



**NOTICE OF PUBLIC MEETING
AND POSSIBLE EXECUTIVE SESSION OF THE
STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION**

Virtual Meeting: Citizens Clean Elections Commission

Zoom Meeting: <https://us02web.zoom.us/j/87997316858>

Meeting ID: 879 9731 6858

One tap mobile: +1-669-900-6833,,87997316858#

Commission Address: 1110 W. Washington, Suite 250, Phoenix,
Arizona 85007

Date: Friday, August 14, 2026

Time: 10:30 a. m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Commissioners of the Citizens Clean Elections Commission and the general public that the Citizens Clean Elections Commission will hold a regular meeting, which is open to the public on August 14, 2026. **This meeting will be held at 10:30 a.m. This meeting will be held virtually. The Zoom meeting room will be open by 10:15 a.m. at the latest.** Instructions on how the public may participate in this meeting are below. For additional information, please call (602) 364-3477 or contact Commission staff at ccec@azcleanelections.gov.

The meeting may be available for live streaming online at <https://www.youtube.com/c/AZCCEC>. You can also visit <https://www.azcleanelections.gov/clean-elections-commission-meetings>. Members of the Citizens Clean Elections Commission may attend in person, by telephone, video, or internet conferencing.

Join Zoom Meeting

<https://us02web.zoom.us/j/87997316858>

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Please note that members of the public that choose to use the Zoom video link must keep their microphone muted for the duration of the meeting. If a member of the public wishes to speak, they may use the Zoom raise hand feature and once called on, unmute themselves on Zoom once the meeting is open for public comment.

Members of the public may participate via Zoom by computer, tablet or telephone. A dial-in option is also available but you will not be able to use the Zoom raise hand feature, so the meeting administrator will assist phone attendees. Please keep yourself muted unless you are prompted to speak.

The Commission may allow time for public comment on any item on the agenda. Commission members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing Commission staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.

The Commission may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item listed on the agenda, pursuant to A.R.S. § 38-431.03(A)(3). The Commission reserves the right at its discretion to address the agenda matters in an order different than outlined below.

Any person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Commission at (602) 364-3477. Requests should be made as early as possible to allow time to arrange accommodations.

The agenda for the meeting is as follows:

- I. Call to Order.
- II. Review, Consideration, Discussion, Analysis and Possible Action on release of clean funding to Dr. Ralph Heap pursuant to A.A.C. R2-20-106(A) and A.A.C. R2-20-106(G) and August 7 request to withdraw as a participating candidate under the Arizona Citizens Clean Elections Act.

The Commission may vote to go into Executive Session, which will not be open to the public, for discussion or consultation for legal advice with the attorney or attorneys of the public body. A.R.S. § 38-431.03(A)(3).
- III. Review, Consideration, Discussion, Analysis and Possible Action on reason to believe in MUR 26-06 -- Dr. Ralph Heap complaint concerning transactions for political signs, including campaign finance limits and reporting requirements.

The Commission may vote to go into Executive Session, which will not be open to the public, for discussion or consultation for legal advice with the attorney or attorneys of the public body. A.R.S. § 38-431.03(A)(3).

IV. Public Comment.

This is the time for consideration of comments and suggestions from the public. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date or responding to criticism.

V. Adjournment.

This agenda is subject to change up to 24 hours prior to the meeting. A copy of the agenda background material provided to the Commission (with the exception of material relating to possible executive sessions) is available for public inspection at the Commission's office, 1110 W Washington St, #250, Phoenix, AZ 85007.

Dated this 12th day of August, 2026
Citizens Clean Elections Commission
Thomas M. Collins, Executive Director

Timothy A. La Sota, PLC
2198 E. Camelback Rd., Suite 305
Phoenix, Arizona 85016
P 602-515-2649
tim@timlasota.com

August 7, 2026

Via hand delivery to:

Mr. Thomas Collins
Executive Director
Arizona Citizens Clean Elections Commission
1110 W. Washington Street, Suite 250
Phoenix, Arizona 85007

Re: MUR-26-06

Dear Mr. Collins:

As you know, this firm represents Dr. Ralph Heap in connection with MUR-26-06. In my previous communication, I indicated that I was still investigating the allegations raised in the complaint filed by Ms. Lisa Everett. This letter sets forth our response. In short, the complaint is without legal merit and should be dismissed.

