct of the Investigation

In conducting our investigation, we interviewed Mayor McCarty, his 2024 mayoral campaign manager Amber Wannell, and 2024 and 2028 mayoral campaign treasurer Deane and Company. Deane and Company provided us with documentation of relevant campaign contributions. We reviewed the Mayor's 2024 and 2028 mayoral campaign contribution filings, CORE retail storefront cannabis dispensary permittees. We conducted independent analysis of the Municipal Code, publicly available corporation information from the California Secretary of State and California Department of Cannabis Control, as well as FPPC regulations and guidance materials. We also surveyed other jurisdictions in California to see if there are similar campaign finance regulations as those implicated by the Complaint. Finally, we conducted independent legal research into some of the issues underlying the Complaint.

C. Results of the Investigation

1. Facts of the Investigation.

Our Report analyzes the two central allegations separately. The first part of the investigation examined the governmental decision cited in the Complaint that occurred on March 25, 2025 and campaign contributions received by Respondent's 2024 and 2028 mayoral campaigns.<sup>2</sup> The investigation revealed the following facts which are not in dispute.

- In 2021, the City completed a Request for Qualification process that identified 10 CORE retail storefront dispensary permit awardees. The 10 awarded applicants for a CORE storefront cannabis dispensary permits were: Maisha Bahati, Brandon Bolton, Mindy

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<sup>2</sup> Given the immense volume of records, we have only attached the records we deemed most relevant to the investigation. The entirety of Respondent's campaign disclosure records may be accessed here: <https://netfile.com/public/SAC/campaign/filingsByCandidate/6814658-McCarty,%20Kevin>.

Galloway, Jarett Hill, Robert Jackson, Daniel Kang, La Krisha King, Mark Mabutas, Malaki Seku Amen, and Michael Snell (collectively the CORE Permittees).<sup>3</sup>

- On March 25, 2025, the City Council considered and approved Resolution No. 2025-0067, which extended the expiration date by one year for the CORE storefront dispensary permit opportunities that were set to expire on April 1, 2025, with a new expiration date of April 1, 2026; modified the opportunity to apply for and operate a cannabis storefront for any new CORE application from 3 to 5 years; and directed staff to bring forward an Ordinance to add three additional CORE storefront dispensary permits providing the next three top-scoring participants on the CORE RFQ list the opportunity to apply for a permit. (Exhibit C.)
- Mayor McCarty participated in the March 25, 2025 CORE permit discussion and voted to approve Resolution No. 2025-0067.
- Mayor McCarty's 2024 campaign contribution filings for the 12-month period preceding the March 25, 2025 governmental decision did not contain a contribution from any of the CORE Permittees, including the CORE retail storefront cannabis dispensary permits that were extended by Resolution No. 2025-0067.
- Mayor McCarty's 2028 mayoral campaign contribution filings for the period January 1, 2025 to December 31, 2025 did not contain a contribution from any of the CORE Permittees.

In the second part of the investigation, we examined campaign contributions to the Mayor's 2024 mayoral campaign and 2028 mayoral campaign. Our investigation revealed the following facts which are not in dispute.

- The Complaint lists several entities which the Complainant alleged were associated with Nasser Azimi, specifically naming Teranomic Software, Inc., Teranomic Software 4, Canntinas, Ohana Cannabis, Ohana Gardens, and East Bay Therapeutics. Of the identified entities, only Nasser Azimi and Ohana Gardens made contributions to Mayor McCarty's 2024 mayoral campaign. Teranomic Software made a contribution to the Kevin McCarty for Assembly 2024 campaign and that contribution was transferred to Mayor McCarty's 2024 mayoral campaign. An entity named Teranomic from Emeryville California made a contribution to Mayor McCarty's 2028 mayoral campaign. (Exhibit A.)
- On June 20, 2023, Nasser Azimi contributed \$4,050 to Mayor McCarty's 2024 mayoral campaign, which was designated as a "primary election" contribution. On the reported California Form 460, Schedule A, Mr. Azimi's occupation and employer is listed as "Senior Partner, Teranomic." (Exhibit D.)

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<sup>3</sup> <https://sacramentocityexpress.com/2021/04/01/the-city-announces-the-top-10-scoring-applicants-for-new-storefront-cannabis-dispensary-permits/>

- On December 11, 2023, Mayor McCarty's 2024 mayoral campaign transferred a \$2,500 campaign contribution from Teranomic Software from the Kevin McCarty for Assembly 2024 campaign account, number 1457672, which was accounted for as a "primary election" contribution. (Exhibit D.)
- On December 11, 2023, Mayor McCarty's 2024 mayoral campaign transferred a \$1,000 campaign contribution from Teranomic Software from the Kevin McCarty for Assembly 2024 campaign account, number 1457672, which was accounted for as a "primary election" contribution. (Exhibit D.)
- On February 15, 2024, Ohana Gardens contributed \$2,500 to Mayor McCarty's 2024 mayoral campaign, which was designated as a "primary election" contribution. On the reported California Form 460, Schedule A, there is no responsible individual listed.<sup>4</sup> (Exhibit D.)
- On September 11, 2024, Ohana Gardens contributed \$2,000 to Mayor McCarty's 2024 mayoral campaign, which was designated as a "runoff election" contribution. On the reported California Form 460, Schedule A, there is no responsible individual listed. (Exhibit D.)
- On November 1, 2024, Nasser Azimi contributed \$4,050 to Mayor McCarty's 2024 mayoral campaign, which was designated as a "runoff election" contribution. On the submitted California Form 460, Schedule A, Respondent listed Mr. Azimi's occupation and employer as "Partner, Teranomic." (Exhibit D.)
- On June 25, 2025, Teranomic, from Emeryville, California, contributed \$2,000 to Mayor McCarty's 2028 mayoral campaign.
- The California Department of Cannabis Control lists Daryoush Azimi, Mariam Azimi, Nasser Azimi as the license holders for Ohana Gardens' commercial non-storefront retailer cannabis license from the state of California, license no. C9-0000104-LIC. These three individuals are also listed as the license holders for Ohana Gardens' commercial cannabis distributor license, license no. C11-0000409-LIC. (Exhibit E.)
- Mayor McCarty stated that he did not remember receiving a contribution from Nasser Azimi or Teranomic Software.
- Mayor McCarty did not recall receiving a campaign contribution check from Ohana Gardens and was otherwise unaware of how and when Ohana Gardens made their contribution to his 2024 mayoral campaign.

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<sup>4</sup> FPPC regulations require contributions from limited liability companies to list on the contribution the "responsible officer" who is the person with the primary responsibility for approving the political activity of the company. (2 CCR section 18402.2.) There is no FPPC regulation that requires corporations, like Ohana Gardens, to identify the corporation's responsible officer for campaign contributions.

- Mayor McCarty personally only accepted campaign contribution checks from close family members and friends, and these were very rare instances. Almost all of the campaign contributions for Mayor McCarty's 2024 mayoral campaign were collected either by his campaign manager Amber Wannell or his campaign treasurer Deane and Company. Mayor McCarty noted that his 2024 mayoral campaign received thousands of individual contributions and in his estimation 98%-99% of those contributions were received and handled by his campaign manager or through his campaign website, the payments from which were processed, managed, and reported by Deane and Company.
- Mayor McCarty had no personal knowledge of Nasser Azimi's ownership or controlling interests in Teranomic Software or Ohana Gardens and also had no knowledge whether contributions from Teranomic Software, Ohana Gardens, or any other entity should have been aggregated with contributions from Nasser Azimi.
- Deane and Company stated that they were also unaware of whether Nasser Azimi had a controlling interest in Teranomic Software or Ohana Gardens. Deane and Company stated they collected and reported the required information under FPPC regulations and possessed no other information that would have led them to believe that contributions from Nasser Azimi should have been aggregated with Teranomic Software, Ohana Gardens, or any other entity that made contributions to Mayor McCarty's 2024 mayoral campaign.
- Amber Wannell confirmed that her company AMW Consulting or Deane and Company handled 98%-99% of the physical checks that were campaign contributions to Mayor McCarty's 2024 mayoral campaign. Ms. Wannell also stated that she had no personal knowledge that contributions from Teranomic Software or Ohana Gardens should have been aggregated with contributions from Nasser Azimi or any other contributor to Mayor McCarty's 2024 mayoral campaign.

## 2. Analysis

We analyze separately the Complaint's two distinct allegations:

### A. The Levine Act.

The Complaint alleges that Mayor McCarty violated Municipal Code Section 2.13.180, which incorporates by reference the Levine Act, by participating in the March 25, 2025 government decision that considered and approved Resolution No. 2025-0067. As noted above, Resolution No. 2025-0067 approved extending the three CORE storefront dispensary permits originally awarded by the City Council in 2021.

The Levine Act is aimed at preventing "pay-to-play" campaign contribution actions by California public officials. The Levine Act prohibits a public official from participating in a governmental decision involving a license, permit, or other entitlement for use if the public official received a campaign contribution of more than \$500 from any party or participant that is the subject of license, permit or other entitlement for use while a proceeding is pending and for 12 months after the date of a governmental decision. (Gov't Code § 84308(b)(1).) Further, a

public official must disclose any contributions of more than \$500 made within the previous 12 months from a party to the proceeding. (Gov't Code § 84308(c)(1).)

We examined Mayor McCarty's mayoral campaign contribution fillings and found that none of the 10 CORE Permittees for retail storefront cannabis dispensary permits made a campaign contribution to Mayor McCarty's 2024 and 2028 mayoral campaigns—either before or after the March 2025 decision regarding extending the CORE permits.<sup>5</sup> Because Mayor McCarty's 2024 and 2028 mayoral campaigns did not receive any campaign contributions from the CORE Permittees, Mayor McCarty's participation in the March 2025 governmental decision regarding Resolution 2025-0067 was not prohibited by the Levine Act and did not otherwise violate Municipal Code Section 2.13.180.

#### B. Aggregation Rules and the Contribution Limitation

The Complaint alleges that Mayor McCarty accepted campaign contributions in excess of the contribution limit established in Municipal Code Section 2.13.050. The Complaint alleges that contributions exceeded the limit because multiple contributions, each below the limit, should have been aggregated under Municipal Code Section 2.13.060, resulting in contribution(s) over the contribution limit.

Municipal Code Section 2.13.050 states that “No person shall make, and no candidate for the office of mayor...shall accept into the candidate's campaign contribution account, any contribution that would cause the total amount contributed by that person to the candidate...to exceed \$4,350 in any of the following periods: a primary election period; a general election period; or a special election period.”<sup>6</sup> The contribution limit applies separately to each period, meaning a contributor may permissibly contribute the maximum amount to a candidate in a primary election, then again to the same candidate in the general election.

The Municipal Code requires aggregation of campaign contributions from: (i) an individual and a general partnership in which the individual is a general partner; or (ii) an individual and any corporation in which that individual also has a controlling interest, meaning 50% or more of the voting power of the corporation. (Section 2.13.060(B)(2).) Similarly, contributions from “related entities”—defined in the Code—must also be aggregated. (Section 2.13.060(B)(1).) Aggregated contributions are subject to the contribution limitations set forth in Municipal Code Section 2.13.050. The Municipal Code's aggregation requirements also apply to transfers of campaign contributions made to a candidate for a Sacramento elective office that were received for a different campaign. (Section 2.13.070(B).)

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<sup>5</sup> Mayor McCarty's 2028 mayoral campaign is not required to file its report of contributions received for the first six months of 2026 until July 31, 2026.

<sup>6</sup> Because Sacramento has adopted its own campaign contributions and aggregation requirements, the statewide campaign contribution requirements enacted by AB 571 (Mullin, 2019) do not apply to Sacramento candidates for office. (Stats. 2019, Ch. 556, Sec. 1, AB 571 Mullin.)

Municipal Code Section 2.13.060(C) includes a provision that we think is unique to the City; we are unaware of a similar provision in any other jurisdiction, State or local that possess an ethics commission or similar type of oversight body.<sup>7</sup> Section 2.13.060(C) states that “a candidate shall not be deemed to be in violation of this section if he or she accepts a contribution from a person or persons that exceeds the contribution limits set forth in Section 2.13.050 because of the aggregation of contributions pursuant to subsections A and B of this section. It is the intent of this section to make contributors, and not candidates, liable for violations of this section occurring as a result of the applicability of the aggregation rules [,] except where there is sufficient proof that the candidate had knowledge that the contributions must be aggregated.” (emphasis added.)

Our investigation revealed that on June 20, 2023, Nasser Azimi made a \$4,050 contribution to Mayor McCarty’s 2024 mayoral campaign for the 2024 primary election. Mr. Azimi listed his occupation on the contribution as “Senior Partner, Teranomic.” (Exhibit D.) This contribution is within the maximum amount permitted under Municipal Code Section 2.13.050(B). The attribution of “Senior Partner” does not on its face implicate the Municipal Code aggregation rules.

On December 11, 2023, Mayor McCarty’s 2024 assembly campaign transferred a \$2,500 and \$1,000 contribution from “Teranomic Software” to Mayor McCarty’s 2024 mayoral campaign for the 2024 primary election. Subsequently on February 15, 2024, Ohana Gardens contributed \$2,500 to Mayor McCarty’s 2024 mayoral campaign for the 2024 primary election. Under the Municipal Code, the determination of whether the June 20, 2023 contribution from Mr. Azimi was required to be aggregated with the December 11, 2023 transfer contribution from Teranomic Software and/or the February 15, 2024 Ohana Gardens contribution, turns on whether the entities are partnerships or corporations, and on whether Mr. Azimi is a general partner or possessed a “controlling interest” in Teranomic Software and/or Ohana Gardens.

We were unable to determine from publicly available documents whether Nasser Azimi possessed a controlling interest in Teranomic Software or Ohana Gardens. However, we determined that this issue was moot and did not conduct further investigation. Municipal Code Section 2.112.030(B) vests the Commission with authority only over city elected officials, candidates for city elected office, independent expenditure committees, members of boards and commissions, the city manager, the city clerk, the city attorney, the city treasurer, the city auditor, the director of the office of public safety accountability, and lobbyists as defined Municipal Code Chapter 2.15. The Commission therefore has no jurisdictional authority over any of the campaign contributors mentioned in this Report.

