STATE OF ARIZONA

CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of: Tom Forese and Committee(s), Respondents	MUR Nos. 14-017 **CONCILIATION AGREEMENT**

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission") and Doug Little, participating candidate for Corporation Commission ("Respondent") enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

1. On October 16, 2014, the Commission adopted the Statement of Reasons (the "Statement of Reasons"), a copy of which is attached hereto and incorporated herein by reference, setting forth the recommendation of the Executive Director that there is reason to believe Respondent may have committed a violation of the Citizens Clean Elections Act and Commission rules (collectively, the "Act").
2. Candidates who participate in public financing must abide by the Clean Elections Act and Rules and the Commission has authority to enforce the Act and Rules pursuant to A.R.S. § 16-956(A)(7), including reporting requirements applicable to any candidate.
3. Respondent failed to make complete reports of expenditures related to campaign signs and installation as well as expenditures related to the gathering of petition signatures and violated rules related to cash on hand that apply to candidates.
4. This Conciliation Agreement concludes the Commission's enforcement proceeding respecting the facts outlined in the attached Statement of Reasons.

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WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this matter:

1. Respondent acknowledge that pursuant to A.R.S. § 16-942(B), the statutory penalty for any reporting violation is up to $860 per day up to twice the value of the unreported amount. The fine for any violation of an expenditure limit or contribution limit in 16-941 by a participating candidate is ten times the amount by which the expenditures or contribution exceed the applicable limit.
2. Respondent agree to settle this matter for $1,000.00.
3. To satisfy the debt amount acknowledged above, Respondent shall pay to the Commission $100.00 on November 1, 2014, followed by equal monthly installments of $100.00 continuing thereafter on the 1st day of each following month with the final payment due no later than August 1, 2015. Respondent may prepay all or any portion of the outstanding balance.
4. All payments shall be made by check or money order payable to the Citizens Clean Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona, 85007.
5. Respondent acknowledges that the Commission believes there was a violation as set forth in the attached Statement of Reasons.
6. Respondent avows that statements to the Commission made by them, their committees and attorneys, agents and other individuals who provided goods and services directly or indirectly for the campaign and any materials provided by any of these individuals to the Commission are truthful and acknowledge that if such statements were false, incorrect, or misleading the Commission may reopen this matter and proceed with further enforcement, including any applicable penalties.
7. Within one week of the execution of this Agreement, Respondent shall provide to the Commission staff copies of any and all amendments to campaign finance reports

required by this Agreement. Commission staff shall review the reports. Respondent agrees to provide Commission staff with any supplemental information necessary in view of Commission staff to verify their existing, amended or proposed amended reports.

8. Respondent agree to comply with any applicable campaign finance reporting obligations respecting these expenditures.

9. The Commission shall not commence any legal action against Respondent to collect the claims so long as they are not in default.

10. Respondent shall be in default of this Agreement and any outstanding matters will be forwarded to the Office of the Attorney General upon the occurrence of any of the following:

    a. Respondent fails to make any payment required hereunder within five (5) working days following the date due;

    b. Respondent files a petition under the bankruptcy laws or any creditor of the Respondent file any petition under said laws against the Respondent;

    c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit or trustee sale) on real property of the Respondent or commences garnishment, attachment, levy or execution against the Respondent's property; or;

    d. Respondent provides false information to the Commission.

11. In the event of default hereunder, at the option of the Commission, all unpaid amounts hereunder shall be immediately due and payable. In addition, interest shall accrue on the unpaid balance from the date that the payments became due and payable. Interest shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).

12. Nothing contained in this Agreement shall be construed to prevent any state agency which issues licenses for any profession from requiring that the debt in issue be paid in full before said agency will issue Respondent a new license.

13. The Commission may waive any condition of default without waiving any other condition of default and without waiving its rights to full, timely future performance of the conditions waived.

14. In the event legal action is necessary to enforce collection hereunder, Respondent shall additionally pay all costs and expenses of collection, including without limitation, reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies recovered.

15. If the initial payment is not received by the Commission on or before November 1, 2014, or any subsequent payment is not timely received thereafter, Respondent stipulates that the entire fine amount, less any amounts previously paid will become due and payable by Respondent.

16. Respondent acknowledge that all obligations payable pursuant to this Agreement constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC § 523 such obligations are not subject to discharge in bankruptcy.

17. This Agreement shall be construed under the laws of the State of Arizona.

18. In the event that any paragraph or provision hereof shall be ruled unenforceable, all other provisions hereof shall be unaffected thereby.

19. This Agreement shall constitute the entire agreement between the parties regarding the subject matter. This Agreement shall not be modified or amended except in a writing signed by all parties hereto.

20. This Agreement shall not be subject to assignment.

21. No delay, omission or failure by the Commission to exercise any right or power hereunder shall be construed to be a waiver or consent of any breach of any of the terms of this Agreement by the Respondent.

22. Respondent has obtained independent legal advice in connection with the execution of this Agreement or have freely chosen not to do so. Any rule construing this Agreement against the drafter is inapplicable and is waived.

23. This Agreement shall be void unless executed by the Respondent and delivered to the Commission, along with a copy of all primary election campaign bank statements, not later than October 18, 2014.

24. All proceedings commenced by the Commission in this matter will be terminated and the matter closed, upon receipt of the final payment of the civil penalty as set forth in this Agreement.

Dated this 18 day of October, 2014.

By: _____
Thomas M. Collins, Executive Director
Citizens Clean Elections Commission

By: _____
Tom Forese, Respondent

STATE OF ARIZONA

CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of: Doug Little and Committee(s), Respondents	MUR Nos. 14-017 **CONCILIATION AGREEMENT**

Pursuant to ARS § 16-957(A), the Citizens Clean Elections Commission (the "Commission") and Doug Little, participating candidate for Corporation Commission ("Respondent") enter this Conciliation Agreement (the "Conciliation Agreement") in the manner described below:

1. On October 16, 2014, the Commission adopted the Statement of Reasons (the "Statement of Reasons"), a copy of which is attached hereto and incorporated herein by reference, setting forth the recommendation of the Executive Director that there is reason to believe Respondent may have committed a violation of the Citizens Clean Elections Act and Commission rules (collectively, the "Act").
2. Candidates who participate in public financing must abide by the Clean Elections Act and Rules and the Commission has authority to enforce the Act and Rules pursuant to A.R.S. § 16-956(A)(7), including reporting requirements applicable to any candidate.
3. Respondent failed to make complete reports of expenditures related to campaign signs and installation as well as expenditures related to the gathering of petition signatures and violated rules related to cash on hand that apply to candidates.
4. This Conciliation Agreement concludes the Commission's enforcement proceeding respecting the facts outlined in the attached Statement of Reasons.

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WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this matter:

1. Respondent acknowledge that pursuant to A.R.S. § 16-942(B), the statutory penalty for any reporting violation is up to $860 per day up to twice the value of the unreported amount. The fine for any violation of an expenditure limit or contribution limit in 16-941 by a participating candidate is ten times the amount by which the expenditures or contribution exceed the applicable limit.
2. Respondent agree to settle this matter for $1,000.00.
3. To satisfy the debt amount acknowledged above, Respondent shall pay to the Commission $100.00 on November 1, 2014, followed by equal monthly installments of $100.00 continuing thereafter on the 1st day of each following month with the final payment due no later than August 1, 2015. Respondent may prepay all or any portion of the outstanding balance.
4. All payments shall be made by check or money order payable to the Citizens Clean Elections Fund and delivered to the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona, 85007.
5. Respondent acknowledges that the Commission believes there was a violation as set forth in the attached Statement of Reasons.
6. Respondent avows that statements to the Commission made by them, their committees and attorneys, agents and other individuals who provided goods and services directly or indirectly for the campaign and any materials provided by any of these individuals to the Commission are truthful and acknowledge that if such statements were false, incorrect, or misleading the Commission may reopen this matter and proceed with further enforcement, including any applicable penalties.
7. Within one week of the execution of this Agreement, Respondent shall provide to the Commission staff copies of any and all amendments to campaign finance reports

required by this Agreement. Commission staff shall review the reports. Respondent agrees to provide Commission staff with any supplemental information necessary in view of Commission staff to verify their existing, amended or proposed amended reports.

8. Respondent agree to comply with any applicable campaign finance reporting obligations respecting these expenditures.

9. The Commission shall not commence any legal action against Respondent to collect the claims so long as they are not in default.

10. Respondent shall be in default of this Agreement and any outstanding matters will be forwarded to the Office of the Attorney General upon the occurrence of any of the following:

    a. Respondent fails to make any payment required hereunder within five (5) working days following the date due;

    b. Respondent files a petition under the bankruptcy laws or any creditor of the Respondent files any petition under said laws against the Respondent;

    c. Any creditor of Respondent commences a foreclosure action to foreclose (by suit or trustee sale) on real property of the Respondent or commences garnishment, attachment, levy or execution against the Respondent's property; or;

    d. Respondent provides false information to the Commission.

11. In the event of default hereunder, at the option of the Commission, all unpaid amounts hereunder shall be immediately due and payable. In addition, interest shall accrue on the unpaid balance from the date that the payments became due and payable. Interest shall accrue at the statutory rate of ten percent (10%) pursuant to A.R.S. § 44-1201(A).

12. Nothing contained in this Agreement shall be construed to prevent any state agency which issues licenses for any profession from requiring that the debt in issue be paid in full before said agency will issue Respondent a new license.

13. The Commission may waive any condition of default without waiving any other condition of default and without waiving its rights to full, timely future performance of the conditions waived.

14. In the event legal action is necessary to enforce collection hereunder, Respondent shall additionally pay all costs and expenses of collection, including without limitation, reasonable attorneys' fees in an amount equal to thirty-five percent (35%) of monies recovered.

15. If the initial payment is not received by the Commission on or before November 1, 2014, or any subsequent payment is not timely received thereafter, Respondent stipulates that the entire fine amount, less any amounts previously paid will become due and payable by Respondent.

16. Respondent acknowledge that all obligations payable pursuant to this Agreement constitute a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss; and that pursuant to 11 USC § 523 such obligations are not subject to discharge in bankruptcy.

17. This Agreement shall be construed under the laws of the State of Arizona.

18. In the event that any paragraph or provision hereof shall be ruled unenforceable, all other provisions hereof shall be unaffected thereby.

19. This Agreement shall constitute the entire agreement between the parties regarding the subject matter. This Agreement shall not be modified or amended except in a writing signed by all parties hereto.

20. This Agreement shall not be subject to assignment.

21. No delay, omission or failure by the Commission to exercise any right or power hereunder shall be construed to be a waiver or consent of any breach of any of the terms of this Agreement by the Respondent.

22. Respondent has obtained independent legal advice in connection with the execution of this Agreement or have freely chosen not to do so. Any rule construing this Agreement against the drafter is inapplicable and is waived.

23. This Agreement shall be void unless executed by the Respondent and delivered to the Commission, along with a copy of all primary election campaign bank statements, not later than October 18, 2014.

24. All proceedings commenced by the Commission in this matter will be terminated and the matter closed, upon receipt of the final payment of the civil penalty as set forth in this Agreement.

Dated this 18th day of October, 2014.

By: _____
Thomas M. Collins, Executive Director
Citizens Clean Elections Commission

By: _____
Doug Little, Respondent

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION
MUR: Nos. 14-017 and 14-021 TOM FORESE and DOUG LITTLE
STATEMENT OF REASONS BY EXECUTIVE DIRECTOR

On behalf of the Citizens Clean Elections Commission ("Commission"), the Executive Director hereby provides the Statement of Reasons showing there is reason to believe that violations of the Citizens Clean elections Act and/or the Commission rules (collectively, the "Act") may have occurred.

