



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

Location: Citizens Clean Elections Commission

1616 West Adams, Suite 110

Phoenix, Arizona 85007

Date: Thursday, December 16, 2021

Time: 9:30 a. m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Commissioners of the Citizens Clean Elections Commission and the general public that the Citizens Clean Elections Commission will hold a regular meeting, which is open to the public on Thursday, December 16, 2021. This meeting will be held at 9:30 a.m., at the Citizens Clean Elections Commission, 1616 West Adams, Suite 110, Phoenix, Arizona 85007. The meeting may be available for live streaming online at <https://www.youtube.com/c/AZCCEC/live>. You can also visit <https://www.azcleelections.gov/clean-elections-commission-meetings>. Members of the Citizens Clean Elections Commission will attend either in person or by telephone, video, or internet conferencing. **This meeting will be held virtually.** Instructions on how the public may participate in this meeting are below. For additional information, please call (602) 364-3477 or contact Commission staff at ccec@azcleelections.gov.

Join Zoom Meeting

<https://us02web.zoom.us/j/85864552471?pwd=M0krakNudTcrT3pnaHUyYTczVlJtQT09>

Meeting ID: 858 6455 2471

Passcode: 599943

One tap mobile

+16699006833,,85864552471#,,, *599943# US (San Jose)

+12532158782,,85864552471#,,, *599943# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 858 6455 2471

Passcode: 599943

Find your local number: <https://us02web.zoom.us/j/85864552471?pwd=M0krakNudTcrT3pnaHUyYTczVlJtQT09>

Please note that members of the public that choose to use the Zoom video link must keep their microphone muted for the duration of the meeting. If a member of the public wishes to speak, they may use the Zoom raise hand feature and once called on, unmute themselves on Zoom once the meeting is open for public comment. Members of the public may participate via Zoom by computer, tablet or telephone (dial in only option is available but you will not be able to use the Zoom raise hand feature, meeting administrator will assist phone attendees). Please keep yourself muted unless you are prompted to speak. The Commission allows time for public comment on any item on the agenda. Council members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing Council staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.

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

The agenda for the meeting is as follows:

- I. Call to Order.
- II. Discussion and Possible Action on Commission Minutes for October 29, 2021.
- III. Discussion and Possible Action on Executive Director's Report, Enforcement and Regulatory Updates and Legislative Update.
- IV. Discussion and Possible Action on the 2022 Budget and related statutory calculations.
- V. Discussion and Possible Action on Amendment to R2-20-101, Rule Amendment related to personal and family contributions to candidates participating in the Clean Elections Funding program.
- VI. Discussion and Possible Action on MUR 21-01, The Power of Fives, LLC

The Commission may choose to go into executive session for discussion or consultation with its attorneys to consider its position and instruct its attorneys regarding the public body's position regarding contracts, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. A.R.S. § 38-431.03(A)(4).

- VII. Discussion and Possible action on MUR 20-04, Eric Sloan

The Commission may choose to go into executive session for discussion or consultation with its attorneys to consider its position and instruct its attorneys regarding the public body's position regarding contracts, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. A.R.S. § 38-431.03(A)(4).

- VIII. Discussion and Possible Action on Election of Chairperson for 2022.

- IX. Public Comment

This is the time for consideration of comments and suggestions from the public. Action taken as a result of

public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date or responding to criticism.

X. Adjournment.

This agenda is subject to change up to 24 hours prior to the meeting. A copy of the agenda background material provided to the Commission (with the exception of material relating to possible executive sessions) is available for public inspection at the Commission's office, 1616 West Adams, Suite 110, Phoenix, Arizona 85007.

Dated this 14th day of December, 2021

Citizens Clean Elections Commission

Thomas M. Collins, Executive Director

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

1
2
3
4 THE STATE OF ARIZONA
5 CITIZENS CLEAN ELECTIONS COMMISSION
6
7
8
9

10 REPORTER'S TRANSCRIPT OF VIRTUAL PUBLIC MEETING
11
12
13

14 Phoenix, Arizona

15 October 29, 2021

16 9:31 a.m.
17
18
19
20

21 COASH & COASH, INC.
22 Court Reporting, Video & Videoconferencing
23 1802 North 7th Street, Phoenix, AZ 85006
602-258-1440 staff@coashandcoash.com

24 Prepared by:
25 LILIA MONARREZ, CSR, RPR
Certificate No. 50699

<p style="text-align: right;">Page 2</p> <p>1 VIRTUAL PUBLIC MEETING BEFORE THE CITIZENS 2 CLEAN ELECTIONS COMMISSION convened at 9:31 a.m. on 3 October 29, 2021, at the State of Arizona, Clean 4 Elections Commission, 1616 West Adams, Conference Room, 5 Phoenix, Arizona, in the presence of the following Board 6 members: 7 Ms. Amy B. Chan, Chairperson 8 Mr. Galen D. Paton 9 Mr. Mark S. Kimble 10 OTHERS PRESENT: 11 Thomas M. Collins, Executive Director 12 Paula Thomas, Executive Officer 13 Mike Becker, Policy Director 14 Alec Shaffer, Web Content Manager 15 Avery Kola, Voter Education Specialist 16 Kara Karlson, Assistant Attorney General 17 Kyle Cummings, Assistant Attorney General 18 Monique Coady, Independent Advisor 19 Cathy Herring, Staff 20 Eric Sloan 21 Rivko Knox 22 Timothy A. La Sota, Esq. 23 24 25</p>	<p style="text-align: right;">Page 4</p> <p>09:32:17-09:33:22</p> <p>1 We have a quorum for business today and, 2 with that, we can move on to Agenda Item II -- bear 3 with me one moment -- discussion and possible action on 4 Commission minutes for July 29th, 2021. 5 Is there any discussion? And, if not, do I 6 have a motion to approve the minutes? 7 COMMISSIONER KIMBLE: Madam Chair? 8 CHAIRWOMAN CHAN: Yes, Commissioner Kimble. 9 COMMISSIONER KIMBLE: I move we approve the 10 minutes for the Commission meeting of July 29th, 2021. 11 CHAIRWOMAN CHAN: Thank you. 12 Do I have a second? 13 I think, Commissioner Paton, you're on 14 mute. 15 COMMISSIONER PATON: And I would second 16 that. 17 CHAIRWOMAN CHAN: Thank you. 18 All right. We have a motion and a second. 19 Let's go ahead and call the roll. 20 Commissioner Kimble, how do you vote? 21 COMMISSIONER KIMBLE: Commissioner Kimble 22 votes aye. 23 CHAIRWOMAN CHAN: Commissioner Paton? 24 COMMISSIONER PATON: I vote aye. 25 CHAIRWOMAN CHAN: And I vote aye, as well.</p>
<p>09:31:24-09:32:14</p> <p style="text-align: right;">Page 3</p> <p>1 P R O C E E D I N G 2 3 CHAIRWOMAN CHAN: Good morning. You are 4 attending the meeting of the Citizens Clean Elections 5 Commission. I hope everybody is doing well this 6 morning. I'm having trouble waking up. I probably 7 needed more coffee. I don't know what's going on, but 8 the first item on the agenda today is the call to 9 order. It is 9:30 on October 29th, 2021, so I will go 10 ahead and call the meeting to order. 11 I'd like to ask the audience members to 12 please keep their microphones on mute and, with that, 13 we will take attendance. 14 Commissioners, could you please identify 15 yourselves for the record? Perhaps, we can start with 16 Commissioner Kimble. 17 COMMISSIONER KIMBLE: Commissioner Kimble 18 is present. 19 CHAIRWOMAN CHAN: Thank you. 20 Commissioner Paton, can you identify 21 yourself? 22 COMMISSIONER PATON: Commissioner Paton is 23 here. 24 CHAIRWOMAN CHAN: All right. And I'm 25 Commission Chan. I am here, also.</p>	<p>09:33:23-09:34:56</p> <p style="text-align: right;">Page 5</p> <p>1 So by a vote of three ayes and zero nays, we have 2 approved the minutes as written. 3 And we can move on to Agenda Item III: 4 Discussion and possible action on Executive Director's 5 report, enforcement and regulatory updates and 6 legislative update. 7 Tom? 8 MR. COLLINS: Yes. Thank you, Madam Chair 9 and Commissioners. I know it's been a little while 10 since we've met. 11 As you can see, we have -- well, first, I 12 want to note a couple of things. One, November 2nd is 13 the -- is the local consolidated election date -- or it 14 is the consolidated election date for the local 15 elections happening as we speak. We've had -- we have 16 details of those election sites on our -- the sites -- 17 I'm sorry -- the elections in the various counties and 18 jurisdictional subdivisions, like school districts, on 19 our website. 20 I just want to give Gina and Alec and Avery 21 credit for putting that together that -- and if I 22 missed anybody. It's been well received. We know that 23 it's been distributed to folks through a variety of 24 channels just as a guide, and I have an anecdotal and 25 important reference from my mom, which was the fact</p>

09:34:59-09:36:15	Page 6	09:37:53-09:39:37	Page 8
<p>1 that she figured out where to drop her ballot for the</p> <p>2 school board election -- school district election, I</p> <p>3 should say, based on our website, which she got to on</p> <p>4 her own. So this is all very -- this is all very good</p> <p>5 and we're very happy about that.</p> <p>6 Also, Chairwoman Chan and Julian Arndt both</p> <p>7 have completed election officer certification training</p> <p>8 with the Secretary of State's Office. So</p> <p>9 congratulations to them, and I think their certificate</p> <p>10 will arrive -- at some point. I don't -- we don't</p> <p>11 control it.</p> <p>12 CHAIRWOMAN CHAN: I still have to be</p> <p>13 recert, actually.</p> <p>14 MR. COLLINS: Oh, you still have to do</p> <p>15 recert. Well, anticipatory congratulations.</p> <p>16 As the executive -- as the report notes,</p> <p>17 there's been a full panoply of voter education</p> <p>18 activities over the last several months. A couple of</p> <p>19 things that I think are key, Commissioner Titla, Gina</p> <p>20 and Avery participated in a tribal conference that the</p> <p>21 Secretary of State Hobbs put on, and Gina was a</p> <p>22 participant in the panel discussion there. Gina --</p> <p>23 both Gina and Avery have kept -- and have kept up a</p> <p>24 full organizational -- I should say, an educational</p> <p>25 role and have been called in to discuss, with a variety</p>		<p>1 And so I, also, wanted to mention -- and I</p> <p>2 think it's important -- Lilia Monarrez, who's been our</p> <p>3 court reporter for the past -- goodness -- a long time,</p> <p>4 this is going to be her last meeting as our court</p> <p>5 reporter. So I just wanted to thank her. I know Paula</p> <p>6 and I certainly wouldn't be able to do our jobs without</p> <p>7 having Lilia's services and her efficiency and her</p> <p>8 skill. So we're grateful for that.</p> <p>9 And I think that that probably will -- I</p> <p>10 think that probably sums up the things to highlight, I</p> <p>11 think.</p> <p>12 And if you have any questions,</p> <p>13 Commissioners -- Chairwoman Chan, Commissioners, I'm,</p> <p>14 obviously -- I'm well open to them.</p> <p>15 COMMISSIONER KIMBLE: Madam Chair?</p> <p>16 CHAIRWOMAN CHAN: Yes, Commissioner Kimble.</p> <p>17 COMMISSIONER KIMBLE: Tom and/or Avery, I</p> <p>18 see a mention in here about meeting with One Arizona to</p> <p>19 discuss Arizona redistricting. Obviously, we don't</p> <p>20 have any official role in the redistricting process,</p> <p>21 but can you talk a little bit about what we are doing,</p> <p>22 if anything?</p> <p>23 MR. COLLINS: I might start, I guess -- or</p> <p>24 Avery, do you want to go first? I didn't -- I think</p> <p>25 hear anyone --</p>	
09:36:18-09:37:49	Page 7	09:39:37-09:40:43	Page 9
<p>1 of different groups, what Clean Elections does and,</p> <p>2 particularly, what we have to offer from an educational</p> <p>3 perspective.</p> <p>4 We will -- we did launch our civics</p> <p>5 curriculum during civics week, which was in September.</p> <p>6 We -- that's housed on our website. We have -- also,</p> <p>7 we have a storytelling project that we did with that.</p> <p>8 So Chairwoman Chan, Secretary Hobbs, other folks from</p> <p>9 around the Valley and state, you know, did a</p> <p>10 storytelling -- a storytelling project about people and</p> <p>11 their influence and/or their experience with voting.</p> <p>12 We're very excited about that.</p> <p>13 Again, anecdotally, I can tell you that --</p> <p>14 I mean, I've heard from a friend of mine who is a</p> <p>15 teacher, who is government -- the government teacher at</p> <p>16 their high school is using our curriculum. So we are</p> <p>17 getting and we have been -- and I think the Department</p> <p>18 of Education has been -- and the ahead of the civics</p> <p>19 education consortium there have been very helpful.</p> <p>20 I'd invite Avery to interrupt me here if</p> <p>21 there's anything I'm missing as far as fleshing out</p> <p>22 some of that curriculum issue. I don't know if I</p> <p>23 want -- not issue, but if there's anything I'm missing,</p> <p>24 Avery, interrupt me or -- so we're very excited about</p> <p>25 that, about that continued partnership.</p>		<p>1 MR. XOLA: Yes. Madam Chair,</p> <p>2 Commissioners, yeah, well, we kind of -- as far as the</p> <p>3 One Arizona and redistricting, we have been teaming up</p> <p>4 with their outreach team and sharing information. I</p> <p>5 know we had a few meetings -- at least three or four</p> <p>6 meetings with them and I, basically, gave them a lot of</p> <p>7 my network -- my contacts for outreach so they can go</p> <p>8 to the community level, you know, grassroots and inform</p> <p>9 those people about the process.</p> <p>10 So it's kind of been an information sharing</p> <p>11 partnership. So they share information with us and</p> <p>12 then we will put it on our website, and then we will</p> <p>13 inform them about things we know, maybe about different</p> <p>14 organizations, or put them in contact with people who</p> <p>15 they should speak with.</p> <p>16 CHAIRWOMAN CHAN: That's amazing and</p> <p>17 wonderful. Thank you for doing that. I actually was</p> <p>18 so impressed, Tom, with the list of what Avery and Gina</p> <p>19 have been working on, and was also just reminded,</p> <p>20 hearing from Avery, congratulations, I think, are in</p> <p>21 order.</p> <p>22 You're a published author now, right?</p> <p>23 MR. XOLA: Yes. Thank you. Thank you.</p> <p>24 CHAIRWOMAN CHAN: Tom, did you want to add</p> <p>25 anything?</p>	