As the Commission lacks jurisdictional authority over the contributing entities, we did not investigate whether the contributions from Ohana Gardens, Teranomic Software, Teranomic and/or Nasser Azimi met the Municipal Code standards for aggregation. (See Commission procedures Section 5.1B directing that a complaint should be dismissed for lack of jurisdiction if the respondent is not a person listed in City Code section 2.112.030.B.).<sup>8</sup> Rather, our

<sup>7</sup> We identified that the City of Monterey contains aggregation rules similar to the City’s, but Monterey does not have an ethics commission empowered to enforce its contribution rules.

<sup>8</sup> While outside the scope of the Commission’s authority, we attempted to discern through publicly available information, whether Municipal Code Section 2.13.060 would have required aggregating contributions from Teranomic Software and/or Ohana Gardens with contributions from Nasser Azimi.

investigation focused on Mayor McCarty. If the conditions for aggregation exist, then the only question under the Municipal Code is whether Mayor McCarty had knowledge that those contributions were required to be aggregated.

Mayor McCarty told us that he has not had a previous personal relationship with Nasser Azimi and had no knowledge whether Nasser Azimi was an owner or possessed a controlling interest in Teranomic, Teranomic Software or Ohana Gardens. We found the Mayor McCarty to be credible. Mayor McCarty told us he did not personally receive a contribution from Nasser Azimi; the Mayor's 2024 mayoral campaign treasurer Deane and Company confirmed the Mayor McCarty's statement, verifying that Nasser Azimi's contributions to Mayor McCarty were both online transactions that were processed by third-party service utilized by Deane and Company. We find persuasive the Mayor McCarty's statement that he rarely received a physical check campaign contribution and that a physical check was only received by him from a close family member or friend. He noted that 98%-99% of his 2024 mayoral campaign contributions were handled and processed by either his campaign manager or Deane and Company. Mayor McCarty also noted that he did not directly handle or process transfers from his campaign accounts. Mayor McCarty's statements were corroborated in interviews with Deane and Company and Amber Wannell.

Mayor McCarty's 2024 mayoral campaign contribution records are several thousand pages long, and contain contribution records from over 3,000 individuals and entities. We reviewed all these records and found no evidence causing us to question Mayor McCarty's statements regarding the processes used to receive, deposit, and report contributions to his 2024 mayoral campaign. We additionally found no reason to doubt Mayor McCarty's statement that he did not know in 2023 or 2024, when he accepted campaign contributions, whether Nasser Azimi possessed a controlling interest in Teranomic Software, Ohana Gardens or any other entity. We note that contributions from Teranomic Software for the Mayor's 2024 mayoral campaign were transfers from Mayor McCarty's 2024 state Assembly campaign account, which further substantiates the Mayor's statement that he was unaware of whether contributions from Teranomic Software to his 2024 mayoral campaign were required to be aggregated with contributions from Nasser Azimi. In sum, we believe the Mayor's statement that he had no knowledge of whether contributions from any entities discussed in this Report were required to be aggregated with each other, or with contributions from Nasser Azimi.

Municipal Code Section 2.13.060 requires "sufficient evidence" that Mayor McCarty had knowledge that contributions from Ohana Gardens, Teranomic Software and/or Nasser Azimi made in 2023 and 2024 were required to be aggregated for purposes of the contribution limitation. Our investigation did not reveal any evidence that would support or meet this requirement.

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Both companies list multiple directors and we did not find any publicly available information that would allow us to conclude whether Nasser Azimi has a controlling interest in either Teranomic Software or Ohana Gardens.

### III. CONCLUSION AND RECOMMENDATION

Our investigation of the Complaint does not lead to the conclusion that Mayor McCarty has violated any Ethics Law, in particular Municipal Code Sections 2.13.060 and 2.13.180. The evidence contained in this report establishes that Mayor McCarty did not violate the Levine Act because he did not receive any campaign contributions from the CORE retail storefront dispensary permittees. The evidence also establishes that Mayor McCarty did not possess the required knowledge that contributions from Teranomic Software, Ohana Gardens, or any other entity that contributed to his 2024 mayoral campaign should have been aggregated with each other or with Nasser Azimi.

Accordingly, we recommend that the Commission:

- a. Find that sufficient evidence does not exist to establish that a violation of the Ethics Law has occurred; and
- b. Dismiss the Complaint and close the file for this matter.

Respectfully submitted,



Trevor T. Taniguchi and Steven Miller

**Exhibits A-E to the Report on the K. Black Complaint re Mayor Kevin McCarty**

# **EXHIBIT A**

**From:** [Forms](#)  
**To:** [Dar Ocarol](#); [Mindy Cuppy](#); [clerk](#); [Government Ethics and Compliance](#); [Wendy Klock-Johnson](#)  
**Subject:** Sacramento Ethics Commission Complaint Form  
**Date:** Thursday, March 19, 2026 8:39:13 PM

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Intellistack Logo



## Formstack Submission For: **Sacramento Ethics Commission Complaint Form**

Submitted at 03/19/26 11:39 PM

**Your Name:** Karla Black

**Email:**

**Phone:**

**Complaint Type (check the appropriate box below to indicate which set of laws you believe were violated by the Respondents) :**

City Code Chapter 1.20 ("Code of Fair Campaign Practices")  
City Code Chapter 2.13 ("Campaign Contribution Limitations") and Chapter 2.14 ("Campaign Spending Limits and Public Campaign Financing")  
City Code Chapter 2.16 ("Conflict of Interest") City Code Chapter 4.02 ("Code of Ethics")

**Respondent Information:**  
Who is the person(s) against whom you are filing a complaint?  
Please provide name(s) and contact information, if known.:

Mayor McCarty

**Date of Alleged Violation: (or date you became aware of allegation/s):**

Mar 25, 2026 02:00 PM

**Alleged Conflict of Interest and Participation in Government Decisions Affecting Financial Contributors**

This complaint alleges that a Sacramento public official participated in governmental decisions that had a reasonably foreseeable financial impact on entities and individuals who made campaign contributions to that official. This conduct raises serious concerns regarding impartial decision-making and potential violations of the City of Sacramento Code of Ethics.

Public records, including campaign disclosures (Form 460 filings), indicate that contributions were made by individuals and/or entities connected to cannabis-related businesses operating within the City of Sacramento.

Certain contributing entities appear to share common ownership, control, or affiliation, suggesting a coordinated financial relationship. On or about March 25, 2025, the Sacramento City Council approved a resolution extending the operational deadline for CORE (Cannabis Opportunity Reinvestment and Equity) permits from April 1, 2025 to April 1, 2026. This decision had the effect of preserving the economic viability and value of cannabis permits held by businesses, including those potentially connected to contributors.

The CORE permit extension directly impacted the financial interests of cannabis-related businesses by allowing them additional time to operate, maintain licensing eligibility, and avoid expiration of permits. This extension preserved significant economic value for those businesses.

The public official participated in a governmental decision that had a reasonably foreseeable financial impact on entities or individuals with whom they had a financial relationship through campaign contributions. This creates the appearance, if not the reality, of a conflict of interest and undermines public trust in impartial governance, in violation of the Sacramento City Code of Ethics.

The Mayor of Sacramento received campaign

**Description of the Complaint:**  
**Describe the facts constituting the alleged violation(s). Be as specific as possible and include exact or approximate dates.:**

contributions from both an individual donor connected to a cannabis related businesses and a corporate entity that is controlled by the same individual. That individual donor controls the corporate entity. Because the City of Sacramento regulates cannabis licensing, zoning, and retail permitting, campaign contributions from individuals or entities connected to cannabis businesses may raise transparency and conflict-of-interest concerns that warrant review. Based on publicly available California Form 460 campaign disclosure filings, the Spending Limits and Public Campaign following contributions appear in the Mayor's campaign committee reports.

3 Individual Contribution:

Nasser Azimi Orangevale, California Occupation listed:

Partner - Teranomic Contribution Date: November 1, 2024 Amount: \$4,050

Business Entity Contribution Teranomic

(Teranomic Software, Inc.) Emeryville, California

Contribution Date: June 25, 2025 Amount: \$2,000

These contributions appear in campaign filings associated with the Mayor's committees. Teranomic Software is controlled by the same individual donor. Corporate relationships and associated entities from public information indicates potential connections between the above-listed donor and several cannabis-related businesses and entities including:

- Teranomic Software 4
- Canntinas
- Ohana Cannabis
- Ohana Gardens
- East Bay Therapeutics

These entities share common ownership or control.

Relevant Governmental Decision On March 25, 2025, the Sacramento City Council adopted Resolution No. 2025-0067, which extended the operational deadline for certain CORE (Cannabis Opportunity Reinvestment and Equity) dispensary permits from April 1, 2025 to April 1, 2026. This council action effectively allowed certain cannabis retail permits to remain viable and maintain their economic value rather than expiring. Information available indicates that this extension may have allowed a cannabis retail business commonly known as the Oak Park dispensary located at 3856 Stockton Boulevard to proceed toward opening. This extension vote has had economic implications for

entities connected to cannabis licensing or investment in Sacramento.

Respectfully I request that the Sacramento Ethics Commission review and determine:

Whether Teranomic Software, Inc. is controlled by Nasser Azimi for purposes of campaign contributions.

Whether contributions from Teranomic Software, Inc. and Nasser Azimi should be aggregated under applicable campaign finance rules.

Whether any contributors connected to these entities have financial interests in cannabis businesses operating or seeking permits within the City of Sacramento.

Whether the Mayor participated in governmental decisions affecting cannabis licensing, including the March 25, 2025 CORE permit extension, that could affect contributors associated with the regulated industry.

Whether campaign disclosures accurately reflect the true source of contributions as required under campaign finance law.

Additionally, I respectfully request that the Sacramento Ethics Commission review these matters and determine whether further investigation or enforcement action is warranted and investigate the following:

- Whether the official had a disqualifying financial interest in the decision
- Whether the official should have recused themselves from participation
- Whether the relationship between contributors and affected entities created an appearance of impropriety
- Whether any additional ethics violations occurred under Sacramento City Code. Additionally, I request that the Commission determine whether enforcement action or further review is warranted

**Witness Information:**  
Provide the name(s) and contact information for any potential witnesses, if known.:

n/a

**Documentation.**

**Please attach copies of any documents in your possession that relate to the allegations stated in this complaint. In addition, state below whether or there are other records not in your possession that you believe, may assist the commission in its evaluation of your complaint.:**

[View File](#)

**Additional Information. Provide any additional information that you believe may assist in the Ethics Commission in its evaluation of this complaint.:**

n/a

**Related Complaints: Have you made the same or similar allegations to another agency? If so, identify the agency or court and attach a copy of any complaint or other written description of the allegations submitted to**

Yes

that agency or  
court.:

**Date Executed:** Mar 19, 2026

**:** sacramento, CA

**Sign Name:** Karla Black

**Signature:** [View Signature](#)

**Email:**

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Intellistack, 50 South Steele Street, Suite 500, Denver, CO 80209

# **EXHIBIT B**

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**From:** Steven D. Miller <SMiller@hansonbridgett.com>  
**Sent:** Monday, March 30, 2026 2:12 PM  
**To:** Mayor Kevin McCarty  
**Cc:** Trevor T. Taniguchi  
**Subject:** Sacramento Ethics Commission  
**Attachments:** Ethics-Commission-Procedures\_FINAL\_02-22-21.pdf; 2026-005 Black Complaint.pdf

Dear Mayor McCarty,

As you know, we are the Evaluator/Investigator for the City of Sacramento Ethics Commission, engaged pursuant to Chapter 2.112 of the City's Municipal Code. If desired, Mindy Cuppy can verify our bona fides. We have been engaged to review, investigate, and advise regarding a Complaint filed against you by Karla Black. Pursuant to the Ethics Commission's procedures, we write to provide you a copy of the Complaint, as well as a copy of the Ethics Commission's Procedures. Pursuant to those procedures, we are conducting a preliminary evaluation of the Complaint. We realize that this is not the first complaint lodged against you by this Complainant and we will consider that fact in light of the Ethics Commission's Procedures as we conduct our preliminary evaluation.

No action from you is required at this time. We will be contacting you again in the coming weeks to let you know of next steps and to schedule an interview, if deemed necessary. Of course, we are happy to talk to you and/or your representative at any time, so feel free to reach out in the meantime.

We would appreciate confirmation that you have received this email. Thanks.

Steven Miller

**Steven D. Miller**  
**Partner**



**Hanson Bridgett LLP**  
SMiller@hansonbridgett.com  
Direct: (415) 995-5831 [REDACTED]  
Website | LinkedIn

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# Sacramento Ethics Commission

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## Procedures

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*Effective February 22, 2021*



The Sacramento City Council established the Sacramento Ethics Commission to review and consider complaints against elected and appointed City officials and to ensure that those officials are conforming their conduct to the City's laws and policies. The Commission's organization, powers, and duties are set forth in chapter 2.112 of the Sacramento City Code. Chapter 2.112 requires, among other things, that the Commission adopt (a) rules and procedures for the conduct of its business, (b) regulations and procedures for investigations and hearings it conducts, and (c) a policy setting forth its standards for imposing penalties and exercising enforcement discretion. To implement these requirements, the Commission has adopted the procedures set out below (collectively, these "**Procedures**"), which are intended to establish fair and transparent standards for investigating and determining matters before the Commission, thereby ensuring the fair, just, and timely resolution of complaints presented to the Commission with the end of promoting fairness, openness, honesty, and integrity in City government and City elections.

## **I. Definitions.**

"Brown Act" means the Ralph M. Brown Act, codified as California Government Code section 54950 et seq.

"City" means the City of Sacramento.

"City Attorney" means the Sacramento City Attorney and the City Attorney's designee.

"City Charter" means the City of Sacramento Charter.

"City Clerk" means the Sacramento City Clerk and the City Clerk's designee.

"City Code" means the Sacramento City Code.

"City Staff" means the City officers and employees who support the Commission, including the City Clerk and the City Attorney and their respective assistants and deputies.

"Commission" means the Sacramento Ethics Commission.

"Commissioner" means a member of the Commission.

"Complainant" means a person who files a complaint with the Commission in accordance with these Procedures.

