

My name is Harry Scott Young. My full address is 20846 E Marble Canyon Way, Mayer, Arizona 86333

I have reviewed the campaign finance reports for the Kiana Sears campaign as well as other materials posted by her or advertisements from her campaign.

There appear to be numerous violations of Clean Elections statutes and rules by Kiana Maria Sears, a Democratic candidate for the Arizona Corporation Commission. I request that her campaign contribution and expense reports show numerous expenditures that need to be thoroughly investigated and audited for compliance with Clean Elections rules and applicable statutes. If there are any violations, I would like the appropriate actions will be taken by the Clean Elections Commission.

Numerous payments were made to her future son-in-law, Sowan Thai. In just one month (March 23 to April 25) Kiana Sears paid her future son-in-law, Sowan Thai, \$8,029.80. \$7,000.00 was for professional services and \$1,029.80 was for reimbursements for expenses. On March 23, 2018, 23 days after receiving her primary funding from Clean Elections Kiana Sears made the first two payments to Mr. Thai, one for \$2,000 and one for \$1,500.00. Another one was made for \$166.00 on March 28, 2018 for a total of \$3,666.00 in thirty days. What was done in that short period of time or to be done? What does her contract with him state and when was it signed? The other payments to Sowan Thai were made on April 16, 2018 (\$2,000.00) and April 23, 2018 (\$1,500.00).

Sowan Thai lives with Kiana Sears' daughter, Elaissia Sears, and Kiana Sears has stated publicly that he is engaged to her daughter. He doesn't appear to have any previous campaign related experience, or videography experience. Both Elaissia Sears and Sowan Thai live together at 925 S. Longmore, #112, Mesa 85202. Elaissia Sears is a candidate for Justice of Peace in the West Mesa Justice Court. Even though Sowan Thai isn't a relative as defined by rule, Elaissia Sears may be benefiting (rent, utilities, internet, cable, food, etc.) from the payment by her mother, Kiana Sears, to her future husband, Sowan Thai.

Another expenditure that needs to be investigated is the \$18,500.00 made on July 14, 2018 to Blue Wave Victory, LLC. This LLC was not approved by the Corporation Commission until July 19, 2018. The members of Blue Wave Victory, LLC are State Representative Reginald Bolding and the Vice Chair of the Arizona Democratic Party, Jevin Hodge. Numerous questions need to be answered: How can a check be issued to an entity that doesn't legally exist? Where and when was the check deposited? Was a contract signed and when was it signed? How was the money spent? Her expenditure report indicates the payment was for List Acquisition, Text Management and Fundraising. However, Ms. Sears purchased VAN access (voter file operated by Arizona Democratic Party) from the Arizona Democratic Party on July 28, 2018. She also paid for VAN access from the Arizona Democratic Party on October 5, 2017. So what lists were acquired by Blue Wave Victory, LLC that she would not have had access to through the VAN? What fundraising was done between July 19 and August 21 by Blue Wave

Victory, LLC on Kiana's behalf? During that time period, only \$1,252 was raised in seed money.

\$1,000 was paid to Marcus Ferrell for District 24 and \$1,693.55 was paid to Navarrette for Senate. Both Marcus Ferrell and Navarrette were candidates running for public office. Neither are Clean Election candidates. Is this permissible?

Numerous expenditures for fuel are suspicious and need to be thoroughly investigated. The campaign finance reports just show a dollar amount for gasoline purchased, and the event listed as the cause for the gas doesn't make any sense in terms of mileage to the event, when all of these gas entries on the campaign finance reports are reviewed. There are wide variables in gas mileage claimed for transportation to the purported events. Pursuant to R2-20-702.G2, a travel log with dates, campaign purpose, and mileage is required to be kept by the candidate.

There are number of payments for meals that seem to be inappropriate and also need to be investigated. For example, \$3.77 was spent at a Mesa Burger King on September 27, 2017. Other examples include \$4.31 on June 19, 2017 and \$5.93 on March 12, 2018 at MV Pita Mediterranean in Mesa. Kiana Sears lives in Mesa and the amount appears to be for one person. What campaign event by one person at these restaurants occurred?

