

1 Timothy Sandefur (224436)
2 Adam Shelton (Pro Hac Vice Pending)
3 **Scharf-Norton Center for**
4 **Constitutional Litigation at the**
5 **GOLDWATER INSTITUTE**
6 500 E. Coronado Rd.
7 Phoenix, Arizona 85004
8 (602) 462-5000
9 litigation@goldwaterinstitute.org

Michael K. Friedland (157217)
FRIEDLAND CIANFRANI LLP
17901 Von Karman Ave., Ste. 925
Irvine, California 92614
(949) 734-4900
Michael.friedland@fciplaw.com

Attorneys for Plaintiffs

8 **IN THE U.S. DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

10 FLYING GOAT CELLARS, INC., a
11 California general corporation; NORM
12 YOST, an individual; and KATHLEEN
13 GRIFFITH, an individual,

Plaintiffs,

14 vs.

15 SANTA BARBARA COUNTY BOARD OF
16 SUPERVISORS, a government entity; BOB
17 NELSON, in his official capacity as
18 Chairman of the Board of the Santa Barbara
19 Board of Supervisors; SANTA BARBARA
20 COUNTY VINTNERS ASSOCIATION, a
21 business league;

Defendants.

Case No. 2:26-cv-5489

**COMPLAINT FOR
DECLARATORY AND
INJUNCTIVE RELIEF AND FOR
AN AWARD OF DAMAGES**

21 **INTRODUCTION**

22 1. This is a civil rights action to vindicate the bedrock constitutional principle
23 that the government may not compel a private citizen or business to fund, join, or
24 subsidize the speech of a private association. By creating the Santa Barbara County Wine
25 Improvement District (“SBCWID”), Defendants have forced Plaintiffs, a small, family-
26 owned winery and its owners, to become involuntary members of, and pay a one-percent
27 assessment to, the Santa Barbara County Vintners’ Association (“SBCVA”)—a private
28 entity that lobbied the County for this exact subsidy. As a result: (1) Plaintiffs are now

1 compelled to subsidize speech and advocacy with which they disagree; (2) Plaintiffs’
2 private property, their money, is taken without a legitimate public use; and (3) Plaintiffs
3 are compelled to join the SBCVA, which purports to speak on behalf of the entire Santa
4 Barbara County wine industry.

5 2. Plaintiffs Norm Yost and Kathleen Griffith built Flying Goat Cellars from
6 the ground up over the past two decades. Since 2000, they have grown their small family-
7 owned winery in Lompoc into a celebrated producer of Santa Barbara County wine. They
8 have served their own customers and pursued their own vision of what their winery should
9 be. But the Santa Barbara County Board of Supervisors, at the lobbying of a private trade
10 association, the SBCVA, has circumscribed Plaintiffs’ ability to follow their own vision.

11 3. Plaintiffs attempted to remedy this violation by sending a letter to the Board
12 of Supervisors and the SBCVA expressing disagreement with the establishment of the
13 SBCWID, raising constitutional concerns respecting its operation, and asking to be given
14 the opportunity to opt out of the SBCWID. That request and those concerns have gone
15 unanswered. Faced with no other choice, Plaintiffs file this action and seek relief from this
16 Court. This lawsuit asks the Court to determine whether the County can impose such a
17 heavy burden on one private business to benefit other private entities. The Constitution is
18 clear: it cannot.

19 JURISDICTION AND VENUE

20 4. This action is brought under [42 U.S.C. §§ 1983](#) and [1988](#) to redress the
21 deprivation, under the color of state law, of rights secured by the First, Fifth, and
22 Fourteenth Amendments to the United States Constitution. This Court has subject matter
23 jurisdiction over Plaintiffs’ claims under [28 U.S.C. §§ 1331](#) and [1343](#).

24 5. This Court has authority to grant declaratory and other relief under [28](#)
25 [U.S.C. §§ 2201](#) and [2202](#).

26 6. Venue is appropriate under [28 U.S.C. § 1391\(b\)\(2\)](#) because a substantial
27 part of the events giving rise to Plaintiffs’ claims occurred in this District.
28

1 13. Under [California Government Code § 25303](#), the Board’s duty is to
2 “[S]upervise the official conduct of all county officers, and officers of all districts and
3 other subdivisions of the county, and particularly insofar as the functions and duties of
4 such county officers and officers of all districts and subdivisions of the county relate to
5 the assessing, collecting, safekeeping, management, or disbursement of public funds.”