"Confidential Materials" means (a) information and documents that federal or state law prohibits the Commission or the City from disclosing to the public and (b) each complaint that is filed in accordance with these Procedures plus all related investigatory materials until the complaint is disposed of in accordance with these Procedures. "Confidential Materials" does not include information and documents generally available to the public or, except as provided by section 4.1 below, previously disclosed to members of the public.

"Day" means calendar day unless otherwise stated.

“Ethics Law” means those provisions of the City Charter, the City Code, or the Council Rules of Procedure listed in City Code section 2.112.030.A.

“Evaluator’s Report” means the report described in section 5(B) below.

“FPPC” means the California Fair Political Practices Commission.

“Hearing” means a hearing before the Commission, conducted in accordance with these Procedures, to consider a complaint filed with the Commission.

“Include” and its variants are terms of enlargement rather than of limitation. For example, “includes” means “includes but not limited to,” and “including” means “including but not limited to.”

“Respondent” means a person alleged in a complaint to have violated the Ethics Law.

“Sunshine Ordinance” means the Sacramento Sunshine Ordinance, codified as City Code chapter 4.04.

**2. Commission Structure and Support.** The Commission’s structure is set forth in City Code chapter 2.112, as supplemented by the following:

2.1. *Chairperson and Vice Chairperson.* The Commission annually elects a Chairperson and a Vice Chairperson. (City Code § 2.112.070.)

(A) The Chairperson (1) presides over all Commission meetings; (2) forms committees and appoints Commissioners to committees as appropriate; (3) may consult with the City Clerk and the City Attorney regarding the Commission’s business; (4) may consult with the City Attorney and the Evaluator on procedural matters but shall not otherwise discuss active complaints with either of them; and (5) is the Commission’s spokesperson for communicating with the City Council, the public, and the media.

(B) The Vice Chairperson performs the Chairperson’s duties when the Chairperson is unable to do so or is absent.

2.2. *The City Attorney’s Role.* The City Attorney advises the Commission on legal matters such as interpretation of the Ethics Law or of relevant state or federal law. The City Attorney does not participate in investigations, but the Chairperson, the City Clerk, and the Evaluator may consult with the City Attorney about procedure or about the interpretation of the Ethics Law or other relevant state or federal law so long as they do not seek advice about how the law applies to the facts that are the subject of a pending complaint.

- 2.3. *The City Clerk's Role.* The City Clerk supports the Commission's work and is responsible for, among other things, establishing and accomplishing the Commission's priorities in consultation with the Chairperson and consistent with policy direction by the Commission, scheduling meetings and Hearings and providing notice of meetings and Hearings as required by law, and keeping records of meetings and Hearings (e.g., video recordings, written minutes). The City Clerk may make procedural determinations including scheduling of Hearings, extensions of time, and presentation of witnesses.
- 2.4. *The Independent Evaluator's Role.* The Independent Evaluator is the neutral and independent party retained by the City on the Commission's behalf to review and investigate complaints and to give recommendations to the Commission regarding them.
- 2.5. *Media inquiries.* Except for routine administrative matters within their individual areas of responsibility, the City Clerk, City Attorney, and the Evaluator shall refer all media inquiries to the Chairperson or, if the Chairperson is unavailable, to the Vice Chairperson.

### **3. Commission Meetings.**

- 3.1. *Time and Place.* The Commission shall establish a regular-meeting schedule for itself, with at least two regular meetings each year; the Commission may also call and hold special meetings in accordance with the Brown Act. (City Code § 2.112.080.) The City Clerk shall post the regular-meeting schedule on the Commission's website and provide notice of each regular meeting as required by the Brown Act and the Sunshine Ordinance. Regular meetings will be held at Sacramento City Hall, 915 I Street, Sacramento, California.
- 3.2. *Parliamentary Procedures.* The Commission shall conduct its business in compliance with the Brown Act and the Sunshine Ordinance and, to the extent practicable, shall conduct its meetings in accordance with *Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century*. Hearings must be conducted in accordance with these Procedures.

### **4. Confidentiality.**

- 4.1. Confidential Materials must not be disclosed to any person, except that the Evaluator and City Staff may disclose Confidential Materials to the extent needed for the investigation of a pending complaint so long as disclosure does not violate federal or state law.
- 4.2. At least 10 days before any Hearing to consider the Evaluator's Report, the complaint and the Evaluator's Report must be made publicly available as required by the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.

- 4.3. The City Clerk, the Evaluator, the Commissioners, and City Staff shall not make public statements about pending complaints before the Hearing, except as follows: if a pending complaint or information concerning a pending complaint is released to the public before the Hearing, the City Clerk may acknowledge receipt of the complaint and issue a statement that (A) the complaint represents unsubstantiated allegations pending the results of an investigation and Hearing and (B) might or might not fall within the Commission's jurisdiction.
- 4.4. Confidential Materials must not be used, directly or indirectly, for any purpose other than the Commission's official business, and the Commissioners shall take reasonable steps to protect and safeguard Confidential Materials.
- (A) Upon discovering an unauthorized disclosure or misuse (potential or actual) of Confidential Materials, the Evaluator, a Commissioner, or a member of City Staff shall immediately notify the City Clerk.
  - (B) Upon receiving a request, subpoena, or court order for disclosure of Confidential Materials, the Evaluator, a Commissioner, or a member of City Staff shall notify the City Clerk before disclosing the Confidential Materials.
- 4.4. A Commissioner remains bound by this section 4 after leaving office.

## **5. Complaints.**

### **5.1. *Complaint Intake.***

- (A) Any person may file a complaint alleging violations of the Ethics Law.
  - (1) A complaint should be on the form prepared by the City Clerk, which is available on the City Clerk's website, although the City Clerk shall accept a complaint that is not filed on the form if the complaint includes the same information required by the form.
  - (2) A complaint must provide as much detail as possible, including, if known, each provision of the Ethics Law alleged to have been violated, the facts constituting each alleged violation, the name and address of each respondent, and the name and address of each potential witness.
  - (3) A complaint must also identify the complainant unless the complaint alleges misconduct by the complainant's supervisor or employer.

(4) A complaint must be filed with the City Clerk as follows:

|                      |                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------|
| <i>By U.S. Mail:</i> | Sacramento City Clerk<br>915 I Street<br>New City Hall, Fifth Floor<br>Sacramento, California 95814 |
|----------------------|-----------------------------------------------------------------------------------------------------|

|                                                        |                                                                                               |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <i>By personal delivery<br/>during business hours:</i> | Sacramento City Clerk<br>915 I Street<br>New City Hall, Fifth Floor<br>Sacramento, California |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|

|                   |                                                                              |
|-------------------|------------------------------------------------------------------------------|
| <i>By E-Mail:</i> | <a href="mailto:ethics@cityofsacramento.org">ethics@cityofsacramento.org</a> |
|-------------------|------------------------------------------------------------------------------|

(5) The City Clerk shall maintain a complaint log and shall enter in the log the date and time each complaint is filed.

(B) Within 14 days after a complaint is filed, the City Clerk shall complete an initial review of the complaint; and, based on the initial review, do one of the following:

- (1) Refer the complaint to the Evaluator for a preliminary evaluation in accordance section 5.2 and notify the Commission of the referral.
- (2) Refer the complaint to another City department or to the FPPC or another governmental agency with jurisdiction over the subject matter of the complaint if the City Clerk determines that the department, the FPPC, or the agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law and notify the complainant of the referral.
- (3) Dismiss the complaint for lack of jurisdiction and notify the complainant of the dismissal. A complaint is outside the Commission's jurisdiction if (a) it alleges violations that occurred more than three years before it was filed, or, for violations subject to a different limitations period, it was filed after the limitations period expired; (b) it alleges facts that are not subject to any provision of the Ethics Law; (c) the respondent is not a person listed in City Code section 2.112.030.B; or (d) the respondent is a Commissioner.

(C) Upon complying with section 5.1(B), the City Clerk shall enter in the complaint log the action taken after the initial review. In addition, at the Commission's next regular meeting, the City Clerk shall notify the Commission of the action taken after the initial review but shall not identify the complainant and the respondent or respondents or indicate the substance of the complaint.

## 5.2. *The Evaluator's Preliminary Evaluation of a Complaint.*

- (A) Upon receiving a complaint from the City Clerk, the Evaluator shall promptly provide the respondent with a complete copy of the complaint and a copy of these Procedures.
- (B) Within 30 days after receiving the complaint, the Evaluator shall complete a preliminary evaluation to determine whether sufficient cause exists to conduct a full investigation. The Evaluator shall limit the preliminary evaluation to the allegations in the complaint and shall not consider extrinsic evidence. Sufficient cause does not exist, and the Evaluator shall not conduct a full investigation, if any of the following applies:
  - (1) The complaint does not allege specific facts demonstrating a potential violation.
  - (2) The facts alleged, if proven, would not violate any provision of the Ethics Law.
  - (3) Substantially similar allegations involving the same facts as those alleged in a previous complaint have already been addressed in a prior investigation or were otherwise decided on the merits by a court or by the FPPC or another governmental agency with jurisdiction.
- (C) If, based on the preliminary evaluation, the Evaluator determines that sufficient cause to warrant a full investigation of a complaint exists, then the Evaluator and the Commission shall proceed in accordance with sections 5.3 and 5.4. If, however, the Evaluator determines that sufficient cause does not exist, then the Evaluator and the Commission shall proceed as follows:
  - (1) The Evaluator shall prepare a no-cause report explaining why sufficient cause does not exist and recommending that the Commission not hear the matter. The no-cause report may also recommend that the Commission refer the complaint to the FPPC or to another governmental agency if the Evaluator determines that the FPPC or the agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law.
  - (2) The Evaluator shall file the no-cause report with the City Clerk within 45 days after the Evaluator receives the complaint. The City Clerk shall place the matter on the agenda of the Commission's next available regular meeting.
  - (3) The Commission may adopt the no-cause report and dismiss the complaint. Alternatively, if the Commission decides that, contrary to the no-cause report, sufficient cause exists to warrant an investigation, the Commission may direct the Evaluator to conduct an investigation.

- (4) The Commission may refer the complaint to a City department or to the FPPC or another governmental agency that may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law. If the Commission so determines, it will direct the City Clerk or City Attorney to send a copy of all relevant information to the department, the FPPC, or the agency along with the referral.

### 5.3. *Conduct of Investigation by the Evaluator.*

- (A) The Evaluator shall conduct an investigation of the allegations in a complaint when the Evaluator determines that sufficient cause exists or when the Commission directs the Evaluator to conduct an investigation. The investigation must include an interview with each respondent unless the respondent refuses to cooperate. The Evaluator may, in the Evaluator's sole discretion, also interview the complainant and other witnesses and may review documents and other evidence.
- (B) Although scheduling is difficult to predict in advance, timeliness is important to the Commission so that its goals of transparency and responsiveness to the community may be furthered. To that end, the Evaluator shall complete the investigation as promptly as possible under the circumstances and, unless an extension is granted in accordance with section 5.3(C), shall, within 60 days after receiving the complaint, submit to the City Clerk, with a copy to the City Attorney, a written report that is addressed to the Commission includes the following (the "**Evaluator's Report**"):
  - (1) A narrative summary of the evidence gathered through the investigation, including any exculpatory and mitigating evidence. The Evaluator may consider any relevant evidence, including hearsay evidence, and may include in the Evaluator's Report facts bearing on the weight given to the evidence considered, such as the Evaluator's determination of witness credibility.
  - (2) For each provision of Ethics Law that is alleged to be violated, a determination that the respondent or respondents did or did not violate the provision, with supporting evidence.
  - (3) At the Evaluator's discretion, a recommendation of action the Commission should take or a recommendation that the Evaluator conduct further investigation and report back to the Commission.
  - (4) At the Evaluator's discretion, a recommendation that the Commission refer the complaint to the FPPC or another governmental agency if the Evaluator believes that the FPPC or agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of the Ethics Law or any other law.

- (C) The Evaluator may request an extension of time by filing a written request with the City Clerk, specifying the extension requested and the reasons for the request. The City Clerk, in consultation with the Chairperson and the City Attorney, may grant the request upon the Evaluator's showing of good cause. The City Clerk's decision on a request must be in writing. If the request is granted, the decision must specify the additional time that has been granted, and the Evaluator shall provide the City Clerk with a progress report on the status of the investigation every 30 days or as otherwise set forth in the decision. If the request is denied, the Evaluator shall submit to the City Clerk, within three days after the decision, a written summary of the evidence gathered through the investigation up to that point.
- (D) If the Evaluator discovers facts during an investigation that indicate possible additional violations by named respondent or respondents or possible violations by one or more persons or entities who are not named as a respondent, then the Evaluator shall notify the City Clerk of this discovery and consult with the City Clerk on how to conduct a fair and thorough investigation of the newly discovered facts that provides adequate due process.
  - (1) The City Clerk may either file an amended complaint against the new or existing respondent or respondents using the complaint form established for such purpose or may schedule a Hearing to consider whether the City Clerk should file an amended complaint.
  - (2) If the City Clerk files an amended complaint, the Evaluator shall notify each new respondent as well as the complainant and each original respondents of the new allegations. The Evaluator shall also provide all respondents with copies of the amended complaint and these Procedures.
- (E) Individual Commissioners shall not conduct independent investigations of complaints or discuss pending complaints with anyone except during a Hearing. But the Chairperson may discuss procedural matters with the Evaluator, the City Attorney, or the City Clerk.

#### 5.4. *Commission Hearings.*

- (A) Upon receiving the Evaluator's Report, the City Clerk will advise the Chairperson and the City Attorney and will set a Hearing at the earliest practicable date.
- (B) At least 10 days before the Hearing, the City Clerk shall notify the complainant and each respondent of the date and time of the Hearing.
- (C) At least 10 days before the Hearing, the City Clerk shall deliver the Evaluator's Report to the Commission, the complainant, each respondent, and all interested parties who have requested a copy.