I. Procedural Background

On September 9, 2014, Robert Parker ("Complainant"), through his attorney, James Barton, filed a complaint against Tom Forese and Doug Little ("Respondents"), participating candidates for the office Corporation Commission, alleging Respondents violated Arizona's campaign finance laws by either accepting a prohibited in-kind contribution or by using primary election funding for general election expenditures **(Exhibit A)**. Complainant filed an additional complaint against Respondents Forese and Little on September 19, 2014 **(Exhibit B)**. In his second complaint, Complainant alleges Respondents failed to report expenditures relating to petition signatures and petition circulators. These complaints have been consolidated. On September 29, 2014, Respondents, through their attorney, Lee Miller, submitted a Response to the consolidated Complaint ("Complaint") **(Exhibit C)**. Respondents provided supplemental materials on October 8, 2014 **(Exhibit D)** and October 10, 2014 **(Exhibit E)**.

II. Alleged Violations

A. Accepting a prohibited campaign contribution

A.R.S. § 16-901(5) defines a contribution as "any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election." An in-kind contribution is a contribution of a good or service or anything of value and not a monetary

contribution. *Id.* § 16-901(15). A.R.S. §§ 16-941(A) and -945(A) prohibit participating candidates from accepting early contributions from any entity other than an individual. Upon applying for certification as a participating candidate, the candidate certifies, under oath, that "the candidate will comply with the requirements of § 16-941, subsection A during the remainder of the election cycle and, specifically, will not accept private contributions" A.R.S. § 16-947(B)(3).

Complainant alleges Respondents printed and distributed $200,000 worth of campaign signs around the State prior to receiving their primary election funding. Complainant believes the signs that were produced and installed prior to making a payment to Americopy, Respondents' campaign consultant.[1] Complainant provides a list of witnesses who saw the signs in around the state prior to August 11th and 13th, when Respondents made payments to Americopy for $103,114.68 each.[2] Complainant argues that signs produced and installed prior to August 11, 2014 based on the promise of receiving Clean Elections primary funding amount to an "illegal, in-kind contribution by Americopy."

In their reply, Respondents assert the signs in question were purchased from Americopy on July 12, 2014. The committees purchased 600 signs for $12,972 ($6,486 per committee). Respondents also state they paid Americopy $1,000 ($500 per committee) for installation of 100 signs around the state on July 18th and 19th. Following the installation of 100 signs, Respondents decided to have an additional 275 signs installed by Americopy at $10 per sign ($2,750). Americopy also supplied the rebar which was purchased as needed by Respondents. Each piece

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[1] Complainant acknowledges that Respondents' June 30th campaign finance reports show expenditures to Americopy on May 31, 2014. Respondents have since amended their June 30th campaign finance reports regarding those expenditures. It is clear the reported Americopy expenditures were not for the purchase campaign signs.

[2] Commission staff contacted the witnesses listed by Complainant. The witnesses stated they saw signs in various areas of the state during the month of July. When asked to describe the signs three of the witnesses confused Respondents' signs with signs paid for by Save Our Future Now, a 501(c)4 organization making independent expenditures. **(Exhibit F)** Respondents' signs were installed after the Save Our Future Now signs. In addition, Respondents submitted a sworn statement from one witness, Ken Muir, who denied authorizing the statements attributed to him in the Complaint.

of rebar cost $1.75 and a total of 1,420 pieces were used ($2,485). The remaining 225 signs were installed by volunteers in July and August according to Respondents.

Respondents, through their attorney, Mr. Miller, assert Americopy, as a campaign vendor, was permitted to extend credit to Respondents. Mr. Miller explains Respondents had more than enough cash on hand to pay for the sign expenditures on July 12, 2014 and therefore, is not an in-kind contribution.

Pursuant to A.A.C. R2-20-109(B)(3), candidates may authorize an agent, such as a vendor, to purchase goods or services on their behalf – or provide an extension of credit by purchasing goods or services on behalf of candidates. *See also* R2-20-104(D)(6) "A contract, promise or agreement to make an expenditure resulting an extension of credit..." is considered an expenditure according to A.R.S. §16-901(8). Respondents made the expenditure on July 12, 2014 by placing an order with Americopy for 600 campaign signs. When the Respondents ordered the signs to be installed, they again made an expenditure.

B. Making expenditures in excess of the cash on hand

Commission rules prohibit participating candidates from incurring debt or making expenditures beyond the cash on hand. A.A.C. R2-20-104(D)(6). "A contract, promise or agreement to make an expenditure resulting an extension of credit" is considered an expenditure according to A.R.S. §16-901(8). Commission rule R2-20-109(B) also prohibits candidates from receiving an extension of credit from an authorized agent if the candidate does not have the appropriate cash on hand at the time the debt is incurred.

Complainant alleges Respondents spent more than $200,000 on campaign signs prior to receiving their Clean Elections funding.

Respondents state they purchased from Americopy:

Expenditure	Cost	Each Committee
600 campaign signs	$12,972	$6,486
100 signs installed	$1,000	$500
275 signs subsequently installed	$2,750	$1,375
1,420 pieces of rebar	$2,485	$1,242.50
Total sign expenditure	**$19,207**	**$9,602.50**

However, none of these expenditures are reported on either Respondents' Pre-Primary Election Report. Respondents only state the signs were ordered on July 12, 2014. They neglect to give a date or provide documentation for the order of the sign installations or rebar purchase.

In order to determine the amount of cash on hand on July 12, 2014 when the order for the signs was placed, Commission staff reviewed Respondents' Pre-Primary Election Reports. As of July 12, 2014, Respondent Forese had $6,484.26 of cash on hand **(Exhibit G)**.[3] Respondent Forese did not have enough cash on hand to cover the sign expenditure and was deficient $1.74. Though this amount may appear *de minimis*, Respondent Forese continued to make campaign expenditures, compounding the debt. Respondent Forese received his primary election funding on July 25, 2014. At that time his campaign had made expenditures in excess of the cash on hand in the amount of $523.82 – and those are just the expenditures that are reported on the Pre-Primary Election Report. If we take into account the sign installation and rebar expenditures taking place prior to his funding approval, he is deficient $3,641.32.

On July 12, 2014, Respondent Little had $15,230.67 of cash on hand **(Exhibit H)**.[4] Therefore, he had more than enough cash on hand to cover the $6,486 sign expenditure and the installation of the signs and rebar ($3,117.50). However, on July 29, 2014, he applied for funding

[3] Tom Forese applied for funding on July 11, 2014, submitting $10,295 worth of $5 Qualifying Contributions. Mr. Forese was approved for funding on July 25, 2014.

[4] Doug Little applied for funding on July 29, 2014, submitting $10,275 worth of $5 Qualifying Contributions. Mr. Little was approved for funding on August 7, 2014.

by submitting $10,275 in $5 qualifying contributions to the Secretary of State's office. On July 29, 2014, Respondent Little made expenditures in excess of the cash on hand by $1,892.83.

Commission rules (A.A.C. R2-20-104(D)(6) and R2-20-109(B)) require candidates to have enough cash on hand to pay for all expenditures and not to incur debt. Neither Respondent Little nor Respondent Forese had enough cash on hand to cover expenditure obligations prior to the time they were approved for funding.

C. Using primary election funds for general election expenditures

Under the Clean Elections Act, candidates voluntarily agree to expenditure limitations set forth in the Act. *See* A.R.S. § 16-941. The Act, by its terms, apportions funding between the primary and general elections. *See* A.R.S. § 16-951. Thus A.R.S. § 16-953(A) serves to backstop the 16-941 limitations on general election expenditures, to which participating candidates agree, by ensuring that primary funds are not used to supplement general election grants resulting in expenditures beyond the limitations set forth in the Act and agreed to by participating candidates. A.R.S. § 16-953(A) requires all candidates, at the end of the primary election period, to return "all monies in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made during the primary election period and for goods or services directed to the primary election." Participating candidates may use primary election funds only for goods and services directed to the primary election, as specified in A.A.C. R2-20-106(G).

Complainant alleges Respondents violated A.R.S. § 16-941(A)(4) and (5) by purchasing the signs that would be used solely during the General Election.

Respondents argue that "signs are an exception to the rule that a participating candidate cannot use primary funds (or signs purchased with primary funding dollars) in the general election period." Respondents state the signs were order and installed on July 12, 2014, well

before the Primary Election. Respondents were invoiced by Americopy sometime after July 12, 2014 and paid for the signs on August 11th and 13th as reported on their Pre-Primary Election Reports.

The signs were produced and installed prior to the primary election. Therefore, the expenditure did not violate A.R.S. §§ 16-941, -953(A) and A.A.C. R2-20-106(G).

D. Failure to report campaign expenditures

A.R.S. § 16-942(B) provides for penalties for violation of "any reporting requirement" imposed by Title 16, Chapter 6. In addition, participating candidates must identify the full name and street address of the person and the nature of the goods and services and compensation for which payment was made. A.R.S. § 16-948(C).

Additionally, A.A.C. R2-20-109(B)(3) allows candidates to authorize an agent to purchase goods or services on so long as: 1) the expenditures are reported as of the date the "agent process, agrees, contracts or otherwise incurs an obligation to pay for goods or services," 2) the candidate has sufficient funds in the campaign account to pay for the expenditure *at the time it is made* and all other outstanding obligations of the candidates campaign committee, and 3) the candidate pays, from the campaign account, the agent who purchased the goods or services within seven calendar days.

A.A.C. R2-20-109(B)(5) states, "for the purposes of the Act and Commission rules, a candidate or campaign shall be deemed to have made an expenditure as of the date upon which the candidate or campaign promises, agrees, contracts or otherwise incurs an obligation to pay for goods or services." Additionally, in the instance of an extension of credit, R2-20-109(C) requires candidates to report "the amount equal to the full future payment obligation, as of the date the contract, promise or agreement is made."\

1. signs, installation, and rebar

While Respondents' Pre-Primary Election Reports were filed timely with the Secretary of State's office for the reporting period and each Respondent reported an August expenditure to Americopy for $103,114.68, the sign expenditure from July 12, 2014 was not reported. Respondents also failed to properly report the sign installation expenditures and rebar expenditures that occurred as early as July 18, 2014. Even if the expenditures were an extension of credit from Americopy, Respondents were required to report the expenditures in full on their Pre-Primary Election Report and pay them back in a week. The expenditures were also not reported on Respondents subsequent report amendments. Therefore, there is reason to believe Respondents violated A.R.S. §§ 16-942(B), -948(C) and A.A.C. R2-20-109(B), (C) by failing to report the signs, installation, and rebar expenditures on the day the expenditures were made.

2. petition signatures

Complainant alleges Respondents failed to report expenditures for paid petition circulators, specifically, Ms. Suzanne Dreher. Complainant believes Respondent Forese failed to report at least $10,000 worth of signature expenditures. Complainant believes Respondent Little spent at least $9,500 on petition signatures while only reporting $2,790 June 30th Election Report. Complainant suggests petition circulators were paid by Americopy and each signature costs at least $1.50.

Respondents state they gathered petition signatures through various methods such as volunteers, paid petition circulators, and E-Qual. They argue that while, they used paid petition circulators to collect petition signatures, they never requested a large number of signatures at one time (with the exception of Respondent Little's request that Petition Pros, Inc. collect 1,000 signatures).They state signatures were gathered in small numbers because they tried to collect as many signatures as possible through volunteers. In August 2013, Respondent Forese asked

Americopy to collect petition signatures for his committee. Respondent Little did not ask Americopy to collect petition signatures for his campaign until "late November or early December." Both understood that Americopy would subcontract the petition signature collection to Suzanne Dreher. She was paid $1.00 per signature.