Kiana Sears made a television advertisement with her daughter, Elaissa Sears, as was noted above, is running for Justice of Peace in the West Mesa Justice Court. The advertisement touted Elaissa, not just as Kiana's daughter, but also as a candidate for justice of the peace. This advertisement was in addition to many speeches in person that Kiana made touting Elaissia's candidacy for justice of the peace. Elaissia was present when many of these speeches occurred. This advertisement, the speeches and the expenditure for the advertisement may violate Clean Election statutes because they are expenditures using Clean Elections funding to promote a different candidate.

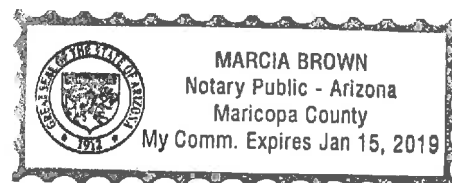
EXECUTED this 11 day of Sept, 2018.

Harry S. Young
Signature

Harry S. Young
Printed Name

SUBSCRIBED AND SWORN to me this 11 day of Sept, 2018.

Marcia Brown
Notary Public



Doug Ducey
Governor

Thomas M. Collins
Executive Director



Damien R. Meyer
Chair

Steve M. Titla
Mark S. Kimble
Galen D. Paton
Amy B. Chan
Commissioners

State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcleanelections.gov

NOTICE OF COMPLAINT AND RESPONSE OPPORTUNITY
SENT VIA E-MAIL AND FEDEX

September 13, 2018

Kiana Sears
2824 N Power Rd
Ste 113-448
Mesa, AZ 85215
kiana.sears@gmail.com

RE: CCEC MUR No. 18-13

Dear Ms. Sears,

This letter is to notify you that on September 13, 2018, Harry Scott Young filed a complaint against you (copy enclosed) with the Arizona Citizens Clean Elections Commission.

Commission rules provide that upon the filing of a complaint that substantially complies with Arizona Administrative Code Section R2-20-203, notification must be given to each respondent. Ariz. Admin. Code R2-20-204(A). Additionally, the rule provides for an advisement of compliance procedures. Those procedures are set forth in Article 2 of the Commission's Rules (Arizona Administrative Code Sections R2-20-201 to R2-20-228) as well as the Clean Elections Act (specifically Arizona Revised Statutes Section 16-940 to 16-961).

The Commission's rules provide that a respondent "be afforded an opportunity to demonstrate that no action should be taken on the basis of a complaint by submitting, *within five days from receipt of a written copy of the complaint*, a letter or memorandum setting forth reasons why the Commission should take no action." Ariz. Admin. Code R2-20-205(A). *Your response must be notarized, or the Commission will not consider it.* Ariz. Admin. Code R2-20-205(C). Failure to respond to this complaint within five days may be viewed as an admission to the allegations. *Id.* **Please provide a response no later than Friday, September 21, 2018.**

This matter is in the initial stages of review. A finding will be made only after the Commission has fully reviewed this matter. Please contact me if you have any questions at (602) 364-3477 or by e-mail at mike.becker@azcleanelections.gov.

Sincerely,

Mike Becker
Policy Director
Citizens Clean Elections Commission

Enclosures
Cc: Harry Scott Young

Kiana Maria Sears
2824 N. Power Road
Ste 113-448
Mesa, AZ 85215
602-529-2829

Dear Clean Elections Commission

I, Kiana Maria Sears of Sears for Arizona committee, appreciate the concerns of Mr. Harry Scott Young. I can assure you that no clean elections violations have taken place within our campaign committee and I have not used any of the funds inappropriately.