- (D) The Evaluator's Report must be made available to the public in accordance with the Brown Act and the Sunshine Ordinance.
- (E) Each respondent may submit a written response to the Evaluator's Report. The response may contain legal arguments, a summary of evidence, and any mitigating or exculpatory information. A respondent who chooses to submit a response must deliver it to the City Clerk at least 72 hours before the time of the Hearing, and the Commission may but need not consider a response that is not timely submitted. The City Clerk shall distribute any responses received to the Commission and the Evaluator as soon as is practicable and shall make the responses available to the public in accordance with the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.
- (F) If anyone other than a respondent submits a brief or any written argument to the Commission before the Hearing, the City Clerk shall provide, as soon as practicable, a copy of the brief or written argument to each respondent, the Commission, and the Evaluator. The City Clerk shall also make the brief or written argument available to the public in accordance with the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.
- (G) The Hearing must be open to the public, but witnesses may be excluded at the Commission's discretion with the concurrence of the City Attorney.
- (H) The City Clerk shall record the Hearing.
- (I) Each respondent may personally appear at the Hearing or be represented by counsel or any other person.
- (J) The complainant must be treated like any other witness who provides evidence.
- (K) The California Evidence Code does not apply to the Hearing, and the Commission may consider any relevant evidence, including hearsay.
- (L) All testimony presented to the Commission must be under oath or affirmation.
- (M) Commissioners may ask questions of the complainant, each respondent, the witnesses, and the Evaluator when recognized by the Chairperson. If, however, a Commissioner is the complainant, then that Commissioner shall not participate in any way in the Hearing, including deliberations about, or a vote on, the complaint or any matter concerning the complaint.
- (N) The Commission may ask the City Council to issue a subpoena compelling witnesses to appear at the Hearing and provide testimony or a subpoena duces tecum compelling witnesses to produce documents.

### 5.5. *Commission Action.*

- (A) At the conclusion of a Hearing, the Commission may take one or more of the following actions:
  - (1) Pass a motion directing the Evaluator to conduct further investigation and report back to the Commission.
  - (2) Adopt a resolution finding that sufficient evidence exists to establish that a violation occurred and including one or more of the actions authorized by section 5.6(A). This finding must be based on a preponderance of the evidence from the entire record of the proceedings.
  - (3) Adopt resolution finding that sufficient evidence does not exist to establish that a violation occurred and ordering that the complaint be dismissed.
  - (4) Pass a motion referring the complaint to the FPPC or to another governmental agency that may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law and directing the City Clerk or City Attorney to send a copy of all relevant information to the FPPC or the agency along with the referral.
- (B) The votes of at least three Commissioners are required to find under section 5.5(A)(2) that a violation occurred, and each Commissioner voting on the finding shall certify on the record that the Commissioner (1) heard the testimony at the Hearing (either in person or by listening to a recording) or read the transcript of the testimony; and (2) reviewed and considered all the evidence in the record.
- (C) The City Clerk shall provide a copy of any resolution adopted under section 5.5(A)(2) or 5.5(A)(3) to the complainant and each respondent and shall post a copy of the resolution on the City's website.
- (D) The Commission's action under section 5.5(A)(2) or 5.5(A)(3) is a final administrative determination on the complaint that is subject to judicial review in accordance with City Code section 1.24.110(A) and California Code of Civil Procedure sections 1094.5 and 1094.6.

### 5.6. *Remedies.*

- (A) If the Commission adopts a resolution under section 5.5(A)(2), thereby finding that a violation occurred, then the Commission shall include in the resolution one or more of the following:
  - (1) A finding that mitigating circumstances exist and that no further action is warranted.
  - (2) A reprimand of the responsible respondent or respondents.

- (3) An order that the responsible respondent or respondents take corrective action by a specific date.
  - (4) An order issuing a warning letter that sets conditions for the potential imposition of penalties depending on the future conduct of the responsible respondent or respondents.
  - (5) An order imposing an administrative penalty in accordance with City Code section 2.112.030.A.2.
- (B) The Commission shall not impose an administrative penalty on a respondent if clear and convincing evidence establishes that all of the following occurred before the violation:
  - (1) The respondent requested and obtained a written opinion from the City Attorney or the FPPC regarding the propriety of the actions constituting the violation.
  - (2) The respondent, in requesting the opinion, truthfully disclosed all the relevant and material facts.
  - (3) The respondent committed the violation in good-faith reliance upon the written opinion of the City Attorney or the FPPC.
- (C) The votes of at least three Commissioners are required to impose an administrative penalty under section 5.6(A)(5), and each Commissioner voting to impose any penalty shall certify on the record that the Commissioner (1) heard (either in person or by listening to a recording) or read the transcript of the testimony; and (2) reviewed and considered all the evidence in the record.
- (D) In determining whether administrative penalties should be imposed and the amount of the penalties, the Commission shall consider all the relevant facts. The following list of relevant facts is neither exhaustive nor mandatory, and the Commission may assign greater or lesser importance to each fact as the Commission considers appropriate under the circumstances:
  - (1) The severity of the violation.
  - (2) The presence or absence of any intention to conceal, deceive, or mislead.
  - (3) Whether the violation was deliberate, negligent or inadvertent.
  - (4) Whether the violation was an isolated incident or pervasive enough to indicate a pattern of disregard.
  - (5) Whether the respondent has a record of violations.
  - (6) The respondent's experience and sophistication.

- (7) Whether the respondent had, or should have had, knowledge of the provision of the Ethics Law that was violated.
- (8) The extent to which the respondent cooperated with the investigation.
- (9) The extent to which, when given notice of the complaint, the respondent took corrective action to cure the violation.

*5.7. Payment and Collection of the Administrative Penalty.*

- (A) A respondent upon whom an administrative penalty has been imposed shall pay the penalty within 25 days after receiving a copy of the resolution adopted under section 5.5(A)(2).
- (B) An administrative penalty not paid within 25 days is delinquent and, beginning on the 26th day after the respondent receives a copy of the resolution adopted under section 5.5(A)(2), will accrue interest at the same annual rate that applies to any civil judgment.
- (C) The City may file and prosecute a civil action in superior court to collect a delinquent administrative penalty and will be entitled to recover reasonable attorneys' fees and all costs associated with collection of the penalty, including but not limited to the cost of City Staff time to collect the penalty and costs set forth in California Code of Civil Procedure section 1033.5. The City may also take such actions as are authorized for enforcement of money judgments under the Enforcement of Judgments Law, California Code of Civil Procedure section 680.010 et seq.

**From:** [Forms](#)  
**To:** [Dar Ocarol](#); [Mindy Cuppy](#); [clerk](#); [Government Ethics and Compliance](#); [Wendy Klock-Johnson](#)  
**Subject:** Sacramento Ethics Commission Complaint Form  
**Date:** Thursday, March 19, 2026 8:39:13 PM

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Intellistack Logo



## Formstack Submission For: **Sacramento Ethics Commission Complaint Form**

Submitted at 03/19/26 11:39 PM

**Your Name:** Karla Black

**Email:**

**Phone:**

**Complaint Type (check the appropriate box below to indicate which set of laws you believe were violated by the Respondents) :**

City Code Chapter 1.20 ("Code of Fair Campaign Practices")  
City Code Chapter 2.13 ("Campaign Contribution Limitations") and Chapter 2.14 ("Campaign Spending Limits and Public Campaign Financing")  
City Code Chapter 2.16 ("Conflict of Interest") City Code Chapter 4.02 ("Code of Ethics")

**Respondent Information:**  
Who is the person(s) against whom you are filing a complaint?  
Please provide name(s) and contact information, if known.:

Mayor McCarty

**Date of Alleged Violation: (or date you became aware of allegation/s):**

Mar 25, 2026 02:00 PM

**Alleged Conflict of Interest and Participation in Government Decisions Affecting Financial Contributors**

This complaint alleges that a Sacramento public official participated in governmental decisions that had a reasonably foreseeable financial impact on entities and individuals who made campaign contributions to that official. This conduct raises serious concerns regarding impartial decision-making and potential violations of the City of Sacramento Code of Ethics.

Public records, including campaign disclosures (Form 460 filings), indicate that contributions were made by individuals and/or entities connected to cannabis-related businesses operating within the City of Sacramento.

Certain contributing entities appear to share common ownership, control, or affiliation, suggesting a coordinated financial relationship. On or about March 25, 2025, the Sacramento City Council approved a resolution extending the operational deadline for CORE (Cannabis Opportunity Reinvestment and Equity) permits from April 1, 2025 to April 1, 2026. This decision had the effect of preserving the economic viability and value of cannabis permits held by businesses, including those potentially connected to contributors.

The CORE permit extension directly impacted the financial interests of cannabis-related businesses by allowing them additional time to operate, maintain licensing eligibility, and avoid expiration of permits. This extension preserved significant economic value for those businesses.

The public official participated in a governmental decision that had a reasonably foreseeable financial impact on entities or individuals with whom they had a financial relationship through campaign contributions. This creates the appearance, if not the reality, of a conflict of interest and undermines public trust in impartial governance, in violation of the Sacramento City Code of Ethics.

The Mayor of Sacramento received campaign

**Description of the Complaint:**  
**Describe the facts constituting the alleged violation(s). Be as specific as possible and include exact or approximate dates.:**

contributions from both an individual donor connected to a cannabis related businesses and a corporate entity that is controlled by the same individual. That individual donor controls the corporate entity. Because the City of Sacramento regulates cannabis licensing, zoning, and retail permitting, campaign contributions from individuals or entities connected to cannabis businesses may raise transparency and conflict-of-interest concerns that warrant review. Based on publicly available California Form 460 campaign disclosure filings, the Spending Limits and Public Campaign following contributions appear in the Mayor's campaign committee reports.

3 Individual Contribution:

Nasser Azimi Orangevale, California Occupation listed:

Partner - Teranomic Contribution Date: November 1, 2024 Amount: \$4,050

Business Entity Contribution Teranomic

(Teranomic Software, Inc.) Emeryville, California

Contribution Date: June 25, 2025 Amount: \$2,000

These contributions appear in campaign filings associated with the Mayor's committees. Teranomic Software is controlled by the same individual donor. Corporate relationships and associated entities from public information indicates potential connections between the above-listed donor and several cannabis-related businesses and entities including:

- Teranomic Software 4
- Canntinas
- Ohana Cannabis
- Ohana Gardens
- East Bay Therapeutics

These entities share common ownership or control.

Relevant Governmental Decision On March 25, 2025, the Sacramento City Council adopted Resolution No. 2025-0067, which extended the operational deadline for certain CORE (Cannabis Opportunity Reinvestment and Equity) dispensary permits from April 1, 2025 to April 1, 2026. This council action effectively allowed certain cannabis retail permits to remain viable and maintain their economic value rather than expiring. Information available indicates that this extension may have allowed a cannabis retail business commonly known as the Oak Park dispensary located at 3856 Stockton Boulevard to proceed toward opening. This extension vote has had economic implications for

entities connected to cannabis licensing or investment in Sacramento.

Respectfully I request that the Sacramento Ethics Commission review and determine:

Whether Teranomic Software, Inc. is controlled by Nasser Azimi for purposes of campaign contributions.

Whether contributions from Teranomic Software, Inc. and Nasser Azimi should be aggregated under applicable campaign finance rules.

Whether any contributors connected to these entities have financial interests in cannabis businesses operating or seeking permits within the City of Sacramento.

Whether the Mayor participated in governmental decisions affecting cannabis licensing, including the March 25, 2025 CORE permit extension, that could affect contributors associated with the regulated industry.

Whether campaign disclosures accurately reflect the true source of contributions as required under campaign finance law.

Additionally, I respectfully request that the Sacramento Ethics Commission review these matters and determine whether further investigation or enforcement action is warranted and investigate the following:

- Whether the official had a disqualifying financial interest in the decision
- Whether the official should have recused themselves from participation
- Whether the relationship between contributors and affected entities created an appearance of impropriety
- Whether any additional ethics violations occurred under Sacramento City Code. Additionally, I request that the Commission determine whether enforcement action or further review is warranted

**Witness  
Information:  
Provide the  
name(s) and  
contact  
information for  
any potential  
witnesses, if  
known.:**

n/a

**Documentation.**

**Please attach copies of any documents in your possession that relate to the allegations stated in this complaint. In addition, state below whether or there are other records not in your possession that you believe, may assist the commission in its evaluation of your complaint.:**

[View File](#)

**Additional Information. Provide any additional information that you believe may assist in the Ethics Commission in its evaluation of this complaint.:**

n/a

**Related Complaints: Have you made the same or similar allegations to another agency? If so, identify the agency or court and attach a copy of any complaint or other written description of the allegations submitted to**

Yes

that agency or  
court.:

**Date Executed:** Mar 19, 2026

**:** sacramento, CA

**Sign Name:** Karla Black

**Signature:** [View Signature](#)

**Email:**

Intellistack formerly Formstack



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This is a customer service email.

Intellistack, 50 South Steele Street, Suite 500, Denver, CO 80209

# **EXHIBIT C**

## **RESOLUTION 2025-0067**

Adopted by the Sacramento City Council

March 25, 2025

### **Extending the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the Core Program**

#### **BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (storefront) permits should be made available to participants in classifications 1 or 2 of the City's Cannabis Opportunity Reinvestment and Equity Program (CORE) through a competitive process; ii) the top-scoring 10 participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338).
- B. In early 2021, the Office of Cannabis Management (Office) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (selected participants). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (in-process participants) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City's Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

- E. After consideration of public comments and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given one additional year to apply for and operate a storefront.
- F. On February 27, 2024, the Council adopted Resolution No. 2024-0049 extending the deadline to April 1, 2025.
- G. As the April 1, 2025 deadline approaches, there are three selected participants (#4, #6, and #10) who are either in the final stages of applying for a storefront permit or getting their business operations started. Specifically, one of the participants obtained a BOP on December 10, 2024, and anticipates becoming operational as soon as some internal business matters are resolved. The participant is currently working with the City's CORE Program facilitator to resolve the matter. OCM staff anticipates a speedy resolution. The second participant has obtained building permits and construction is in progress aligning the building with City Code requirements to operate a storefront. Staff anticipate that the second participant will be able to obtain a BOP within the next few months. The final participant has suffered fire damage to their previous location, making the building no longer conducive for establishing storefront. The participant has been searching for a new location but has had little success given the limited inventory for storefront facilities in the proper zoning areas. Staff believe additional time would support this participant's success in obtaining a BOP.
- H. CORE is a program aimed to assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them with assistance and an opportunity to participate in the cannabis industry. Authorizing an additional one-year extension will provide an equal opportunity to assist the three in-process participants, who have invested significant time, money, and resources, to complete the permitting process and operate a storefront. This extension will further drive the mission of the CORE program and the goal of parity between non-CORE (50%) and CORE (50%) permit ownership.
- I. Given the difficulty the selected participants have had in applying for and operating a storefront as outlined herein, additional time is needed for a newly selected CORE participant to apply for and operate a storefront.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.**

As for the final in-process participants, numbers 4, 6, and 10 winners, of the City's 2021 Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, the April 1, 2025 deadline to apply for and operate a storefront cannabis dispensary provided in Resolution No. 2024-0049 is hereby extended to April 1, 2026.