09:40:45-09:41:45	Page 10	09:42:48-09:44:46	Page 12
<p>1 MR. COLLINS: Oh, no, no. I mean, we're</p> <p>2 pleased, I think, just -- I think that the AIRC folks</p> <p>3 have reached out to -- especially to Avery and Gina.</p> <p>4 And -- no. That's about all.</p> <p>5 CHAIRWOMAN CHAN: Okay. Commissioner</p> <p>6 Kimble, did you have any additional questions about</p> <p>7 that or comments?</p> <p>8 COMMISSIONER KIMBLE: No, I did not. Thank</p> <p>9 you.</p> <p>10 CHAIRWOMAN CHAN: Okay.</p> <p>11 MR. XOLA: Thank you.</p> <p>12 CHAIRWOMAN CHAN: Anything else? Anything</p> <p>13 further on Item III before we move on?</p> <p>14 (No response.)</p> <p>15 CHAIRWOMAN CHAN: And I think we're going</p> <p>16 to hold Item IV for the day.</p> <p>17 MR. COLLINS: Yes, please, Madam Chair.</p> <p>18 CHAIRWOMAN CHAN: Thanks, Tom.</p> <p>19 And moving on, then, to Item V -- just one</p> <p>20 moment -- okay, discussion and possible action on MUR</p> <p>21 21-01, The Power of Fives. This is an</p> <p>22 enforcement-related item and, since we're meeting</p> <p>23 virtually, I'll have Tom introduce the item and give an</p> <p>24 overview of his recommendation and then open it for</p> <p>25 commissioner questions. And, following that, I know</p>		<p>1 So thank you so much.</p> <p>2 And thank you so much for being here,</p> <p>3 Ms. Coady.</p> <p>4 MS. COADY: You're very welcome.</p> <p>5 MR. COLLINS: Madam Chair, just by way of</p> <p>6 background, in -- about a year ago, a little more than</p> <p>7 a year ago, the Commission received a complaint from a</p> <p>8 Dr. Bob Branch, who's the managing member of a</p> <p>9 company -- a limited liability company called The Power</p> <p>10 of Fives against a participating candidate named Eric</p> <p>11 Sloan. The Commission found reason to believe, based</p> <p>12 on that complaint in, I believe, December of 2020 or</p> <p>13 January of 2021. In April, the Commission met again,</p> <p>14 and we ordered -- or the Commission, I should say,</p> <p>15 ordered Mr. Sloan to repay monies that the Clean</p> <p>16 Elections fund had paid out to him, and he did so.</p> <p>17 The -- we, then -- in late September, I</p> <p>18 filed, under our rules, a complaint that -- against the</p> <p>19 The Power of Fives because, as explained in the</p> <p>20 complaint and the reason to believe memo, we believe</p> <p>21 there's reason to believe that a violation may have</p> <p>22 occurred with respect to The Power of Fives' conduct in</p> <p>23 the 2020 election. So, for purposes of this</p> <p>24 discussion, this is about The Power of Fives' actions,</p> <p>25 and so that's what we are focused on today.</p>	
09:41:50-09:42:47	Page 11	09:44:49-09:46:41	Page 13
<p>1 Tim La Sota is here, and then we'll hear from him</p> <p>2 after -- after Tom presents and we ask him questions.</p> <p>3 After that, we'll allow Mr. La Sota to speak to us, the</p> <p>4 attorney for the The Power of Fives.</p> <p>5 And so we'll begin with Tom.</p> <p>6 MS. KARLSON: And just -- sorry.</p> <p>7 CHAIRWOMAN CHAN: Go ahead.</p> <p>8 MS. KARLSON: Madam Chair?</p> <p>9 CHAIRWOMAN CHAN: Yes.</p> <p>10 MS. KARLSON: I apologize to interrupt. I</p> <p>11 just want to make it clear that for this item, in</p> <p>12 particular, Monique Coady -- should the Commission have</p> <p>13 any questions, legal questions and need to go into</p> <p>14 executive session, I just want to make it clear on the</p> <p>15 record that because Kyle and I are working with Tom to</p> <p>16 do the investigations, we will not be participating.</p> <p>17 It will be Monique Coady that you will be asking your</p> <p>18 questions to, and we should not be involved in the</p> <p>19 executive session, as well.</p> <p>20 So I just wanted to get that out on the</p> <p>21 record before the presentation started. My apologies</p> <p>22 for the interruption.</p> <p>23 CHAIRWOMAN CHAN: Oh, you're very welcome</p> <p>24 to interrupt, especially when it's something important</p> <p>25 like that. I mean, anytime. Everything is important.</p>		<p>1 I think that, obviously, we -- this is a</p> <p>2 matter that has some complication to it. It's -- it's</p> <p>3 not necessarily a simple issue. I think, however, that</p> <p>4 there's really a few facts that are not in any serious</p> <p>5 dispute that are the critical facts for a determination</p> <p>6 of reason to believe. Now, a determination for reason</p> <p>7 to believe, in Staff's view, you know, is based on, you</p> <p>8 know, whether or not a violation of the Act or rules</p> <p>9 may have occurred.</p> <p>10 The facts that we think are -- or I should</p> <p>11 say, I think are dispositive of a determination of</p> <p>12 reason to believe are what is The Power of Fives and</p> <p>13 what did it do. The Power of Fives is a limited</p> <p>14 liability company. The Power of Fives was formed for</p> <p>15 the express purpose of identifying and supporting</p> <p>16 candidates for public office in Arizona. The elements</p> <p>17 of becoming -- of being a political committee under</p> <p>18 Arizona law are that you were formed for the purpose of</p> <p>19 influencing elections. As I just articulated the</p> <p>20 purpose of The Power of Fives, we think that's not</p> <p>21 subject to debate. We know that the Commission -- that</p> <p>22 TPOF, under the service agreement that they joined with</p> <p>23 Sloan, was providing services to Sloan despite the fact</p> <p>24 that Sloan did not have cash on hand at the time, and</p> <p>25 we know that The Power of Fives made no reports of its</p>	

09:46:45-09:48:09	Page 14	09:49:48-09:51:14	Page 16
<p>1 own.</p> <p>2 There's no exemption under the Clean</p> <p>3 Elections Act for an entity that is -- considers itself</p> <p>4 a consultant when that entity admits that its purpose</p> <p>5 is the support of candidates. It refers to its</p> <p>6 candidates as partners. You know, these are all</p> <p>7 indicia, if there was any question, this is a political</p> <p>8 committee operating under a nominally different name.</p> <p>9 I mean, literally a different name, just not -- with no</p> <p>10 other distinguishing characteristics.</p> <p>11 Because that's true, I mean, in our view,</p> <p>12 once you make that determination, it becomes -- it</p> <p>13 becomes -- you become an organization to have filed</p> <p>14 reports that were not filed. It's not incumbent on the</p> <p>15 Commission or on Staff, at this point, to determine how</p> <p>16 those reports should have been filed because the</p> <p>17 absence of filings means the accounting that would have</p> <p>18 been done hasn't been done. So in order for us to move</p> <p>19 past the reason to believe stage and get to a probable</p> <p>20 cause to believe stage, we are requesting your</p> <p>21 authorization to proceed with an investigation.</p> <p>22 Thank you, Madam Chair. I went long but --</p> <p>23 CHAIRWOMAN CHAN: No, it's okay. I just --</p> <p>24 I was interrupting you a little bit because one of the</p> <p>25 biggest questions I think I have is, you know, my fear</p>		<p>1 And I -- and, to the best of my knowledge,</p> <p>2 most political consultants are not in the business of</p> <p>3 written finance agreements with their candidates to</p> <p>4 carry them to qualification. If it were so, the very</p> <p>5 essence of the Clean Elections Act would be undermined,</p> <p>6 as well as other issues, such as corporate</p> <p>7 contributions. So there are -- so this service</p> <p>8 agreement distinguishes the -- which is -- which, you</p> <p>9 know, came through the complaint in the first place is</p> <p>10 what distinguishes this case from other cases that</p> <p>11 we've dealt with.</p> <p>12 CHAIRWOMAN CHAN: Well -- and, to me, I</p> <p>13 just wonder if those are two separate issues, and</p> <p>14 that's why I'm asking about the political action</p> <p>15 committee piece because when I saw the original</p> <p>16 complaint from Dr. Branch about Candidate Sloan, my</p> <p>17 initial thought was you can't contract for services. I</p> <p>18 mean, contracting for services is an expenditure and,</p> <p>19 therefore, I felt like that was a pretty clearcut</p> <p>20 violation of our rules, for example.</p> <p>21 And it just -- I mean, I remember way back</p> <p>22 years ago, a decade or more, maybe, you know, Janet</p> <p>23 Napolitano, in her governor's race, got in trouble for</p> <p>24 that exact thing, but isn't that separate from whether</p> <p>25 this consultant needs to register as a political</p>	
09:48:16-09:49:44	Page 15	09:51:18-09:52:31	Page 17
<p>1 that -- you know, how is this distinguishable from --</p> <p>2 and I know other consultants and agencies that do this</p> <p>3 type of work aren't before us, but is this</p> <p>4 distinguishable from the work that other consultants</p> <p>5 do, for example? I just feel like --</p> <p>6 MR. COLLINS: Sure. That's a fair</p> <p>7 question.</p> <p>8 CHAIRWOMAN CHAN: -- look at the letter of</p> <p>9 the law, but I just am curious if they operate in a</p> <p>10 different way that distinguishes them from other</p> <p>11 consultant-type businesses.</p> <p>12 MR. COLLINS: So, Madam Chair,</p> <p>13 Commissioners, a very fair question. And the issue in</p> <p>14 this case is -- I mean, quite honestly, I don't know</p> <p>15 the answer to your question. I don't know what the</p> <p>16 industry practice is. I hope the industry practice is</p> <p>17 not the service agreement here because the crux of this</p> <p>18 complaint is that the service agreement that Candidate</p> <p>19 Sloan and TPOF entered into stated expressly that the</p> <p>20 services we provided for Phase 1 and Phase 2 -- payment</p> <p>21 for Phase 1 and Phase 2 would not arrive until the</p> <p>22 person receives their money from the Clean Elections</p> <p>23 fund if they qualify; therefore, those -- any services</p> <p>24 provided -- and we know it's up to \$116,000 --</p> <p>25 were forwarded, were an advance, were a loan.</p>		<p>1 committee? I don't know that I see them as intertwined</p> <p>2 and that --</p> <p>3 MR. COLLINS: Sure.</p> <p>4 CHAIRWOMAN CHAN: I guess. And if you want</p> <p>5 to address it, great, and maybe Tim La Sota may have</p> <p>6 some -- I mean, I know he has --</p> <p>7 MR. COLLINS: Yeah.</p> <p>8 CHAIRWOMAN CHAN: Oh, he's going to address</p> <p>9 it. He addressed it in his answer.</p> <p>10 MR. COLLINS: Sure.</p> <p>11 CHAIRWOMAN CHAN: But if you want to try to</p> <p>12 address that, that would be great.</p> <p>13 MR. COLLINS: Sure. Madam Chair,</p> <p>14 Commissioners, I think that the -- I think that the key</p> <p>15 here is that they are -- is that they are separate. In</p> <p>16 other words, there are actions that Mr. -- excuse me --</p> <p>17 that Mr. Sloan took and we've talked about those, and</p> <p>18 there are actions that The Power of Fives took.</p> <p>19 The reason why the service agreement here</p> <p>20 is so -- at least we see critical to the -- to the</p> <p>21 issue is because it literally sets forth the payment</p> <p>22 terms and sets them at a level that was inherently</p> <p>23 above the cash on hand that would have been available</p> <p>24 to that candidate up to the disbursement of primary</p> <p>25 funds. And the service agreement distinguishes between</p>	

09:52:36-09:53:54	Page 18	09:55:53-09:57:05	Page 20
<p>1 the primary funds and the general funds and says that</p> <p>2 the general funds would get paid for from the allotment</p> <p>3 that comes in going forward.</p> <p>4 So, in essence, the upshot of what the</p> <p>5 service agreement did was say by the distinction</p> <p>6 between the general and the primary -- the general and</p> <p>7 the primary election was say we're going to front you</p> <p>8 the primary and you're going to pay us cash on hand for</p> <p>9 the general because we know you're going to get the</p> <p>10 general grant upfront at the beginning of the general,</p> <p>11 period.</p> <p>12 So if that distinction within the contract,</p> <p>13 in addition -- that demonstrates that this is -- that</p> <p>14 the agreement was for TPOF to carry Sloan to</p> <p>15 qualification and Sloan was to pay them at that time.</p> <p>16 There's no evidence that Sloan ever had \$116,000 on</p> <p>17 hand when the agreement was signed and, in fact, he</p> <p>18 couldn't have, as a matter of law.</p> <p>19 CHAIRWOMAN CHAN: Thank you.</p> <p>20 Do the other commissioners have any</p> <p>21 questions for Tom?</p> <p>22 COMMISSIONER KIMBLE: Madam Chair.</p> <p>23 CHAIRWOMAN CHAN: Yes, Mr. Kimble.</p> <p>24 COMMISSIONER KIMBLE: Tom, let me ask again</p> <p>25 about that last point you just made. So in his letter,</p>		<p>1 Power of Fives, therefore, became, essentially, the</p> <p>2 guarantor of services through the primary, it was the</p> <p>3 financier of the primary election activities.</p> <p>4 COMMISSIONER KIMBLE: Okay. Thank you.</p> <p>5 MS. COADY: Commissioner Kimble, would you</p> <p>6 like me to provide a legal response regarding your</p> <p>7 question on the validity of the contract?</p> <p>8 COMMISSIONER KIMBLE: Yes. I would</p> <p>9 appreciate that.</p> <p>10 MS. COADY: Sure. So once a contract has</p> <p>11 been executed being signed by both parties, it is</p> <p>12 legally enforceable. Although the terms might seem</p> <p>13 confusing in certain contracts, it is legally binding.</p> <p>14 In this particular contract, there are other clauses in</p> <p>15 there, as well, such as the termination clauses.</p> <p>16 There's timing involved with, I believe, all of them,</p> <p>17 other than mutual termination. There's clauses in</p> <p>18 there regarding payment terms, but it is a legally</p> <p>19 binding contract. And you would need to look at it in</p> <p>20 its entirety, which I'm sure you already have done, but</p> <p>21 it is absolutely binding once executed.</p> <p>22 Does that answer your question,</p> <p>23 Commissioner Kimble?</p> <p>24 COMMISSIONER KIMBLE: Yes, it does. Thank</p> <p>25 you, Ms. Coady.</p>	
09:54:02-09:55:49	Page 19	09:57:05-09:58:27	Page 21
<p>1 Mr. La Sota's point was that there were numerous escape</p> <p>2 periods during the primary, like, if he didn't qualify</p> <p>3 as a Clean Elections candidate, then he could end the</p> <p>4 contract and wouldn't owe anything.</p> <p>5 Is that -- at what point does a -- does a</p> <p>6 contract become a contract if you can -- and, I guess,</p> <p>7 this is a legal question -- if you can back out of it</p> <p>8 with no penalty? Is it still a binding contract from</p> <p>9 the point that you -- that you first sign it?</p> <p>10 MR. COLLINS: Madam Chair, Commissioner</p> <p>11 Kimble, well, I can -- on the merits of that question,</p> <p>12 in terms of what the advocacy from our point -- or</p> <p>13 Staff -- is on the -- of the contract is this. The</p> <p>14 fact that a -- let me put it this way. There are</p> <p>15 contracts that have -- that have, you know, clauses in</p> <p>16 them that waive repayment. Under campaign finance</p> <p>17 rules, if those are -- if those contracts -- if you're</p> <p>18 financing for something that you're financing something</p> <p>19 with cash on hand, the fact -- if it were forgiven, it</p> <p>20 would become a loan, right?</p> <p>21 So those clauses that the response</p> <p>22 discusses are the clauses that, in fact, confirm that</p> <p>23 this was financing because if the person didn't qualify</p> <p>24 for the ballot, the loss was going to be borne by The</p> <p>25 Power of Fives, not by the candidate. As soon as The</p>		<p>1 CHAIRWOMAN CHAN: Thank you.</p> <p>2 Okay. So, at this time, Mr. La Sota, I</p> <p>3 will give you the floor to present your response, and</p> <p>4 if we have questions, we can ask them of you afterward.</p> <p>5 MR. LA SOTA: Thank you, Madam Chair and</p> <p>6 members of the Commission. I'm Timothy La Sota here on</p> <p>7 behalf of The Power of Fives this morning, and I think</p> <p>8 that the Commission wisely focused on a couple of</p> <p>9 questions that Mr. Collins still has not answered. I</p> <p>10 think it's a very bad question what Mr. Collins wants</p> <p>11 to do. The Power of Fives is a vendor. I put it in my</p> <p>12 letter, you know. If they're a vendor, then I don't</p> <p>13 know -- and they -- now they're a political committee;</p> <p>14 they've got to do all these reports, I don't know why I</p> <p>15 wouldn't have to do the reports.</p> <p>16 The -- you know, the -- he, also, didn't</p> <p>17 answer the question of he doesn't know how other</p> <p>18 campaigns are run or how other -- how other vendors</p> <p>19 handle things. Well, you know, the bottom line is this</p> <p>20 is just the way it works in this realm. I mean,</p> <p>21 vendors provide services and they're paid or they're</p> <p>22 not paid. I mean, I'll just give you one example.</p> <p>23 What if a -- what if someone -- a vendor happens to not</p> <p>24 be paid by a candidate? I think under -- under</p> <p>25 Mr. Collins' logic, now that vendor is a political</p>	