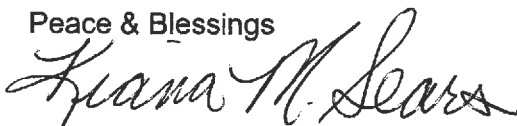
Mr. Thai is a professional videographer and small business owner. My campaign has extensive professional videos including a 4 minute commercial and a video series all listed on my financial report. You can view these videos on my Social Media, Website, and YouTube page. Mr. Thai has also been a super volunteer for the campaign and has also helped by driving me during distant trips such as Bisbee, Douglas, and Flagstaff.

I regularly buy my volunteers (which includes phone bankers or canvassers) a burger or a cheap snack especially in cases where I am giving them a ride to and from the office. As for campaign fuel in my report, I have listed my mileage at a much cheaper expense than calculating by miles. I have driven over 122K campaign miles which is a reimburse cost of over \$53K, I have not reimburse myself at that rate despite incurring over \$8K in vehicle maintain cost which include a new hydrobattery, front & rear brakes, mounts, struts, bushings etc.

Door Knocking (canvassing) is a customary expense in campaigns varying in cost from \$1-\$3 per door. The payments made to Mr. Ferrell and Mr. McFadden were for paid canvassers with a low cost of \$0.50 per piece, Mr. Navarette also help reduced cost by providing a daily proportional rate during the Primary race.

As for campaign commercial, please view it at www.searsforaz.com my daughter is a 1 year old and is not represented as a candidate but as a member of my family. In the commercial there is no mention by name or candidacy, Mr. Young is correct I do mention my daughter from time to time like most parents do and she is indeed running for office no violations have occurred, I request this complaint be dismissed.

Peace & Blessings

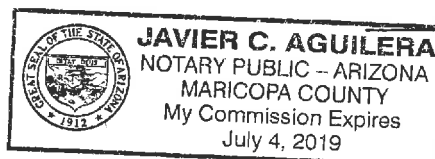


Kiana Maria Sears
Sears for Arizona

State of Arizona
County of Maricopa

On this 21 day of September, 2018, before me personally appeared Kiana Maria Sears, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed the above/attached document.

 NOTARY PUBLIC



Kiana Maria Sears
Sears for Arizona
(Corporation Commission)
2824 N. Power Road
Mesa, AZ 85215

*18OCT 5 PM 3:03 CCEC

Dear Clean Election Commission and Mr. Becker ,

I, Kiana Maria Sears am writing to address questions regarding Blue Wave Victory.

No clean elections rules were violated Blue Wave Victory is serving in a political consulting manner for the Sears for Arizona campaign.

Blue Wave Victory list acquisition services in the Sears for Arizona campaign means aggregating of all emails addresses of my campaign, VAN does not give you email address –how I receive emails used in my campaign is by having voters share their emails however they chose to share their emails.

I received emails via my 2 personal and 2 professional facebook pages , I also receive email addresses from my website and four different email addresses. Blue Wave collected email addresses of supporters created unique messages and targeted emails to create a foundation as a base to have an email component of my campaign.

Blue Wave Victory also provided communication services (which included messaging and content creation for my email campaign and a massive text campaign through “ Hustle” (a paid service that charges per text).

Sears for Arizona committee has not violated clean election rules *6/26-2018 - IRS EIN Letter*

Blue wave invoiced Sears for Arizona for List (Aggregation) Acquisition, Communication Services, 70,000 direct person to person text as well as 50,000 paid calls and a email fundraising based campaign

Blue Wave Victory. I wrote a check to Blue Wave Victory for services rendered mentioned and that checked made out to blue Wave Victory was cashed and services were rendered.

Blue Wave Victory has a LLC with the Arizona Corporation Commission and I have attached my invoice for services. I wrote a check on 7/14/2018 for services and it cleared my bank on 7/23/2018.