**SECTION 2.**

Notwithstanding the three-year timeframe provided in section B (10) of the Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, Resolution No. 2020-0338, any applicant that is awarded an opportunity to apply for and operate a storefront cannabis dispensary after the adoption of this Resolution shall be given five years from the date of the award to apply for and operate a storefront.

**TABLE OF CONTENTS:**

Exhibit A – Resolution No. 2020-0338

Exhibit B – Resolution No. 2024-0049

Adopted by the City of Sacramento City Council on March 25, 2025, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Kaplan, Maple, Pluckebaum, Talamantes, Vang, and Mayor McCarty

Noes: None

Abstain: None

Absent: None

Attest:  04/01/2025  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

**RESOLUTION NO. 2020-0338**

Adopted by the Sacramento City Council

October 13, 2020

**Process to Issue Storefront Cannabis Dispensary Permits**

**BACKGROUND**

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).

Section 2. Exhibit A is a part of this Resolution.

**Table of Contents:**

Exhibit A - Request for Qualifications ("RFQ") Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy  
Date: 2020.10.16 09:33:54 -07'00'  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

**CITY OF SACRAMENTO**  
**REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A**  
**STOREFRONT CANNABIS DISPENSARY PERMIT**

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. \_\_\_\_\_)

**A. Definitions.**

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

**B. Process.**

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
  - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

**4. RFQ Evaluation Criteria.**

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
  - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
  - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

**5. Statement of Qualifications.**

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

**6. Required Certifications in SOQs.**

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
  - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
  - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

**7. SOQ Acceptance and Evaluation.**

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
  - i. Have some level of expertise in economic or business development;
  - ii. Have an active involvement in social equity matters; or
  - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

**8. Late and Nonresponsive SOQs.**

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.
10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.
11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).
12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

**RESOLUTION 2024-0049**

Adopted by the Sacramento City Council

February 27, 2024

**One-Year Extension of the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the 2021 Request for Qualifications - Permit Process for the Core Program****BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (“storefront”) permits should be made available to participants in classifications 1 or 2 of the City’s Cannabis Opportunity Reinvestment and Equity Program (“CORE”) through a competitive process; ii) the 10 top-scoring participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338) (Exhibit A). The Council also directed staff to return with a report on the status of the process and 10 top-scoring participants.
- B. In early 2021, the Office of Cannabis Management (“Office”) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (“selected participants”). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (“in-process participants”) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City’s Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

- E. After consideration of public comment and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given an additional year to apply for and operate a storefront.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**SECTION 1.**

Notwithstanding section 10 of the City's Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit (Resolution No. 2020-0338), the April 1, 2024 deadline to apply for and operate a storefront cannabis dispensary for the 2021 RFQ Process is hereby extended to April 1, 2025.

**TABLE OF CONTENTS:**

Exhibit A – Resolution No. 2020-0338

Adopted by the City of Sacramento City Council on February 27, 2024, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Maple, Talamantes, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  03/04/2024  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

**RESOLUTION NO. 2020-0338**

Adopted by the Sacramento City Council

October 13, 2020

**Process to Issue Storefront Cannabis Dispensary Permits**

**BACKGROUND**

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).

Section 2. Exhibit A is a part of this Resolution.

**Table of Contents:**

Exhibit A - Request for Qualifications ("RFQ") Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  Mindy Cuppy Digitally signed by Mindy Cuppy  
Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

**CITY OF SACRAMENTO**  
**REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A**  
**STOREFRONT CANNABIS DISPENSARY PERMIT**

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. \_\_\_\_\_)

**A. Definitions.**

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. **Process.**

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
  - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

**4. RFQ Evaluation Criteria.**

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
  - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
  - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

**5. Statement of Qualifications.**

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

**6. Required Certifications in SOQs.**

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
  - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
  - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

**7. SOQ Acceptance and Evaluation.**

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
  - i. Have some level of expertise in economic or business development;
  - ii. Have an active involvement in social equity matters; or
  - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

**8. Late and Nonresponsive SOQs.**

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.
10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.
11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).
12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

# **EXHIBIT D**

# Schedule A

## Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A

Statement covers period  
from 01/01/2023  
through 06/30/2023

CALIFORNIA  
FORM **460**

Page 4 of 17

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER

McCarty for Mayor 2024

I.D. NUMBER

1460934

| DATE RECEIVED | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION TO DATE<br>(IF REQUIRED) |
|---------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|---------------------------------------|
| 06/30/2023    | Michael Abbott<br>Sacramento, CA 95818                                                          | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 1,000.00                    | 1,000.00                                               | P2024 \$1,000.00                      |
| 06/22/2023    | Abrego Partners<br>Sacramento, CA 95814                                                         | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 2,000.00                    | 4,000.00                                               | P2024 \$4,000.00                      |
| 06/20/2023    | Alex Lee for State Assembly 2024 (ID# 1456422)<br>Sacramento, CA 95815                          | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 4,000.00                    | 4,000.00                                               | P2024 \$4,000.00                      |
| 06/30/2023    | Maria Alvarez<br>Sacramento, CA 95818                                                           | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Chief of Staff<br>State of California                                                         | 100.00                      | 100.00                                                 | P2024 \$100.00                        |
| 06/20/2023    | Nasser Azimi<br>Sacramento, CA 95662                                                            | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Senior Partner<br>Teranomic                                                                   | 4,050.00                    | 4,050.00                                               | P2024 \$4,050.00                      |
| SUBTOTAL \$   |                                                                                                 |                                                                                                                                                                         |                                                                                               | 11,150.00                   |                                                        |                                       |

### Schedule A Summary

- Amount received this period – itemized monetary contributions.  
(Include all Schedule A subtotals.) ..... \$ 66,350.00
- Amount received this period – unitemized monetary contributions of less than \$100 ..... \$ 525.00
- Total monetary contributions received this period.  
(Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... **TOTAL \$ 66,875.00**

#### \*Contributor Codes

IND – Individual  
COM – Recipient Committee  
(other than PTY or SCC)  
OTH – Other (e.g., business entity)  
PTY – Political Party  
SCC – Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                         |            |                            |
|-------------------------|------------|----------------------------|
| Statement covers period |            | <b>CALIFORNIA FORM 460</b> |
| from                    | 07/01/2023 |                            |
| through                 | 12/31/2023 | Page 72 of 104             |

|                                         |                        |
|-----------------------------------------|------------------------|
| NAME OF FILER<br>McCarty for Mayor 2024 | I.D. NUMBER<br>1460934 |
|-----------------------------------------|------------------------|

| DATE RECEIVED            | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER<br>OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME<br>OF BUSINESS) | AMOUNT<br>RECEIVED THIS<br>PERIOD                                                                                             | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION<br>TO DATE<br>(IF REQUIRED) |
|--------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------|
| 09/11/2023               | Teichert, Inc. and Affiliated Entities<br>Sacramento, CA 95851                                  | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 1,000.00                                                                                                                      | 2,500.00                                                  | P2024 \$2,500.00                         |
| 12/11/2023<br>05/01/2023 | Teichert, Inc. and Affiliated Entities<br>Sacramento, CA 95851                                  | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 1,000.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 2,500.00                                                  | P2024 \$2,500.00                         |
| 12/19/2023               | Teichert, Inc. and Affiliated Entities<br>Sacramento, CA 95851                                  | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 500.00                                                                                                                        | 2,500.00                                                  | P2024 \$2,500.00                         |
| 12/11/2023<br>10/25/2022 | Tenet Health<br>Dallas, TX 75254                                                                | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 1,500.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 1,500.00                                                  | P2024 \$1,500.00                         |
| 12/11/2023<br>11/03/2022 | Teranomic Software<br>Orangevale, CA 95662                                                      | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 2,500.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 3,500.00                                                  | P2024 \$3,500.00                         |
| <b>SUBTOTAL \$</b>       |                                                                                                 |                                                                                                                                                                         |                                                                                                     | 6,500.00                                                                                                                      |                                                           |                                          |

**\*Contributor Codes**

IND – Individual  
COM – Recipient Committee  
(other than PTY or SCC)  
OTH – Other (e.g., business entity)  
PTY – Political Party  
SCC – Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                                                                  |  |                                              |
|------------------------------------------------------------------|--|----------------------------------------------|
| Statement covers period<br>from 07/01/2023<br>through 12/31/2023 |  | <b>CALIFORNIA FORM 460</b><br>Page 73 of 104 |
| I.D. NUMBER<br>1460934                                           |  |                                              |

NAME OF FILER

McCarty for Mayor 2024

| DATE RECEIVED            | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD                                                                                                   | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION TO DATE<br>(IF REQUIRED) |
|--------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------|
| 12/11/2023<br>06/02/2022 | Teranomic Software<br>Orangevale, CA 95662                                                      | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 1,000.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 3,500.00                                                  | P2024 \$3,500.00                      |
| 12/11/2023<br>05/03/2022 | Mike Testa<br>Sacramento, CA 95822                                                              | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Not Employed<br>n/a                                                                           | 100.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864   | 100.00                                                    | P2024 \$100.00                        |
| 12/11/2023<br>09/28/2023 | The Doctors Company PAC (The AKA DOCPAC) (ID# 923140)<br>Napa, CA 94558                         | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 1,000.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 3,500.00                                                  | P2024 \$3,500.00                      |
| 12/11/2023<br>08/30/2022 | The Doctors Company PAC (The AKA DOCPAC) (ID# 923140)<br>Napa, CA 94558                         | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 1,500.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 3,500.00                                                  | P2024 \$3,500.00                      |
| 12/11/2023<br>06/01/2022 | The Doctors Company PAC (The AKA DOCPAC) (ID# 923140)<br>Napa, CA 94558                         | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 1,000.00<br><br>Transferred from affiliated committee:<br>Kevin McCarty for Assembly 2024 ID# 1457672<br>Sacramento, CA 95864 | 3,500.00                                                  | P2024 \$3,500.00                      |
| <b>SUBTOTAL \$</b>       |                                                                                                 |                                                                                                                                                                         |                                                                                               | 4,600.00                                                                                                                      |                                                           |                                       |

**\*Contributor Codes**

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       (other than PTY or SCC)  
 OTH – Other (e.g., business entity)  
 PTY – Political Party  
 SCC – Small Contributor Committee

FPPC Form 460 (Jan/2016)

FPPC Advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov) (866/275-3772)

[www.fppc.ca.gov](http://www.fppc.ca.gov)

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                                                                  |  |                                             |
|------------------------------------------------------------------|--|---------------------------------------------|
| Statement covers period<br>from 01/21/2024<br>through 02/17/2024 |  | <b>CALIFORNIA FORM 460</b><br>Page 12 of 49 |
| NAME OF FILER<br>McCarty for Mayor 2024                          |  |                                             |
|                                                                  |  | I.D. NUMBER<br>1460934                      |

| DATE RECEIVED | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION TO DATE<br>(IF REQUIRED) |
|---------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------|---------------------------------------|
| 02/15/2024    | Irwin Nowick<br>Sacramento, CA 95831                                                            | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 1,000.00                    | 3,000.00                                                  | P2024 \$3,595.00                      |
| 02/15/2024    | Ohana Gardens<br>Sacramento, CA 95838                                                           | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 2,500.00                    | 2,500.00                                                  | P2024 \$2,500.00                      |
| 02/08/2024    | Dana Olson<br>Sacramento, CA 95818                                                              | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 100.00                      | 100.00                                                    | P2024 \$100.00                        |
| 02/01/2024    | Bruce Pomer<br>Sacramento, CA 95864                                                             | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 100.00                      | 200.00                                                    | P2024 \$1,200.00                      |
| 01/25/2024    | James Ramos<br>Highland, CA 92346                                                               | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Assembly Member<br>California State Assembly                                                  | 4,050.00                    | 4,050.00                                                  | P2024 \$4,050.00                      |
| SUBTOTAL \$   |                                                                                                 |                                                                                                                                                                         |                                                                                               | 7,750.00                    |                                                           |                                       |

\*Contributor Codes

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       (other than PTY or SCC)  
 OTH – Other (e.g., business entity)  
 PTY – Political Party  
 SCC – Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                                                                  |  |                                             |
|------------------------------------------------------------------|--|---------------------------------------------|
| Statement covers period<br>from 08/10/2024<br>through 09/21/2024 |  | <b>CALIFORNIA FORM 460</b><br>Page 26 of 60 |
| NAME OF FILER<br>McCarty for Mayor 2024                          |  |                                             |
|                                                                  |  | I.D. NUMBER<br>1460934                      |

| DATE RECEIVED | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER)                           | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION TO DATE<br>(IF REQUIRED) |
|---------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------|---------------------------------------|
| 09/10/2024    | Irwin Nowick<br>Sacramento, CA 95831<br>Aggregated to \$1000 on 10/21/24                                                  | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 5.00                        | 5,125.00                                                  | R2024 \$2,040.00<br>P2024 \$3,680.00  |
| 09/14/2024    | Irwin Nowick<br>Sacramento, CA 95831<br>Aggregated to \$1000 on 10/21/24                                                  | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                | 400.00                      | 5,125.00                                                  | R2024 \$2,040.00<br>P2024 \$3,680.00  |
| 09/16/2024    | O'Donnell for Lieutenant Governor 2026 (ID# 1447161)<br>Sacramento, CA 95814                                              | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 2,000.00                    | 2,000.00                                                  | R2024 \$2,000.00                      |
| 09/11/2024    | Ohana Gardens<br>Sacramento, CA 95838                                                                                     | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                               | 2,000.00                    | 4,500.00                                                  | R2024 \$2,000.00<br>P2024 \$2,500.00  |
| 08/20/2024    | Operating Engineers Local Union No. 3<br>District 80 PAC Small Contributor Committee<br>(ID# 891402)<br>Concord, CA 94519 | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input checked="" type="checkbox"/> SCC |                                                                                               | 500.00                      | 1,000.00                                                  | R2024 \$1,000.00                      |
| SUBTOTAL \$   |                                                                                                                           |                                                                                                                                                                         |                                                                                               | 4,905.00                    |                                                           |                                       |