6 14. The Board of Supervisors is the final policy making authority for the County
7 and through its actions established the SBCWID challenged herein.

8 15. The Board is specifically authorized by California law to establish Business
9 Improvement Districts pursuant to the Property and Business Improvement District Law
10 of 1994, [Cal. Streets & Highways Code §§ 36600–36671](#).

11 16. On February 11, 2025, the Board exercised that authority by adopting
12 Resolution 25-18, creating the SBCWID and designating the SBCVA as its Owner’s
13 Association. The Board bears the ultimate responsibility for the creation, implementation,
14 and ongoing enforcement of the SBCWID.

15 17. The Board is a person amenable to suit under [42 U.S.C. § 1983](#) through its
16 final policymaking authority. [Monell v. Dep’t of Soc. Servs.](#), 436 U.S. 658 (1978).
17 Resolution Number 25-18 constitutes the official policy of the Board giving rise to
18 Plaintiffs' constitutional injuries.

19 18. Defendant Santa Barbara County Vintners’ Association (“SBCVA”), is a
20 tax-exempt business league organized under [I.R.C. 501\(c\)\(6\)](#). The SBCVA serves as the
21 Owners’ Association for the SBCWID. A true and correct copy of the Agreement for
22 Services is attached hereto as Exhibit 1. The SBCVA’s principal location is 140 West
23 Highway 246, Box 1059, Buellton, California 93427.

24 19. Under the agreement with the Board, the SBCVA carries out the
25 government function of collecting the mandatory assessment and can assess further fines
26 in accordance with the agreement.

27 20. The SBCVA performs a public function delegated to it by the Board,
28 operates pursuant to governmental authority it could not exercise absent the Board’s

1 resolution, and acts in concert with the Board and its agents to enforce the mandatory
2 assessment, including through the imposition of fines for nonpayment in accordance with
3 the District Management Plan approved by the Board.

4 21. The SBCVA is therefore a state actor for purposes of [42 U.S.C. § 1983](#)
5 under the joint action and public function doctrines.

6 22. Defendant Bob Nelson is the Chairman of the Board, and resides within
7 Santa Barbara County, California. He holds his position under [California Government](#)
8 [Code §§ 25020](#) and [25020.1](#), under which he presides at all meetings of the board and has
9 the power to perform such duties as are prescribed by law or by the board. He is a
10 “person” under [42 U.S.C. § 1983](#) and at all relevant times acted under color of state law.
11 He is sued in his official capacity pursuant to [Ex parte Young](#), 209 U.S. 123 (1908).

12 **FACTUAL ALLEGATIONS**

13 23. The SBCVA, a private trade association that has been in existence since
14 1983, lobbied the Santa Barbara County Board of Supervisors to create the SBCWID in
15 2019–2020 and again in 2024–2025.

16 **The government compels what persuasion could not obtain.**

17 24. Prior to the February 2025 establishment of the SBCWID, the SBCVA was
18 a voluntary association.

19 25. Plaintiffs are informed and believe, and on that basis allege, that prior to the
20 establishment of the SBCWID, the SBCVA only had approximately 30% of the county’s
21 wineries as voluntary members before the establishment of the SBCWID.

22 26. The remaining 70% of wineries in the county, including Flying Goat, did
23 not believe the SBCVA membership dues were worth the benefits of the association.

24 27. SBCVA failed to achieve its goals through voluntary membership and then
25 lobbied the Santa Barbara County Board of Supervisors to compel membership in the
26 SBCVA rather than focus on persuading nonmembers about the benefits of membership.

27 28. The SBCVA tried and failed in 2020 to convince the Board of Supervisors
28 to establish a wine improvement district in the County for the benefit of the SBCVA.

1 29. The SBCVA tried again in 2024 to convince the Board to create a wine
2 district for the County. It began by receiving approval from the Board to examine the
3 County’s sales and use tax records to determine the wineries within the proposed district
4 and their share of each winery’s business compared to the total wineries within the
5 proposed district to calculate a verified weighted vote.

6 30. A general business improvement district can only be established on a vote of
7 the businesses that will pay over 50% of the assessments proposed to be levied, where
8 each winery’s vote is weighted by each winery’s proportional contribution to the total
9 assessment. This structure gave large, high-revenue wineries disproportionate voting
10 power. This weighted voting structure gives little chance to small wineries like Flying
11 Goat to have a meaningful say.