09:58:31-09:59:49	Page 22	10:01:16-10:02:30	Page 24
<p>1 committee because they've made an in kind contribution</p> <p>2 to the candidate. It just -- it doesn't make sense and</p> <p>3 there's no end to it. It's a -- it's a very</p> <p>4 significant regulatory leap.</p> <p>5 Now, the -- in terms of the -- you know,</p> <p>6 the contract, whether it's a binding contract at the</p> <p>7 outset, I don't think is at all the question that the</p> <p>8 Commission should be focusing on. I think the issue</p> <p>9 here is, you know, Mr. Collins wants to call this</p> <p>10 financing. He wants to call it a loan. I mean, a loan</p> <p>11 is, here, I'm going to give you money and you have to</p> <p>12 repay it. Well, as the -- as the arbitrator in a</p> <p>13 related civil suit found with regard to this -- this</p> <p>14 arrangement, it wasn't a loan at all. A loan is</p> <p>15 something that you have to be -- that you have to</p> <p>16 repay.</p> <p>17 And I'd like to quote briefly from the</p> <p>18 award -- the arbitration decision. It was made by</p> <p>19 Rebecca Albrecht, who is a highly respected former</p> <p>20 Maricopa County Superior Court judge. It said the</p> <p>21 agreement did not bind the campaign to a specific</p> <p>22 obligation. There was no debt created for the campaign</p> <p>23 by entering into the agreement. Yeah, the agreement is</p> <p>24 valid, but there's no debt created by -- just by</p> <p>25 entering into the agreement. There was no obligation</p>	<p>1 the Commission's questions, really, when they were</p> <p>2 asked, but you know, this business about that -- the</p> <p>3 email that Mr. Branch sent being illegal.</p> <p>4 So here's what the statute says. The</p> <p>5 statute says to be a qualifying contribution it's got</p> <p>6 to be five bucks. It's got to be this, that and other</p> <p>7 thing, and it can't be sent by a -- by an agent of the</p> <p>8 campaign. Well, okay, so it's -- under that statute,</p> <p>9 it's either a qualifying contribution or it's not. At</p> <p>10 worst it's not a qualifying contribution. The statute</p> <p>11 doesn't say it's illegal to send the email. It says --</p> <p>12 at worst, it says, if you send this email, this is not</p> <p>13 a qualifying contribution.</p> <p>14 It doesn't say it's a Class 1 misdemeanor.</p> <p>15 It doesn't say it's a civil violation. If simply says</p> <p>16 that, you know, if this is -- if this comes from an</p> <p>17 agent of the campaign is being paid, it's not a</p> <p>18 qualifying contribution. That's the only remedy.</p> <p>19 And that leads me to my last point, which</p> <p>20 is, you know, if you just look through the whole fabric</p> <p>21 of the Clean Elections Act, you know, you just -- so</p> <p>22 what's the -- what's the remedy against the vendor? I</p> <p>23 mean, I pointed that out in my letter that there's --</p> <p>24 you know, there's no real remedies. I mean, you've got</p> <p>25 fines you can impose against candidates but, you know,</p>		
09:59:51-10:01:13	Page 23	10:02:33-10:03:44	Page 25
<p>1 to pay until, slash, if Sloan qualified for public</p> <p>2 financing.</p> <p>3 There's nothing in the Clean Election laws</p> <p>4 and regulations that prevent a candidate from entering</p> <p>5 into a contract for services before he receives Clean</p> <p>6 Election funding with the payment to be paid upon</p> <p>7 receipt of Clean Election funding. That's the issue</p> <p>8 right there. So I think that, you know, there's just</p> <p>9 not a lot to say that I haven't said already in my</p> <p>10 letter because Mr. Collins, you know, his -- his</p> <p>11 response or the statement of reasons of the executive</p> <p>12 director, it was just a regurgitation of what he did</p> <p>13 the first time, and he didn't address any of the points</p> <p>14 I made, hardly.</p> <p>15 He still won't acknowledge Arizona Advocacy</p> <p>16 Network and its finding about what the regulatory</p> <p>17 authority of the Commission is vis-a-vis the Secretary</p> <p>18 of State. In fairness, that case did find -- did find</p> <p>19 certain regulatory, but it said it's largely limited to</p> <p>20 Article 2 or things in Article 1 that impact Article 2.</p> <p>21 One last thing I'll point out is -- well,</p> <p>22 actually, I did want to mention that -- and this is a</p> <p>23 minor point, I know, but it just -- it just goes to</p> <p>24 show that -- you know, that Mr. Collins didn't -- he</p> <p>25 didn't -- he's got no real answer. He didn't answer</p>	<p>1 if you look through 16-941 to 43, I think you just --</p> <p>2 you don't come up with anything this Commission can do</p> <p>3 about vendors. So I think that tells you, you know,</p> <p>4 there's a reason there's no penalty, and that's because</p> <p>5 the Act was never meant to get into these situations.</p> <p>6 I didn't see anything from Mr. Collins about that point</p> <p>7 either.</p> <p>8 So that's probably the most telling thing</p> <p>9 is, look, if this were something that the drafters,</p> <p>10 that the people, when they passed it, really wanted to</p> <p>11 get at, you'd think they would put something in there</p> <p>12 that, you know, if you send one of these emails and it</p> <p>13 comes from an agent, what's the penalty? Well, the</p> <p>14 penalty in that case is it's not a qualifying</p> <p>15 contribution. What's the penalty for any of this other</p> <p>16 thing that Mr. Collins thinks is subject to regulation?</p> <p>17 It doesn't say.</p> <p>18 I mean, the Act's penalties are directed at</p> <p>19 candidates because that is supposed to be the -- sort</p> <p>20 of the realm of enforcement of the Commission.</p> <p>21 And I'd be happy to try to answer</p> <p>22 questions.</p> <p>23 CHAIRWOMAN CHAN: Thank you, Mr. La Sota.</p> <p>24 Do any of the commissioners have questions?</p> <p>25 COMMISSIONER KIMBLE: Madam Chair?</p>		

10:03:45-10:05:22	Page 26	10:06:53-10:08:04	Page 28
<p>1 CHAIRWOMAN CHAN: Yes, Commissioner Kimble.</p> <p>2 COMMISSIONER KIMBLE: Mr. La Sota, going</p> <p>3 back to the question of the contract, you said that no</p> <p>4 debt was created by the campaign, okay, but I think the</p> <p>5 point here is that -- that no debt was created by the</p> <p>6 campaign, but a service was provided by the Powers</p> <p>7 of -- The Power of Fives and it was not paid for until</p> <p>8 something would happen in the future and it may or may</p> <p>9 not happen.</p> <p>10 So it's not so much that there was no debt</p> <p>11 created by the campaign. It seems like there was a</p> <p>12 service that was -- that was provided on the hope that</p> <p>13 The Power of Fives would be reimbursed, which</p> <p>14 Mr. Collins has characterized as a loan.</p> <p>15 Could you address that?</p> <p>16 MR. LA SOTA: Certainly, Madam Chair and</p> <p>17 Commissioner Kimble. So a loan is -- I know -- I know</p> <p>18 Mr. Collins says that that's a loan. A loan is</p> <p>19 something that you have to pay back, and that's the</p> <p>20 definition of a loan, that -- and it's I'm giving you</p> <p>21 money and you've got to pay it back.</p> <p>22 And I -- you know, not to -- not to belabor</p> <p>23 the point too much, but I'll just quote the arbitrator:</p> <p>24 The agreement did not bind the campaign to a specific</p> <p>25 obligation. There was no debt created for the campaign</p>		<p>1 clearly it's not a loan because, you know, maybe</p> <p>2 there's a hope that the qualification will happen,</p> <p>3 maybe -- you know, but a hope is not a binding</p> <p>4 obligation to pay, which is -- which is what a loan</p> <p>5 requires, you know, something that, well, if this</p> <p>6 happens and that happens, then, you know, you'll pay me</p> <p>7 from your proceeds. That's just not a loan.</p> <p>8 I mean, the other thing -- and I should</p> <p>9 have said this at the beginning. It's a little</p> <p>10 surprising that, you know, the way Mr. Collins -- this</p> <p>11 is a very innovative way to help candidates. You know,</p> <p>12 Clean Elections funding has -- you know, has certain</p> <p>13 advantages, but it has certain difficulties. This is a</p> <p>14 very innovative way of getting more people into the</p> <p>15 system. I would think Mr. Collins would be supportive</p> <p>16 of it because it's -- you know, it's legal and it's a</p> <p>17 way of helping people participate in this system and</p> <p>18 overcoming some of the inherent challenges of Clean</p> <p>19 Elections funding.</p> <p>20 I know that wasn't responsive, but I should</p> <p>21 have said that at the beginning. Hopefully, I've</p> <p>22 answered your question. It's just -- it's just not a</p> <p>23 loan, as the arbitrator found.</p> <p>24 COMMISSIONER KIMBLE: Thank you.</p> <p>25 CHAIRWOMAN CHAN: Thank you.</p>	
10:05:25-10:06:51	Page 27	10:08:05-10:09:22	Page 29
<p>1 by entering into the agreement. The obligation to pay</p> <p>2 did not arise until/if Sloan qualified for funding.</p> <p>3 Under those circumstances, that is not a loan. That is</p> <p>4 something else, but it is not a loan.</p> <p>5 I mean, this is -- this is a disinterested</p> <p>6 arbitrator that made this finding because the argument</p> <p>7 was made that the contract is illegal so it wouldn't be</p> <p>8 enforced -- so it shouldn't be enforced. Well, the</p> <p>9 arbitrator said, no, the contract is legal and it's</p> <p>10 just not -- it's just not a loan when there's no</p> <p>11 obligation, at that time, to pay it back.</p> <p>12 COMMISSIONER KIMBLE: Well, Madam Chair,</p> <p>13 Mr. La Sota, you provided -- The Power of Fives</p> <p>14 provided some services before they were paid for.</p> <p>15 Certainly, The Power of Fives -- it cost them something</p> <p>16 to provide these services. Whether they were paid for</p> <p>17 them or not, The Power of Fives was out some amount of</p> <p>18 money for providing the services that came -- that were</p> <p>19 provided before they were paid for.</p> <p>20 Am I right?</p> <p>21 MR. LA SOTA: Mr. -- Madam Chair and</p> <p>22 Commissioner Kimble, yes. And I don't know the exact</p> <p>23 timetable, but you know, this is -- again, I think that</p> <p>24 focuses on the wrong inquiry because I think this is --</p> <p>25 I think the question is is this a loan. And I think</p>		<p>1 Listening to the conversation about the</p> <p>2 loan versus not a loan, in terms of -- I'm not a</p> <p>3 contract expert, but in the context of the contract, it</p> <p>4 just sounds like The Power of Fives was willing to take</p> <p>5 on the risk of helping this candidate get their \$5</p> <p>6 qualifying contributions thinking we can help them</p> <p>7 qualify and, therefore, then we'll get paid which,</p> <p>8 again, I think it's established on the candidate's side</p> <p>9 that they can't contract for things without, you know,</p> <p>10 paying for things like that before the funding. And I</p> <p>11 hope I'm not misstating that.</p> <p>12 Mr. La Sota, if you want to respond to</p> <p>13 that, you can, but I think that's -- I think that's</p> <p>14 well settled.</p> <p>15 MR. LA SOTA: I think that's exactly right.</p> <p>16 And, as an attorney, I, sometimes -- you know, I've</p> <p>17 sometimes done that myself that, you know, look, you</p> <p>18 could -- you could pay me at the end, you know, if you</p> <p>19 like what we -- and in unique cases, but I've certainly</p> <p>20 done it. And, you know, look, you could pay me at the</p> <p>21 end and pay me what you think is right if we've</p> <p>22 achieved something that you think is good, but you</p> <p>23 know, if you don't pay me, you're not going to get so</p> <p>24 much as a nasty email from me, much less a lawsuit for</p> <p>25 breach of contract.</p>	

<p>10:09:23-10:10:49 Page 30</p> <p>1 CHAIRWOMAN CHAN: Okay.</p> <p>2 MR. LA SOTA: But that's a risk I accept,</p> <p>3 and it's -- I think that's a distinction here. It's as</p> <p>4 Chairwoman Chan said.</p> <p>5 CHAIRWOMAN CHAN: Thank you.</p> <p>6 And, to me, again, I just want to make sure</p> <p>7 I kind of understand where both Tom and Tim are.</p> <p>8 So, Tom, it sounds like the argument, from</p> <p>9 your legal position, is that by virtue of the</p> <p>10 violation, okay, by contracting into kind of a</p> <p>11 violation, a Clean Election violation, that puts the</p> <p>12 LLC in a somewhat different position maybe? The -- the</p> <p>13 virtue of the violation kind of puts them in this</p> <p>14 position?</p> <p>15 MS. KARLSON: You are muted.</p> <p>16 CHAIRWOMAN CHAN: I'm sorry.</p> <p>17 MR. COLLINS: Madam Chair, Commissioners,</p> <p>18 I wouldn't say -- that's not precisely our position.</p> <p>19 Our position starts at the beginning of The Power of</p> <p>20 Fives, not at the beginning of Eric Sloan's campaign.</p> <p>21 The Power of Fives was formed expressly to identify and</p> <p>22 support candidates for office. That is the exact type</p> <p>23 of activity that constitutes influencing the results of</p> <p>24 an election. There's no equivocation by The Power of</p> <p>25 Fives about why it was formed. So that's Check Box 1</p>	<p>10:11:58-10:13:33 Page 32</p> <p>1 argument isn't that the contract is void. Our argument</p> <p>2 is that entering into a contract that calls for you to</p> <p>3 pay more than you have on hand at the time in the</p> <p>4 future is a clear violation of the Clean Elections</p> <p>5 rules, but the activities of TPOF go far beyond that.</p> <p>6 And so we -- and accounting for those is triggered by</p> <p>7 the purpose and spending.</p> <p>8 The -- I think the -- one other -- you</p> <p>9 know, if I can, just without -- you know, just to get</p> <p>10 through a couple of things, you know, I agree with</p> <p>11 Mr. La Sota. I don't know what the industry practice</p> <p>12 is, if the industry practice involves this kind of</p> <p>13 contract, and that's an issue that we need to do some</p> <p>14 education upon, quite honestly.</p> <p>15 The comparison of the commercial loan case</p> <p>16 to a campaign finance, they're not analogous because</p> <p>17 the definition of a contribution is loan, advance,</p> <p>18 deposit, et cetera. So it doesn't have to be a loan</p> <p>19 for money. It has to be something else.</p> <p>20 And, then -- so, I guess, finally, I'll</p> <p>21 just say our logic is not that Mr. Sloan could turn</p> <p>22 The Power of Fives into a political committee but the</p> <p>23 reverse. The Power of Fives was a political committee</p> <p>24 that went -- that, in turn, went out and sought</p> <p>25 candidates.</p>
<p>10:10:53-10:11:55 Page 31</p> <p>1 on the road to being a political committee. Eric Sloan</p> <p>2 doesn't even have to be there.</p> <p>3 CHAIRWOMAN CHAN: Okay.</p> <p>4 MR. COLLINS: Check box 2 is did they</p> <p>5 accept or expend more than about \$1,000. I don't think</p> <p>6 there's a serious dispute about that. I don't think</p> <p>7 that we know the precise amount, and I don't expect</p> <p>8 Mr. La Sota to know that. The point is it's</p> <p>9 unreasonable, based on what we know that occurred here,</p> <p>10 to believe that they were somehow all accomplished for</p> <p>11 less than \$1,000 because we know, also, there's 22</p> <p>12 other candidates out there who may or may not -- how</p> <p>13 far they got, we don't know, but we know that they were</p> <p>14 involved in the same thing.</p> <p>15 So that takes care of the expenditure</p> <p>16 piece. They're not a nonprofit. That takes care of</p> <p>17 the exemption piece. Once you're in that bucket,</p> <p>18 you've got to file. The reason Mr. La Sota's law firm</p> <p>19 is not -- would not be a political committee is because</p> <p>20 Mr. La Sota's law firm was created for the purpose of</p> <p>21 providing legal services. That's a distinction within</p> <p>22 a big difference.</p> <p>23 I mean, relatedly, the contract terms that</p> <p>24 Judge Albrecht was looking at was under an argument</p> <p>25 that said that the entire contract was void. Our</p>	<p>10:13:34-10:14:51 Page 33</p> <p>1 CHAIRWOMAN CHAN: Okay. Thank you, Tom,</p> <p>2 for clarifying. That is -- that's helpful and</p> <p>3 illuminating.</p> <p>4 Mr. La Sota, did you wish to speak?</p> <p>5 MR. LA SOTA: Yes. So The Power of Fives</p> <p>6 was formed to make money. I mean, Mr. Collins saying</p> <p>7 it's formed as a political committee is just not true.</p> <p>8 It was formed for the same reason my law firm was</p> <p>9 formed: to make money. I mean, that the -- you know,</p> <p>10 that's the purpose. Campaigns are formed to win</p> <p>11 elections. So, you know -- and I think that's a</p> <p>12 critical point.</p> <p>13 The one other thing, just one other real</p> <p>14 quick is that, you know, Mr. Collins is arguing that</p> <p>15 this contract is void because if it's illegal -- if</p> <p>16 what he says is true, then it's for an illegal purpose</p> <p>17 and it would be void. So, I mean, that -- I don't even</p> <p>18 know that that's terribly relevant, but just as a point</p> <p>19 of clarification, he's wrong about that. So -- and</p> <p>20 that was precisely the argument that failed in front of</p> <p>21 Judge Albrecht.</p> <p>22 And that's all I have. Thank you.</p> <p>23 CHAIRWOMAN CHAN: I see Kara has her hand</p> <p>24 raised, and I'm sorry if I missed that, Kara, earlier.</p> <p>25 MS. KARLSON: Yeah. Now I'm, like,</p>