\*Contributor Codes  
 IND – Individual  
 COM – Recipient Committee  
       (other than PTY or SCC)  
 OTH – Other (e.g., business entity)  
 PTY – Political Party  
 SCC – Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                                                                  |  |                                            |
|------------------------------------------------------------------|--|--------------------------------------------|
| Statement covers period<br>from 10/20/2024<br>through 12/31/2024 |  | <b>CALIFORNIA FORM 460</b><br>Page 5 of 63 |
| I.D. NUMBER<br>1460934                                           |  |                                            |

NAME OF FILER

McCarty for Mayor 2024

| DATE RECEIVED | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER)   | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER<br>OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME<br>OF BUSINESS) | AMOUNT<br>RECEIVED THIS<br>PERIOD | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION<br>TO DATE<br>(IF REQUIRED) |
|---------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------|------------------------------------------|
| 11/01/2024    | Arapaho Investment Company, LLC<br>Sacramento, CA 95818<br>Responsible Officer: Paul S. Petrovich | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 4,000.00                          | 4,000.00                                                  | R2024 \$4,000.00                         |
| 11/06/2024    | Asian American Business Club<br>Sacramento, CA 95823                                              | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 1,250.00                          | 2,500.00                                                  | R2024 \$2,500.00                         |
| 11/01/2024    | Nasser Azimi<br>Orangevale, CA 95662                                                              | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Partner<br>Teranomic                                                                                | 4,050.00                          | 4,050.00                                                  | R2024 \$4,050.00<br>P2024 \$4,050.00     |
| 10/30/2024    | Debbie Beltram<br>Sacramento, CA 95817                                                            | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Retired<br>n/a                                                                                      | 200.00                            | 1,700.00                                                  | R2024 \$1,300.00<br>P2024 \$1,300.00     |
| 10/28/2024    | Gurnam Singh Bhandal<br>Yuba City, CA 95993                                                       | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Owner<br>Bhandal Security                                                                           | 4,000.00                          | 4,000.00                                                  | R2024 \$4,000.00                         |
| SUBTOTAL \$   |                                                                                                   |                                                                                                                                                                         |                                                                                                     | 13,500.00                         |                                                           |                                          |

**\*Contributor Codes**

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       (other than PTY or SCC)  
 OTH – Other (e.g., business entity)  
 PTY – Political Party  
 SCC – Small Contributor Committee

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

|                                         |                    |                            |
|-----------------------------------------|--------------------|----------------------------|
| Statement covers period                 |                    | <b>CALIFORNIA FORM 460</b> |
| from 01/01/2025                         | through 06/30/2025 |                            |
|                                         |                    | Page 7 of 15               |
| NAME OF FILER<br>McCarty for Mayor 2028 |                    | I.D. NUMBER<br>1478140     |

| DATE RECEIVED            | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR<br>(IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *                                                                                                                                                      | IF AN INDIVIDUAL, ENTER<br>OCCUPATION AND EMPLOYER<br>(IF SELF-EMPLOYED, ENTER NAME<br>OF BUSINESS) | AMOUNT<br>RECEIVED THIS<br>PERIOD                                                                                  | CUMULATIVE TO DATE<br>CALENDAR YEAR<br>(JAN. 1 - DEC. 31) | PER ELECTION<br>TO DATE<br>(IF REQUIRED) |
|--------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------|
| 06/25/2025               | Sacramento Area Policy Committee (ID# 1462946)<br>Sacramento, CA 95814                          | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 4,350.00                                                                                                           | 4,350.00                                                  | P2028 \$4,350.00                         |
| 04/30/2025<br>03/05/2022 | Peter Taylor<br>Los Angeles, CA 90018                                                           | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | President<br>Educational Credit<br>Management Corporation<br>Foundation                             | 250.00<br><br>Transferred from affiliated committee:<br>McCarty for Mayor 2024 ID# 1460934<br>Sacramento, CA 95815 | 250.00                                                    | P2028 \$250.00                           |
| 06/25/2025               | Teranomic<br>Emeryville, CA 94608                                                               | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |                                                                                                     | 2,000.00                                                                                                           | 2,000.00                                                  | P2028 \$2,000.00                         |
| 04/30/2025<br>03/07/2022 | Cathy Unger<br>Los Angeles, CA 90024                                                            | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | Not Employed<br>n/a                                                                                 | 500.00<br><br>Transferred from affiliated committee:<br>McCarty for Mayor 2024 ID# 1460934<br>Sacramento, CA 95815 | 500.00                                                    | P2028 \$500.00                           |
|                          |                                                                                                 | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC            |                                                                                                     |                                                                                                                    |                                                           |                                          |
| SUBTOTAL \$              |                                                                                                 |                                                                                                                                                                         |                                                                                                     | 7,100.00                                                                                                           |                                                           |                                          |

## \*Contributor Codes

IND – Individual  
COM – Recipient Committee  
(other than PTY or SCC)  
OTH – Other (e.g., business entity)  
PTY – Political Party  
SCC – Small Contributor Committee

# **EXHIBIT E**



**Department of  
Cannabis Control**  
CALIFORNIA

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## Ohana Gardens

### License Information



**Active**

**Lic. No. C9-0000104-LIC (Annual)**

Commercial - Retailer - Non-Storefront

Adult-Use and Medicinal

Effective on **2019-06-18**

Expires on **2026-06-17**

### Business Information



**Ohana Gardens**

Legally named **Ohana Gardens**

Registered as Corporation

Daryoush Azimi, Mariam Azimi, Nasser Azimi

Nazimi@ohanagardens.Org

916-757-4892

### Location



Not Published

Sacramento County, CA

Data for this record refreshed on: 05/28/2026

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Last update of license data: 05/28/2026



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Cannabis Control**  
CALIFORNIA

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## OHANA GARDENS

### License Information



**Active**

**Lic. No. C11-0000409-LIC (Annual)**

Commercial - Distributor

Adult-Use and Medicinal

Effective on **2019-06-18**

Expires on **2026-06-17**

### Business Information



**OHANA GARDENS**

Legally named **Ohana Gardens**

Registered as Corporation

Daryoush Azimi, Mariam Monroe Azimi, Nasser Azimi

Nazimi@ohanagardens.Org

916-757-4892

### Location



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## **RESOLUTION NO.**

Adopted by the Sacramento Ethics Commission

### **Making Certain Findings Pursuant to a Complaint Against Mayor Kevin McCarty Alleging a Violation of the Levine Act and of the Municipal Code's Campaign Contribution Limits**

#### **BACKGROUND**

- A. A complaint alleging a violation of the Levine Act and of the Municipal Code's campaign contribution limits was filed with the City Clerk, Sacramento Ethics Commission against Mayor Kevin McCarty ("the Respondent") on March 19, 2026.
- B. Pursuant to the Sacramento Ethics Commission Procedures, the City Clerk completed an initial review of the complaint and referred the complaint to the Independent Evaluator for an Investigation on March 27, 2026.
- C. The Respondent was notified by the Independent Evaluator of the allegations and presented with a complete copy of the complaint and the Sacramento Ethics Commission Procedures.
- D. The Sacramento Ethics Commission initially heard the item on June 22, 2026 and continued the item to the next regularly scheduled commission date so that the item can be properly noticed as a hearing.
- E. The Sacramento Ethics Commission conducted a Hearing on August 24, 2026, and, pursuant to Section 5.4 of the Sacramento Ethics Commission Procedures, the Respondent was provided notice and an opportunity to be heard and present evidence and testimony about the Alternate Independent Evaluator's Report.
- F. At the Hearing, the Sacramento Ethics Commission received and considered testimony, evidence, and the Alternate Independent Evaluator's Report, which forms part of the record in this matter.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO ETHICS COMMISSION RESOLVES AS FOLLOWS:**

After considering the Alternate Independent Evaluator's Report, testimony, and evidence presented, which are incorporated into this Resolution by reference, the Sacramento

Ethics Commission makes the following findings and conclusions.

Section 1. The Sacramento Ethics Commission finds sufficient evidence to sustain a violation of any Ethics Law.

Section 2. The Commission shall make the following determination in accordance with Section 5.6 of the Sacramento Ethics Commission Procedures:

- a) A finding that mitigating circumstances exist and that no further action is warranted.
- b) A reprimand of the responsible respondent or respondents.
- c) An order that the responsible respondent or respondents take corrective action by a specific date.
- d) An order issuing a warning letter that sets conditions for the potential imposition of penalties depending on the future conduct of the responsible respondent or respondents.
- e) An order imposing an administrative penalty in accordance with City Code section 2.112.030.A.2.

Section 3. The time within which judicial review must be sought to review the findings by the Sacramento Ethics Commission contained in this resolution is governed by Chapter 2.112 of the City of Sacramento Municipal Code and the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.

## **RESOLUTION NO.**

Adopted by the Sacramento Ethics Commission

### **Making Certain Findings Pursuant to a Complaint Against Mayor Kevin McCarty Alleging a Violation of the Levine Act and of the Municipal Code's Campaign Contribution Limits**

#### **BACKGROUND**

- A. A complaint alleging a violation of the Levine Act and of the Municipal Code's campaign contribution limits was filed with the City Clerk, Sacramento Ethics Commission against Mayor Kevin McCarty ("the Respondent") on March 19, 2026.
- B. Pursuant to the Sacramento Ethics Commission Procedures, the City Clerk completed an initial review of the complaint and referred the complaint to the Independent Evaluator for an Investigation on March 27, 2026.
- C. The Respondent was notified by the Independent Evaluator of the allegations and presented with a complete copy of the complaint and the Sacramento Ethics Commission Procedures.
- D. The Sacramento Ethics Commission initially heard the item on June 22, 2026 and continued the item to the next regularly scheduled commission date so that the item can be properly noticed as a hearing.
- E. The Sacramento Ethics Commission conducted a Hearing on August 24, 2026, and, pursuant to Section 5.4 of the Sacramento Ethics Commission Procedures, the Respondent was provided notice and an opportunity to be heard and present evidence and testimony about the Alternate Independent Evaluator's Report.
- F. At the Hearing, the Sacramento Ethics Commission received and considered testimony, evidence, and the Alternate Independent Evaluator's Report, which forms part of the record in this matter.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE SACRAMENTO ETHICS COMMISSION RESOLVES AS FOLLOWS:**

After considering the Alternate Independent Evaluator's Report, testimony, and evidence presented, which are incorporated into this Resolution by reference, the Sacramento

Ethics Commission makes the following findings and conclusions.

- Section 1. The Sacramento Ethics Commission finds insufficient evidence to sustain a violation of any Ethics Law.
- Section 2. The complaint is hereby dismissed.
- Section 3. The file in this matter shall be closed without further action.
- Section 4. The time within which judicial review must be sought to review the findings by the Sacramento Ethics Commission contained in this resolution is governed by Chapter 2.112 of the City of Sacramento Municipal Code and the provisions of California Code of Civil Procedure Sections 1094.5 and 1094.6.



# **Sacramento Ethics Commission**

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## **Procedures**

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*Effective September 23, 2024*



The Sacramento City Council established the Sacramento Ethics Commission to review and consider complaints against elected and appointed City officials and to ensure that those officials are conforming their conduct to the City's laws and policies. The Commission's organization, powers, and duties are set forth in chapter 2.112 of the Sacramento City Code. Chapter 2.112 requires, among other things, that the Commission adopt (a) rules and procedures for the conduct of its business, (b) regulations and procedures for investigations and hearings it conducts, and (c) a policy setting forth its standards for imposing penalties and exercising enforcement discretion. To implement these requirements, the Commission has adopted the procedures set out below (collectively, these "**Procedures**"), which are intended to establish fair and transparent standards for investigating and determining matters before the Commission, thereby ensuring the fair, just, and timely resolution of complaints presented to the Commission with the end of promoting fairness, openness, honesty, and integrity in City government and City elections.

## **I. Definitions.**

"Brown Act" means the Ralph M. Brown Act, codified as California Government Code section 54950 et seq.

"City" means the City of Sacramento.

"City Attorney" means the Sacramento City Attorney and the Sacramento City Attorney's designee.

"City Charter" means the City of Sacramento Charter.

"City Clerk" means the Sacramento City Clerk and the Sacramento City Clerk's designee.

"City Code" means the Sacramento City Code.

"City Staff" means the City officers and employees who support the Commission, including the City Clerk and the City Attorney and their respective assistants and deputies.

"Commission" means the Sacramento Ethics Commission.

"Commissioner" means a member of the Sacramento Ethics Commission.

"Complainant" means a person who files a complaint with the Commission in accordance with these Procedures.

"Confidential Materials" means (a) information and documents that federal, or state law prohibits the Commission or the City from disclosing to the public and (b) each complaint that is filed in accordance with these Procedures plus all related investigatory materials until the complaint is disposed of in accordance with these Procedures. "Confidential Materials" does not include information and documents generally available to the public or, except as provided by section 4.1 below, previously disclosed to members of the public.

"Day" means calendar day unless otherwise stated.

“Ethics Law” means those provisions of the City Charter, the City Code, or the Council Rules of Procedure listed in City Code section 2.112.030.A.

“Independent Evaluator’s Report” means the report described in section 5(B) below.

“FPPC” means the California Fair Political Practices Commission.

“Hearing” means a hearing before the Commission, conducted in accordance with these Procedures, to consider a complaint filed with the Commission.

“Include” and its variants are terms of enlargement rather than of limitation. For example, “includes” means “includes but not limited to,” and “including” means “including but not limited to.”

“Independent Evaluator” means the neutral and independent party retained by the City on the Commission’s behalf to review and investigate complaints and to give recommendations to the Commission regarding them.

“Respondent” means a person alleged in a complaint to have violated the Ethics Law.

“Sunshine Ordinance” means the Sacramento Sunshine Ordinance, codified as City Code chapter 4.04.

**2. Commission Structure and Support.** The Commission’s structure is set forth in City Code chapter 2.112, as supplemented by the following:

2.1. *Chairperson and Vice Chairperson.* The Commission annually elects a Chairperson and a Vice Chairperson. (City Code § 2.112.070.)