Ms. Dreher gathered 6,381 signatures for Respondent Forese from August 2013 through May 2014. Respondent Forese paid for the signatures with early contributions he collected prior to qualifying for funding. At the time of filing the response, Respondent Forese amended his campaign finance reports to show payments made to Ms. Dreher. Respondent Forese also produced copies of the invoices received from Ms. Dreher **(Exhibit E)**.

Respondent Little states he used Suzanne Dreher, through Americopy, and Petition Pros, Inc. to gather petition signatures. Ms. Dreher collected 4,155 signatures for Respondent Little. Ms. Dreher collected these signatures at the same time she collected signatures for Respondent Forese. Respondent Little amended his campaign finance reports to show the payments made to Ms. Dreher for signature collection. Respondent Little paid Petition Pros, Inc. $1.50 per signature for 1,848 signatures. The Petition Pros, Inc. expenditures were reported on his original June 30th Election Report. Respondent Little also states he collected 109 signatures through the E-Qual system and volunteers collected 1,373 signatures. Respondent Little also produced copies of the Petition Pros, Inc. invoices as well as invoices from Ms. Dreher **(Exhibit E).**

While Respondents amended their January 31st and June 30th Election Reports on September 29, 2014 to show the petition signature expenditures made in late 2013 and early 2014, they were aware of the expenditures when they made "several so called handshake agreements to collect a relatively small number of signatures at a time." Under the Commission's rules, an expenditure is deemed made on the date the candidate agrees, contracts or otherwise incurs an obligation to pay for goods or services. A.A.C. R2-20-109(B)(5). Respondents, on

their original June 30th Election Reports and Pre-Primary Election Reports, each reported making one all-compassing expenditure to Americopy for goods and services Americopy acquired or provided during the reporting periods. By making a single payment to Americopy for signature collection services and campaign sign Respondents failed to pay Americopy within 7 calendar days of the date of the expenditures as required by A.A.C. R2-20-109(B)(3)(c). All subvendor transactions should have been reported on Respondents' campaign finance reports pursuant to A.A.C. R2-20-109(E)(3).

III. Analysis

A. Accepting a prohibited campaign contribution

The facts outlined above demonstrate that there is no reason to believe that Respondents violated A.R.S. §§ 16 941(A) and -945(A) by accepting a prohibited in-kind contribution from Americopy. I do not recommend the Commission find reason to believe a violation may have occurred.

B. Making expenditures in excess of the cash on hand

Participating candidates are prohibited from making expenditures in excess of cash on hand. A.A.C. R2-20-104(D)(6) and R2-20-109(B). The facts outlined above demonstrate that there is reason to believe Respondents violated R2-20-104(D)(6) and R2-20-109(B). I recommend the Commission find reason to believe a violation may have occurred.

C. Using primary election funds for general election expenditures

The facts outlined above demonstrate that there is no reason to believe Respondents violated A.R.S. §16-953(A) and A.A.C. R2-20-106(G) with respect to the signs. I recommend the Commission find no reason to believe a violation may have occurred.

D. Failure to report campaign expenditures

1. Campaign signs, installation, and rebar

The facts outlined above demonstrate that there is reason to believe Respondents may have violated A.R.S. §§ 16-942(B), -948(C) by failing to report the signs, installation, and rebar expenditures to Americopy. Similarly, under the Clean Elections Act and Rules, expenditures are to be reported as of the time of the expenditure, including an extension of credit. Therefore there is reason to believe Respondents may have violated A.A.C. R2-20-109(B) and (C).

Pursuant to A.R.S. § 16-942(B), the Commission may impose a civil penalty for a violation by "any candidate of any reporting requirement, imposed by this chapter."[5] As of October 10, 2014, Respondents have not amended Pre-Primary Election Reports to show expenditures as of the date they were made.

2. Petition signatures

The facts outlined above demonstrate that there is reason to believe Respondents may violated A.R.S. §§ 16-942(B), -948(C) and R2-20-109(B) and (C) by failing to report paid petition signatures. The Clean Elections Act and Rules require expenditures to be reported on campaign finance reports as of time the expenditure is made.

Reports were due on June 30, 2014. At that time Respondent Forese was not a participating candidate. However, he was certified as a participating candidate on July 3, 2014. Upon certification, a participating candidate has certified under oath that all campaign finance reports filed to date are complete and accurate. A.R.S. § 16-947(B)(2). Respondents' campaign finance reports were neither accurate nor complete on June 30, 2014. Respondents failed to properly report expenditures in regards to petition signature collection. On September 29, 2014,

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[5] The civil penalty shall be four hundred and thirty dollars ($430) per day but cannot exceed twice the amount of the expenditure not reported. A.R.S. § 16-942(B). The amount of penalty is doubled if the amount not reported exceeds 10 percent of the adjusted primary or general spending limit. *Id.*

91 days after the filing date, Respondents amended their campaign finance reports to show expenditures for petition signature collection. Respondent Little failed to report $4,155 in signature collection to Ms. Dreher. Respondent Forese failed to report $6,381 in signature collection to Ms. Dreher.

For these reasons I recommend the Commission find there is reason to believe Respondents may have violated A.R.S. §§ 16-942(B), -948(C) and A.A.C. R2-20-109(B) and (C).[6]

IV. Investigation After Reason to Believe Finding

If the Commission determines by an affirmative vote of at least three (3) of its members that it has reason to believe a respondent has violated a statute or rule over which the Commission has jurisdiction, the Commission shall notify such respondent of the Commission's finding setting forth: (i) the sections of the statute or rule alleged to have been violated; (ii) the alleged factual basis supporting the finding; and (iii) an order requiring compliance within fourteen (14) days. During that period, the Respondent may provide any explanation to the

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[6] A contribution includes "the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such goods and services." A.R.S. § 16-901(5)(a)(iv); see also A.R.S. §§ 16-901(15) (defining in kind contribution), -915(B) ("[t]he amount of an in-kind contribution shall be equal to the usual and normal value on the date received by the political committee as determined by generally accepted accounting principles"). The Commission thus has the authority to review whether a particular transaction involves a contribution by a vendor to a candidate in addition to the reporting itself. Here, for example, Respondents state each 4' x 8' sign purchased from Americopy cost $21.62. Complainant believes each 4' x 8' sign could cost $70 to print. Commission staff contacted Phoenix-area sign vendors Sign King and Looks Good Printing & Signs. Sign King typically charges $45 for each sign digitally printed on both sides and $35 for each sign with one side digitally printed. Looks Good Printing & Signs would expect the signs to cost $27 or more for digitally printed signs. Both vendors state that digitally printed signs are significantly more expensive to print than silk screened signs. Similarly, the Commission may examine the charges related to petition signatures. To the extent that the Commission authorizes further investigation, such an inquiry may include analysis of the prices paid to vendors by the candidates and whether there was a contribution.

Commission, comply with the order, or enter into a public administrative settlement with the Commission. A.R.S. § 16-957(A) & A.A.C. R2-20-208(A).

After the Commission finds reason to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred, the Commission shall conduct an investigation. A.A.C. R2-20-209(A). The Commission may authorize the Executive Director to subpoena all of the Respondent's records documenting disbursements, debts, or obligations to the present, and may authorize an audit.

Upon expiration of the fourteen (14) days, if the Commission finds that the alleged violator remains out of compliance, the Commission shall make a public finding to that effect and issue an order assessing a civil penalty in accordance with A.R.S. § 16-942, unless the Commission publishes findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty. A.R.S. § 16-957(B).

The Commission may order the repayment of funds expended in violation of A.A.C. R2-20-702. A.A.C. R2-20-704(B).

After fourteen (14) days and upon completion of the investigation, the Executive Director will recommend whether the Commission should find probable cause to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred. A.A.C. R2-20-214(A). Upon a finding of probable cause that the alleged violator remains out of compliance, by an affirmative vote of at least three (3) of its members, the Commission may issue of an order and assess civil penalties pursuant to A.R.S. § 16-957(B). A.A.C. R2-20-217.

Dated this 15th day of October, 2014.

By: _____
Thomas M. Collins, Executive Director

Torres Law Group, PLLC

Israel G. Torres James E. Barton II

September 9 2014

Hand Delivery

Thomas Collins, Executive Director
CITIZENS CLEAN
ELECTIONS COMMISSION
1616 W. Adams, Suite 110
Phoenix, AZ 85007

'14 SEP 9 PM12:40 CCEC

RE: COMPLAINT AGAINST CANDIDATES FORESE AND LITTLE FOR VIOLATION OF PROHIBITION ON MAKING EXPENDITURES IN EXCESS OF CASH ON HAND AND/OR IMPROPER USE OF CAMPAIGN FUNDS

Mr. Collins:

My firm represents the Arizona Democratic Party and Complainant Robert Parker. This letter opens with a brief review of the legal issues at hand and concludes with Mr. Parker's sworn complaint.

As you can see from review of Exhibit A, Candidates Little and Forese each paid all of their primary election funds to Americopy shortly before the end of the Primary Election Period, fifteen and thirteen days prior to the election, respectively.

It is questionable whether $200,000.00 worth of signs could have been printed and distributed in two weeks. It seems more likely that this money was either paid in preparation of the General Election, or for signs that were produced prior to the candidates receiving funding, or both. As you know, either violates the Clean Elections Act.

Signs that were produced prior to August 11, 2014 based on the promise of receiving these funds amount to an illegal, in-kind contribution by Americopy. Pursuant to Ariz. Rev. Stat. Ann. § 16-945, "[a] participating candidate may accept early contributions only from individuals." Furthermore, "[n]otwithstanding any law to the contrary, no contributor shall give, and no participating candidate shall accept, contributions from a contributor exceeding one hundred dollars during an election cycle."

To the extent primary funds were used to purchase signs used only for the General Election, the candidates violated Ariz. Rev. Stat. Ann. § 16-941(A)(4), (5), which

2239 W. Baseline Rd., Tempe, AZ 85283
Office: 602.626.8805 • Fax: 602.626.8889
www.TheTorresFirm.com

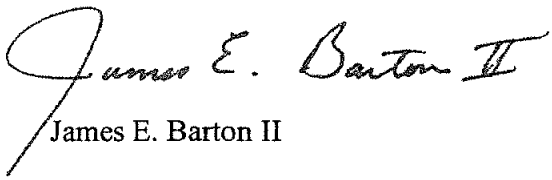
EXHIBIT A

prohibit "expenditures in the general election period in excess of the adjusted general election spending limit," and require "returning unused monies to the citizens clean elections fund," respectively.

Finally, because these violations concern the entire primary election distribution, the violation is likely to be "in excess of ten percent of the sum of the adjusted primary election spending limit and the adjusted general election spending limit" and will therefore potentially "result in disqualification of a candidate[s]." A.R.S. § 16-942(C).

I urge the Commission to promptly investigate these irregularities in accordance with the sworn complaint that follows.

Sincerely,



James E. Barton II

COMPLAINT

Mr. Collins:

Many signs of Forese and Little were up prior to their paying their primary funds to Americopy on August 11 and 13. The following individuals are prepared to testify under oath to having seen these signs before August 11.

Joseph Longoria
3109 Emilie Circle
Kingman, AZ 86401
secureourdemocracy@hotmail.com
623-293-1796
He will testify that the saw these signs in Mohave County in July. He is the chair of the Mohave County Democrats

Ken Muir
3701 E Meadowview Drive
Gilbert, AZ 85298
evsfreeus@gmail.com
602-341-8852
He will testify that he saw lots and lots of these signs in Maricopa County in July. He also has an inventory of them, about 182, and has been recently placing companion signs pointing out that these two are supported by utilities

Glenn Miller
2036 Forest Hills Rd.
Prescott, AZ 86303
gdanielmiller@yahoo.com
202-486-3641
He works as a cab driver throughout the Phoenix metro area and also visits his mother in Prescott almost every weekend, and will testify that he saw lots and lots of these signs in Maricopa County and in Prescott in July.