12 31. There were 126 petitions in favor of the SBCWID, which accounted for
13 59.69% of the weighted vote. A true and correct copy of a presentation by the SBCVA to
14 the Board of Supervisors at the February 11, 2025, Board Meeting is attached hereto as
15 Exhibit 2.

16 32. On February 11, 2025, the Board of Supervisors adopted Resolution
17 Number 25-18, creating the SBCWID in accordance with the provisions of the Property
18 and Business Improvement District Law of 1994, [Streets and Highways Code section](#)
19 [36600–36671](#). A true and correct copy of Resolution Number 25-18 is attached hereto as
20 Exhibit 3.

21 33. The SBCVA has been designated as the Owners’ Association in accordance
22 with Streets and Highways Code section 36651.

23 34. Resolution Number 25-18 established a five-year term for the SBCWID
24 beginning on April 1, 2025, and ending five years after that date unless renewed pursuant
25 to [Streets and Highways Code § 36660](#).

26 35. Resolution Number 25-18 adopted the Management Plan for the SBCWID
27 proposed by the SBCVA. A true and correct copy of that Management Plan is attached
28 hereto as Exhibit 4. This plan lays out the general plans for the SBCVA for its first five-

1 year term, designates an entity to collect the assessment, and allows for the imposition of
2 fines against wineries who fail to pay the assessment.

3 36. Resolution Number 25-18 levied an assessment on wine tasting facilities at
4 a rate of one percent (1%) of gross sales revenue of assessed wine tasting facilities. The
5 assessment is not collected on purchases made outside of the state of California or
6 purchases made pursuant to contracts executed prior to April 1, 2025. Exhibit 3 at 3 ¶ 8.

7 37. Pursuant to Resolution 25-18, SBCVA and the Board entered into an
8 “Agreement for Services” on April 1, 2025. *See* Ex. 1.

9 38. Under that agreement, the County shall cause its third-party collection
10 agency to forward to SBCVA all SBCWID assessment funds collected within thirty (30)
11 days of collection, less any collection, administrative, and compliance fees as authorized
12 in the SBCWID Management District Plan. *Id.* at 1 ¶ 2.

13 39. The County is required to remit those fees directly to the SBCVA. Only in
14 limited situations can the County direct the collected assessment elsewhere, such as in the
15 event of any claim or litigation related to the SBCWID. *Id.*

16 40. In the event of a claim or litigation related to the SBCWID, the County may
17 order SBCVA in writing to suspend, delay, or interrupt the services under the agreement
18 in whole or in part. *Id.* at 8 ¶ 5.

19 **The SBCVA begins to collect the assessment as “membership fees.”**

20 41. Paying the assessment is equivalent to membership in two ways. First, the
21 SBCVA phased out membership fees for those wineries that were members of the
22 SBCVA before the establishment of the SBCWID because the levied assessment replaced
23 the membership fee. Second, the SBCVA’s Board of Directors is considering, and may
24 already have implemented, a program allowing wineries outside Santa Barbara County to
25 join the SBCVA by paying a fee equivalent to the one-percent assessment paid by
26 mandatory members. A true and correct copy of the November 18, 2025, Meeting Minutes
27 of the SBCVA Board of Directors Meeting is attached hereto as Exhibit 5.
28

1 42. Wineries are responsible for the collection and payment of the assessment.
2 Wineries can collect the assessment in one of two ways. They can “absorb” the
3 assessment, or pass the assessment along to the consumer. If “absorbed,” the winery
4 simply pays the fee from its own revenue. If passed on to the customer, the winery must
5 make it a line item on the receipt, and it must be disclosed in advance of the transaction,
6 and identified as the “Wine Preserve Assessment.” If passed along to guests, the
7 assessment is part of the taxable gross receipt. A true and correct copy of the SBCWID
8 “Best Practices” created by the SBCVA is attached hereto as Exhibit 6.

9 43. The SBCVA treats the mandatory assessment as a membership fee,
10 effectively making all wineries, including Flying Goat, members of the SBCVA in every
11 meaningful sense. The exception is that these wineries are not given a choice as to
12 whether to be members.

13 44. But for the mandatory assessment program challenged herein, Flying Goat
14 would not currently be a member of the SBCVA, even though it has in the past when it
15 saw a benefit in the voluntary association.