(A) The Chairperson (1) presides over all Commission meetings; (2) forms committees and appoints Commissioners to committees as appropriate; (3) may consult with the City Clerk and the City Attorney regarding the Commission’s business; (4) may consult with the City Attorney and the Independent Evaluator on procedural matters but shall not otherwise discuss active complaints with either of them; and (5) is the Commission’s spokesperson for communicating with the City Council, the public, and the media.

(B) The Vice Chairperson performs the Chairperson’s duties when the Chairperson is unable to do so or is absent.

2.2. *The City Attorney’s Role.* The City Attorney advises the Commission on legal matters such as interpretation of the Ethics Law or of relevant state or federal law. The City Attorney does not participate in investigations, but the Chairperson, the City Clerk, and the Independent Evaluator may consult with the City Attorney about procedure or about the interpretation of the Ethics Law or other relevant state or federal law so long as they do not seek advice about how the law applies to the facts that are the subject of a pending complaint.

2.3. *The City Clerk's Role.* The City Clerk supports the Commission's work and is responsible for, among other things, (1) establishing and accomplishing the Commission's priorities in consultation with the Chairperson and consistent with policy direction by the Commission, (2) scheduling meetings and Hearings and providing notice of meetings and Hearings as required by law, (3) and keeping records of meetings and Hearings (e.g., video recordings, written minutes). The City Clerk may make procedural determinations including scheduling of Hearings, extensions of time, and presentation of witnesses.

2.4. *The Independent Evaluator's Role.* The Independent Evaluator is the neutral and independent party retained by the City on the Commission's behalf to review and investigate complaints and to give recommendations to the Commission regarding them.

(A) If, at any time during the review or investigation of a complaint, the retained Independent Evaluator determines the existence or potential existence of a disqualifying conflict of interest involving themselves and the subject of the complaint, any Complainant, or any Respondent, the Independent Evaluator must immediately disclose the disqualifying conflict of interest or potential disqualifying conflict of interest to the City Clerk and the City Attorney. The Independent Evaluator will recuse themselves from further participation in the processing of the investigation if the conflict of interest is found by the City Clerk and City Attorney to be disqualifying. The City Clerk must inform the Chairperson of the recusal. The City Clerk must retain an alternate Independent Evaluator to conduct a preliminary investigation in accordance with section 5.2. The Alternate Independent Evaluator may request an extension of time in accordance with section 5.3(C) if they are unable to complete a review and/or investigation based on the original timeframes established in accordance with these Procedures.

2.5. *Media inquiries.* Except for routine administrative matters within their individual areas of responsibility, the City Clerk, City Attorney, and the Independent Evaluator shall refer all media inquiries to the Chairperson or, if the Chairperson is unavailable, to the Vice Chairperson.

### **3. Commission Meetings.**

3.1. *Time and Place.* The Commission shall establish a regular meeting schedule for itself, with at least two regular meetings scheduled each year; the Commission may also call and hold special meetings in accordance with the Brown Act. (City Code § 2.112.080.) The City Council adopts the commission's calendar prior to the beginning of each calendar year or as needed. The City Clerk shall post the regular meeting schedule on the Commission's website and provide notice of each regular meeting as required by the Brown Act and the Sunshine Ordinance. Regular meetings will be held at Sacramento City Hall, 915 I Street, Sacramento, California.

- 3.2. *Parliamentary Procedures.* The Commission shall conduct its business in compliance with the Brown Act and the Sunshine Ordinance and, to the extent practicable, shall conduct its meetings in accordance with *Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century*. Hearings must be conducted in accordance with these Procedures.

#### **4. Confidentiality.**

- 4.1. Confidential Materials must not be disclosed to any person, except that the Independent Evaluator and City Staff may disclose Confidential Materials to the extent needed for the investigation of a pending complaint so long as disclosure does not violate federal or state law.
- 4.2. At least 10 days before any Hearing to consider the Independent Evaluator's Report, the complaint and the Independent Evaluator's Report must be made publicly available as required by the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.
- 4.3. The City Clerk, the Independent Evaluator, the Commissioners, and City Staff shall not make public statements about pending complaints before the Hearing, except as follows: if a pending complaint or information concerning a pending complaint is released to the public before the Hearing, the City Clerk may acknowledge receipt of the complaint and issue a statement that (A) the complaint represents unsubstantiated allegations pending the results of an investigation and Hearing and (B) might or might not fall within the Commission's jurisdiction.
- 4.4. Confidential Materials must not be used, directly or indirectly, for any purpose other than the Commission's official business, and the Commissioners shall take reasonable steps to protect and safeguard Confidential Materials.
- (A) Upon discovering an unauthorized disclosure or misuse (potential or actual) of Confidential Materials, the Independent Evaluator, a Commissioner, or a member of City Staff shall immediately notify the City Clerk.
  - (B) Upon receiving a request, subpoena, or court order for disclosure of Confidential Materials, the Independent Evaluator, a Commissioner, or a member of City Staff shall notify the City Clerk and wait for direction before disclosing the Confidential Materials.
- 4.4. A Commissioner remains bound by this section 4 after leaving office.

## 5. Complaints.

### 5.1. *Complaint Intake.*

- (A) Any person may file a complaint alleging violations of the Ethics Law.
  - (1) A complaint should be on the form prepared by the City Clerk, which is available on the City Clerk's website, although the City Clerk shall accept a complaint that is not filed on the form if the complaint includes enough information to allow the City Clerk to conduct the initial review required in Section 5.1(B).
  - (2) A complaint must provide as much detail as possible, including, if known, each provision of the Ethics Law alleged to have been violated, the facts constituting each alleged violation, the name and address of each respondent, and the name and address of each potential witness.
  - (3) A complaint should identify the Complainant, although the City Clerk Shall accept an anonymous complaint if the complainant includes enough information to allow the City Clerk to conduct the initial review required in Section 2.1(B).
    - (a) When a complaint alleges misconduct by the City Clerk, the following shall apply:
      - (i) The City Clerk shall delegate to the City Clerk's designee all further participation in the processing of the complaint and any report related to the complaint.
      - (ii) The City Clerk shall recuse themselves from further participation in the processing of the complaint and any report related to the complaint.
      - (iii) The City Clerk and the City Clerk's designee must refuse any attempt to divulge and confirm the identity of an anonymous Complainant.

(4) A complaint should be filed with the City Clerk as follows:

|                      |                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------|
| <i>By U.S. Mail:</i> | Sacramento City Clerk<br>915 I Street<br>New City Hall, Fifth Floor<br>Sacramento, California 95814 |
|----------------------|-----------------------------------------------------------------------------------------------------|

|                                                        |                                                                                               |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <i>By personal delivery<br/>during business hours:</i> | Sacramento City Clerk<br>915 I Street<br>New City Hall, Fifth Floor<br>Sacramento, California |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|

|                   |                                                                              |
|-------------------|------------------------------------------------------------------------------|
| <i>By E-Mail:</i> | <a href="mailto:ethics@cityofsacramento.org">ethics@cityofsacramento.org</a> |
|-------------------|------------------------------------------------------------------------------|

(a) The City Clerk shall accept complaints received through other City services and communication channels, including the City's Whistleblower Hotline Program.

(5) The City Clerk shall maintain a complaint log and shall enter in the log the date and time each complaint is filed.

(B) Within 14 days after a complaint is filed, the City Clerk shall complete an initial review of the complaint; and, based on the initial review, do one of the following:

- (1) Refer the complaint to the Independent Evaluator for a preliminary evaluation in accordance with section 5.2 and notify the Commission of the referral.
- (2) Refer the complaint to another City department or to the FPPC or another governmental agency with jurisdiction over the subject matter of the complaint if the City Clerk determines that the department, the FPPC, or the agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law and notify the complainant of the referral.

- (3) Dismiss the complaint for lack of jurisdiction and notify the Complainant of the dismissal and refer the complaint to the relevant agency, if known. A complaint is outside the Commission's jurisdiction if (a) it alleges violations that occurred more than three years before it was filed, or, for violations subject to a different limitations period, it was filed after the limitations period expired; (b) it alleges facts that are not subject to any provision of the Ethics Law; or (c) the respondent is not a person listed in City Code section 2.112.030.B.
- (C) Upon complying with section 5.1(B), the City Clerk shall enter in the complaint log the action taken after the initial review. In addition, at the Commission's next regular meeting, the City Clerk shall notify the Commission of the action taken after the initial review but shall not identify the Complainant and the Respondent(s).

5.2. *The Independent Evaluator's Preliminary Evaluation of a Complaint.*

- (A) Upon receiving a complaint from the City Clerk, the Independent Evaluator shall promptly provide the Respondent with a complete copy of the complaint and a copy of these Procedures.
- (B) Within 30 days after receiving the complaint, the Independent Evaluator shall complete a preliminary evaluation to determine whether sufficient cause exists to conduct a full investigation. The Independent Evaluator shall limit the preliminary evaluation to the allegations in the complaint and shall not consider extrinsic evidence. Sufficient cause does not exist, and the Independent Evaluator shall not conduct a full investigation, if any of the following applies:
  - (1) The complaint does not allege specific facts demonstrating a potential violation.
  - (2) The facts alleged, if proven, would not violate any provision of the Ethics Law.
  - (3) Substantially similar allegations involving the same facts as those alleged in a previous complaint have already been addressed in a prior investigation or were otherwise decided on the merits by a court or by the FPPC or another governmental agency with jurisdiction.
- (C) If, based on the preliminary evaluation, the Independent Evaluator determines that sufficient cause to warrant a full investigation of a complaint exists, then the Independent Evaluator and the Commission shall proceed in accordance with sections 5.3 and 5.4. If, however, the Independent Evaluator determines that sufficient cause does not exist, then the Evaluator and the Commission shall proceed as follows:

- (1) The Independent Evaluator shall prepare a no-cause report explaining why sufficient cause does not exist and recommending that the Commission not hear the matter. The no-cause report may also recommend that the Commission refer the complaint to the FPPC or to another governmental agency if the Independent Evaluator determines that the FPPC or the agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law.
- (2) The Independent Evaluator shall file the no-cause report with the City Clerk within 45 days after the Independent Evaluator receives the complaint. The City Clerk shall place the matter on the agenda of the Commission's next available regular meeting.
- (3) The Commission may adopt the no-cause report and dismiss the complaint. Alternatively, if the Commission decides that contrary to the no-cause report, sufficient cause exists to warrant an investigation, the Commission may direct the Independent Evaluator to conduct an investigation.
- (4) The Commission may refer the complaint to a city department or to the FPPC or another governmental agency that may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law. If the Commission so determines, it will direct the City Clerk or City Attorney to send a copy of all relevant information to the department, the FPPC, or the agency along with the referral.

### 5.3. *Conduct of Investigation by the Independent Evaluator.*

- (A) The Independent Evaluator shall conduct an investigation of the allegations in a complaint when the Independent Evaluator determines that sufficient cause exists or when the Commission directs the Independent Evaluator to conduct an investigation. The investigation must include an interview with each Respondent unless the Respondent refuses to cooperate. The Independent Evaluator may, in the Independent Evaluator's sole discretion, also interview the Complainant and other witnesses and may review documents and other evidence.
- (B) Although scheduling is difficult to predict in advance, timeliness is important to the Commission so that its goals of transparency and responsiveness to the community may be furthered. To that end, the Independent Evaluator shall complete the investigation as promptly as possible under the circumstances and, unless an extension is granted in accordance with section 5.3(C), shall, within 60 days after receiving the complaint, submit to the City Clerk, with a copy to the City Attorney, a written report that is addressed to the Commission includes the following (the "**Independent Evaluator's Report**"):

- (1) A narrative summary of the evidence gathered through the investigation, including any exculpatory and mitigating evidence. The Independent Evaluator may consider any relevant evidence, including hearsay evidence, and may include in the Independent Evaluator's Report facts bearing on the weight given to the evidence considered, such as the Independent Evaluator's determination of witness credibility.
  - (2) For each provision of Ethics Law that is alleged to be violated, a determination that the Respondent or Respondents did or did not violate the provision, with supporting evidence.
  - (3) At the Independent Evaluator's discretion, a recommendation of action the Commission should take or a recommendation that the Independent Evaluator conduct further investigation and report back to the Commission.
  - (4) At the Independent Evaluator's discretion, a recommendation that the Commission refer the complaint to the FPPC or another governmental agency if the Independent Evaluator believes that the FPPC or agency may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of the Ethics Law or any other law.
- (C) The Independent Evaluator may request an extension of time by filing a written request with the City Clerk, specifying the extension requested and the reasons for the request. The City Clerk, in consultation with the Chairperson and the City Attorney, may grant the request upon the Independent Evaluator's showing of good cause. The City Clerk's decision on a request must be in writing. If the request is granted, the decision must specify the additional time that has been granted, and the Independent Evaluator shall provide the City Clerk with a progress report on the status of the investigation every 30 days or as otherwise set forth in the decision. If the request is denied, the Independent Evaluator shall submit to the City Clerk, within three days after the decision, a written summary of the evidence gathered through the investigation up to that point.
- (D) If the Independent Evaluator discovers facts during an investigation that indicate possible additional violations by named Respondent or Respondents or possible violations by one or more persons or entities who are not named as a Respondent, then the Independent Evaluator shall notify the City Clerk of this discovery and consult with the City Clerk on how to conduct a fair and thorough investigation of the newly discovered facts that provides adequate due process.
- (I) The City Clerk may either file an amended complaint against the new or existing Respondent or Respondents using the complaint form established for such purpose or may schedule a Hearing to consider whether the City Clerk should file an amended complaint.

- (2) If the City Clerk files an amended Complaint, the Independent Evaluator shall notify each new Respondent as well as the Complainant and each original respondent(s) of the new allegations. The Independent Evaluator shall also provide all Respondents with copies of the amended complaint and these Procedures.
- (E) Individual Commissioners shall not conduct independent investigations of complaints or discuss pending complaints with anyone except during a Hearing. But the Chairperson may discuss procedural matters with the Independent Evaluator, the City Attorney, or the City Clerk.