I. Summary of the Complaint

Ms. Everett's complaint alleges that Dr. Heap's campaign placed a number of political signs in advance of the July 21, 2026 primary election but that his campaign finance reports did not reflect an expenditure for those signs. It is true that campaign signs were placed supporting Dr. Heap's candidacy for Corporation Commission and that his campaign finance reports do not yet reflect an expenditure for those signs. But there is no violation of law. As set forth below, the signs were provided to the campaign by Mesa Sign Shop as a lawful extension of credit in the ordinary course of that company's business. Under Arizona law, this extension of credit is neither a contribution to Dr. Heap's campaign nor an expenditure by his campaign until such time as payment is made.

ITEM II

II. The Applicable Statutory Framework

Arizona law expressly exempts extensions of credit from the definitions of both “contribution” and “expenditure.” A.R.S. § 16-911(B)(6)(d) provides that the following is not a “contribution” under Title 16:

The value of any of the following to a committee . . . (d) An extension of credit for goods and services on a committee’s behalf by a creditor if the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. The creditor must make a commercially reasonable attempt to collect the debt, except that if an extension of credit remains unsatisfied by the committee after six months the committee is deemed to have received a contribution but the creditor is not deemed to have made a contribution.

The sister provision, A.R.S. § 16-921(B)(4)(d), provides an identical exemption from the definition of “expenditure”:

The value of any of the following to a committee . . . (d) An extension of credit for goods and services on a committee’s behalf by a creditor if the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. The creditor must make a commercially reasonable attempt to collect the debt, except that if an extension of credit remains unsatisfied by the committee after six months the committee is deemed to have received a contribution but the creditor is not deemed to have made a contribution.

These provisions establish that a legitimate commercial extension of credit does not constitute a contribution or expenditure unless and until it remains unsatisfied after six months.

III. Application to Dr. Heap’s Campaign Signs

The attached affidavit of Jim Torgeson, the principal and owner of Mesa Sign Shop, establishes that every element of the statutory exemption is satisfied here.

A. The Credit Was Extended in the Ordinary Course of Business

Mr. Torgeson has owned and operated Mesa Sign Shop for many years. The shop prints a large volume of signs for a wide variety of clients, including political candidates from both major parties, government agencies, businesses, churches, schools, and other non-political entities. Mr. Torgeson's standard business practice—for both political and non-political clients he considers creditworthy—is to print signs, make them available for pickup, and invoice the client after completion. This is the same practice he follows for the majority of his established clients, regardless of whether the order is political in nature. Mesa Sign Shop's extension of credit to Dr. Heap's campaign was entirely consistent with its ordinary course of business.

B. The Terms Are Substantially Similar to Those Extended to Nonpolitical Debtors of Similar Risk and Size and the Signs Were Provided at Full Fair Market Value

Mr. Torgeson attests that he extends the same credit terms to Dr. Heap as he extends to other clients of comparable creditworthiness and order size—political and non-political alike. He currently has a large, non-political institutional client that has not paid for signs delivered over four months ago. He has numerous other clients, both political and non-political, with invoices outstanding for two to four months. Mr. Torgeson applies the same creditworthiness assessment to all clients. There is nothing preferential or unusual about the credit extended to Dr. Heap's campaign.

Mr. Torgeson confirms that Dr. Heap has received no special treatment on terms of payment or pricing. Others similarly situated were afforded the same things.