16 45. Plaintiffs paid or caused to be paid the mandatory assessment in each
17 quarter since the collections began, including in July 2025, October 2025, January 2026,
18 and April 2026. Plaintiffs paid this fee solely because they were forced to do so by law,
19 under protest, and not because (1) they agreed with the actions of the SBCVA; (2) they
20 believed SBCVA was good for their wine business; (3) felt there was any benefit in
21 belonging to the SBCVA, or (4) had any other desire to be a member of SBCVA.

22 46. Plaintiffs have decided not to pass along the fee to their customers for
23 multiple reasons, including hardships with respect to incorporating the assessment in their
24 point-of-sale system and because passing the fee along to their customers requires
25 additional compelled speech about the purpose of the assessment—speech with which
26 Plaintiffs disagree. Specifically, to pass along the fee would require Plaintiffs to post a
27 sign near the register that states the purpose of the fee is to “support the preservation and
28 promotion of Santa Barbara Wine County” and the suggested fee-pass-on flyer has the

1 logo of the SBCVA further requiring compelled association with SBCVA. A true and
2 correct copy of a template created by the SBCVA for wineries to place in their tasting
3 room is attached hereto as Exhibit 7.

4 47. The SBCVA has consistently maintained that the assessment is a fee, not a
5 tax. *See* Ex. 6. This is important because if the assessment is a fee, Plaintiffs are entitled to
6 opt out if they derive no benefit; but if it is a tax, it must comply with California's
7 constitutional requirements for voter approval and public benefit, which the SBCWID has
8 not done.

9 **How the SBCVA spends the mandatory assessment.**

10 48. Plaintiffs do not agree with the actions of the SBCVA and do not believe the
11 SBCVA benefits them.

12 49. Among other things, Plaintiffs disagree with (1) SBCVA's marketing
13 activities; (2) SBCVA's lobbying activities; (3) SBCVA's charitable activities; (4) the use
14 of funds for SBCVA officials to take trips to South Korea in 2025 and Japan in 2026 for
15 the purported purpose of developing export markets and gaining international recognition
16 neither of which benefit Plaintiffs; (5) SBCVA's use of current Business Improvement
17 District ("BID") funds for reimbursement for setting up the BID over the past five years;
18 and (6) using funds from the assessment to support the wholesale market on the belief that
19 it helps bolster direct-to-consumer sales.

20 50. The SBCVA uses the mandatory assessment funds for a broad range of
21 activities, including for events, community engagement, "government education,"
22 industry education, marketing, public relations, and philanthropy. *See* Exs. 2 at 6 & 4 at 8.
23 "Government education" means advocacy directed at government officials and is more
24 commonly known as lobbying. Philanthropy directs Plaintiffs' money to charitable causes
25 of SBCVA's choosing. These uses do not constitute generic, non-ideological commercial
26 advertising, but are expressive, ideological, and political activities that Plaintiffs are
27 compelled to fund and associate with.
28

1 51. Underlying these disagreements is the fact that Flying Goat Cellars markets
2 wine differently than the large estates that dominate the Santa Barbara County wine
3 industry. Rather than focusing on export markets or international recognition, Flying Goat
4 serves local customers in Lompoc and the surrounding area. Norm and Kathleen have
5 built their business on direct relationships with wine drinkers who come through their
6 doors, not the kind of broad promotion campaigns the SBCVA favors. Their vision for
7 *their* winery and the SBCVA's vision for the Santa Barbara County wine industry are not
8 the same.

9 **The (unanswered) demand letter requesting the opportunity to opt-out of the**
10 **SBCWID.**

11 52. In February 2026, Flying Goat Cellars sent a letter to the Board and the
12 SBCVA highlighting the constitutional deficiencies with the SBCWID and requesting the
13 opportunity to opt-out of the association and the requirement to pay the assessment and to
14 support SBCVA's speech. A true and correct copy of the Demand Letter sent to the Board
15 and the SBCVA is attached hereto as Exhibit 8.

16 53. The letter identified the SBCWID's violations of the First and Fifth
17 Amendments in detail and demanded that the County amend the SBCWID to permit
18 individual wineries to opt in (or at least opt out) rather than be automatically enrolled in
19 the SBCVA and the mandatory assessment. *Id.*

20 54. Neither the Board nor the SBCVA have responded to Plaintiffs' letter or
21 offered Plaintiffs the opportunity to opt out of the SBCVA and the SBCWID.