10:14:55-10:16:47	Page 34	10:18:21-10:20:02	Page 36
<p>1 wondering if I should even -- because you guys kind of</p> <p>2 hit on some of the things, but there was a question,</p> <p>3 Chairman, Commissioners, from -- I'm sorry. It's been</p> <p>4 a while at this point, but I want to say Commissioner</p> <p>5 Kimble, you know, asking about the expenses being</p> <p>6 incurred. And we know, according to Dr. Branch's own</p> <p>7 complaint to this Commission against Mr. Sloan, that --</p> <p>8 and I quote -- The Power of Fives, LLC's expenditures</p> <p>9 for Sloan began in September of 2019 when Mr. Sloan</p> <p>10 requested The Power of Fives start buying nomination</p> <p>11 petition signatures.</p> <p>12 So The Power of Fives was out in the field</p> <p>13 spending actual money to purchase signatures for</p> <p>14 candidates, and this was before the contract was even</p> <p>15 signed. You don't see that anywhere. You don't even</p> <p>16 see that in the invoice that The Power of Fives</p> <p>17 eventually sent Sloan, and the rules specifically state</p> <p>18 that a candidate or a campaign shall be deemed to have</p> <p>19 made an expenditure as of the date upon which a</p> <p>20 candidate or campaign promises, agrees, contracts or</p> <p>21 otherwise incurs an obligation to pay for goods or</p> <p>22 services.</p> <p>23 Now, the contract, while -- while they</p> <p>24 argue that no money is due until a candidate qualifies</p> <p>25 for funding, again, there's an issue in terms of how do</p>		<p>1 you know, that they have -- they are trying to argue</p> <p>2 that this contract is a purely contingency contract,</p> <p>3 and I don't know if that's true. And even if that were</p> <p>4 true, that would only cover Phase 1. You know, Phase 2</p> <p>5 and Phase 3, you still owe 100 percent and that money</p> <p>6 doesn't have to be paid right away; therefore, the</p> <p>7 reporting doesn't occur right away.</p> <p>8 So I think that, really, regardless of how</p> <p>9 this shakes out -- I mean, like Tom said, it's</p> <p>10 complicated. There's a lot of moving parts, but we've</p> <p>11 tried to look at it a number of different ways and it</p> <p>12 just -- no matter how you look at it, I don't think</p> <p>13 that there's a way to escape the fact that this has</p> <p>14 created a black hole that, you know, you can sign this</p> <p>15 contract and, really, just prevent the disclosure of</p> <p>16 any of these contributions and/or expenditures until</p> <p>17 later in the cycle because how are you supposed to know</p> <p>18 that, you know, The Power of Fives was paying someone</p> <p>19 in September of 2019?</p> <p>20 You know, under Mr. La Sota's argument, The</p> <p>21 Power of Fives could pay someone in September of 2019</p> <p>22 to purchase signatures on behalf of Mr. Sloan and, if</p> <p>23 Mr. Sloan never qualified, that would never be</p> <p>24 recorded.</p> <p>25 CHAIRWOMAN CHAN: Why isn't it Mr. Sloan's</p>	
10:16:55-10:18:18	Page 35	10:20:04-10:20:55	Page 37
<p>1 you -- you know, that exceeds cash on hand if you've</p> <p>2 got expenses going out the door before a candidate</p> <p>3 qualifies for funding.</p> <p>4 And you have a question about the single</p> <p>5 bank account because most places don't let you open a</p> <p>6 bank account with zero dollars, but in paragraph 2 of</p> <p>7 The Power of Fives' service agreement, which they, you</p> <p>8 know, not only used with Mr. Sloan but have used with</p> <p>9 all their other -- but they have admitted they used the</p> <p>10 exact same contract with other candidates and they're</p> <p>11 doing so again this cycle.</p> <p>12 It says that for services provided in Phase</p> <p>13 1, the company shall submit to the candidate, not later</p> <p>14 than ten days following the date hereof, an invoice</p> <p>15 setting forth the payment note for Phase 1. The</p> <p>16 candidate shall pay all undisputed amounts on such</p> <p>17 invoice within 30 days of the earlier of the</p> <p>18 termination of this agreement or once the candidate</p> <p>19 qualifies for public financing for the primary</p> <p>20 election.</p> <p>21 That language, I believe, could be read to</p> <p>22 say that those signatures that we collected for you in</p> <p>23 September and paid money for, here's the receipt; this</p> <p>24 is what you owe; pay us for these even if you didn't</p> <p>25 actually qualify for funding. So I don't know that --</p>		<p>1 responsibility to report it?</p> <p>2 MS. KARLSON: Well, because Mr. Sloan never</p> <p>3 incurred --</p> <p>4 CHAIRWOMAN CHAN: The cost.</p> <p>5 MS. KARLSON: -- the expense at that point.</p> <p>6 CHAIRWOMAN CHAN: Okay. Okay. I see what</p> <p>7 you're saying. Okay. Thank you.</p> <p>8 And I'm sorry. I interrupted there at the</p> <p>9 end, perhaps.</p> <p>10 MS. KARLSON: No. It's fine. I have</p> <p>11 nothing.</p> <p>12 CHAIRWOMAN CHAN: Okay.</p> <p>13 Commissioner Kimble, Commissioner Paton,</p> <p>14 any other questions?</p> <p>15 (No response.)</p> <p>16 CHAIRWOMAN CHAN: And I don't know if -- do</p> <p>17 we have anyone else who would like to comment about</p> <p>18 this matter before we -- and I don't know if --</p> <p>19 MR. SLOAN: I would like to. This is Eric</p> <p>20 Sloan.</p> <p>21 CHAIRWOMAN CHAN: Okay. Sure. Mr. Sloan,</p> <p>22 please go ahead.</p> <p>23 MR. SLOAN: Well, you know, I've been very</p> <p>24 interested by the conversation that's been had here.</p> <p>25 Let me first start by saying that I'm having to</p>	

10:20:57-10:22:21	Page 38	10:23:55-10:25:16	Page 40
<p>1 represent myself in a civil matter where Bob Branch and</p> <p>2 The Power of Fives has personally sued my wife and I</p> <p>3 for the entirety of the \$116,000 that was requested</p> <p>4 payment in the contract. Let me also point out to the</p> <p>5 Commissioners that that is -- that an arbitrator</p> <p>6 decided that there were four corners of the contract</p> <p>7 and that she also stated in her opinion that the only</p> <p>8 feasible objection to the contract would be that there</p> <p>9 could be a potentiality that it does not comply with</p> <p>10 Clean Elections law.</p> <p>11 And let me point out that the arbitrator</p> <p>12 said that it didn't bind the campaign to a specific</p> <p>13 obligation and no debt was created by the campaign</p> <p>14 entering in an agreement, but that ruling is in direct</p> <p>15 opposition to Clean Elections law, Administrative Code</p> <p>16 R2-20-110(b)(5), which states: For the purpose of the</p> <p>17 Act and the Commission rules, a candidate or a campaign</p> <p>18 shall be deemed to have an expenditure as of the date</p> <p>19 upon the candidate or campaign promises, agrees,</p> <p>20 contracts, or otherwise incurs an obligation to pay for</p> <p>21 goods or services.</p> <p>22 You know, her point that the -- that</p> <p>23 there's nothing that prevents a candidate from entering</p> <p>24 into -- into a contract before they receive funding</p> <p>25 seems to be in direct contradiction to your previous</p>	<p>1 There's some other things that happened</p> <p>2 during the campaign which led me to believe that</p> <p>3 Dr. Branch was running what was the equivalent of a</p> <p>4 fraud because he was promising things that were never</p> <p>5 coming to fruition. And I would also point out that in</p> <p>6 this position that I'm in, I'm asking -- you know, I</p> <p>7 would be asking the Commission to make a determination</p> <p>8 whether or not this contract was legal and enforceable</p> <p>9 because that will have a direct bearing on not only my</p> <p>10 case but other cases that are being -- that Bob Branch</p> <p>11 is pursuing.</p> <p>12 There was another candidate, Jackie Fox,</p> <p>13 who was not -- did not qualify for Clean Elections but</p> <p>14 was sent a demand letter for over \$10,000, and I</p> <p>15 believe Mr. La Sota wrote that demand letter. And so</p> <p>16 the question becomes, you know, that The Power of Fives</p> <p>17 wants it both ways. They want you to tell them that</p> <p>18 they can continue to do business in violation -- direct</p> <p>19 violation of the rules that are explicitly written, and</p> <p>20 they want me to pay them out of my own pocket, and they</p> <p>21 want to go after other candidates. It is a predatory</p> <p>22 practice, and I'm hoping that this Commission will take</p> <p>23 a stance on it.</p> <p>24 CHAIRWOMAN CHAN: Okay.</p> <p>25 MR. SLOAN: That is all. Thank you.</p>		
10:22:25-10:23:52	Page 39	10:25:17-10:26:38	Page 41
<p>1 repayment order where I was -- I was asked to repay</p> <p>2 \$94,000, which I did within 24 hours, because that</p> <p>3 money had been set aside and not spent in my primary</p> <p>4 election because there was a conflict with regards to</p> <p>5 if the contract was actually a valid contract.</p> <p>6 My argument has been consistent that this</p> <p>7 contract is not valid because the very enactment of the</p> <p>8 contract was a violation of the Clean Elections law. I</p> <p>9 am now being put in a position in a civil matter where</p> <p>10 I'm being -- I'm being told I have to break the law and</p> <p>11 pay Dr. Branch and The Power of Fives. And, again --</p> <p>12 and, then, on the other end, I'm being -- you know,</p> <p>13 I've been told by Clean Elections that -- you know,</p> <p>14 that when you enter into an agreement, that agreement</p> <p>15 becomes the equivalent of a debt, right?</p> <p>16 I think that we're really at a point now</p> <p>17 where we need to decide whether or not this contract</p> <p>18 was valid or not valid, considering that -- and I did</p> <p>19 not understand this at the time of signing the</p> <p>20 contract. Let me be very clear. I relied on</p> <p>21 Dr. Branch and The Power of Fives, who presented</p> <p>22 themselves as experts in Clean Elections law. In fact,</p> <p>23 the very nature of his -- of his company's name would</p> <p>24 give you a reasonable expectation that he is an expert</p> <p>25 in Clean Elections law. As it turns out, he was not.</p>	<p>1 CHAIRWOMAN CHAN: Thank you, Mr. Sloan.</p> <p>2 And I -- you know, these situations are</p> <p>3 always difficult, and I know -- especially when parties</p> <p>4 to a contract have had significant legal issues, in</p> <p>5 this case, I know. And so I appreciate you both -- you</p> <p>6 know, Mr. Sloan and Mr. La Sota, being here to speak to</p> <p>7 this.</p> <p>8 I know some of the things -- I personally</p> <p>9 believe that when it comes to election law, you know,</p> <p>10 contract law can, maybe, be informative. It may not be</p> <p>11 the be-all-end-all of how we analyze it -- I'm getting</p> <p>12 some noise from somebody. I don't know -- is everybody</p> <p>13 on mute or -- that's okay. I think -- I don't know who</p> <p>14 it is, but anyway. It was coming through when</p> <p>15 Mr. Sloan was speaking, too, but you know, I think it</p> <p>16 can be informative, but perhaps there are different</p> <p>17 legal standards that can apply in different legal</p> <p>18 scenarios. So contract law is different from election</p> <p>19 law, et cetera, but it is -- it is informative.</p> <p>20 And, I mean, I guess, at this point, do the</p> <p>21 commissioners have any further questions? I don't know</p> <p>22 if we need to speak with Ms. Coady.</p> <p>23 What do you think? Commissioner Paton?</p> <p>24 COMMISSIONER PATON: Yes. This is</p> <p>25 Commissioner Paton. I think we should go into</p>		