Mikel Weisser
4490 Sundown
Golden Valley, AZ
mikelweisser@gmail.com
928-234-5633
He is running for Congress and has been traveling extensively for months around certain parts of the state. He will testify that he saw lots and lots of these signs in Maricopa County and in Yavapai County in July.

CJ Briggle
1336 E Wildwood Drive

Phoenix, AZ 85048
cjbriggle51@gmail.com
602-625-3781
She will testify that he saw lots and lots of these signs in Maricopa County (especially Ahwatukee, Chandler, and Tempe) in July.

Sean Bowie
3625 E Ray Road
Apt 1020
Phoenix, AZ 85044
seanmbowie@gmail.com
602-750-9043
He will testify that he saw lots and lots of these signs in Maricopa County (especially Ahwatukee, Chandler, and Tempe) in July.

Tonya Norwood
13405 N 8th Street
Phoenix, AZ 85022
tonya@arizona1st.com
602-451-9094
She will testify that she saw lots and lots of these signs in Maricopa County (especially North Phoenix and northwest valley) in July.

In addition to this evidence, I have attached a news story from July and a Facebook post from April showing these signs as Exhibit B. Little and Forese plainly put up a very large number of signs prior to paying over $200,000.00 to Americopy.

In anticipation of what may be a distraction to your investigation, please note that reviewing Forese and Little's campaign finance reports for the January 1, 2014 through May 31, 2014, one can see that Forese gave Americopy a check for $7,883.49 on May 30, 2014. Little gave Americopy a check for $5,219.37 on May 31, 2014.

This was the only time that Forese and Little gave money to Americopy in that reporting cycle. Since they would have to both have put in the same amount for the signs featuring each candidate with equal prominence, the most it could possibly be for signs would be $5,219.37 each.

If these funds were for just signs, and since these signs cost about $70 each to print, with rebar costing about $4/sign, and grommets (6/sign) would cost be an additional $1.50/sign, plus tax, and an additional $10-$15 to put each sign up, we can assume that the price for each sign printed and erected is $90 - $95 each. That would calculate out to about 110 signs, maximum, that could have possibly been paid for by that May 30/31 expenditure to Americopy. Since there are hundreds of these signs up, the early payment to Americopy would not explain the signs.

Finally, the campaign fails to list any sub-vendors. The Commission should investigate from where the sign mounting material came.

The contents of the above complaint are based on my personal knowledge, except where otherwise stated. I swear under penalty of perjury to the accuracy of the above statements.

Sincerely,

Robert Parker

SUBSCRIBED AND SWORN to before me on this 9th day of September, 2014.

Notary Public

My commission expires: 10/10/17

Deborah L Jacobs
Notary Public - Arizona
Maricopa County
My Commission Expires
October 10, 2017

cc: Arizona Democratic Party

Exhibit A

Schedule E4 - Other expenses

		Date	Amount	Cycle To Date
Name:	AZSOS	06/02/2014	$235.20	$246.70
Address:	1700 W Washington St, Phoenix, AZ 85007		Cash	
Memo:	Copies			
Name:	Clean Election Fund	07/11/2014	$10,295.00	$10,295.00
Address:	1616 E Adams St, Ste 110, Phoenix, AZ 85034		Cash	
Name:	AZSOS	07/21/2014	$11.50	$246.70
Address:	1700 W Washington St, Phoenix, AZ 85007		Cash	
Memo:	copies			
Name:	Forese, Tom III	07/23/2014	$500.44	$500.44
Address:	2044 E Taurus Pl, Chandler, AZ 85249		Cash	
Occupation:	Self Employed			
Memo:	Gas Reimbursement			
Name:	AMERICOPY	08/13/2014	$103,114.68	$103,114.68
Address:	1755 S HORNE, MESA, AZ 85201		Cash	
Memo:	Campaign Materials			
Total of Other Expenses			$114,156.82	
Total of Refunds, Rebates, and Credits Received			$0.00	
Net Total of Other Expenses			$114,156.82	

Schedule E1 - Operating expenses

		Date	Amount	Cycle To Date
Name:	FedEx Office	06/23/2014	$11.89	$11.89
Address:	1820 S Power Rd, Mesa, AZ 85206		Cash	
Category:	Communications - Flyers/handouts/door hangers			
Memo:	Copies			
Name:	Arizona Secretary of State	08/05/2014	$11.20	$11.20
Address:	"Election Services Division 1700 W. Washington St.,", Phoenix, AZ 85007		Cash	
Category:	Miscellaneous - Other			
Memo:	Public Records Request			
Name:	AMERICOPY	08/11/2014	$103,114.68	$108,334.05
Address:	1755 S HORNE, MESA, AZ 85201		Cash	
Category:	Communications - Advertising			
Name:	New River Desert Hills Community Assoc	08/12/2014	$25.00	$25.00
Address:	PO Box 75068, Phoenix, AZ 85087		Cash	
Category:	Event Expenses - Other			
Memo:	Speaking Fee			
Total of Operating Expenses			$103,162.77	
Total of Refunds, Rebates, and Credits Received			$0.00	
Net Total of Operating Expenses			$103,162.77	

Exhibit B

Candidates know: Crass sells

Jennifer Dokes, viewpoints editor | azcentral.com

5 p.m. MST July 11, 2014

(Photo: Cheryl Evans/The Republic)

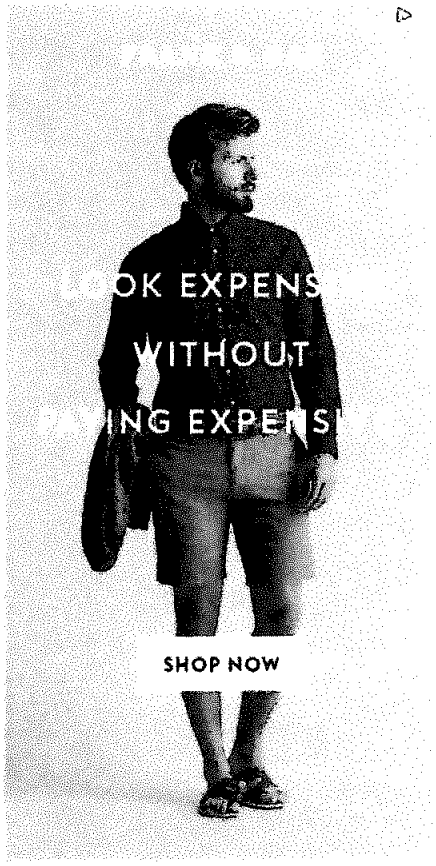
Republican Randy Pullen is running for treasurer. On his campaign website, he lists immigration as a top issue.

Eye-catching campaign signs for Tom Forese and Doug Little, a GOP tag team, running for Arizona Corporation Commission, say "Fighting Obama."

What does immigration have to do with the treasurer's duties? Nothing, of course, but Pullen knows what GOP faithful want to hear.

The Forese-Little sign geniuses know, too. It's crass politics but likely effective.

Read or Share this story: http://azc.cc/1mpSoDm



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(/story/entertainment/movies/2014/09/07/guardians-tops-box-office-for-

Doug Little for Arizona Corporation Commission

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3 people like this

Doug Little for Arizona Corporation Commission Asking for any of your hard earned money isn't easy, but we promise a good return on your $5 investment in clean, affordable energy. Tom and I are running as Clean Elections candidates, meaning we take no money from special interest groups or lobbyists. See More

Arizona Clean Elections Qualifying Contributions
www.azsos.gov

See More

Like · Reply

Torres Law Group, PLLC
An Arizona Law Firm
Israel G. Torres James E. Barton II

September 19, 2014

Via Hand Delivery and Via Electronic Mail

Thomas Collins, Executive Director
CITIZENS CLEAN
ELECTIONS COMMISSION
1616 W. Adams, Suite 110
Phoenix, AZ 85007

RE: COMPLAINT AGAINST CANDIDATES FORESE AND LITTLE FOR FAILURE TO REPORT FUNDS EXPENDED BY OR LOANED TO THE CAMPAIGN FOR COLLECTING NOMINATION SIGNATURES

Mr. Collins:

My firm represents the Arizona Democratic Party and complainant Robert Parker. This complaint is verified by Mr. Parker. All of candidate Tom Forese's nomination petition signatures were gathered by Ms. Suzanne Dreher. Approximately 78% of candidate Doug Little's nomination petition signatures were gathered by Ms. Suzanne Dreher. Upon information and belief, Ms. Dreher is a paid petition circulator and at least these signatures, but most likely all of the signatures for both candidates, were gathered by paid circulators.

Based on the number of signatures gathered, and a minimum rate of $1.50/signature, at least $10,000 was spent on signature gathering for candidate Forese. Based on the number of signatures gathered, and a minimum rate of $1.50/signature, at least $9,500 was spent on signature gathering for candidate Little.

Candidate Little reported only $2,790 for signature gathering. Candidate Forese reported nothing for signature gathering. Thus between both candidates $19,500 in expenditures were not reported to the Secretary of State as required by A.R.S. 16-915.

It has been suggested in comments made to the press that these signatures were paid for out of the money paid to Americopy. The Commission should investigate whether the signature gatherers were paid in advance of the funding distribution, and if they were, the source of that payment.

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Office: 602.626.8805 • Fax: 602.626.8889
www.TheTorresFirm.com

EXHIBIT B

Copies of the petitions are available upon request.

I urge the Commission to promptly investigate these irregularities in accordance with the sworn verification that follows.

Sincerely,

James E. Barton II

James E. Barton II

VERIFICATION

The contents of the above complaint are based on my personal knowledge, except where otherwise stated. I swear under penalty of perjury to the accuracy of the above statements.

Robert Parker

SUBSCRIBED AND SWORN to before me on this 19th day of September, 2014.

Deborah L. Jacobs

Notary Public

Deborah L Jacobs
Notary Public - Arizona
Maricopa County
My Commission Expires
October 10, 2017

My commission expires: 10/10/2017

cc: Arizona Democratic Party

Lee Miller
Attorney at law

lee@leemillerlaw.com
602.300.5829 (direct line)

September 29, 2014

Mr. Tom Collins
Ms. Sara Larsen
Citizens Clean Elections Commission
1616 West Adams
Suite 110
Phoenix, AZ 85007

via electronic mail

RE: MUR 14-021 and 14-017

Ladies and Gentlemen:

Please accept this as the combined response of the Forese for Arizona committee and the Doug Little for Corporation Commission committee (collectively the "Committees) to the above reference Matters Under Review. As a threshold issue we note that these complaints are entirely speculative, based completely on guessing, ignores how the Clean Elections program actually works and is a complete waste of time for the Commission to review. This complaint is the worst example of political opponents simply making things up and tossing in a complaint in an effort not to do right by the law but instead to crassly seek media attention. We will take each Matter in turn.

Application of Law and CCEC Rules

A candidate for State elected office is always subject to the "General Provisions" of Arizona's law on political contributions and expenses found at Title 16, Chapter 6, Article 1. At the time a candidate applies to become a Participating Candidate they agree to also subject themselves to the Citizens Clean Elections Act found at Article 2, of Chapter 6, Title 16. As part of the candidate's application they agree that any expenditures they have made prior to filing were paid for with "Early Contributions" collected and reported on the campaign finance report accompanying the Participating Candidate application. Participating candidates are "...prohibited from incurring obligations greater than their capacity to pay from campaign funds." However, vendors may extend them credit. *See*, 2013-2014 Participating Candidate Guide, Chapter 4, "Loans and Extensions of Credit," page 23.