*Thank you
Kiana M. Sears
Sears for Arizona*



State of Arizona
County of MARICOPA
On this 5 day of OCTOBER 20 18 before me personally appeared KIANA M. SEARS whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed the above/attached document.
[Signature]
NOTARY PUBLIC

Date of this notice: 06-26-2018

Employer Identification Number:
83-1028006

Form: SS-4

Number of this notice: CP 575 A

BLUE WAVE VICTORY LLC
BLUE WAVE VICTORY
% REGINALD BOLDING JR MBR
6345 W HARWELL RD
LAVEEN, AZ 85339

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 83-1028006. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

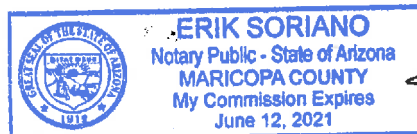
Form 940	01/31/2019
Form 1065	03/15/2019
Form 944	01/31/2019

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

Kiana M. Sore



[Handwritten signature]
10/5/18

Blue Wave Victory

1241 E. Washington St. Suite 103

Phoenix, AZ 85034

D: 602-492-5715

1. Services to Be Performed Contractor agrees to perform the following services:

Scope of Work	Description
Fundraising	<ul style="list-style-type: none"> List management, call time, email acquisition, fundraiser
Digital	<ul style="list-style-type: none"> Messaging, digital design, text to text service
Partnership Development	<ul style="list-style-type: none"> Connection with federal, state, local and non-profit leaders
Email	<ul style="list-style-type: none"> 2-3 emails per week

2. Payment

In consideration for the services to be performed by Contractor, Client agrees to pay Contractor at the following rates: \$18,500.

Contractor shall be paid within a reasonable time after Contractor submits an invoice to Client.

3. Expenses

Contractor shall be responsible for all expenses incurred while performing services under this Agreement. This includes fundraising software, list acquisition cost, travel, digital design, salary, texting service and any other cost.

Client: Sears for Arizona

Contractor: Blue Wave Victory, LLC

Reginald Bolding Jr.

Contractor Print Name

Reginald Bolding Jr.

Contractor Signature

Kiana Maria Sears

Client Print Name

Kiana M. Sears

Contractor Signature

Blue Wave Victory

INVOICE: 01-01

1241 E. Washington St.

Phoenix, AZ 85034



BALANCE DUE

Upon Receipt

\$18,500.00

Item / Item Description	Qty	Unit Cost	Total
Digital Outreach – Fundraising	1		--
Hustle – P2P Texting	1		--
		Subtotal	\$18,500.00
		Tax - 0%	\$0.00
		TOTAL	\$18,500.00

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Damien R. Meyer
Chair

Steve M. Titla
Mark S. Kimble
Galen D. Paton
Amy B. Chan
Commissioners

State of Arizona
Citizens Clean Elections Commission

1616 W. Adams - Suite 110 - Phoenix, Arizona 85007 - Tel (602) 364-3477 - Fax (602) 364-3487 - www.azcanelections.gov

October 11, 2018

Kiana Sears
Sears for Arizona
2824 N. Power Road
Mesa, AZ 85215

Harry Scott Young
20846 E. Marble Canyon Way
Mayer, AZ 86333

Via E-Mail and/or U.S. Mail

Dear Ms. Sears & Mr. Young:

My name is Thomas Collins. I am the Executive Director of the Arizona Clean Elections Commission. I have reviewed the Complaint, Ms. Sears' response as well as the underlying campaign finance reports along with other staff members. Based on my review I have determined to close the Complaint pursuant to Ariz. Admin. Code § R2-20-206(A)(3). I reserve the right to reinstate the Complaint in the event that information provided to the Commission is false or if new information arises requiring further review.

Specifically, Ms. Sears provided evidence of Sowan Thai's direct work for the campaign, as well as an appropriate explanation for mean expenses. Furthermore, there is no evidence to sustain a Complaint she has made campaign expenditures on behalf of her daughter. Finally, Ms. Sears has provided evidence to sustain that Blue Wave Victory, LLC is a campaign vendor that provided services for direct campaign purposes.

Sincerely,
s/Thomas M. Collins
Executive Director