10:26:41-10:27:42	Page 42	10:28:38-10:29:18	Page 44
<p>1 executive session.</p> <p>2 CHAIRWOMAN CHAN: That's kind of how I'm</p> <p>3 feeling, frankly, as well, if Ms. Coady wouldn't mind</p> <p>4 doing that with us, just because I feel like I have</p> <p>5 some more legal questions that I need to discuss still.</p> <p>6 So, Ms. Coady, would that be acceptable if</p> <p>7 a motion is made?</p> <p>8 MS. COADY: Yes. That would be fine, but</p> <p>9 if there's a separate line, I would need to be informed</p> <p>10 of how I could join you in executive session.</p> <p>11 CHAIRWOMAN CHAN: I think that the</p> <p>12 moderator can take care of that.</p> <p>13 Ms. Herring?</p> <p>14 MS. HERRING: Yes. So I will open a</p> <p>15 breakout room and only invite those who should</p> <p>16 participate in the executive session to enter the</p> <p>17 breakout room. There will be no time limit, so you can</p> <p>18 stay in the executive session as long as needed. The</p> <p>19 remaining participants will stay in this meeting room</p> <p>20 and, then, you can return to this meeting room at any</p> <p>21 time.</p> <p>22 CHAIRWOMAN CHAN: Okay. And how is our</p> <p>23 court reporter doing? We've been in meeting for about</p> <p>24 an hour. Do we need to take a quick break before we</p> <p>25 make these motions to go into executive session or --</p>		<p>1 CHAIRWOMAN CHAN: -- from his position and</p> <p>2 Mr. La Sota's position on behalf of his client.</p> <p>3 COMMISSIONER PATON: Okay.</p> <p>4 CHAIRWOMAN CHAN: So, Commissioner Paton,</p> <p>5 do you mind making a motion for it?</p> <p>6 COMMISSIONER PATON: I would like to make a</p> <p>7 motion that we go into executive session to discuss the</p> <p>8 legal aspects of this issue.</p> <p>9 CHAIRWOMAN CHAN: Thank you.</p> <p>10 Do I have a second?</p> <p>11 COMMISSIONER KIMBLE: Commissioner Kimble,</p> <p>12 second.</p> <p>13 CHAIRWOMAN CHAN: Okay. Great. Let's go</p> <p>14 ahead and vote.</p> <p>15 Commissioner Kimble, how do you vote?</p> <p>16 COMMISSIONER KIMBLE: Aye.</p> <p>17 CHAIRWOMAN CHAN: Okay. Commissioner</p> <p>18 Paton?</p> <p>19 COMMISSIONER PATON: Aye.</p> <p>20 CHAIRWOMAN CHAN: I vote aye, as well. So</p> <p>21 by three ayes and zero nays, we'll go ahead and go into</p> <p>22 executive session with those we've mentioned prior.</p> <p>23 And I think Ms. Herring can just move us over there.</p> <p>24 (The following section of the meeting is in</p> <p>25 executive session and bound under separate cover.)</p>	
10:28:02-10:28:35	Page 43	10:39:09-10:40:07	Page 45
<p>1 how are we doing?</p> <p>2 THE REPORTER: Yes. I'm sorry.</p> <p>3 CHAIRWOMAN CHAN: No, it's okay.</p> <p>4 THE REPORTER: I'm fine with proceeding.</p> <p>5 Thank you.</p> <p>6 MS. KARLSON: Commissioner Chan?</p> <p>7 CHAIRWOMAN CHAN: Oh, yes, Kara.</p> <p>8 MS. KARLSON: Just -- just to be clear, it</p> <p>9 will be only the Commission members and Ms. Coady who</p> <p>10 will be in the executive session -- or excuse me -- who</p> <p>11 should be invited to the breakout room.</p> <p>12 CHAIRWOMAN CHAN: Thank you very much for</p> <p>13 clarifying that. That's always the key, isn't it?</p> <p>14 Here she goes. So just Ms. Coady, Commissioner Paton,</p> <p>15 Commissioner Kimble and myself.</p> <p>16 MS. THOMAS: Excuse me, Chair Chan. Also,</p> <p>17 the court reporter should be --</p> <p>18 CHAIRWOMAN CHAN: And the court reporter.</p> <p>19 Very important. Thank you.</p> <p>20 COMMISSIONER PATON: And Tom, too?</p> <p>21 CHAIRWOMAN CHAN: It takes a village.</p> <p>22 COMMISSIONER PATON: And Tom?</p> <p>23 CHAIRWOMAN CHAN: Not Tom because he's on</p> <p>24 one side and he's --</p> <p>25 COMMISSIONER PATON: Oh, okay.</p>		<p>1 * * * * *</p> <p>2 (End of executive session. Public meeting</p> <p>3 resumes at 10:39 a.m.)</p> <p>4 CHAIRWOMAN CHAN: Okay. And we'll go back</p> <p>5 into the meeting now.</p> <p>6 Are we all set? Tom? Oops. I think</p> <p>7 you're on mute.</p> <p>8 MR. COLLINS: We need to -- what? I don't</p> <p>9 know.</p> <p>10 Tim, are you back or are you --</p> <p>11 CHAIRWOMAN CHAN: Oh, yeah, I see Tim.</p> <p>12 MR. COLLINS: But I don't see him. Shall</p> <p>13 we call him?</p> <p>14 CHAIRWOMAN CHAN: Sure. I know that was a</p> <p>15 quick --</p> <p>16 MR. COLLINS: Hang on a second. Let me see</p> <p>17 if I have --</p> <p>18 CHAIRWOMAN CHAN: Oh, there he is. There's</p> <p>19 Tim.</p> <p>20 MR. COLLINS: Okay.</p> <p>21 CHAIRWOMAN CHAN: Real quick, you know, I</p> <p>22 had some legal questions that I wanted some</p> <p>23 clarification on, obviously, and I know that the next</p> <p>24 agenda item is discussion on, you know, the lawsuit.</p> <p>25 And I don't want to hold things up, but I'll just be</p>	

10:40:10-10:41:25	Page 46	10:42:34-10:44:15	Page 48
<p>1 real frank. I'm having a little bit of -- I want to</p> <p>2 say one thing. Tom is a brilliant lawyer and that's</p> <p>3 why I generally defer -- or not defer, but you know, I</p> <p>4 like to take his recommendations and let him move on</p> <p>5 them because I feel like he is -- you know, Tom, you're</p> <p>6 one of the most knowledgeable election lawyers I know.</p> <p>7 The one thing that is giving me a little</p> <p>8 heartburn about this -- and I hate to frustrate you</p> <p>9 with this, but is applying campaign finance law to a</p> <p>10 business. And I understand why that's where you</p> <p>11 arrived, and I don't personally want to stop you from</p> <p>12 investigating it, though. And I'm leaning towards if</p> <p>13 we can table this.</p> <p>14 Is that something possible to do and hold</p> <p>15 it over until the next meeting, or do we have to take</p> <p>16 action of some sort today?</p> <p>17 MR. COLLINS: For me, that's a question for</p> <p>18 Ms. Coady, not for me. I'm sorry.</p> <p>19 CHAIRWOMAN CHAN: Ms. Coady, I'm sorry.</p> <p>20 And I know I didn't really give you any time to</p> <p>21 research that or -- and if the other commissioners want</p> <p>22 to chime in, if you have --</p> <p>23 MR. COLLINS: From a practical perspective,</p> <p>24 I have no problem with that, but I don't think that I'm</p> <p>25 the -- I don't think I'm the --</p>		<p>1 COMMISSIONER KIMBLE: Yeah. I would be</p> <p>2 opposed to tabling it. This is not the final decision.</p> <p>3 This is just asking us whether we're going to empower</p> <p>4 Tom to investigate further. I don't know that tabling</p> <p>5 it is -- I don't understand why we'd table it. I can</p> <p>6 understand that it would be helpful to have the full</p> <p>7 Commission here when we make a decision, but at this</p> <p>8 point, I see no reason to delay moving ahead and</p> <p>9 empowering Tom to conduct a further investigation.</p> <p>10 CHAIRWOMAN CHAN: Okay. I appreciate that</p> <p>11 input. I think I'm just at the comfort level similar</p> <p>12 to what Mr. Paton stated that, you know -- and I don't</p> <p>13 want to stymie Tom's work either, but I just -- I</p> <p>14 really feel strongly that this is something, I guess,</p> <p>15 I'd like a few more minds to weigh in on, on the</p> <p>16 Commission, have some more discussion about because it</p> <p>17 does feel like a watershed as far as, you know, kind of</p> <p>18 attributing the requirement to file as a committee for</p> <p>19 a business that is, you know, consulting. And I don't</p> <p>20 know that we can separate that from the other issues.</p> <p>21 So -- and, Tom, you know -- yeah. Okay.</p> <p>22 So I'm going to use my chairman gavel to hold on to</p> <p>23 this. I hope everyone can forgive me.</p> <p>24 MS. COADY: Madam Chairwoman, I believe</p> <p>25 that because it is an agenda item, that you would need</p>	
10:41:25-10:42:34	Page 47	10:44:17-10:45:16	Page 49
<p>1 CHAIRWOMAN CHAN: Okay.</p> <p>2 MR. COLLINS: -- advisor in any way on</p> <p>3 that. That's my advocacy position.</p> <p>4 CHAIRWOMAN CHAN: And, Ms. Coady, if you</p> <p>5 need to take time, I can just ask the other</p> <p>6 commissioners if they have strong feelings one way or</p> <p>7 the other.</p> <p>8 Do you guys want to take a vote or if we</p> <p>9 can table it?</p> <p>10 COMMISSIONER PATON: I would -- this is</p> <p>11 Galen Paton. I would like the other commissioners to</p> <p>12 be involved, as well. I mean, they're both lawyers, so</p> <p>13 that would -- I mean, that would, I think, give us even</p> <p>14 more perspectives.</p> <p>15 CHAIRWOMAN CHAN: Yeah.</p> <p>16 Ms. Coady?</p> <p>17 MS. COADY: Chairman -- Chairwoman Chan, to</p> <p>18 answer your question, I found nothing in your rules</p> <p>19 that would prohibit tabling this matter until your next</p> <p>20 meeting to take a vote on whether to proceed with the</p> <p>21 investigation. So that would be an option that is</p> <p>22 available to you. I did not find anything in your</p> <p>23 rules that would prohibit that.</p> <p>24 CHAIRWOMAN CHAN: Okay. And Commissioner</p> <p>25 Kimble, did you want to weigh in?</p>		<p>1 to make -- or someone would need to make a motion. It</p> <p>2 would need to be seconded and, then, there would need</p> <p>3 to be a vote. So you would need a majority vote to</p> <p>4 continue it to the next meeting.</p> <p>5 CHAIRWOMAN CHAN: All right. I don't know</p> <p>6 if we'll get a second on that, but can I have a motion</p> <p>7 to hold it over to the next meeting?</p> <p>8 COMMISSIONER PATON: This is Commissioner</p> <p>9 Paton. I would make a motion that we table this to the</p> <p>10 next meeting -- the next Commission meeting.</p> <p>11 CHAIRWOMAN CHAN: Okay. Thank you.</p> <p>12 I don't know if I -- now, if Mr. Kimble</p> <p>13 doesn't want to be the second, how do we handle that?</p> <p>14 MS. COADY: Because there's only three</p> <p>15 committee members present today, you, as Chair, could</p> <p>16 be the second in this situation, based on the rules of</p> <p>17 impossibility. You have to be able to conduct --</p> <p>18 CHAIRWOMAN CHAN: Okay.</p> <p>19 MS. COADY: -- to get a second.</p> <p>20 CHAIRWOMAN CHAN: Okay.</p> <p>21 Mr. Kimble, do you -- okay. I'll go ahead</p> <p>22 and second this and not make Mr. Kimble do something</p> <p>23 that he opposes.</p> <p>24 And with that, we'll take a vote to table</p> <p>25 it.</p>	

10:45:17-10:46:38	Page 50	10:48:10-10:49:25	Page 52
<p>1 Commissioner Kimble, how do you vote?</p> <p>2 COMMISSIONER KIMBLE: No.</p> <p>3 CHAIRWOMAN CHAN: Commissioner Paton?</p> <p>4 COMMISSIONER PATON: Aye.</p> <p>5 CHAIRWOMAN CHAN: I vote aye, as well. So</p> <p>6 by a vote of two ayes and one nay, we will move this</p> <p>7 over for the next committee meeting. And thank you,</p> <p>8 everyone, for that.</p> <p>9 And with that, we will move to Agenda</p> <p>10 Item VI and -- let's see -- discussion and possible</p> <p>11 action on The Power of Fives versus Clean Elections</p> <p>12 Commission. It relates to a lawsuit filed by The Power</p> <p>13 of Fives against the Commission, and Tom can fill us in</p> <p>14 on the details.</p> <p>15 MR. COLLINS: I will -- I'm sorry. Madam</p> <p>16 Chair, Commissioners, I will fill us -- fill you in as</p> <p>17 best as possible. I don't -- we don't -- so I think it</p> <p>18 was on October -- I want to say 13th, but then there</p> <p>19 was an amended complained filed on, like, the 22nd.</p> <p>20 This first amended complaint from The Power</p> <p>21 of Fives, basically, says three things. It says</p> <p>22 that -- it challenges the rule -- the Rule 110 that</p> <p>23 says, basically, that you can't take an obligation</p> <p>24 beyond cash on hand. It says that that's not a</p> <p>25 reasonable rule. It says that the Commission doesn't</p>	<p>1 don't know, but that's about it.</p> <p>2 CHAIRWOMAN CHAN: Did that change with any</p> <p>3 of the legislation or did that go away?</p> <p>4 MR. COLLINS: It depends on if you talk</p> <p>5 to -- the Attorney General's Office -- and I'm speaking</p> <p>6 for myself here, not for Kara. The Attorney General's</p> <p>7 Office views itself as the representative of the State</p> <p>8 independent of its clients. The law changed to try to</p> <p>9 allow the Attorney General to settle cases that the</p> <p>10 Secretary was named nominally and has -- really has</p> <p>11 nothing to do -- is only a codification of the Attorney</p> <p>12 General's view over the last six years. I just -- I'm</p> <p>13 not privy to how the Attorney General has resolved the</p> <p>14 State versus Commission issue in this matter. I just</p> <p>15 don't know.</p> <p>16 Also -- and this is a practical question,</p> <p>17 and I don't know who the right person to ask this is</p> <p>18 because I literally don't know the answer. I just</p> <p>19 don't know what and how, you know, where we are affects</p> <p>20 the responsiveness of the seating. So, in other words,</p> <p>21 based on today, it's not at all clear to me that the</p> <p>22 Commission would file a pleading to have this to not</p> <p>23 defend -- to defend this case because the Commission</p> <p>24 has a decision in front it that relates to it.</p> <p>25 So that's -- so those are all issues I'm</p>		
10:46:39-10:48:07	Page 51	10:49:28-10:50:44	Page 53
<p>1 have -- and then a lot of stuff about what we've</p> <p>2 already heard with respect to the other matter. So I</p> <p>3 don't -- I don't know how to avoid -- there's crossover</p> <p>4 that's unavoidable.</p> <p>5 We don't -- the other claim is, basically,</p> <p>6 we don't have the authority to look at stuff. That's</p> <p>7 the upshot. We won't have a responsive pleading due in</p> <p>8 that matter until, I think, close to Thanksgiving, so</p> <p>9 November, because there's no -- there's not, at this</p> <p>10 point, a preliminary injunction, TRO or any of those</p> <p>11 things. So -- and that's -- that is it.</p> <p>12 As you can imagine from the other</p> <p>13 discussion, we -- well, I don't know who gets to decide</p> <p>14 what we do with this lawsuit. We would generally --</p> <p>15 leftward advice is be inclined to defend it because we</p> <p>16 don't want -- we would not, in this posture, concede</p> <p>17 that what the Commission doesn't have the authority to</p> <p>18 do are the things that we are recommending that you, in</p> <p>19 fact, authorize. We, also, don't believe that the rule</p> <p>20 in question is open to any real question. So that's</p> <p>21 the Staff's view.</p> <p>22 The State of Arizona is also a party. I</p> <p>23 don't know who represents the State of Arizona, if</p> <p>24 anybody. I think Kara may. And I don't know if we get</p> <p>25 a call on this or the State of Arizona does. I just</p>	<p>1 sort of -- we just haven't fleshed out yet and --</p> <p>2 but -- so, I guess, what I'm trying to say is we</p> <p>3 would -- or I would ordinarily be saying we're going</p> <p>4 to -- I think we should do X, Y, Z or Kara might advise</p> <p>5 us in executive session about whatever she thinks we</p> <p>6 ought to do. I'm happy to do that. I just don't know</p> <p>7 how to parse out the different factors in terms of who</p> <p>8 gets to decide what the timing of decisions is. I</p> <p>9 don't know any of those answers.</p> <p>10 CHAIRWOMAN CHAN: Well, maybe --</p> <p>11 MR. COLLINS: Kara may have -- I'm sort of</p> <p>12 inviting Kara to see if there's any of those blanks I</p> <p>13 can -- some of those -- she may be able to fill out</p> <p>14 some of those blanks. I just -- I'm just -- I'm at</p> <p>15 a -- I'm just a little -- I don't want to misstate or</p> <p>16 go too far is what I'm trying to say. I don't want to</p> <p>17 say we should do X or we should do Y or any of those</p> <p>18 things because I don't feel like that's the appropriate</p> <p>19 way to talk about this.</p> <p>20 CHAIRWOMAN CHAN: Okay. Kara?</p> <p>21 MS. KARLSON: Tom was right about the</p> <p>22 response deadline. It's been moved out to</p> <p>23 November 23rd.</p> <p>24 CHAIRWOMAN CHAN: Do we need to have</p> <p>25 another Commission meeting where we can, all five of</p>		