Messrs. Forese and Little are both Participating Candidates and both retained the firm of Americopy in late 2013 to assist them as well as to provide various campaign goods. As part of their agreement with Americopy, Americopy agreed to extend them credit. This credit was largely for the convenience of Americopy. Americopy is a fully integrated business in that nearly all of the goods it provides are done by Americopy's own facilities. This is in contrast with nearly every other campaign consulting firm which must outsource many production items in a campaign. The firm prefers not to invoice its clients for each and every job and instead sends invoices periodically. The important legal issue for purposes of the two complaints we are responding to is that, when the Committees requested goods from Americopy, they had collected more than enough Early Contributions to pay for work they had asked the firm to produce. We highlight these facts because all of the campaign signs purchased by the Committees and all of the paid signatures obtained by the Committees was done prior to their applying to become Participating Candidates and were paid for with Early Contributions.

EXHIBIT C

'14 SEP 30 PM 1:47 CCEC

Campaign Signs

MUR 14-017 suggests that the Committees spent approximately $200,000 on signs and because these signs were placed so late in the Primary period that their cost must be attributed to the General Election period. First, we note that there were signs advocating for or against candidates in the Republican primary race placed by independent expenditure committees. The Committees and their candidates had no involvement or knowledge of these signs until after they were put up. To the extent one thinks one saw a vast quantity of Forese/Little signs one should look closely to see who paid for the signs. For your reference we attach as Exhibit 1 a photocopy of the one and only sign that the Committees purchased. All of the signs purchased by the Committees came in a single order of 600 placed with the Americopy firm on July 12, 2014 at a cost of $12,972 in total or $6,486 per committee. The unit cost of each sign was $21.62. The Committees' signs began to be installed throughout Arizona in July and continued in August. Exhibit B of the Sign Complaint includes photos of Forese/Little campaign materials. The photos were taken in January of 2014 and show the posters and banners that the candidates purchased in preparation for the annual Republican Party meetings. Candidates Forese and Little purchased four 4'x2' posters and two 6'x3' and two 8'x4' banners on January 7, 2014 for $607.26.

Attached as Exhibit 2 is a photocopy of a sign advocating for the election of Forese and Little that was purchased by the Save our Future Now independent expenditure committee. Save our Future Now reported spending approximately $7,400 for these signs on June 26, 2014. The Save our Future Now signs were only half the size of the Committees' signs and likely there were many more of them. We have no information as to the schedule by which these signs were deployed other than to anecdotally note they were up before the Committees' signs. It should also be noted that other independent expenditure committees spent nearly $20,000 on signs that had a picture of President Obama and were in opposition to Doug Little. For better or worse Arizona was littered with signs advocating for or against the election of Messrs. Forese and Little. The Committees can only take responsibility for the 600 they bought on July 12, 2014.

The complainant simply makes up the idea that the Committees spent $200,000 on signs. Moreover, this Commission has long acknowledged that signs are an exception to the rule that a participating candidate cannot use primary funds (or signs purchased with primary funding dollars) in the general election period. At the very outset of its existence the Commission determined that it would be silly to direct participating candidates that won their primaries to take down signs purchased with primary funding and replace them with a new sign. We do acknowledge that where a participating candidate reuses signs from a prior election period then the old signs must be purchased from a prior committee but signs placed during the primary period can stay in place during the general election period.

Paid Petition Signatures

The Forese Committee and the Little Committee had a slightly different approach to paid petition signature gathering and we will address the Forese Committee first. The complaint assumes that cost of paid signatures was "a minimum" of $1.50 per signature. Again the complaint is based on a guess as to what signatures cost. In fact, the Forese Committee asked its general consulting firm Americopy to assist it with obtaining signatures. Americopy has a long standing relationship with Suzanne Dreher and asked her to manage the gathering of paid signatures. The agreed upon cost for each of these signatures was $1.00. Ms. Dreher and those who may have been working with her collected approximately 6,381 signatures and the Forese Committee paid $ $6,381.

These signatures were collected during the period August, 2013 through May, 2014, before the Forese Committee qualified for Clean Elections funding. The source of payment for these signatures was the Forese Committee's Early Contributions. We have amended the Forese campaign finance report to show the disbursements Americopy made to Dreher. Americopy invoiced Forese and they were paid for on May

30, 2014 and reported in the June 30, 2014 Forese Committee's campaign finance report. To complete the picture of the Forese signatures, Tom Forese and volunteers collected approximately 1,163 signatures. No signatures were obtained through the Secretary of State's E-Qual system.

The Little campaign used both Americopy and the firm of Petition Pros, Inc. to gather signatures. Americopy collected 4,155 signatures at the same cost as the Forese signatures - $1.00 each. We have amended the Little campaign finance reports to show the costs of the signatures that Americopy collected on behalf of the committee. These disbursements were invoiced to Little on May 31, 2014 and are reported in the June 30, 2014 Little Committee's campaign finance report. Little also used the Petition Pros firm to gather signatures. This firm gathered 1,848 signatures at a cost of $1.50 per signature for a total cost of $2772. All of the disbursements to Petition Pros were also reported in the Little June 30 report. Little and volunteers also obtained 1,373 signatures plus 109 signatures through E-Qual. All of these signatures taken together sum to Little's grand total of signatures. And all of Little committee's paid signatures were paid from Early Contributions.

Summary

Both complaints have no basis in fact and ignore their own witness statements and accuse the Forese and Little campaigns of spending money on signs that they clearly did not purchase. The Committees were very successful in collecting Early Contributions and used their Early Contributions to obtain paid signatures and campaign signs from their vendor Americopy. As a fully integrated vendor with years of experience in this line of business Americopy is comfortable extending the Committees credit, chiefly to increase efficiency, lower costs and for convenience. The key question, really the only question here, is did the Committees have enough Early Contributions on hand to cover the costs of paid signatures and signs at the time they contracted to obtain these goods. There is no question that the answer is yes.

The Committees strongly urge the Commission to dismiss the two complaints as there is zero factual basis to believe any violation of law or regulation has occurred.

Thank you.

Sincerely,

Lee Miller

Attachments
cc: Tom Forese
Doug Little
Alan Heywood

State of Arizona)
)
County of Maricopa)

On this 30TH day of SEPTEMBER, 2014, before me personally appeared Lee Miller, whom I know personally, and acknowledged that he/she executed the same.

(seal)

WENDY D. ANDERTON
Notary Public - Arizona
Maricopa County
My Commission Expires
January 27, 2017

Notary Public

Exhibit 1

ARIZONA CORPORATION COMMISSION

www.corpcomm2014.com

Paid for by Forese for Arizona, Doug Little for Arizona Corporation Commission

Exhibit 2

FIGHTING OBAMA
TOM
FORESE
DOUG
LITTLE
ARIZONA CORPORATION COMMISSION

Doug Little for Corporation Commission Committee
Forese for Arizona Committee

October 8, 2014

Mr. Tom Collins
Ms. Sara Larsen
Citizens Clean Elections Commission
1616 West Adams
Suite 110
Phoenix, AZ 85007

*14 OCT 8 PM 4:03 CCEC

RE: MUR 14-021

Ladies and Gentlemen:

The Forese and Little campaigns believe it may be helpful to provide some additional detail on our campaign's process of obtaining petition signatures. As we have run most of our entire campaigns as a team, our experience is nearly the same, so please accept this as our joint statement.

Two things are certain about both gathering petition signatures and Qualifying Contributions: the process is very dynamic and one seeks to gather as many signatures and contributions as possible using the hard work of friends, family and other volunteers. In practice this means that the campaign distributes petition and Qualifying Contributions forms to nearly anyone that will accept them with the request to go forth, fill up the forms, and bring them back. Then you wait and see what each day brings. The only certainty in this process is the time and energy the candidate brings to the process. Like many candidates, we believed that we could collect most of the required Petition Signatures with our own network of volunteers. We were always trying to collect as many petition signatures as we could through various volunteers and through our own efforts to directly collect petition signatures. We always wanted to spend the least amount of money as possible on expenses such as paid petition signatures, so that there would be more funding to spend on messaging directly to voters about our candidacy and our positions on the issues.

In the later part of 2013 and during 2014 we typically met once a week with our campaign advisor, Alan Heywood. These were fairly short meetings of an hour or so, where we would do a quick review of the direction and progress of the campaign. Each week we would assess where we stood with petitions, Qualifying Contributions and Early Contributions and then consider what we needed to accomplish in the next week to move us forward. We would discuss ways to get more volunteers involved and try and work together in getting as many unpaid petitions as possible. As we evaluated the objectives we wanted to accomplish one thing was consistently clear and certain – we could not spend more money than what we had. We also wanted to spend the least amount of money on campaign costs for things like paid signatures, so that we would have more money to be able to send our campaign message out to voters. Thus we were constantly trying to get our signatures through volunteers.

The Forese Committee was established earlier than the Little Committee. Beginning in August of 2013 the Forese Committee made the decision to ask the Americopy firm to obtain paid petition signatures for the Committee. The Little Committee chose to use Americopy for paid signatures beginning in late November or early December. The understanding of both Committees was that Americopy would gather the petition signatures using Suzanne Dreher to obtain approximately 150 to 250 signatures at a time. We did not ask her to go out and get a big batch of signatures. We were never certain as to when she would be able to gather signatures for us or exactly how many signatures she would collect. When she did deliver signatures a determination would be made if the campaigns wanted to get any more paid signature. There was never

EXHIBIT D

a written agreement or commitment as to how many paid signatures the campaigns would obtain through Americopy, other than the current commitment of 150 to 250 petitions.

We never knew for certain when Ms. Dreher would return with signatures, how many she would have and what we would owe her for the current batch of signatures. Both Committees had more than $250 in cash on hand when Dreher was in the field gathering signatures.

On no particular schedule Dreher would turn in petition forms and ask if the Committees wanted additional signatures. As part of our weekly meeting we would evaluate where we were on petitions. The candidates were always optimistic that volunteers would gather a large number of petition signatures and that if they hadn't come through yet, they surely would as the campaign progressed. Based on the progress of volunteers and in considering the money the campaigns had collected, Americopy would periodically provide Dreher with another batch of blank petition forms, typically about 20-30 petition forms and ask her to collect some more signatures. As we previously noted, there was never a written agreement for signatures nor was there a specific total quantity requested or timeframe given. Dreher was collecting for other candidates and so her time was often divided. This relationship was as simple as, here's some forms go fill them out and bring them back when you want to – sometimes she would have little more than 100 for each candidate and sometimes she would have more.

The Little campaign got started later than the Forese campaign. The Little campaign made the decision in February to retain the firm of Petition Pros to assist in signature gathering. On February 14, 2014 Doug Little asked Petition Pros to obtain approximately 1,000 signatures at a cost of $1.50 per signature. There was no fixed delivery date for this project. In fact, the firm delivered 1,246 signatures on March 12, and the Committee reported an expense of $1,869.00. The salient fact for reporting purposes is that the Little Committee believed that it had at least $1,500 in cash on hand from Early Contributions when Petition Pros was asked to get the signatures.

In continuing to evaluate the progress the Little Committee was making toward its signature goal, in late April it asked Petition Pros to gather more signatures. There was no specific quantity requested and the $1.50 price remained. On May 2, 2014 Petition Pros delivered 341 signatures and was paid $511.50, this was reported in the Committee's campaign finance report. Reflective of the fluid nature of this business, Petition Pros delivered an additional 97 unrequested signatures on May 5 and was paid $145.50 as reported in its Finance Report. On or about May 20, Petition Pros informed the Little campaign that it had found another 164 petitions that it had collected and asked if the campaign would pay for those. The campaign agreed and paid another $246.00 on May 27, which was inadvertently reported as $264.00 on the campaign report.