#### 5.4. *Commission Hearings.*

- (A) Upon receiving the Independent Evaluator's Report, the City Clerk will advise the Chairperson and the City Attorney and will set a Hearing at the earliest practicable date.
- (B) At least 10 days before the Hearing, the City Clerk shall notify the Complainant and each Respondent of the date and time of the Hearing.
- (C) At least 10 days before the Hearing, the City Clerk shall deliver the Independent Evaluator's Report to the Commission, the Complainant, each Respondent, and all interested parties who have requested a copy.
- (D) The Independent Evaluator's Report must be made available to the public in accordance with the Brown Act and the Sunshine Ordinance.
- (E) Each Respondent may submit a written response to the Independent Evaluator's Report. The response may contain legal arguments, a summary of evidence, and any mitigating or exculpatory information. A Respondent who chooses to submit a response must deliver it to the City Clerk at least 72 hours before the time of the Hearing, and the Commission may but need not consider a response that is not timely submitted. The City Clerk shall distribute any responses received to the Commission and the Independent Evaluator as soon as is practicable and shall make the responses available to the public in accordance with the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.
- (F) If anyone other than a Respondent submits a brief or any written argument to the Commission before the Hearing, the City Clerk shall provide, as soon as practicable, a copy of the brief or written argument to each Respondent, the Commission, and the Independent Evaluator. The City Clerk shall also make the brief or written argument available to the public in accordance with the Brown Act, the Sunshine Ordinance, or other applicable law, with all Confidential Materials redacted.

- (G) If a Commissioner is the Complainant or Respondent that Commissioner shall not participate in any way in the Hearing, including deliberations about, or a vote on, the complaint or any matter concerning the complaint.
- (H) The Hearing must be open to the public, but witnesses, except the Complainant, may be excluded at the Commission's discretion with the concurrence of the City Attorney.
- (I) The City Clerk shall record the Hearing.
- (J) Each Respondent may personally appear at the Hearing or be represented by counsel or any other person.
- (K) The Complainant must be treated like any other witness who provides evidence.
- (L) The Respondent and Complainant will have sufficient time to present to the commission.
- (M) The California Evidence Code does not apply to the Hearing, and the Commission may consider any relevant evidence, including hearsay.
- (N) All testimony presented to the Commission must be under oath or affirmation.
- (O) Commissioners may ask questions of the Complainant, each Respondent, the witnesses, and the Independent Evaluator when recognized by the Chairperson.
- (P) The Commission may ask the City Council to issue a subpoena compelling witnesses to appear at the Hearing and provide testimony or a subpoena duces tecum compelling witnesses to produce documents.
- (Q) No later than 10 days following the conclusion of a Hearing, the City Clerk shall notify the complainant, if possible, and each respondent of any action taken by the Commission.

#### 5.5. *Commission Action.*

- (A) At the conclusion of a Hearing, the Commission may take one or more of the following actions:
  - (1) Pass a motion directing the Independent Evaluator to conduct further investigation and report back to the Commission.
  - (2) Adopt a resolution finding that sufficient evidence exists to establish that a violation occurred and including one or more of the actions authorized by section 5.6(A). This finding must be based on a preponderance of the evidence from the entire record of the proceedings.

- (3) Adopt resolution finding that sufficient evidence does not exist to establish that a violation occurred and ordering that the complaint be dismissed.
  - (4) Pass a motion referring the complaint to the FPPC or to another governmental agency that may more appropriately resolve the allegations in the complaint or enforce the applicable provisions of law and directing the City Clerk or City Attorney to send a copy of all relevant information to the FPPC or the agency along with the referral.
- (B) The votes of at least three Commissioners are required to find under section 5.5(A)(2) that a violation occurred, and each Commissioner voting on the finding shall certify on the record that the Commissioner (1) heard the testimony at the Hearing (either in person or by listening to a recording) or read the transcript of the testimony; and (2) reviewed and considered all the evidence in the record.
  - (C) The City Clerk shall provide a copy of any resolution adopted under section 5.5(A)(2) or 5.5(A)(3) to the Complainant and each Respondent and shall post a copy of the resolution on the City's website.
  - (D) The Commission's action under section 5.5(A)(2) or 5.5(A)(3) is a final administrative determination on the complaint that is subject to judicial review in accordance with City Code section 1.24.110(A) and California Code of Civil Procedure sections 1094.5 and 1094.6.

#### 5.6. Remedies.

- (A) If the Commission adopts a resolution under section 5.5(A)(2), thereby finding that a violation occurred, then the Commission shall include in the resolution one or more of the following:
  - (1) A finding that mitigating circumstances exist and that no further action is warranted.
  - (2) A reprimand of the responsible Respondent or Respondents.
  - (3) An order that the responsible Respondent or Respondents take corrective action by a specific date.
  - (4) An order issuing a warning letter that sets conditions for the potential imposition of penalties depending on the future conduct of the responsible Respondent or Respondents.
  - (5) An order imposing an administrative penalty in accordance with City Code section 2.112.030.A.2.

- (B) The Commission shall not impose an administrative penalty on a Respondent if clear and convincing evidence establishes that all of the following occurred before the violation:
  - (1) The Respondent requested and obtained a written opinion from the City Attorney or the FPPC regarding the propriety of the actions constituting the violation.
  - (2) The Respondent, in requesting the opinion, truthfully disclosed all the relevant and material facts.
  - (3) The Respondent committed the violation in good-faith reliance upon the written opinion of the City Attorney or the FPPC.
- (C) The votes of at least three Commissioners are required to impose an administrative penalty under section 5.6(A)(5), and each Commissioner voting to impose any penalty shall certify on the record that the Commissioner (1) heard (either in person or by listening to a recording) or read the transcript of the testimony; and (2) reviewed and considered all the evidence in the record.
- (D) In determining whether administrative penalties should be imposed and the amount of the penalties, the Commission shall consider all the relevant facts. The following list of relevant facts is neither exhaustive nor mandatory, and the Commission may assign greater or lesser importance to each fact as the Commission considers appropriate under the circumstances:
  - (1) The severity of the violation.
  - (2) The presence or absence of any intention to conceal, deceive, or mislead.
  - (3) Whether the violation was deliberate, negligent or inadvertent.
  - (4) Whether the violation was an isolated incident or pervasive enough to indicate a pattern of disregard.
  - (5) Whether the Respondent has a record of violations.
  - (6) The Respondent's experience and sophistication.
  - (7) Whether the Respondent had, or should have had, knowledge of the provision of the Ethics Law that was violated.
  - (8) The extent to which the Respondent cooperated with the investigation.
  - (9) The extent to which, when given notice of the Complaint, the Respondent took corrective action to cure the violation.

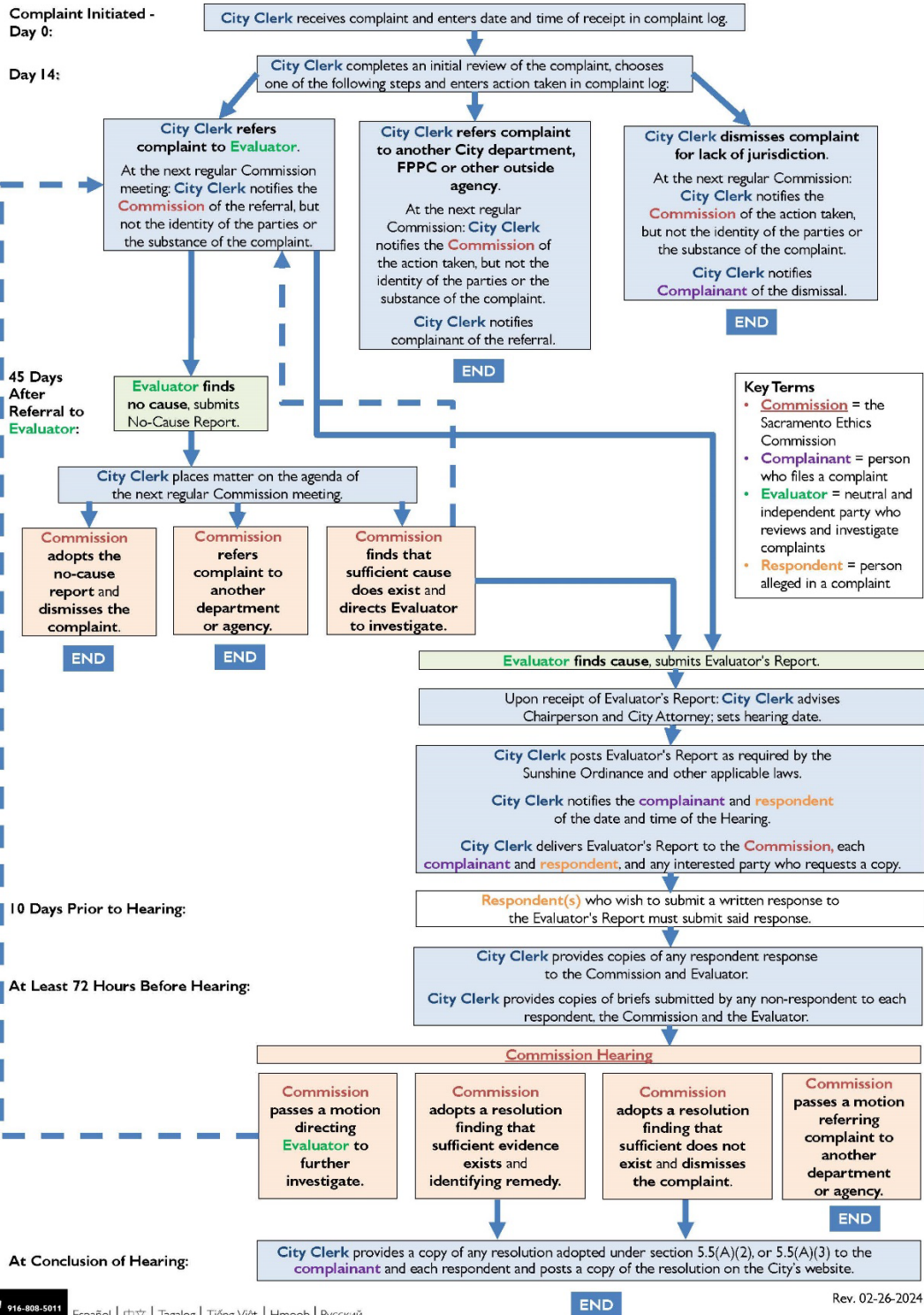
*5.7. Payment and Collection of the Administrative Penalty.*

- (A) A Respondent upon whom an administrative penalty has been imposed shall pay the penalty within 25 days after receiving a copy of the resolution adopted under section 5.5(A)(2).
- (B) An administrative penalty not paid within 25 days is delinquent and, beginning on the 26th day after the Respondent receives a copy of the resolution adopted under section 5.5(A)(2), will accrue interest at the same annual rate that applies to any civil judgment.
- (C) The City may file and prosecute a civil action in superior court to collect a delinquent administrative penalty and will be entitled to recover reasonable attorneys' fees and all costs associated with collection of the penalty, including but not limited to the cost of City Staff time to collect the penalty and costs set forth in California Code of Civil Procedure section 1033.5. The City may also take such actions as are authorized for enforcement of money judgments under the Enforcement of Judgments Law, California Code of Civil Procedure section 680.010 et seq.

Revision History:

- September 23, 2024
- September 26, 2022
- February 22, 2021

## SACRAMENTO ETHICS COMMISSION COMPLAINT WORKFLOW



916-808-5011  
916-264-5011

Español | 中文 | Tagalog | Tiếng Việt | Hmoob | Русский

Sacramento Ethics Commission Procedures can be found here: <https://www.cityofsacramento.gov/clerk/good-governance-and-compliance/filing-an-ethics-complaint>

Rev. 02-26-2024

SACRAMENTO ETHICS COMMISSION COMPLAINT WORKFLOW

Complaint Initiated -  
Day 0:

City Clerk receives complaint and enters date and time of receipt in complaint log.

Day 14:

City Clerk completes an initial review of the complaint, chooses one of the following steps and enters action taken in complaint log:

City Clerk refers complaint to Evaluator.

At the next regular Commission meeting: City Clerk notifies the Commission of the referral, but not the identity of the parties or the substance of the complaint.

City Clerk refers complaint to another City department, FPPC or other outside agency.

At the next regular Commission: City Clerk notifies the Commission of the action taken, but not the identity of the parties or the substance of the complaint.

City Clerk notifies complainant of the referral.

City Clerk dismisses complaint for lack of jurisdiction.

At the next regular Commission: City Clerk notifies the Commission of the action taken, but not the identity of the parties or the substance of the complaint.

City Clerk notifies Complainant of the dismissal.

END

45 Days After Referral to Evaluator:

Evaluator finds no cause, submits No-Cause Report.

City Clerk places matter on the agenda of the next regular Commission meeting.

Commission adopts the no-cause report and dismisses the complaint.

END

Commission refers complaint to another department or agency.

END

Commission finds that sufficient cause does exist and directs Evaluator to investigate.

Evaluator finds cause, submits Evaluator's Report.

Upon receipt of Evaluator's Report: City Clerk advises Chairperson and City Attorney; sets hearing date.

City Clerk posts Evaluator's Report as required by the Sunshine Ordinance and other applicable laws.

City Clerk notifies the complainant and respondent of the date and time of the Hearing.

City Clerk delivers Evaluator's Report to the Commission, each complainant and respondent, and any interested party who requests a copy.

Respondent(s) who wish to submit a written response to the Evaluator's Report must submit said response.

City Clerk provides copies of any respondent response to the Commission and Evaluator.

City Clerk provides copies of briefs submitted by any non-respondent to each respondent, the Commission and the Evaluator.

Commission Hearing

Commission passes a motion directing Evaluator to further investigate.

Commission adopts a resolution finding that sufficient evidence exists and identifying remedy.

Commission adopts a resolution finding that sufficient does not exist and dismisses the complaint.

Commission passes a motion referring complaint to another department or agency.

END

At Conclusion of Hearing:

City Clerk provides a copy of any resolution adopted under section 5.5(A)(2), or 5.5(A)(3) to the complainant and each respondent and posts a copy of the resolution on the City's website.

END

Key Terms

- **Commission** = the Sacramento Ethics Commission
- **Complainant** = person who files a complaint
- **Evaluator** = neutral and independent party who reviews and investigate complaints
- **Respondent** = person alleged in a complaint