10:50:45-10:52:04	Page 54	10:53:17-10:53:58	Page 56
<p>1 us, be here for the tabled item?</p> <p>2 MS. KARLSON: I think that would be the</p> <p>3 best call and, you know, the sooner the better, like --</p> <p>4 CHAIRWOMAN CHAN: Next week?</p> <p>5 MS. KARLSON: For now, you know, so that we</p> <p>6 can flesh out a legal strategy for dealing with this</p> <p>7 case. And I can talk to you about the alternatives,</p> <p>8 the legal alternatives, but I would -- I wouldn't want</p> <p>9 to do that in open session.</p> <p>10 CHAIRWOMAN CHAN: Okay. Well, perhaps, we</p> <p>11 can go into executive session if the other members --</p> <p>12 MS. KARLSON: Tom, you look like you have</p> <p>13 a --</p> <p>14 MR. COLLINS: Well -- yeah, I mean, I don't</p> <p>15 have any -- I have no opinion. That's fine. I looked</p> <p>16 like I was going to say something, but I wasn't.</p> <p>17 MS. KARLSON: Sorry.</p> <p>18 MR. COLLINS: There were no thoughts there</p> <p>19 when I opened my mouth. Just my mouth opened up.</p> <p>20 Sorry.</p> <p>21 CHAIRWOMAN CHAN: So do we need to talk</p> <p>22 about this right now? Do we want to have another</p> <p>23 do-over next week when more commissioners can be here,</p> <p>24 perhaps?</p> <p>25 COMMISSIONER PATON: This is Commissioner</p>		<p>1 us past this particular --</p> <p>2 MS. KARLSON: That's not happening.</p> <p>3 I mean, we can ask them, but I'm just trying to be real</p> <p>4 frank --</p> <p>5 MR. COLLINS: Well, then --</p> <p>6 MS. KARLSON: -- that I don't think that we</p> <p>7 will get another extension.</p> <p>8 MR. COLLINS: Okay. Well, then, I'll be</p> <p>9 honest with you, Madam Chair, my opinion is we need a</p> <p>10 strategy at least to get us through this and we should</p> <p>11 discuss it now.</p> <p>12 CHAIRWOMAN CHAN: Okay. So in executive</p> <p>13 session?</p> <p>14 MR. COLLINS: Yeah.</p> <p>15 CHAIRWOMAN CHAN: Okay. Can I get a motion</p> <p>16 to go into executive session? We need all the</p> <p>17 commissioners, Kara, Tom --</p> <p>18 MS. KARLSON: And Kyle.</p> <p>19 CHAIRWOMAN CHAN: I'm sorry?</p> <p>20 MR. COLLINS: And Kyle.</p> <p>21 MS. KARLSON: And Kyle.</p> <p>22 MR. COLLINS: And Kyle, yes.</p> <p>23 CHAIRWOMAN CHAN: And Kyle, okay, and the</p> <p>24 court reporter.</p> <p>25 MS. KARLSON: And the court reporter.</p>	
10:52:06-10:53:15	Page 55	10:54:03-10:54:33	Page 57
<p>1 Paton -- oh, go ahead.</p> <p>2 COMMISSIONER KIMBLE: Madam Chair, this is</p> <p>3 Commissioner Kimble. Just for your scheduling</p> <p>4 information, I am unavailable from November 4th through</p> <p>5 November 20th.</p> <p>6 CHAIRWOMAN CHAN: All right.</p> <p>7 MS. THOMAS: And, Chair, sorry to</p> <p>8 interrupt, but there are other commissioners that have</p> <p>9 conflicts -- several conflicts in November. So we</p> <p>10 technically don't have enough to pull than what we have</p> <p>11 today for our meeting, and maybe we need to pull all --</p> <p>12 at least four.</p> <p>13 MR. COLLINS: Madam Chair, if I may.</p> <p>14 CHAIRWOMAN CHAN: Yeah.</p> <p>15 MR. COLLINS: Madam Chair, Kara, do you</p> <p>16 think that for purposes of discussing deadlines</p> <p>17 associated with the lawsuit that we may need to move,</p> <p>18 would that be a discussion in executive session or</p> <p>19 here?</p> <p>20 MS. KARLSON: Which deadlines?</p> <p>21 MR. COLLINS: Well -- okay. I'll just -- I</p> <p>22 mean -- okay. So the question is -- the question I</p> <p>23 have is -- and I think that would resolve all of this</p> <p>24 is if we can -- if we ask The Power of Fives for</p> <p>25 another extension on the responsive pleading, that gets</p>		<p>1 CHAIRWOMAN CHAN: Okay. So can I get a</p> <p>2 motion to go into executive session?</p> <p>3 COMMISSIONER PATON: This is Commissioner</p> <p>4 Paton. I would like to make a motion that we go into</p> <p>5 executive session to talk about our strategy for this</p> <p>6 lawsuit.</p> <p>7 CHAIRWOMAN CHAN: Thank you.</p> <p>8 Do I have a second?</p> <p>9 COMMISSIONER KIMBLE: Commissioner Kimble,</p> <p>10 second.</p> <p>11 CHAIRWOMAN CHAN: Thank you. All right.</p> <p>12 Let's vote.</p> <p>13 Commissioner Kimble, how do you vote?</p> <p>14 COMMISSIONER KIMBLE: Aye.</p> <p>15 CHAIRWOMAN CHAN: Commissioner Paton?</p> <p>16 COMMISSIONER PATON: Aye.</p> <p>17 CHAIRWOMAN CHAN: I vote aye, as well. And</p> <p>18 by a vote of three to zero, we will go into executive</p> <p>19 session to discuss this item.</p> <p>20 (The following section of the meeting is in</p> <p>21 executive session and bound under separate cover.)</p> <p>22 * * * * *</p> <p>23 (End of executive session. Public meeting</p> <p>24 resumes at 11:06 a.m.)</p> <p>25 CHAIRWOMAN CHAN: It looks like we are all</p>	

11:06:25-11:07:35	Page 58	11:09:05-11:10:31	Page 60
<p>1 back, and I think we can just move on to Item VII:</p> <p>2 public comment.</p> <p>3 So this is the time for consideration of</p> <p>4 comments and suggestions from the public. Any action</p> <p>5 taken as a result of public comment will be limited to</p> <p>6 directing staff to study the matter or rescheduling the</p> <p>7 matter for further consideration and decision at a</p> <p>8 later date or responding to criticism.</p> <p>9 Does any member of the public wish to make</p> <p>10 comments at this time?</p> <p>11 MR. SLOAN: Can I make a comment?</p> <p>12 CHAIRWOMAN CHAN: Certainly, Mr. Sloan.</p> <p>13 MR. SLOAN: I would just encourage the</p> <p>14 Commission to defend themselves and the validity of</p> <p>15 whether or not the rules that are applied currently,</p> <p>16 which are understood -- understood by The Power of</p> <p>17 Fives in their current application, otherwise, this</p> <p>18 lawsuit wouldn't be needed -- were enforced.</p> <p>19 I hope that the Commission -- I understand</p> <p>20 that there are going to be some scheduling conflicts</p> <p>21 moving forward -- would reconsider whether or not an</p> <p>22 investigation is warranted into Mr. Branch and The</p> <p>23 Power of Fives, irregardless of the -- whether or not</p> <p>24 they need to be a political finance committee, but more</p> <p>25 importantly, to the point of whether or not their</p>		<p>1 the Elections -- Elections Commission of the U.S.,</p> <p>2 Elections Assistance Commission and a few other</p> <p>3 commissions where new appointments are not made and, in</p> <p>4 essence, their body cannot take action.</p> <p>5 So I don't have any recommendations. I did</p> <p>6 years ago, and I know when I was here representing the</p> <p>7 League, the League did submit a letter or two. And I</p> <p>8 realize, obviously, this is an upcoming election cycle,</p> <p>9 which has really started already and people are very</p> <p>10 concerned with campaigns, but it's such a significant</p> <p>11 barrier to the Commission doing its constitutionally</p> <p>12 required actions. And I don't know if anybody else has</p> <p>13 the authority to reach out. I guess I do, as a private</p> <p>14 citizen, but I just wanted to note it for the record,</p> <p>15 that it is very concerning to me.</p> <p>16 And I'm going to mute myself and close my</p> <p>17 camera. By the way, these represent the fact that I'm</p> <p>18 on so many Zoom calls, my husband got sick of listening</p> <p>19 to everybody else talk. So now I can hear you, but he</p> <p>20 doesn't. And don't take that personally.</p> <p>21 So thank you very much, and I appreciate</p> <p>22 your hearing my comment. And I continue to enjoy and</p> <p>23 plan to attend future meetings.</p> <p>24 CHAIRWOMAN CHAN: Thank you so much, Rivko.</p> <p>25 It's always such a pleasure to see you at our meetings.</p>	
11:07:39-11:09:00	Page 59	11:10:34-11:11:57	Page 61
<p>1 contract and their practices comply with the Clean</p> <p>2 Elections rules and laws as they are administered</p> <p>3 currently.</p> <p>4 CHAIRWOMAN CHAN: Thank you. Thank you,</p> <p>5 Mr. Sloan.</p> <p>6 I see -- I see Rivko. Hi, Rivko.</p> <p>7 MS. KNOX: Good morning, everybody. My</p> <p>8 name is Rivko Knox. I am speaking -- I'm a longtime</p> <p>9 resident of the city of Phoenix, Arizona voter, and</p> <p>10 I'm -- I just wanted to make a personal comment, which</p> <p>11 is that I remain very distressed by the fact that there</p> <p>12 have been no new appointments to the Commission.</p> <p>13 It is my understanding that the Commission</p> <p>14 meeting was moved from yesterday to today -- Thursdays</p> <p>15 are the normal meeting day -- because there was not a</p> <p>16 quorum. And now that I've been listening to the</p> <p>17 discussion, which was very interesting -- I'm not</p> <p>18 trying to get all the legal implications there but</p> <p>19 fascinating discussion -- about having to schedule</p> <p>20 another meeting and the difficulties involved in doing</p> <p>21 that.</p> <p>22 I do not have any answers, but I do find it</p> <p>23 very concerning because, obviously, one way to, more or</p> <p>24 less, neuter an agency is to not appoint new people</p> <p>25 and, therefore -- and that has happened, I believe, on</p>		<p>1 You're our most enthusiastic member of the public.</p> <p>2 And just full disclosure, it was actually</p> <p>3 my own fault. I asked whether we could reschedule the</p> <p>4 meeting because I had a field trip that my son was on</p> <p>5 yesterday. It was bad timing after we had all</p> <p>6 committed to our usual Thursday. That was entirely on</p> <p>7 me, but I will say you are correct. I am the only</p> <p>8 member who is still on my current term and everybody</p> <p>9 else is just serving through their own grace, which I</p> <p>10 wanted to say thank you to the commissioners for,</p> <p>11 because they all have lives, very busy lives, and the</p> <p>12 fact that they are continuing to serve five years --</p> <p>13 some of them -- after their term expired is incredible.</p> <p>14 And I certainly appreciate it very much.</p> <p>15 But, you know, I've seen in the news that</p> <p>16 we are not the only Commission -- sadly -- that is in</p> <p>17 this situation. It just seems that it only gets the</p> <p>18 attention of the Governor's office when something makes</p> <p>19 the news a scandal, and that's my own editorializing.</p> <p>20 I will say that we are very fortunate that we have</p> <p>21 wonderful commissioners. I'm not trying to give myself</p> <p>22 any props but to the other four commissioners. So the</p> <p>23 fact that we don't have any new appointments is really</p> <p>24 not a detriment to the public so much, I would like to</p> <p>25 say, more of a detriment to the members that deserve to</p>	

11:12:00-11:12:55

Page 62


1 be able to move on in their own lives, you know, that
2 they're giving up their time continually for this --
3 their dedication to elections in Arizona.
4 So thank you. Sorry to editorialize.
5 Anyone else wish to add anything?
6 (No response.)
7 CHAIRWOMAN CHAN: Okay. I'm not sure if I
8 read the part about sending comments to the Commission
9 by mail or email, but you can do that at
10 ccec@azcleanelections.gov.
11 And with that, we can move on to Item VIII,
12 which is adjournment. So at this a time, I would
13 entertain a motion to adjourn.
14 COMMISSIONER KIMBLE: Madam Chair?
15 CHAIRWOMAN CHAN: Commissioner Kimble?
16 COMMISSIONER KIMBLE: I move we adjourn.
17 CHAIRWOMAN CHAN: All right. Thank you.
18 Do I have a second?
19 COMMISSIONER PATON: This is Commissioner
20 Paton. I second it.
21 CHAIRWOMAN CHAN: All right. Commissioner
22 Kimble, how do you vote?
23 COMMISSIONER KIMBLE: Aye.
24 CHAIRWOMAN CHAN: Commissioner Paton, how
25 do you vote?