We believe that it is important that the Clean Elections Commission understands how we went about collecting our petition signatures. We were always trying to collect as many signatures as we could through unpaid volunteers and through our own efforts and we never contracted for a set number of paid petitions (except the one time the Little Committee asked Petition Pros to gather 1,000 signatures) because we never knew how many we would actually need and we were optimistic that we would be successful in collecting many petition signatures through volunteers and our own personal gathering efforts. We had several so called handshake agreements to collect a relatively small number of signatures at a time. We were not certain of the number of volunteer signatures we would ultimately receive and therefore did not contract for a predetermined number of paid signatures other than those mentioned.

Concerning our 4'x8' campaign street signs. As mentioned in our original response, our campaigns only purchased one batch of street signs during the primary election (the artwork was attached in our response). We had no involvement in any other street signs that may have been put up during the Primary that were advocating for either our election or defeat. It was originally our intention to have all of our street signs

put up by volunteers. However, as we neared the time that the Early Ballots were to go out, we decided that we needed to pay to have some signs put to supplement the volunteer effort. Our committees placed an order with Americopy to have a total of 100 paid street signs installed on July 18th and 19th at a cost of $10 per sign which was a cost of $500 to each candidate committee. We later decided to have an additional 275 signs installed by Americopy at a cost of $10 per sign. This work was performed by employees of Americopy. Initially, we were able to use some abandoned rebar that Americopy had. We then went on to purchase rebar as we needed it from Americopy at a cost of $1.75 per piece. We ended up purchasing 1,420 pieces of rebar. Volunteers were installing signs in July and August.

Thank you.

Sincerely,

Tom Forese
Forese for Arizona

Doug Little
Doug Little for Corporation Commission

Petition Pros Inc.

Diane Burns
5271 West Whiteley
Apache Junction, AZ 85220

Phone: (480) 343-7577
dianeburns25@aol.com

EIN: 371511387

INVOICE

Date: _____
Campaign: DOUG LITTLE
Political Consultant: _____

Description	Quantity	Rate	Amount
Campaign Signatures	1246	1.50	$1869.00

Petition Pros Inc.

Diane Burns
527 West Whiteley
Apache Junction, AZ 85220

Phone: (480) 343-7577
dianeburns25@aol.com

EIN: 371511387

INVOICE

Date: 5-2-14
Campaign: Doug Little
Political Consultant:

Description	Quantity	Rate	Amount
Campaign Signatures			
341	1.50		$511.50

Petition Pros Inc.

Diane Burns
527 West Whiteley
Apache Junction, AZ 85220

Phone: (480) 343-7577
dianeburns25@aol.com

EIN: 371511387

INVOICE

Date: 5-5-14
Campaign: DOUG LITTLE
Political Consultant:

Description	Quantity	Rate	Amount
Campaign Signatures	97	1.50	$145.50

Petition Pros Inc.

Diane Burns
527 West Whiteley
Apache Junction, AZ 85220

Phone: (480) 343-7577
dianeburns25@aol.com

INVOICE

Date: 5 20 14

Campaign: Doug Little

Political Consultant:

Description	Quantity	Rate	Amount
Campaign Signatures	164	1 50	$246 00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

December 15, 2013

~~TOM PORESE~~ Doug Little
196 signatures @ $1.00 $196.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

December 31, 2013

DOUG LITTLE 231 signatures @ $1.00	$231.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 13, 2014

DOUG LITTLE

220 signatures @ $1.00	$219.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 21, 2014

DOUG LITTLE

324 signatures @ $1.00	$324.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 27, 2014

DOUG LITTLE

262 signatures @ $1.00	$262.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 3, 2014

DOUG LITTLE

227 signatures @ $1.00	$227.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 10, 2014

DOUG LITTLE

253 signatures @ $1.00	$253.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 17, 2014

DOUG LITTLE

261 signatures @ $1.00	$261.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 19, 2014

DOUG LITTLE

203 signatures @ $1.00	$203.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

March 6, 2014

DOUG LITTLE

176signatures @ $1.00	$176.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

March 17, 2014

DOUG LITTLE

108 signatures @ $1.00	$108.00

Suzanne Dreher
3440 N 42 St
Phx 85018
602 828 6188

INVOICE
March 31, 2014

DOUG LITTLE
354 signatures @ $1.00

$354.00

Suzanne Dreher
740 N 42 ST
Phoenix AZ 85018
602 828 6188

Invoice
4-10-14

Doug LITTLE
191 Signatures @ $1.00

$191.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

April 21, 2014

DOUG LITTLE

209 signatures @ $1.00	209.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

April 29, 2014

DOUG LITTLE

209 signatures @ $1.00	209.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May 7, 2014

DOUG LITTLE

208 signatures @ $1.00	208.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May15, 2014

DOUG LITTLE

202 signatures @ $1.00	$202.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May 27, 2014

DOUG LITTLE

111 signatures @ $1.00	$111.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 17, 2014

TOM FORESE

265 signatures @ $1.00	$265.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 19, 2014

TOM FORESE

211 signatures @ $1.00	$211.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

March 6, 2014

TOM FORESE

178 signatures @ $1.00	$178.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

March 17, 2014

TOM FORESE

101 signatures @ $1.00	$101.00

Jeranne Weiner
3440 N 42 St
Phoenix 85018
602-828-6188

INVOICE
March 31, 2014

TOM FORESE

349 Signatures @ $1.00

$349.00

Suzanne Dreher
3440 N 42 St
Phx 85018
602-828-6188

Invoice
4-10-14

Tom Forese

191 signatures @ $1.00

$191.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

April 21, 2014

TOM FORESE

209 signatures @ $1.00	209.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

April 29, 2014

TOM FORESE

208 signatures @ $1.00	208.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May 7, 2014

TOM FORESE

209 signatures @ $1.00	209.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May15, 2014

TOM FORESE

202 signatures @ $1.00	$200.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May 23, 2014

TOM FORESE

205 Signatures @ $1.00	$205.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

May 27, 2014

TOM FORESE

108 signatures @ $1.00	$108.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

August 29, 2013

TOM FRIESE

285 signatures @ $!.00	$285.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

August 21, 2013

TOM FORESE

267 signatures @ $!.00	$267.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

September 27, 2013

TOM FORESE
222 signatures @ $1.00 $222.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

October 8, 2013

TOM FORESE
237 signatures @ $1.00 $ 237.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

October 4, 2013

TOM FORESE
335 signatures @ $1.00 $335.00

INVOICE

Suzanne Dreher
3440 N. 42nd Street
Phoenix, Arizona 85018
602 828 6188

October 18, 2013

TOM FORESE

288 signatures @ $1.00	$288.00

INVOICE

Suzanne Parker
3440 N 42 St
Phx 85018
602 828 6188

Oct. 24, 2013

Tom Forese 156 signatures

@ $1.00

$ 156.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

December 15, 2013

TOM FORESE
199 signatures @ $1.00 $199.00

INVOICE

Suzanne Dreher
3440 N. 42nd St
Phoenix, AZ 85018
602.828.6188

December 31, 2013

TOM FORESE
228 signatures @ $1.00 $228.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 13, 2014

TOM FORESE

219 signatures @ $1.00 $219.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 21, 2014

TOM FORESE

322 signatures @ $1.00	$322.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

January 27, 2014

TOM FORESE

276 signatures @ $1.00	$276.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 3, 2014

TOM FORESE

224 signatures @ $1.00	$224.00

Suzanne Dreher
3440 N. 42nd Street
Phoenix, AZ 85018
602.828.6188

INVOICE

February 10, 2014

TOM FORESE

245 signatures @ $1.00	$245.00

State of Arizona

Independent Expenditure Notification

Save Our Future Now
Filer #: 201200622

Phone: (602) 451-6958

2014 IE Corp LLC Labor Notification

Election Cycle:	**2013-2014**
Date Filed:	June 27, 2014
Reporting Period:	November 27, 2012-June 26, 2014

Report ID: 113464

EXHIBIT F

EXHIBIT F

201200622 Save Our Future Now

IE Corp LLC Labor Notification
Covers 11/27/2012 to 06/26/2014

Transaction Date	Benefits or Opposes	Committee ID - Name	Amount
06/26/2014	Advocating Election	201400121 - Forese For Arizona - Primary	$3,712.00
Category:	Communications - Signs		
Memo:	Also benefits doug little		
06/26/2014	Advocating Election	201400349 - Doug Little for Arizona Corporation Commission - Primary	$3,712.00
Category:	Communications - Signs		
Memo:	Also Benefits Vote Forese		

EXHIBIT F

Resp. Forese

Cash on Hand	
Beginning Balance	$12,454.14
Early Contributions Collected by 7/9/14	$935.00
Qualifying Contributions Collected by 7/9/14	$3,800.00
Total Amount of Cash on Hand 7/9/14	**$17,189.14**

Expenses	
Operating Expenses 6/16/14	$174.68
Other Expenses 6/2/14	$235.20
$5 Qual Submission for App for Funding 7/11/14	$10,295.00
Total Expenses as of 7/11/14	**$10,704.88**

Amount of Cash on Hand 7/11/14	**$6,484.26**

Expenses After 7/12/14 - 7/25/14		Cash on Hand
Signs from Americopy 7/12/14	$6,486.00	($1.74)
Bank Fee 7/18/14	$10.14	($11.88)
AZ SOS 7/21/14	$11.50	($23.38)
Reimbursement 7/23/14	$500.44	($523.82)
Total Expenses	**$7,008.08**	

Clean Elections Funding Received 7/25/14 $97,620.00

EXHIBIT G

Resp. Little

Cash on Hand	
Beginning Balance	$5,085.67
Early Contributions Collected by 7/12/14	$5,545.00
Qualifying Contributions Collected by 7/12/14	$4,600.00
Total Amount of Cash on Hand 7/12/14	**$15,230.67**

Expenses	
Signs from Americopy 7/12/14	$6,486.00
FedEx 6/23/14	$11.89
Total Expenses as of 7/12/14	**$6,497.89**

Amount of Cash on Hand after expenses	**$8,732.78**

Contributions Received 7/13/14 - 7/29/14	
Early Contributions collected by 7/29/14	$435.00
Qualifying Contributions collected by 7/29/14	$2,320.00
Total Contributions Received	**$2,755.00**

Amount of Cash on Hand	**$11,487.78**

Expenses 7/13/14 - 7/29/14		Cash on Hand
$5 Qual Submission for App for Funding 7/29/14	$10,275.00	$1,212.78
Total Expenses after 7/12/14	**$10,275.00**	

Clean Elections Funding Received 8/7/14 $97,620

EXHIBIT H

Lee Miller
Attorney at law
'14 OCT 14 PM 2:33 CCEC

lee@leemillerlaw.com
602.300.5829 (direct line)

October 13, 2014

Mr. Tom Collins
Ms. Sara Larsen
Citizens Clean Elections Commission
1616 West Adams
Suite 110
Phoenix, AZ 85007

via hand delivery

RE: MUR 14-017

Ladies and Gentlemen:

My clients, the Forese for Arizona Committee and the Doug Little for Corporation Commission Committee (collectively the "Committees"), have repeatedly highlighted the fact that the complaints filed against them are based on make believe and guesses and they lack zero factual basis. In the complaint that forms the basis for MUR 14-017 five of the so called witness statements indicate that "lots and lots" of signs were observed. That is not surprising given that our Committees are responsible for 600 signs and independent expenditure committees are responsible for at least that many. The only witness statement in MUR 14-017 with any potential credibility is the one provided by Ken Muir. In that statement Mr. Muir was reported to be actively putting up signs opposing the Committees' candidates and that he has a count of the "companion signs" he has placed.