C. Collection Efforts Are Not Yet Required

Mr. Torgeson states that Dr. Heap's invoice remains within the normal payment window that he extends to clients of similar creditworthiness and order size. He does not consider payment overdue, and he has not commenced collection efforts because the account is not delinquent under his standard business terms. The statute requires only that the creditor make a "commercially reasonable attempt to collect the debt"—it does not require that collection efforts begin before the debt is even due. The six-month statutory period has not elapsed, and Dr. Heap remains in good standing under Mesa Sign Shop's standard terms.

D. No Coordination Occurred Beyond an Arm's-Length Commercial Transaction

Mr. Torgeson further attests that at no time did Dr. Heap, his campaign committee, or any agent of his campaign direct, coordinate, or consult with him regarding the content, design, placement, or distribution of the signs. Mr. Torgeson's sole involvement was as a commercial vendor providing printing services in the ordinary course of his business. The campaign placed an order, the order was fulfilled, and the invoice will be paid in the normal course, just as other persons and entities who utilize Mesa Sign Shop are allowed to do—nothing more.

IV. The Commission's Administrative Rules Cannot Override the Statute

The Commission may contend that its administrative rules require candidates to report expenditures as of the date a “promise” is made to pay for an item. See Arizona Administrative Code R2-20-110(A)(3), (B)(1). To the extent these rules conflict with the statute, they are without legal effect. An agency regulation “is of no effect to the extent that it conflicts with the proper interpretation of a statute.” *Pima Cmty. Coll. v. Ariz. Dep't of Econ. Sec.*, 148 Ariz. 302, 304, 714 P.2d 472, 474 (App. 1986); see also *Dioguardi v. Superior Court*, 184 Ariz. 414, 417, 909 P.2d 481, 484 (App. 1995) (an appellate court will strike down an agency rule that “would defeat the legislative purpose”); *Leach v. Hobbs*, 250 Ariz. 572, 576 (2021) (a regulation that contravenes a statute's purpose does not have the force of law); A.R.S. § 41-1030(A) (a rule is “invalid unless it is consistent with statute [and] reasonably necessary to carry out the purpose of the statute”).

The statutory provisions at issue—now codified at A.R.S. §§ 16-911(B)(6)(d) and 16-921(B)(4)(d)—preceded the enactment of the Arizona Citizens Clean Elections Act. Arizona law has long recognized that ordinary commercial extensions of credit do not constitute contributions or expenditures. See A.R.S. § 16-901(5)(b)(xii) (1998). Had the drafters of the Clean Elections Act intended to abrogate this longstanding principle, they could have done so expressly. They did not. Cf. *State v. Bonillas*, 197 Ariz. 96, 97 ¶ 5 (App. 1999) (courts “presume that the legislature is aware of the existing case law and that, if it revises a statute and retains the language on which we have based our decisions, the legislature agrees with our interpretation of the statute”).

Moreover, the Commission's recent efforts to expand its regulatory authority beyond what the statutes authorize have been rejected by the courts. See *The Power of Fives v. Arizona Clean Elections Commission*, Maricopa County Superior Court Case No. CV2021-015826 (May 11, 2026) (holding that the Commission's attempt to expand its

regulatory reach by broadening a definition through administrative rulemaking was “ineffective”).

V. The Extension-of-Credit Exemption Is Not Surplusage

If a standard commercial extension of credit were treated as either a loan or an in-kind contribution, the specific statutory provisions at A.R.S. §§ 16-911(B)(6)(d) and 16-921(B)(4)(d) would be rendered mere surplusage. The Legislature clearly did not intend for an ordinary extension of credit to be treated as a “loan” within the meaning of A.R.S. § 16-901(11)(d).¹ The extension-of-credit provisions are distinct and highly specific: the transaction is not a gift, not a loan, and not a contribution or expenditure until either (1) it is paid, at which point it becomes a reportable expenditure, or (2) six months elapse without payment, at which point it is deemed a contribution by operation of law. Neither condition has been met here.