11:12:56-11:13:03

Page 63

1 COMMISSIONER PATON: Aye.
2 CHAIRWOMAN CHAN: I vote aye, as well. By
3 a motion of -- by a vote of three to zero, we have
4 adjourned the meeting, and we will see you all next
5 time.
6 Thank you.
7 (Whereupon, the proceedings concluded at
8 11:13 a.m.)
9 ///
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 64

1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)
3 BE IT KNOWN the foregoing proceedings were
4 taken by me; that I was then and there a Certified
5 Reporter of the State of Arizona, and by virtue thereof
6 authorized to administer an oath; that the proceedings
7 were taken down by me in shorthand and thereafter
8 transcribed into typewriting under my direction; that
9 the foregoing pages are a full, true, and accurate
10 transcript of all proceedings and testimony had and
11 adduced upon the taking of said proceedings, all done to
12 the best of my skill and ability.
13 I FURTHER CERTIFY that I am in no way
14 related to nor employed by any of the parties thereto
15 nor am I in any way interested in the outcome hereof.
16 DATED at Phoenix, Arizona, this 30th day of
17 October, 2021.
18 
19 LILIA MONARREZ, RPR, CR #50699
20
21
22
23
24
25

\$	advocacy (3) 19:12; 23:15;47:3 affects (1) 52:19 afterward (1) 21:4 Again (9) 7:13;12:13; 18:24;27:23;29:8;30:6; 34:25;35:11;39:11 against (6) 12:10,18; 24:22,25;34:7;50:13 agencies (1) 15:2 agency (1) 59:24 agenda (6) 3:8;4:2;5:3; 45:24;48:25;50:9 agent (3) 24:7,17;25:13 ago (4) 12:6,7;16:22; 60:6 agree (1) 32:10 agreement (20) 13:22; 15:17,18;16:8;17:19, 25;18:5,14,17;22:21, 23,23,25;26:24;27:1; 35:7,18;38:14;39:14, 14 agreements (1) 16:3 agrees (2) 34:20;38:19 ahead (10) 3:10;4:19; 7:18;11:7;37:22;44:14, 21;48:8;49:21;55:1 AIRC (1) 10:2 Albrecht (3) 22:19; 31:24;33:21 Alec (1) 5:20 allotment (1) 18:2 allow (2) 11:3;52:9 alternatives (2) 54:7,8 Although (1) 20:12 always (3) 41:3;43:13; 60:25 amazing (1) 9:16 amended (2) 50:19,20 amount (2) 27:17;31:7 amounts (1) 35:16 analogous (1) 32:16 analyze (1) 41:11 and/or (3) 7:11;8:17; 36:16 anecdotal (1) 5:24 anecdotaly (1) 7:13 answered (2) 21:9; 28:22 anticipatory (1) 6:15 apologies (1) 11:21 apologize (1) 11:10 application (1) 58:17 applied (1) 58:15 apply (1) 41:17 applying (1) 46:9 appoint (1) 59:24 appointments (3) 59:12;60:3;61:23 appreciate (5) 20:9; 41:5;48:10;60:21; 61:14	appropriate (1) 53:18 approve (2) 4:6,9 approved (1) 5:2 April (1) 12:13 arbitration (1) 22:18 arbitrator (7) 22:12; 26:23;27:6,9;28:23; 38:5,11 argue (2) 34:24;36:1 arguing (1) 33:14 argument (8) 27:6; 30:8;31:24;32:1,1; 33:20;36:20;39:6 arise (1) 27:2 Arizona (11) 8:18,19; 9:3;13:16,18;23:15; 51:22,23,25;59:9;62:3 Arndt (1) 6:6 around (1) 7:9 arrangement (1) 22:14 arrive (2) 6:10;15:21 arrived (1) 46:11 Article (3) 23:20,20,20 articulated (1) 13:19 aside (1) 39:3 aspects (1) 44:8 Assistance (1) 60:2 associated (1) 55:17 attend (1) 60:23 attendance (1) 3:13 attending (1) 3:4 attention (1) 61:18 attorney (7) 11:4;29:16; 52:5,6,9,11,13 attributing (1) 48:18 audience (1) 3:11 author (1) 9:22 authority (4) 23:17; 51:6,17;60:13 authorization (1) 14:21 authorize (1) 51:19 available (2) 17:23; 47:22 Avery (10) 5:20;6:20, 23;7:20,24;8:17,24; 9:18,20;10:3 avoid (1) 51:3 award (1) 22:18 away (3) 36:6,7;52:3 aye (14) 4:22,24,25; 44:16,19,20;50:4,5; 57:14,16,17;62:23; 63:1,2 ayes (3) 5:1;44:21;50:6	bank (2) 35:5,6 barrier (1) 60:11 based (6) 6:3;12:11; 13:7;31:9;49:16;52:21 basically (4) 9:6;50:21, 23;51:5 be-all-end-all (1) 41:11 bear (1) 4:2 bearing (1) 40:9 became (1) 20:1 become (3) 14:13;19:6, 20 becomes (4) 14:12,13; 39:15;40:16 becoming (1) 13:17 began (1) 34:9 begin (1) 11:5 beginning (5) 18:10; 28:9,21;30:19,20 behalf (3) 21:7;36:22; 44:2 belabor (1) 26:22 best (3) 16:1;50:17; 54:3 better (1) 54:3 beyond (2) 32:5;50:24 big (1) 31:22 biggest (1) 14:25 bind (3) 22:21;26:24; 38:12 binding (6) 19:8;20:13, 19,21;22:6;28:3 bit (3) 8:21;14:24;46:1 black (1) 36:14 blanks (2) 53:12,14 board (1) 6:2 Bob (3) 12:8;38:1; 40:10 body (1) 60:4 borne (1) 19:24 both (7) 6:6,23;20:11; 30:7;40:17;41:5;47:12 bottom (1) 21:19 bound (2) 44:25;57:21 Box (2) 30:25;31:4 Branch (9) 12:8;16:16; 24:3;38:1;39:11,21; 40:3,10;58:22 Branch's (1) 34:6 breach (1) 29:25 break (2) 39:10;42:24 breakout (3) 42:15,17; 43:11 briefly (1) 22:17 brilliant (1) 46:2 bucket (1) 31:17 bucks (1) 24:6 business (6) 4:1;16:2; 24:2;40:18;46:10; 48:19 businesses (1) 15:11 busy (1) 61:11 buying (1) 34:10	C call (8) 3:8,10;4:19; 22:9,10;45:13;51:25; 54:3 called (2) 6:25;12:9 calls (2) 32:2;60:18 came (2) 16:9;27:18 camera (1) 60:17 campaign (20) 19:16; 22:21,22;24:8,17;26:4, 6,11,24,25;30:20; 32:16;34:18,20;38:12, 13,17,19;40:2;46:9 campaigns (3) 21:18; 33:10;60:10 can (50) 3:15,20;4:2; 5:3,11;7:13;8:21;9:7; 19:6,7,11;21:4;24:25; 25:2;29:6,13;32:9; 36:14;40:18;41:10,16, 17;42:12,17,20;44:23; 46:13;47:5,9;48:5,20, 23;49:6;50:13;51:12; 53:13,25;54:6,7,11,23; 55:24;56:3,15;57:1; 58:1,11;60:19;62:9,11 candidate (21) 12:10; 15:18;16:16;17:24; 19:3,25;21:24;22:2; 23:4;29:5;34:18,20,24; 35:2,13,16,18;38:17, 19,23;40:12 candidates (13) 13:16; 14:5,6;16:3;24:25; 25:19;28:11;30:22; 31:12;32:25;34:14; 35:10;40:21 candidate's (1) 29:8 care (3) 31:15,16;42:12 carry (2) 16:4;18:14 case (9) 15:14;16:10; 23:18;25:14;32:15; 40:10;41:5;52:23;54:7 cases (4) 16:10;29:19; 40:10;52:9 cash (6) 13:24;17:23; 18:8;19:19;35:1;50:24 cause (1) 14:20 ccec@azcleanelections.gov (1) 62:10 certain (4) 20:13;23:19; 28:12,13 certainly (6) 8:6;26:16; 27:15;29:19;58:12; 61:14 certificate (1) 6:9 certification (1) 6:7 cetera (2) 32:18;41:19 Chair (27) 4:7;5:8; 8:15;9:1;10:17;11:8; 12:5;14:22;15:12;
/				
/// (1) 63:9				
A				
able (4) 8:6;49:17; 53:13;62:1 above (1) 17:23 absence (1) 14:17 absolutely (1) 20:21 accept (2) 30:2;31:5 acceptable (1) 42:6 accomplished (1) 31:10 according (1) 34:6 account (2) 35:5,6 accounting (2) 14:17; 32:6 achieved (1) 29:22 acknowledge (1) 23:15 Act (6) 13:8;14:3;16:5; 24:21;25:5;38:17 action (8) 4:3;5:4; 10:20;16:14;46:16; 50:11;58:4;60:4 actions (4) 12:24; 17:16,18;60:12 activities (3) 6:18;20:3; 32:5 activity (1) 30:23 Act's (1) 25:18 actual (1) 34:13 actually (6) 6:13;9:17; 23:22;35:25;39:5;61:2 add (2) 9:24;62:5 addition (1) 18:13 additional (1) 10:6 address (5) 17:5,8,12; 23:13;26:15 addressed (1) 17:9 adjourn (2) 62:13,16 adjourned (1) 63:4 adjournment (1) 62:12 administered (1) 59:2 Administrative (1) 38:15 admits (1) 14:4 admitted (1) 35:9 advance (2) 15:25; 32:17 advantages (1) 28:13 advice (1) 51:15 advise (1) 53:4 advisor (1) 47:2				
		B		
		back (9) 16:21;19:7; 26:3,19,21;27:11;45:4, 10;58:1 background (1) 12:6 bad (2) 21:10;61:5 ballot (2) 6:1;19:24		

<p>17:13;18:22;19:10; 21:5;25:25;26:16; 27:12,21;30:17;43:16; 49:15;50:16;55:2,7,13, 15;56:9;62:14 Chairman (3) 34:3; 47:17;48:22 CHAIRWOMAN (112) 3:3,19,24;4:8,11,17, 23,25;6:6,12;7:8;8:13, 16;9:16,24;10:5,10,12, 15,18;11:7,9,23;14:23; 15:8;16:12;17:4,8,11; 18:19,23;21:1;25:23; 26:1;28:25;30:1,4,5, 16;31:3;33:1,23;36:25; 37:4,6,12,16,21;40:24; 41:1;42:2,11,22;43:3,7, 12,18,21,23;44:1,4,9, 13,17,20;45:4,11,14, 18,21;46:19;47:1,4,15, 17,24;48:10,24;49:5, 11,18,20;50:3,5;52:2; 53:10,20,24;54:4,10, 21;55:6,14;56:12,15, 19,23;57:1,7,11,15,17, 25;58:12;59:4;60:24; 62:7,15,17,21,24;63:2 challenges (2) 28:18; 50:22 CHAN (114) 3:3,19,24, 25;4:8,11,17,23,25;6:6, 12;7:8;8:13,16;9:16, 24;10:5,10,12,15,18; 11:7,9,23;14:23;15:8; 16:12;17:4,8,11;18:19, 23;21:1;25:23;26:1; 28:25;30:1,4,5,16; 31:3;33:1,23;36:25; 37:4,6,12,16,21;40:24; 41:1;42:2,11,22;43:3,6, 7,12,16,18,21,23;44:1, 4,9,13,17,20;45:4,11, 14,18,21;46:19;47:1,4, 15,17,24;48:10;49:5, 11,18,20;50:3,5;52:2; 53:10,20,24;54:4,10, 21;55:6,14;56:12,15, 19,23;57:1,7,11,15,17, 25;58:12;59:4;60:24; 62:7,15,17,21,24;63:2 change (1) 52:2 changed (1) 52:8 channels (1) 5:24 characteristics (1) 14:10 characterized (1) 26:14 Check (2) 30:25;31:4 chime (1) 46:22 circumstances (1) 27:3 citizen (1) 60:14 Citizens (1) 3:4 city (1) 59:9</p>	<p>civics (3) 7:4,5,18 civil (4) 22:13;24:15; 38:1;39:9 claim (1) 51:5 clarification (2) 33:19; 45:23 clarifying (2) 33:2; 43:13 Class (1) 24:14 clauses (6) 19:15,21, 22;20:14,15,17 Clean (24) 3:4;7:1; 12:15;14:2;15:22;16:5; 19:3;23:3,5,7;24:21; 28:12,18;30:11;32:4; 38:10,15;39:8,13,22, 25;40:13;50:11;59:1 clear (6) 11:11,14;32:4; 39:20;43:8;52:21 clearcut (1) 16:19 clearly (1) 28:1 client (1) 44:2 clients (1) 52:8 close (2) 51:8;60:16 Coady (21) 11:12,17; 12:3,4;20:5,10,25; 41:22;42:3,6,8;43:9, 14;46:18,19;47:4,16, 17;48:24;49:14,19 Code (1) 38:15 codification (1) 52:11 coffee (1) 3:7 collected (1) 35:22 COLLINS (48) 5:8; 6:14;8:23;10:1,17; 12:5;15:6,12;17:3,7,10, 13;19:10;21:9,10;22:9; 23:10,24;25:6,16; 26:14,18;28:10,15; 30:17;31:4;33:6,14; 45:8,12,16,20;46:17, 23;47:2;50:15;52:4; 53:11;54:14,18;55:13, 15,21;56:5,8,14,20,22 Collins' (1) 21:25 comfort (1) 48:11 coming (2) 40:5;41:14 comment (6) 37:17; 58:2,5,11;59:10;60:22 comments (4) 10:7; 58:4,10;62:8 commercial (1) 32:15 Commission (42) 3:5, 25;4:4,10;11:12;12:7, 11,13,14;13:21;14:15; 21:6,8;22:8;23:17; 25:2,20;34:7;38:17; 40:7,22;43:9;48:7,16; 49:10;50:12,13,25; 51:17;52:14,22,23; 53:25;58:14,19;59:12, 13;60:1,2,11;61:16; 62:8</p>	<p>Commissioner (89) 3:16,17,17,20,22,22; 4:7,8,9,13,15,20,21,21, 23,24;6:19;8:15,16,17; 10:5,8,25;18:22,24; 19:10;20:4,5,8,23,24; 25:25;26:1,2,17;27:12, 22;28:24;34:4;37:13, 13;41:23,24,25;43:6, 14,15,20,22,25;44:3,4, 6,11,11,15,16,17,19; 47:10,24;48:1;49:8,8; 50:1,2,3,4;54:25,25; 55:2,3;57:3,3,9,9,13, 14,15,16;62:14,15,16, 19,19,21,23,24;63:1 Commissioners (23) 3:14;5:9;8:13,13;9:2; 15:13;17:14;18:20; 25:24;30:17;34:3;38:5; 41:21;46:21;47:6,11; 50:16;54:23;55:8; 56:17;61:10,21,22 commissions (1) 60:3 Commission's (1) 24:1 committed (1) 61:6 committee (15) 13:17; 14:8;16:15;17:1;21:13; 22:1;31:1,19;32:22,23; 33:7;48:18;49:15;50:7; 58:24 community (1) 9:8 company (4) 12:9,9; 13:14;35:13 company's (1) 39:23 comparison (1) 32:15 complained (1) 50:19 complaint (9) 12:7,12, 18,20;15:18;16:9,16; 34:7;50:20 completed (1) 6:7 complicated (1) 36:10 complication (1) 13:2 comply (2) 38:9;59:1 concede (1) 51:16 concerned (1) 60:10 concerning (2) 59:23; 60:15 concluded (1) 63:7 conduct (3) 12:22;48:9; 49:17 conference (1) 6:20 confirm (1) 19:22 conflict (1) 39:4 conflicts (3) 55:9,9; 58:20 confusing (1) 20:13 congratulations (3) 6:9, 15;9:20 consideration (2) 58:3,7 considering (1) 39:18 considers (1) 14:3 consistent (1) 39:6</p>	<p>consolidated (2) 5:13, 14 consortium (1) 7:19 constitutes (1) 30:23 constitutionally (1) 60:11 consultant (2) 14:4; 16:25 consultants (3) 15:2,4; 16:2 consultant-type (1) 15:11 consulting (1) 48:19 contact (1) 9:14 contacts (1) 9:7 context (1) 29:3 contingency (1) 36:2 continually (1) 62:2 continue (3) 40:18; 49:4;60:22 continued (1) 7:25 continuing (1) 61:12 contract (48) 16:17; 18:12;19:4,6,6,8,13; 20:7,10,14,19;22:6,6; 23:5;26:3;27:7,9;29:3, 3,9,25;31:23,25;32:1,2, 13;33:15;34:14,23; 35:10;36:2,2,15;38:4,6, 8,24;39:5,5,7,8,17,20; 40:8;41:4,10,18;59:1 contracting (2) 16:18; 30:10 contracts (5) 19:15,17; 20:13;34:20;38:20 contradiction (1) 38:25 contribution (8) 22:1; 24:5,9,10,13,18;25:15; 32:17 contributions (3) 16:7; 29:6;36:16 control (1) 6:11 conversation (2) 29:1; 37:24 corners (1) 38:6 corporate (1) 16:6 cost (2) 27:15;37:4 counties (1) 5:17 County (1) 22:20 couple (4) 5:12;6:18; 21:8;32:10 court (8) 8:3,4;22:20; 42:23;43:17,18;56:24, 25 cover (3) 36:4;44:25; 57:21 created (9) 22:22,24; 26:4,5,11,25;31:20; 36:14;38:13 credit (1) 5:21 critical (3) 13:5;17:20; 33:12 criticism (1) 58:8</p>	<p>crossover (1) 51:3 crux (1) 15:17 curious (1) 15:9 current (2) 58:17;61:8 currently (2) 58:15;59:3 curriculum (3) 7:5,16,22 cycle (3) 35:11;36:17; 60:8</p>
D				
<p>date (6) 5:13,14;34:19; 35:14;38:18;58:8 day (2) 10:16;59:15 days (2) 35:14,17 deadline (1) 53:22 deadlines (2) 55:16,20 dealing (1) 54:6 dealt (1) 16:11 debate (1) 13:21 debt (8) 22:22,24;26:4, 5,10,25;38:13;39:15 decade (1) 16:22 December (1) 12:12 decide (3) 39:17;51:13; 53:8 decided (1) 38:6 decision (5) 22:18; 48:2,7;52:24;58:7 decisions (1) 53:8 dedication (1) 62:3 deemed (2) 34:18; 38:18 defend (4) 51:15;52:23, 23;58:14 defer (2) 46:3,3 definition (2) 26:20; 32:17 delay (1) 48:8 demand (2) 40:14,15 demonstrates (1) 18:13 Department (1) 7:17 depends (1) 52:4 deposit (1) 32:18 deserve (1) 61:25 despite (1) 13:23 details (2) 5:16;50:14 determination (5) 13:5, 6,11;14:12;40:7 determine (1) 14:15 detriment (2) 61:24,25 difference (1) 31:22 different (11) 7:1;9:13; 14:8,9;15:10;30:12; 36:11;41:16,17,18; 53:7 difficult (1) 41:3 difficulties (2) 28:13; 59:20 direct (4) 38:14,25; 40:9,18 directed (1) 25:18 directing (1) 58:6</p>				