It has come to our attention that not only is this statement likewise made up, but it was not even made up by Mr. Muir. Attached hereto please find a letter that has recently come to our attention that is signed and notarized by Mr. Muir, wherein he states that substantial portions of his so-called statement were fabricated and that he never even read or reviewed the language in the complaint before it was filed. Mr. Muir states that his truthful testimony is only that he, too, saw "lots and lots" of signs. The essence of the complaint in this MUR is that "lots and lots" multiplied by whatever price someone wants to make up for a sign equals a violation of law.

It is our position that the Commission should dismiss this complaint for lacking any shred of factual support. In addition, we urge the Commission to direct its staff to begin an investigation of Mr. Parker, the complainant, to discover what else may have been fabricated in this complaint. Regrettably, campaigns representing all political parties believe there may be some political advantage to be gained by tossing in a complaint to the Clean Elections Commission based on nothing more than gossip, rumor and innuendo. While due process requires the Commission to accept any complaint that comes its way, we think the Commission's entire regulatory process would be greatly improved by delegating authority to the Executive Director to dismiss complaints based on make believe.

This complaint is, at best, based on make believe and, at worst, based on false statements. It should be promptly dismissed. To do otherwise the Commission exacerbates the problem of the enforcement process becoming simply another stick with which to attack one's opponents.

1702 East Highland, Suite 204 • Phoenix, Arizona 85016

ITEM V(E) ADDTL RESPONSE FRM ATTNY

Commencing an investigation of Mr. Parker to discover what other statements were made up will begin to show campaigns that there is a cost to abusing the regulatory process and wasting the Commission's time and energy.

Sincerely,

Lee Miller

Attachment
cc: Tom Forese
Doug Little

Christina Estes-Werther,
Election Director
Secretary of States Office
1700 West Washington, 7th Floor
Phoenix, AZ
cwerther@azsos.gov

October 6, 2014

SECRETARY OF STATE
2014 OCT -6 AM 11:36

Dear Ms. Estes-Werther,

Regarding your Notice of Complaint and Response Opportunity Letter to:

Ken Muir
3701 E Meadowview Drive
Gilbert, AZ 85298

In early September 2014, I was asked if I would be a witness to Tom Forese and Doug Little signs being installed in July and August 2014, in and around the Phoenix metro area. I agreed to testify to this.

I was never asked if I had "been recently placing companion signs pointing out that these two are supported by utilities."

Had I been asked, I would have accurately stated, no.

Although I agreed to testify, I was never given a copy of the wording that would be used in the complaint filed by the Torres Law Group on September 9, 2014

The first time I saw the compliant was after it was filed. I immediately called the person who had asked me to be a witness, to express my surprise at the inaccurate statement. I advised that if I were called to testify I would correct the statement.

To reiterate, I had not been placing "companion signs pointing out that these two are supported by utilities."

Specifically regarding the complaint filed against me by Amy Heustad, I have never purchased or received contributions to purchase the signs referenced in Ms. Heustad's complaint.

Since I have not purchased any political signs, I hope that demonstrates that no action should be taken on the basis of Ms. Heustad's complaint.

Sincerely,

Ken Muir

State of Arizona
County of Maricopa
[Arizona County]

Subscribed and sworn (or affirmed) before me this 6 day Oct, 2014
by Ken Muir
[Day] [Month] [Year] [Name of Signer]

PENNY A. ANDERSON
Notary Public State of Arizona
MARICOPA COUNTY
My Commission Expires
August 29, 2015

(seal)
[Affix notary seal here]

Notary Public [Notary's Signature]

Alan Heywood
Americopy

To Whom It May Concern:

Americopy installed a total of 375 signs for the Tom Forese and Doug Little campaign. The first sign installation order was for 100 signs to be installed on July 18-19. Later on two additional orders were placed for sign installations. Three of our full time employees were tasked to do the installations. We did not maintain any records of the sign installations after we confirmed that the work had been successfully completed.

There was only one type of sign that we installed for the campaign. The signs were 4'x8' full color signs with Tom Forese and Doug Little pictured prominently on both sides of the sign – there was only one sign design. Their campaign signs are very distinctive and recognizable from any other signs put up during this election cycle. Americopy included the cost of sign installation in its 8/13/2014 invoice to the two committees. I believe the other 225 signs the Forese and Little campaigns had were installed by volunteers.

Hopefully this information will be helpful in understanding the amount of signs that Americopy installed for the Tom Forese and Doug Little Campaign.

Sincerely,

Alan Heywood
President

State of Arizona)
)
County of Maricopa)

SUBSCRIBED AND SWORN to before me on this 14day of October, 2014 by Alan Heywood.

Notary Public

My commission expires:

JACKIE K. CONNORS
Notary Public - Arizona
Maricopa County
My Comm. Expires Jun 30, 2018

Alan Heywood
Americopy

To Whom It May Concern:

Americopy has thousands of customers that vary greatly in size, type and scope – from individuals to large multinational publically traded companies. Transactions can vary in price from a few dollars to projects costing more than a million dollars. Pricing can vary widely from project to project and from client to client.

We have excellent sourcing capabilities and purchase at very low prices. Our buying ability allows us to meet our goal of constantly striving to be market leaders in quality and price. Also interesting to note, many of the items we purchase are considered commodities and the prices can fluctuate substantially. We offer a wide variety of products and services and typically price items on a project by project basis. We do not have price lists for items that the Forese and Little campaigns purchased from our company.

I also note that Americopy is a fully integrated vendor. We have in-house graphic designers, printing facilities and distribution capabilities. We subcontract very little of the work that Americopy produces. Conversely, we do not have to markup subcontractor costs in order for our business to make money. As in nearly any business there are economies of scale that can bring costs down. We provide many products and services to a large number of customers in a very competitive market. Americopy has a large year round customer base which gives us the ability to provide products and services at substantially reduced prices.

Concerning pricing, may I give a recent experience that I had within the past six months or so. When going to purchase a refill of a prescription - the large company that I had been getting this prescription from for years told me that the price was going from its previous price of approximately $40 to the new price of $104 (I purchase a 90 day supply and don't use insurance because it has been less expensive to buy it than to pay the copay each month). I was shocked at the huge price increase and so I shopped around and found the exact same prescription from another large company – their price was approximately $13. I was surprised by the tremendous difference in price. Same medication, same dose, same quantity, same dark brown bottle, same manufacturer.

Needless to say, after the first company did a price match (from $104 to $13), I have been purchasing this prescription from the lower priced business. You might ask, who are the businesses that had such a large difference in pricing. Sam's Club is who I had been purchasing the prescription from for years and Costco is who had the much lower price.

Prices can vary widely from company to company and from time to time.

Hopefully this information is helpful.

Progressive Christian Coalition
P.O. BOX 2165, PHOENIX, AZ 85001

Wednesday, October 15, 2014

Mr. Thomas Collins, Executive Director
Arizona Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, AZ 85007

HAND DELIVERED

Dear Mr. Collins,

I received your September 30, 2014 response denying more urgent processing of the claims (now numbered as MURs 10-017 and 14-021) currently before the Citizens Clean Election Commission. These matters concern Tom Forese and Doug Little who seek to become members of the Arizona Corporation Commission. As noted in my original letter to you of September 26, 2014, I am sensitive to the application of Due Process under our nation's Constitution to Messrs. Forese and Little, but I am equally concerned about the application of Due Process to the citizens of Arizona.

With respect to Due Process on behalf of the citizens of Arizona, the delay in fully investigating and deciding the matter involving Messrs. Forese and Little may deny the citizens of Arizona the opportunity to express their opinion on the candidates most fitting to serve them on the Arizona Corporation Commission. The failure timely to investigate and publicly air the recent complaints most assuredly will deny Due Process to Arizona's minority voters and the candidates on whom they likely had pinned their hopes for more diverse representation among elected officials, specifically at the Arizona Corporation Commission. I note that the matters pending before the Commission concern diversity of representation, which can be addressed by the Commission through the proper exercise of its authority. I urge you to take this matter seriously and assist our community in gaining the information we all deserve, after all, the Citizens Clean Elections Act was created and intended to allow under represented communities to have an opportunity for candidates from among them to seek office without reliance on personal wealth or backing by wealthy individual and their corporate sponsors. It

'14OCT 15 PM 1:22 CCEC

ITEM V(E) PUBLIC COMMENT

will be the ultimate irony if the Act is allowed to be perverted to the ends that apparently are driving much of the spending in this election cycle.

Specifically, there is significant reason to believe that each of these candidate's campaign committee did not have sufficient funds timely to make the expenditures to fund the many campaign goods and services they received, whether actually received from Americopy or, as it may be revealed on full disclosure and examination, from other venders through Americopy's good offices, starting in May 2013, and certainly after June 1, 2014. If so, the voters of Arizona deserve to know, before they cast their ballots, the extent to which such inappropriate funding took place. Moreover, if such funding indeed was inappropriate and exceeded what the Commission now seems to believe to be the "trigger" amount for application of disqualification, one or both of these candidates would have violated the law to the point that they would be disqualified from the ballot or, if the determination is made after the election, removed from office. Had the Commission acted more expeditiously, if the former result comes to pass, voters will have little time to process the information to make an informed decision when voting and, if the latter result comes to pass, Arizona's voters will have their decision replaced by that of the Governor in making appointments to replace one or both of these individuals as officeholders.

Specifically, in reviewing a cash-flow analysis of the donations and expenditures made public by Messrs. Forese and Little only recently in their amended campaign finance statements, there is little doubt that their campaigns face significant challenges in demonstrating that they did not, to significant extents, expend funds that those campaigns did not have on hand. Hence, they must have "borrowed" funds, goods and services from Americopy or subcontracted vendors in a fashion that violates the Citizens Clean Elections Act. As just a few examples, this started with Americopy purportedly purchasing, on May 6, 2013, the URL for the website that eventually would be on all the literature and signs produced for Little and Forese campaigns. There is no record of Little and Forese paying anything to Americopy until they both gave $320.24 on January 7, 2014, for the palm cards and website. What other candidates received such unusual "extensions of credit" from a third-party corporation?

Further, the real costs associated with the Forese &Little website (corpcomm2014.com) need to be fully reviewed and determined. In contrast, the Michelle Reagan campaign disclosed that it spent $18,984.40 for its website through July 9, 2014, and that campaign even started paying for its website with an expenditure of $924.40 on December 30, 2013. One properly must conclude,

given the quality of the Forese & Little website, that the fair market value of the services provided were at least the amount paid by the Reagan campaign, if not more. All of such website costs, at fair market value, should be included in calculations about the funds expended by the Forese and Little campaigns, whether provided by Americopy or actually a third-party subcontractor or vendor; these amounts also should be included in calculations about whether these campaigns were "into the red," and spent money they did not have on hand at the time the services actually were supplied (not based on non-commercially available "credit" supplied only to these campaigns by Americopy), which would clearly violate Clean Elections rules.

There are also the questions that arise about the signatures gathered for Messrs. Forese and Little's nominating petitions. These campaigns' lawyer, Lee Miller, has suggested that these campaigns benefitted from pricing for goods and services based on "relationships" not available to other candidates for Corporation Commission (or any other race, for that matter). First, such "relationship" based reductions in cost violate the Citizens Clean Elections Act per se. As noted above, the Commission must examine the terms of the "credit" these campaigns received from a corporation and it appears clear that such credit is not commercially available to other candidates, so must not be "extended" to Messrs. Forese and Little. Such non-commercially available credit would constitute a corporate donations or other in-kind contribution that violates the Act.