The policy rationale for this provision is sound. If every extension of credit were treated as an in-kind contribution, then every candidate who receives goods or services from a commercial vendor without prepaying—a routine and unavoidable aspect of campaign operations—would potentially violate contribution limits or, in the case of corporate vendors, the constitutional prohibition on corporate contributions. See Ariz. Const., Art. XIV, § 18; A.R.S. § 16-1022(A). The Legislature enacted §§ 16-911(B)(6)(d) and 16-921(B)(4)(d) precisely to avoid this untenable result, subject to the safeguards of the six-month limitation, the commercially reasonable collection requirement, and the substantially-similar-terms condition.

VI. Dr. Heap’s Reports Are Accurate

Because the extension of credit to Dr. Heap’s campaign satisfies every element of §§ 16-911(B)(6)(d) and 16-921(B)(4)(d), the signs do not constitute a contribution to or expenditure by the campaign at this time. Dr. Heap’s campaign finance reports are not inaccurate. The signs will be reflected as an expenditure when payment is made—which is precisely how the statute contemplates such transactions should be reported.

To the extent the Commission’s administrative rules create a preferred form of reporting for extensions of credit that have not yet been paid, Dr. Heap is willing to amend his filings to reflect the outstanding obligation. However, such an amendment would be a matter of form, not substance, and does not render his current reports inaccurate or create any basis for a finding of violation.

¹ A.R.S. § 16-901(11) defines “Contribution” to include “(d) A loan that is made to a committee for the purpose of influencing an election, to the extent the loan remains outstanding.”

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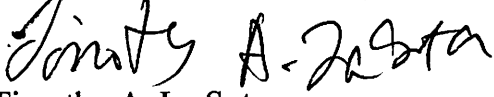
VII. Conclusion

For the foregoing reasons, the complaint filed by Ms. Everett is without merit. The extension of credit from Mesa Sign Shop to Dr. Heap's campaign satisfies every statutory requirement: it was made in the ordinary course of business, on terms substantially similar to those extended to nonpolitical debtors of similar risk and size of obligation, at full fair market value, and without any coordination beyond an arm's-length commercial transaction. No contribution or expenditure has occurred under Arizona law.

We respectfully request that the Commission dismiss this complaint and release Dr. Heap's qualified Clean Elections funding, for which he has already been certified as eligible.

Very truly yours,

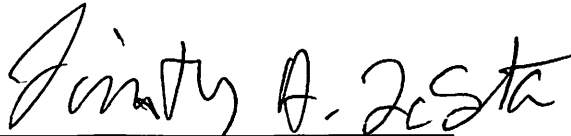
TIMOTHY A. LA SOTA, PLC


Timothy A. La Sota

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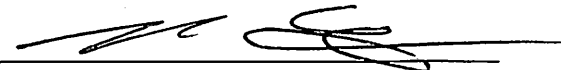
**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING
IS TRUE AND CORRECT BASED ON MY KNOWLEDGE, INFORMATION
AND BELIEF.**

Executed this 7th day of August, 2026.


TIMOTHY LA SOTA

STATE OF ARIZONA)
) ss.:
COUNTY OF MARICOPA)

I hereby certify that Timothy La Sota personally appeared before me and signed the above document. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 7th day of August, 2026.

Notary Public: 

Commission Expires: 05/28/2028



Under penalty of perjury as provided herein, JIM TORGESON declares as follows:

1. I am the principal and owner of Mesa Sign Shop, a sign printing company in Mesa, Arizona. I have been in business for twenty five years and am personally familiar with all aspects of the business, including pricing, invoicing, and credit practices.

2. Mesa Sign Shop prints a large volume of signs for a wide variety of clients, including political candidates from both major parties, government agencies, businesses, churches, schools, and other non-political persons and entities. As the Mesa Sign Shop is a business, I do not favor one party over the other. I believe Mesa Sign Shop is the preeminent printing company in this state for political signs, but political orders represent only a portion of our total business.

3. In late April of 2026, I received an order for signs to be printed for Dr. Heap's candidacy for Corporation Commission. The order was for 4-foot by 4-foot coroplast signs. This sign request was completed and the signs were made available for pickup in late May of 2026. The total invoiced amount for this order was consistent with our standard pricing for signs of this type and quantity. I invoiced Dr. Heap's campaign the same per-unit price that I charge other customers, political and non-political, for comparable sign orders.