22 55. The unconstitutional assessment continues to be collected and remitted to
23 the SBCVA on a quarterly basis, and Defendants have made clear, through their silence
24 and inaction, that the SBCWID will continue in its current form without amendment.

1 **First Amendment Injuries to Plaintiffs**

2 56. The [First Amendment](#), made applicable to the states through the [Fourteenth](#)
3 [Amendment](#), protects the rights of Plaintiffs to speak freely and to freely associate. These
4 protections include the rights to not be compelled to speak, including through the
5 subsidization of speech, and the right to not be forced to associate with an organization
6 with which the Plaintiffs do not wish to associate.

7 57. Defendants violate these rights by forcing Plaintiffs to subsidize the speech
8 of the SBCVA through the assessment and associate with the SBCVA by effectively
9 making Plaintiffs members of the SBCVA. *See Ex. 5.*

10 58. Plaintiffs wish to make their own decisions about marketing, promotion, and
11 industry advocacy for Flying Goat Cellars. The mandatory assessment costs Plaintiffs
12 money they could have spent on their own expressive choice instead of mandatory support
13 for the SBCVA's ideas.

14 59. Defendants therefore have violated, are now violating, and unless enjoined
15 by this Court, will continue to violate, the Plaintiffs' [First Amendment](#) right not to
16 associate, and their [First Amendment](#) rights by forcing Plaintiffs to subsidize the speech of
17 a private organization.

18 **Fifth Amendment Injuries to Plaintiff**

19 60. The [Fifth Amendment](#), made applicable to the states through the [Fourteenth](#)
20 [Amendment](#), provides that “nor shall private property be taken for public use, without just
21 compensation.”

22 61. Defendants have taken Plaintiffs' private property for a nonpublic use—the
23 funding of a private association. The Supreme Court has held that private property
24 includes both real property and personal property, and that the taking of money can trigger
25 a [Fifth Amendment](#) takings analysis.

26 62. The purpose of the private association under the SBCWID is to benefit the
27 wine industry in the county, not the public.

28

1 63. The California statute authorizing the SBCWID expressly states that benefit
2 assessments serve “local” and private business interests, not the public at large. [Cal.](#)
3 [Streets & Highways Code § 36601\(c\)](#). Plaintiffs absorb the assessment from their own
4 revenue rather than passing it on to customers, meaning that each quarterly payment is a
5 direct reduction of their personal property with no public benefit to justify the taking of
6 their money.

7 **Declaratory and Injunctive Relief Allegations**

8 64. An actual and substantial controversy exists between Plaintiffs and
9 Defendants as to their respective legal rights and duties.

10 65. Due to Defendants’ actions, policies, and resolutions, Plaintiffs are forced to
11 associate with the SBCVA and subsidize its speech through a one-percent fee on the gross
12 sales of the wine tasting facilities on purchases made in California. Defendants have not
13 permitted Plaintiffs to opt-out of this association or the SBCWID even though Plaintiffs
14 have requested such an opportunity. Plaintiffs will then continue to be forced to associate
15 with the SBCVA and fund its activities.

16 66. Plaintiffs contend, pursuant to [42 U.S.C. § 1983](#), that the actions of
17 Defendants as described herein violate Plaintiffs’ right of free speech by compelling
18 speech by forced subsidization, Plaintiffs’ right of free association by mandating
19 association with SBCVA, and Plaintiffs’ right not to have their private property taken
20 from them except for a legitimate public use, in violation of the Fifth Amendment.
21 Plaintiffs are informed and believe, and on that basis allege, that Defendants hold their
22 actions as described herein to be lawful in all respects.

23 67. Accordingly, declaratory relief is appropriate.

24 68. If not permanently enjoined by the Court, Defendants and their agents,
25 representatives, officers, and employees will continue enforcing the SBCWID
26 requirements against the Plaintiffs which does now and will continue to cause Plaintiffs to
27 suffer irreparable injury.
28

1 78. Generally, the government cannot mandate that an individual subsidize the
2 speech of a private association unless the speech is government speech or part of a
3 comprehensive regulatory scheme.

4 79. If the assessments are not ancillary to a more comprehensive program, and
5 advertising itself is the principal object of the scheme, then the compelled subsidy to fund
6 a private association violates the First Amendment.

7 80. The speech of the SBCVA is not government speech. The government does
8 not control the message. The Santa Barbara County Board of Supervisors has no role in
9 approving or disapproving the speech of the SBCVA. No member of the Board is on the
10 Board of the SBCVA.