Mr. Miller also apparently has suggested that friends, relatives, and volunteers assisted in gathering signatures, as well as Clean Elections $5.00 contributions, for the two candidates. First, there is only one person whose signature appears on the back of Mr. Forese's petitions as the circulator: Suzanne Dreher. Moreover, it is Ms. Dreher's signature that appears on the back of 78% of Mr. Little's petitions, and most of the rest of Mr. Little's petitions also were circulated by known petition circulators. In contrast, for example, Michelle Reagan's campaign spent $8,541 for petition signatures; Lucy Mason's campaign spent $12,780 for petition signatures, and Vernon Parker's campaign spent $11,532 for signatures. These amounts do not even include expenditures for collecting $5.00 contributions or other likely significant amounts spent fundraising "seed money" contributions. The Forese and Little campaign finance reports include only small amounts and few disclosures for these types of expenses, and seem very unlikely to be a full accounting for the costs typically incurred under commercially available terms to other candidates not fortunate enough to have Americopy and its cadre of subcontractors at their disposal.

As clearly established by the Act and important to its intent, to apply to be a participating candidate, a candidate and the candidate's campaigns must avow that they have always complied with Citizens Clean Elections Act and the rules promulgated under the Act, and that they will continue to do so. In the cases of Messrs. Forese and Little's candidacies and campaigns, such compliance seems highly improbable when examining just the initial spending through May 31, 2014.

When one examines the cash flow of each campaign, even assuming that the amended campaign finance reports for the period ending May 31, 2014, are fully truthful, then latter expenditures also raise significant concerns. Unless the Commission fully engages in an investigation, it is difficult to be as exacting with respect to such expenditures here. However, given the information available, it remains easy to conclude that the Forese and Little campaigns face significant challenge to their compliance with the Act.

From the May 31, 2014 period finance reports, as of June 1, 2014, each of Messrs. Forese and Little's campaign accounts held only $12,454.14 and $5,085.67, respectively, in available funds. Between the website, the signatures, and the various handouts, palm cards, banners, and other campaign materials that are known to have been used by the Forese and Little campaigns prior to June 1, 2014, it seems very likely the Act and its regulations were violated significantly.

From such funding and the little in additional donations each acquired thereafter, each of Messrs. Forese and Little's campaign paid, as disclosed in the campaign finance reports for latter periods (which reports mask the timing of each expenditure and receipt of goods and services) $103,114.68 for goods and services. In light of the two latter campaign finance reports filed immediately prior to the primary election date, and the "lump sum" expenditure Forese claims on August 13, 2014, and Little on August 11, 2014, if those expenditures properly are accounted for *as incurred* (and not with the benefit of "credit" not otherwise commercially available to other candidates) there is little doubt of the funding challenges that each campaign must have had and that appear to violate the Citizens Clean Elections Act.

With respect to the two campaigns' joint acquisition of signs, for example, the campaigns' joint response from Mr. Miller indicates that the alleged six hundred signs to which the campaigns admit to acquiring, the price paid only was $21.92 per sign. (It is disputed that there were just the 600 signs. Available evidence points to well over 1,000 of their campaign signs.) If one examines what was available in the market to candidates in Arizona races, one can easily conclude

this $21.92 number is dubious. The 4X8 signs these campaigns utilized clearly were digitally produced, two sided, coroplast, with at least four and, apparently up to six, grommets inserted on each side. The best "wholesale" price we have been able to identify has been $27.92 per sign, and that is just for the printing and coroplast material. The commercially available retail price paid by other candidates appears to have been about double the wholesale price.

To the cost of the printing and coroplast material, one must also add the cost of grommetting each sign with four (and perhaps six) grommets at the commercially available price of $0.25 for each grommet. Further, neither the Forese nor the Little campaigns disclose any costs for erecting their signs. (Again, in contrast, the Michelle Reagan campaign reports spending $39,529.50 for that campaigns two color, screen printed signs, which are significantly less expensive to produce. Further, the Reagan campaign spent $31,749.34 for sign installation.)

These campaigns appear to claim that their signs were erected by volunteers. During the period of time during which these candidates' signs were being erected, their reports show no cost for fuel for volunteers, assuming all alleged six hundred signs were erected state-wide by volunteers. Further, because the suggestion that the signs were erected state-wide only by volunteers, the Commission should investigate the extent to which volunteers can be identified as having erected signs and, to the extent of any short-fall, investigate the pricing at which candidates were paying to have signs erected. (Typically volunteers would have been provided lists of locations and areas to erect these signs; volunteers would also incur costs that either must be reported as "in-kind" donations or reimbursed, which also raises improper contributions issues for a "Clean" campaign. These are just examples of the information the Commission should demand.) To have signs erected by third-party erection crews at the time, commercially available prices were between $10.00 and $15.00 per sign, depending on whether the posts and other costs are included or excluded from the pricing.

Further, these candidates' signs were erected with ½ inch rebar with three sticks of rebar used for each sign. That is a minimum of 1,800 sticks of rebar. The signs were erected using bailing wire ties (not the less time-consuming, less reliable, and less labor-intensive plastic cable ties). The rebar itself has a wholesale cost of approximately $2.00 per stick, and that is if the lengths are only five feet. The more likely lengths used for sign erection (of six feet to six feet eight inches) cost at least $0.50 more per stick. Again, there are no costs for steel rebar, for wire, or any other cost of erection in these candidates' finance reports.

As stated before, these candidates' reports do not include any costs for the website design for either candidate. There are no costs listed for the hand-bills or the specialty banners used at debates, Republican Club and Tea Party meetings, and other speaking opportunities. There are no costs listed for the many road trips that both candidates took, including hotels or motels, fuel or fees charged by many of the organizations for breakfasts, lunches and dinners attended by these candidates. Mr. Miller's joint response for these candidates suggest that their "relationships" provided the means by which they received special pricing for all such goods and services AND did not have to incur these costs until they received funding from the Citizens Clean Elections Commission. This "defense" strains credibility and it appears to be an admission that the Citizens Clean Elections Act and its regulations were flagrantly violated.

Accordingly, the Commission must exercise all of its authority to subpoena records and conduct interviews, including seeking sworn testimony, from all vendors and "volunteers" who are the sources of the defenses being claimed by these candidates. A failure of the Commission to exercise all of its authority to collect evidence and discern the facts from independent third parties will merely add to the denial of Due Process for Arizona's citizens and voters.

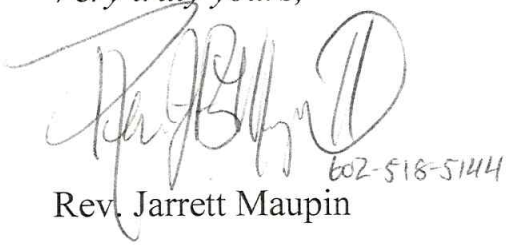
Finally, as a final concern regarding Due Process, I note that the Supreme Court of the United States ruled in Caperton v. Massey, 129 S. Ct. 2252 (2009) that significant funding, even through "independent" expenditures, required an elected official to declare a "conflict of interest" and recuse himself from matters involving a company whose CEO funded the expenditures to the benefit of the elected official's campaign and against his opponent's campaign. The amounts spent in the Caperton case pale in comparison to the amounts spent in the Arizona Corporation Commission races, both for Messrs. Forese and Little and against their opponents, particularly their African-American opponents. While the Commission may view it as beyond their authority, given that both Messrs. Forese and Little are "Clean Elections" candidates, the Commission should investigate the extent to which the Save Our Future and Arizona Free Enterprise Club expenditures are "independent" and, moreover, are within the bounds of expenditures that may continue to hide donor information behind the status as Exempt Organizations under Section 501(c)(4) of the Internal Revenue Code. This information is important to members of the public in making their decisions for whom to cast votes. Further, as established in Caperton, if such expenditures were made by a party or affiliate of a party in matters before the Arizona Corporation Commission, Messrs. Forese and Little will force all of Arizona to face the issue of whether Messrs. Forese and Little are Constitutionally incapable of serving in a host of

matters that will come before the Arizona Corporation Commission. (In the Caperton case, the recusal at issue only involved a single matter; imagine the chaos at the Arizona Corporation Commission if Messrs. Forese and Little are Constitutionally barred by Due Process from sitting on any matter involving a regulated utility or any of its competitors.) This is the most serious element, perhaps, facing voters now and to which the transparency available to the Citizens Clean Elections Commission can be brought.

Please do not allow the Commission to become embarrassed by its failure to act on these questions, particularly given that any resulting expenditures that violated the Citizens Clean Elections Act were so clearly used to staunch diversity of our elected officials. Arizonans of every race, color, creed, sex and orientation look forward to the Commission undertaking the bold and appropriate investigation, wherever it may lead, and the action required by the application of transparency and the information it likely will reveal.

With every good wish.

Very truly yours,



602-518-5144

Rev. Jarrett Maupin

Gina Roberts

From: Jarrett Maupin <jarrettmaupin@gmail.com>
Sent: Wednesday, October 15, 2014 10:46 AM
To: CCEC Mailbox
Subject: Forese/Little

Wednesday, October 15, 2014

Mr. Thomas Collins, Executive Director

Arizona Clean Elections Commission

1616 W. Adams, Suite 110

Phoenix, AZ 85007

HAND DELIVERED

Dear Mr. Collins,

I received your September 30, 2014 response denying more urgent processing of the claims (now numbered as MURs 10-017 and 14-021) currently before the Citizens Clean Election Commission. These matters concern Tom Forese and Doug Little who seek to become members of the Arizona Corporation Commission. As noted in my original letter to you of September 26, 2014, I am sensitive to the application of Due Process under our nation's Constitution to Messrs. Forese and Little, but I am equally concerned about the application of Due Process to the citizens of Arizona.

ITEM V(E) PUBLIC COMMENT

With respect to Due Process on behalf of the citizens of Arizona, the delay in fully investigating and deciding the matter involving Messrs. Forese and Little may deny the citizens of Arizona the opportunity to express their opinion on the candidates most fitting to serve them on the Arizona Corporation Commission. The failure timely to investigate and publicly air the recent complaints most assuredly will deny Due Process to Arizona's minority voters and the candidates on whom they likely had pinned their hopes for more diverse representation among elected officials, specifically at the Arizona Corporation Commission. I note that the matters pending before the Commission concern diversity of representation, which can be addressed by the Commission through the proper exercise of its authority. I urge you to take this matter seriously and assist our community in gaining the information we all deserve, after all, the Citizens Clean Elections Act was created and intended to allow under represented communities to have an opportunity for candidates from among them to seek office without reliance on personal wealth or backing by wealthy individual and their corporate sponsors. It will be the ultimate irony if the Act is allowed to be perverted to the ends that apparently are driving much of the spending in this election cycle.

Specifically, there is significant reason to believe that each of these candidate's campaign committee did not have sufficient funds timely to make the expenditures to fund the many campaign goods and services they received, whether actually received from Americopy or, as it may be revealed on full disclosure and examination, from other venders through Americopy's good offices, starting in May 2013, and certainly after June 1, 2014. If so, the voters of Arizona deserve to know, before they cast their ballots, the extent to which such inappropriate funding took place. Moreover, if such funding indeed was inappropriate and exceeded what the Commission now seems to believe to be the "trigger" amount for application of disqualification, one or both of these candidates would have violated the law to the point that they would be disqualified from the ballot or, if the determination is made after the election, removed from office. Had the Commission acted more expeditiously, if the former result comes to pass, voters will have little time to process the information to make an informed decision when voting and, if the latter result comes to pass, Arizona's voters will have their decision replaced by that of the Governor in making appointments to replace one or both of these individuals as officeholders.

Specifically, in reviewing a cash-flow analysis of the donations and expenditures made public by Messrs. Forese and Little only recently in their amended campaign finance statements, there is little doubt that their campaigns face significant challenges in demonstrating that they did not, to significant extents, expend funds that those campaigns did not have on hand. Hence, they must have "borrowed" funds, goods and services from Americopy or subcontracted vendors in a fashion that violates the Citizens Clean Elections Act. As just a few

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With every good wish.

Very truly yours,

Rev. Jarrett Maupin