4. I did not require a signed contract prior to printing these signs, and do not have a signed contract with Dr. Heap or his campaign committee to this day. My standard business practice—for both political and non-political clients whom I believe can be relied upon for payment—is to print the signs, deliver or make them available for pickup, and invoice the person or entity sometime after completion. This is the same practice I follow for the majority of my established or creditworthy clients, regardless of whether the order is political in nature.

5. I have prepared an invoice for these signs, but it has not yet been sent to Dr. Heap and Dr. Heap has not yet remitted payment. The invoice remains within the normal payment window that I extend to clients of similar creditworthiness and order size. I do not consider Dr. Heap's invoice overdue nor at risk, and I have not commenced any collection efforts because the account is not delinquent under my standard business terms.

6. An unpaid invoice for signs printed two or three months ago is not unusual in my business. By way of specific example: I currently have a large, non-political institutional client that has not paid me for signs delivered over four months ago. I have printed signs for candidates from both parties—as well as for non-political businesses and organizations—where the invoice remains outstanding after two to four months. This is a routine part of my accounts receivable cycle and does not concern me. I made the same business decision with respect to Dr. Heap's order that I make routinely with clients I consider creditworthy: to print the signs, release them, and collect payment subsequently.

7. None of the signs that I describe in this affidavit, including Dr. Heap's, are by any means "gifts" from Mesa Sign Shop to any candidate or other entity, political or nonpolitical. The signs were printed at a price consistent with my standard rates. I fully expect to be paid for them, and it is extremely rare that any client ultimately fails to pay; and never has any political candidate not paid their invoice. Nor has Dr. Heap received any special pricing—he has been treated as others who are in a similar situation as he is have been treated.

8. I have known Dr. Heap for a number of years. Based on my experience with him, I view him as honorable and trustworthy. These are factors I consider when evaluating any client's creditworthiness—political or otherwise—and deciding whether to extend credit without requiring prepayment. I apply the same creditworthiness assessment to all of my clients. Even for clients I have less personal familiarity with, I generally do not require prepayment if I have reason to believe they are reliable. I extend credit to Dr. Heap on the same basis and under the same terms as I extend credit to other clients of comparable creditworthiness and order size.

9. I am also aware that Dr. Heap is a licensed physician and orthopedic surgeon. His professional standing and financial capacity are additional factors that, in my commercial judgment, make him a low credit risk—similar to other professionals and established business clients to whom I routinely extend credit without requiring prepayment.

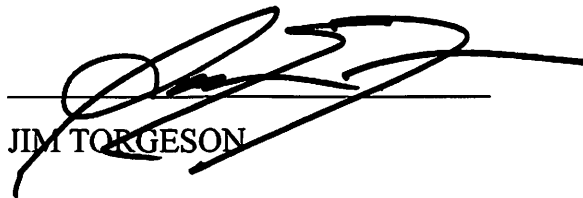
10. Overall, I view Dr. Heap as presenting no risk of nonpayment for the signs that Mesa Sign Shop printed. This assessment is consistent with the credit risk evaluations I perform for other clients of similar financial standing and is not based on any political affiliation or preference.

11. At no time did Dr. Heap, his campaign committee, or any agent of his campaign direct, coordinate, or consult with me regarding the content, design, placement, or distribution of the signs. I printed the signs based on the order I received and made them available for pickup. My only involvement was as a commercial vendor providing printing services in the ordinary course of my business.

12. Further affiant sayeth naught.

**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING
IS TRUE AND CORRECT BASED ON MY KNOWLEDGE, INFORMATION AND BELIEF.**

Executed this 7th day of August, 2026.



A handwritten signature in black ink, appearing to read "JIM TORGESON", is written over a horizontal line. The signature is stylized with large, sweeping loops and a long horizontal stroke extending to the right.

JIM TORGESON