11 81. The SBCWID is not part of a larger regulatory scheme for the wine
12 industry. The SBCVA has no regulatory authority, and does not purport to exercise any
13 regulatory control, over the wine industry or winery owners in the county, including
14 Plaintiffs.

15 82. There is no compelling, substantial, important, or even rational reason
16 served by the requirement that Plaintiffs subsidize the speech of the SBCVA as SBCVA
17 possesses no regulatory authority over the wine industry, and has no oversight function of
18 the wine industry in the county, and as the Board of Supervisors has no role in overseeing
19 the speech of the SBCVA.

20 83. As a direct result of this compelled subsidy, Plaintiffs continue to suffer an
21 immediate and direct injury as Plaintiffs are forced to subsidize the speech of the SBCVA.

22 84. Plaintiffs are informed and believe, and on that basis allege, that the
23 Defendants contend the subsidization of speech of a private association, the SBCVA,
24 through the assessment raises no problems under the [First Amendment](#) and is lawful in all
25 respects, and that the Defendants will continue to enforce this forced subsidization. This
26 deprivation of constitutional rights is causing Plaintiffs to suffer irreparable injury for
27 which there is no adequate remedy at law. Unless this deprivation of rights is enjoined,
28 Plaintiffs will continue to suffer irreparable harm.

1 85. Plaintiffs have already suffered financial damage through the payment of the
2 assessment, and the assessments are ongoing.

3
4 **Count 2**
5 **Compelled Association in Violation of the First Amendment**
6 **(42 U.S.C. § 1983)**

7 86. Plaintiffs incorporate and re-allege each and every allegation contained in
8 paragraphs 1 through 85 of this Complaint as if fully set forth herein.

9 87. The [First Amendment](#), made applicable to the states and local governments
10 through the [Fourteenth Amendment](#) protects not only the freedom to associate but also the
11 freedom to *not* associate.

12 88. By its very nature, the SBCWID violates this right. Under the SBCWID, all
13 wineries in the County are in substance forced to be members of the SBCVA
14 (notwithstanding whatever euphemisms the Board and SBCVA may employ for this
15 compulsory membership).

16 89. The mere requirement that Plaintiffs associate with the SBCVA is sufficient
17 to cause an associational injury. But this is more than just pure association. SBCVA has a
18 specific vision for the wine industry in Santa Barbara County. One that includes a more
19 international reach. Plaintiffs disagree with this vision but are nevertheless forced to
20 associate with this message.

21 90. Mandatory associations are only permissible when they serve a compelling
22 state interest that cannot be achieved through means significantly less restrictive of
23 associational freedoms. Courts generally only permit compelled membership where the
24 mandatory association exercises genuine regulatory authority over a licensed profession or
25 provides an orderly labor market like in the case of bar associations. The SBCVA
26 exercises no regulatory authority, issues no licenses, and has no disciplinary power over
27 any winery in Santa Barbara County. It is solely a promotional trade association.

28 91. Compelling association with such an entity serves no compelling—or even
rational—government interest.

1 92. The Board approved the creation of the SBCWID, and thus it is their official
2 policies and actions that require Plaintiffs to associate with the SBCVA, the entity chosen
3 by the Board to manage the SBCWID.

4 93. There is no compelling, substantial, important, or even rational reason
5 served by mandatory association with a trade association that possesses no regulatory
6 authority over the wine industry, and has no oversight function of the wine industry in the
7 county, or Flying Goat Cellars specifically.

8 94. As a direct result of this compelled association, Plaintiffs continue to suffer
9 an immediate and direct injury, as Plaintiffs are forced to associate with the SBCVA.

10 95. Plaintiffs are informed and believe and on that basis allege that the
11 Defendants contend the mandatory association is lawful in all respects, and that
12 Defendants will continue to enforce this mandatory association.

13 96. This deprivation of constitutional rights is causing Plaintiffs to suffer
14 irreparable injury for which there is no adequate remedy at law. Unless this deprivation of
15 rights is enjoined, Plaintiffs will continue to suffer irreparable harm.

16
17 **Count 3**
Taking without Just Compensation in Violation of Fifth Amendment
(42 U.S.C. § 1983)
18

19 97. Plaintiffs incorporate and re-allege each and every allegation contained in
20 paragraphs 1 through 96 of this Complaint as if fully set forth herein.

21 98. The [Fifth Amendment](#), made applicable to the states through the [Fourteenth](#)
22 [Amendment](#), provides that “private property [shall not] be taken for public use, without
23 just compensation.”

24 99. The [Fifth Amendment’s](#) protections for private property include both real
25 and personal property.

26 100. The SBCWID compels Plaintiffs to make a specific, identifiable transfer of
27 money to a named private trade association. This is not a general tax with funds going to
28 the government for spending. Rather it is a government-mandated transfer of funds

1 directly to a private party. The government cannot recharacterize a forced transfer of
2 property to a private party as a mere regulatory fee and thereby escape the Takings
3 Clause.

4 101. A physical appropriation of money or property is a *per se* taking.

5 102. The SBCWID amounts to a physical taking of money, Plaintiffs' personal
6 property, through the levying of a one-percent assessment on the gross sales of the wine
7 tasting facilities on purchases made in California.

8 103. The Board and the SBCVA maintain that the assessment is not a "tax" and,
9 if the assessment is passed along to the customer, the assessment itself must actually be
10 included in the sales tax calculation.

11 104. There is no sufficient "public use" to justify this taking, as the money is
12 taken by the County through the establishment of the SBCWID and given directly to a
13 private entity, the SBCVA, for the direct benefit of private businesses (i.e., wineries) in
14 the county.

15 105. There is no direct public benefit for this taking. In fact, the purpose of the
16 SBCWID is to benefit the wineries and the wine industry, not the public.

17 106. Plaintiffs are informed and believe, and on that basis allege, that the
18 Defendants contend the assessment is not a taking under the Fifth Amendment and is
19 lawful in all respects, and, as such, that the Defendants will continue taking Plaintiffs'
20 private property under the assessment measures described herein. This deprivation of
21 constitutional rights is causing Plaintiffs to suffer irreparable injury for which there is no
22 adequate remedy at law. Unless this deprivation of rights is enjoined, Plaintiffs will
23 continue to suffer irreparable harm.

24 **REQUEST FOR RELIEF**

25 Wherefore, Plaintiffs respectfully request that this Court enter judgment in
26 Plaintiffs' favor and:

27 A. A declaratory judgment by the Court that the Defendants' implementation,
28 enforcement, and running of the SBCWID requires Plaintiffs to subsidize

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the speech of a private association for the benefit of a private industry in violation of the First Amendment;

- B. A declaratory judgment by the Court that the Defendants’ implementation, enforcement, and running of the SBCWID compels Plaintiffs to associate with the SBCVA in violation of the First Amendment;
- C. A declaratory judgment by the Court that the Defendants’ implementation, enforcement, and running of the SBCWID amounts to a taking not for the public use in violation of the Fifth Amendment by requiring the payment of an assessment;
- D. A permanent injunction prohibiting Defendants and all persons in active concert or participation with them from enforcing Resolution 25-18 and any associated agreements for services executed with respect to that Resolution, or, in the alternative, an order requiring Defendants to provide an opt-out mechanism under which individual wineries may, upon written request, be exempted from the mandatory assessment and the deemed membership in the SBCVA;
- E. Award Plaintiffs actual damages in the form of a refund of all “assessments” paid to the SBCVA (which Plaintiffs paid under protest);
- F. An award of nominal damages in the amount of \$1.00 for the Defendants’ past infringement of Plaintiffs’ constitutional rights under the [First](#) and [Fifth Amendments](#) to redress each completed violation of Plaintiffs’ constitutional rights;
- G. Award Plaintiffs their costs, attorneys’ fees, and other expenses in accordance with law, including [42 U.S.C. § 1988](#); and
- H. Such other legal and equitable relief the Court may deem appropriate and just.

RESPECTFULLY SUBMITTED this 21st day of May 2026.

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GOLDWATER INSTITUTE

/s/ Timothy Sandefur

Timothy Sandefur (224436)
Adam Shelton (Pro Hac Vice Pending)
Scharf-Norton Center for
Constitutional Litigation at the
GOLDWATER INSTITUTE
500 E. Coronado Rd.
Phoenix, Arizona 85004

/s/ Michael K. Friedland

Michael K. Friedland (157217)
FRIEDLAND CIANFRANI LLP
17901 Von Karman Ave., Ste. 925
Irvine, California 92614
(949) 734-4900
Michael.friedland@fciplaw.com

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

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/s/ Kris Schlott
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