<p>director (1) 23:12 Director's (1) 5:4 disbursement (1) 17:24 disclosure (2) 36:15; 61:2 discuss (6) 6:25;8:19; 42:5;44:7;56:11;57:19 discusses (1) 19:22 discussing (1) 55:16 discussion (13) 4:3,5; 5:4;6:22;10:20;12:24; 45:24;48:16;50:10; 51:13;55:18;59:17,19 disinterested (1) 27:5 dispositive (1) 13:11 dispute (2) 13:5;31:6 distinction (4) 18:5,12; 30:3;31:21 distinguishable (2) 15:1,4 distinguishes (4) 15:10; 16:8,10;17:25 distinguishing (1) 14:10 distressed (1) 59:11 distributed (1) 5:23 district (1) 6:2 districts (1) 5:18 dollars (1) 35:6 done (5) 14:18,18; 20:20;29:17,20 door (1) 35:2 do-over (1) 54:23 Dr (6) 12:8;16:16;34:6; 39:11,21;40:3 drafters (1) 25:9 drop (1) 6:1 due (2) 34:24;51:7 during (3) 7:5;19:2; 40:2</p>	<p>59:2;60:1,1,2;62:3 elements (1) 13:16 else (8) 10:12;27:4; 32:19;37:17;60:12,19; 61:9;62:5 email (5) 24:3,11,12; 29:24;62:9 emails (1) 25:12 empower (1) 48:3 empowering (1) 48:9 enactment (1) 39:7 encourage (1) 58:13 end (8) 19:3;22:3; 29:18,21;37:9;39:12; 45:2;57:23 enforceable (2) 20:12; 40:8 enforced (3) 27:8,8; 58:18 enforcement (2) 5:5; 25:20 enforcement-related (1) 10:22 enjoy (1) 60:22 enough (1) 55:10 enter (2) 39:14;42:16 entered (1) 15:19 entering (7) 22:23,25; 23:4;27:1;32:2;38:14, 23 entertain (1) 62:13 enthusiastic (1) 61:1 entire (1) 31:25 entirely (1) 61:6 entirety (2) 20:20;38:3 entity (2) 14:3,4 equivalent (2) 39:15; 40:3 equivocation (1) 30:24 Eric (4) 12:10;30:20; 31:1;37:19 escape (2) 19:1;36:13 especially (3) 10:3; 11:24;41:3 essence (3) 16:5;18:4; 60:4 essentially (1) 20:1 established (1) 29:8 et (2) 32:18;41:19 even (8) 31:2;33:17; 34:1,14,15;35:24;36:3; 47:13 eventually (1) 34:17 everybody (5) 3:5; 41:12;59:7;60:19;61:8 everyone (2) 48:23; 50:8 evidence (1) 18:16 exact (4) 16:24;27:22; 30:22;35:10 exactly (1) 29:15 example (3) 15:5; 16:20;21:22</p>	<p>exceeds (1) 35:1 excited (2) 7:12,24 excuse (3) 17:16; 43:10,16 executed (2) 20:11,21 Executive (25) 5:4; 6:16;11:14,19;23:11; 42:1,10,16,18,25; 43:10;44:7,22,25;45:2; 53:5;54:11;55:18; 56:12,16;57:2,5,18,21, 23 exemption (2) 14:2; 31:17 expect (1) 31:7 expectation (1) 39:24 expend (1) 31:5 expenditure (4) 16:18; 31:15;34:19;38:18 expenditures (2) 34:8; 36:16 expense (1) 37:5 expenses (2) 34:5;35:2 experience (1) 7:11 expert (2) 29:3;39:24 experts (1) 39:22 expired (1) 61:13 explained (1) 12:19 explicitly (1) 40:19 express (1) 13:15 expressly (2) 15:19; 30:21 extension (2) 55:25; 56:7</p>	<p>52:22 filed (6) 12:18;14:13; 14,16;50:12,19 filings (1) 14:17 fill (4) 50:13,16,16; 53:13 final (1) 48:2 finally (1) 32:20 finance (5) 16:3;19:16; 32:16;46:9;58:24 financier (1) 20:3 financing (6) 19:18,18, 23;22:10;23:2;35:19 find (4) 23:18,18;47:22; 59:22 finding (2) 23:16;27:6 fine (4) 37:10;42:8; 43:4;54:15 finer (1) 24:25 firm (3) 31:18,20;33:8 first (8) 3:8;5:11;8:24; 16:9;19:9;23:13;37:25; 50:20 five (3) 24:6;53:25; 61:12 Fives (42) 10:21;11:4; 12:10,19;13:12,13,14, 20,25;17:18;19:25; 20:1;21:7,11;26:7,13; 27:13,15,17;29:4; 30:20,21,25;32:22,23; 33:5;34:8,10,12,16; 36:18,21;38:2;39:11, 21;40:16;50:11,13,21; 55:24;58:17,23 Fives' (3) 12:22,24; 35:7 flesh (1) 54:6 fleshed (1) 53:1 fleshing (1) 7:21 floor (1) 21:3 focused (2) 12:25;21:8 focuses (1) 27:24 focusing (1) 22:8 folks (3) 5:23;7:8;10:2 following (4) 10:25; 35:14;44:24;57:20 forgive (1) 48:23 forgiven (1) 19:19 formed (9) 13:14,18; 30:21,25;33:6,7,8,9,10 former (1) 22:19 forth (2) 17:21;35:15 fortunate (1) 61:20 forward (2) 18:3;58:21 forwarded (1) 15:25 found (4) 12:11;22:13; 28:23;47:18 four (4) 9:5;38:6;55:12; 61:22 Fox (1) 40:12 frank (2) 46:1;56:4 frankly (1) 42:3</p>	<p>fraud (1) 40:4 friend (1) 7:14 front (3) 18:7;33:20; 52:24 fruition (1) 40:5 frustrate (1) 46:8 full (4) 6:17,24;48:6; 61:2 fund (2) 12:16;15:23 funding (10) 23:6,7; 27:2;28:12,19;29:10; 34:25;35:3,25;38:24 funds (4) 17:25;18:1,1, 2 further (5) 10:13;41:21; 48:4,9;58:7 future (3) 26:8;32:4; 60:23</p>
E				
<p>earlier (2) 33:24;35:17 editorialize (1) 62:4 editorializing (1) 61:19 education (4) 6:17; 7:18,19;32:14 educational (2) 6:24; 7:2 efficiency (1) 8:7 either (3) 24:9;25:7; 48:13 election (20) 5:13,14, 16;6:2,2,7;12:23;18:7; 20:3;23:3,6,7;30:11, 24;35:20;39:4;41:9,18; 46:6;60:8 Elections (28) 3:4;5:15, 17;7:1;12:16;13:19; 14:3;15:22;16:5;19:3; 24:21;28:12,19;32:4; 33:11;38:10,15;39:8, 13,22,25;40:13;50:11;</p>				
F				
		<p>fabric (1) 24:20 fact (13) 5:25;13:23; 18:17;19:14,19,22; 36:13;39:22;51:19; 59:11;60:17;61:12,23 factors (1) 53:7 facts (3) 13:4,5,10 failed (1) 33:20 fair (2) 15:6,13 fairness (1) 23:18 far (6) 7:21;9:2;31:13; 32:5;48:17;53:16 fascinating (1) 59:19 fault (1) 61:3 fear (1) 14:25 feasible (1) 38:8 feel (6) 15:5;42:4;46:5; 48:14,17;53:18 feeling (1) 42:3 feelings (1) 47:6 felt (1) 16:19 few (4) 9:5;13:4;48:15; 60:2 field (2) 34:12;61:4 figured (1) 6:1 file (3) 31:18;48:18;</p>		
G				
				<p>Galen (1) 47:11 gave (1) 9:6 gavel (1) 48:22 general (9) 18:1,2,6,6, 9,10,10;52:9,13 generally (2) 46:3; 51:14 General's (3) 52:5,6,12 gets (4) 51:13;53:8; 55:25;61:17 Gina (7) 5:20;6:19,21, 22,23;9:18;10:3 giving (3) 26:20;46:7; 62:2 goes (2) 23:23;43:14 Good (4) 3:3;6:4; 29:22;59:7 goodness (1) 8:3 goods (2) 34:21;38:21 government (2) 7:15,15 governor's (2) 16:23; 61:18 grace (1) 61:9 grant (1) 18:10 grassroots (1) 9:8 grateful (1) 8:8 great (3) 17:5,12;44:13 groups (1) 7:1 guarantor (1) 20:2 guess (8) 8:23;17:4; 19:6;32:20;41:20; 48:14;53:2;60:13 guide (1) 5:24 guys (2) 34:1;47:8</p>
H				
				<p>hand (9) 13:24;17:23; 18:8,17;19:19;32:3; 33:23;35:1;50:24 handle (2) 21:19;49:13 Hang (1) 45:16</p>

<p>happen (3) 26:8,9;28:2 happened (2) 40:1; 59:25 happening (1) 5:15 happenning (1) 56:2 happens (3) 21:23; 28:6,6 happy (3) 6:5;25:21; 53:6 hardly (1) 23:14 hate (1) 46:8 hear (3) 8:25;11:1; 60:19 heard (2) 7:14;51:2 hearing (2) 9:20;60:22 heartburn (1) 46:8 help (2) 28:11;29:6 helpful (3) 7:19;33:2; 48:6 helping (2) 28:17;29:5 hereof (1) 35:14 here's (2) 24:4;35:23 Herring (3) 42:13,14; 44:23 Hi (1) 59:6 high (1) 7:16 highlight (1) 8:10 highly (1) 22:19 hit (1) 34:2 Hobbs (2) 6:21;7:8 hold (5) 10:16;45:25; 46:14;48:22;49:7 hole (1) 36:14 honest (1) 56:9 honestly (2) 15:14; 32:14 hope (8) 3:5;15:16; 26:12;28:2,3;29:11; 48:23;58:19 Hopefully (1) 28:21 hoping (1) 40:22 hour (1) 42:24 hours (1) 39:2 housed (1) 7:6 husband (1) 60:18</p>	<p>impossibility (1) 49:17 impressed (1) 9:18 inclined (1) 51:15 incredible (1) 61:13 incumbent (1) 14:14 incurred (2) 34:6;37:3 incurs (2) 34:21;38:20 independent (1) 52:8 indicia (1) 14:7 industry (4) 15:16,16; 32:11,12 influence (1) 7:11 influencing (2) 13:19; 30:23 inform (2) 9:8,13 information (4) 9:4,10, 11;55:4 informative (3) 41:10, 16,19 informed (1) 42:9 inherent (1) 28:18 inherently (1) 17:22 initial (1) 16:17 injunction (1) 51:10 innovative (2) 28:11,14 input (1) 48:11 inquiry (1) 27:24 interested (1) 37:24 interesting (1) 59:17 interrupt (5) 7:20,24; 11:10,24;55:8 interrupted (1) 37:8 interrupting (1) 14:24 interruption (1) 11:22 intertwined (1) 17:1 into (25) 11:13;15:19; 22:23,25;23:5;25:5; 27:1;28:14;30:10;32:2, 22;38:24,24;39:14; 41:25;42:25;44:7,21; 45:5;54:11;56:16;57:2, 4,18;58:22 introduce (1) 10:23 investigate (1) 48:4 investigating (1) 46:12 investigation (4) 14:21; 47:21;48:9;58:22 investigations (1) 11:16 invite (2) 7:20;42:15 invited (1) 43:11 inviting (1) 53:12 invoice (3) 34:16; 35:14,17 involved (5) 11:18; 20:16;31:14;47:12; 59:20 involves (1) 32:12 irregardless (1) 58:23 issue (11) 7:22,23; 13:3;15:13;17:21;22:8; 23:7;32:13;34:25;44:8; 52:14 issues (5) 16:6,13;</p>	<p>41:4;48:20;52:25 item (16) 3:8;4:2;5:3; 10:13,16,19,22,23; 11:11;45:24;48:25; 50:10;54:1;57:19;58:1; 62:11 IV (1) 10:16</p> <p>J</p> <p>Jackie (1) 40:12 Janet (1) 16:22 January (1) 12:13 jobs (1) 8:6 join (1) 42:10 joined (1) 13:22 judge (3) 22:20;31:24; 33:21 Julian (1) 6:6 July (2) 4:4,10 jurisdictional (1) 5:18</p> <p>K</p> <p>Kara (11) 33:23,24; 43:7;51:24;52:6;53:4, 11,12,20;55:15;56:17 KARLSON (21) 11:6,8, 10;30:15;33:25;37:2,5, 10;43:6,8;53:21;54:2, 5,12,17;55:20;56:2,6, 18,21,25 keep (1) 3:12 kept (2) 6:23,23 key (3) 6:19;17:14; 43:13 Kimble (55) 3:16,17,17; 4:7,8,9,20,21,21;8:15, 16,17;10:6,8;18:22,23, 24;19:11;20:4,5,8,23, 24;25:25;26:1,2,17; 27:12,22;28:24;34:5; 37:13;43:15;44:11,11, 15,16;47:25;48:1; 49:12,21,22;50:1,2; 55:2,3;57:9,9,13,14; 62:14,15,16,22,23 kind (10) 9:2,10;22:1; 30:7,10,13;32:12;34:1; 42:2;48:17 knowledge (1) 16:1 knowledgeable (1) 46:6 KNOX (2) 59:7,8 Kyle (6) 11:15;56:18, 20,21,22,23</p> <p>L</p> <p>La (25) 11:1,3;17:5; 19:1;21:2,5,6;25:23; 26:2,16;27:13,21; 29:12,15;30:2;31:8,18, 20;32:11;33:4,5;36:20;</p>	<p>40:15;41:6;44:2 language (1) 35:21 largely (1) 23:19 last (6) 6:18;8:4;18:25; 23:21;24:19;52:12 late (1) 12:17 later (3) 35:13;36:17; 58:8 launch (1) 7:4 law (18) 13:18;15:9; 18:18;31:18,20;33:8; 38:10,15;39:8,10,22, 25;41:9,10,18,19;46:9; 52:8 laws (2) 23:3;59:2 lawsuit (7) 29:24; 45:24;50:12;51:14; 55:17;57:6;58:18 lawyer (1) 46:2 lawyers (2) 46:6;47:12 leads (1) 24:19 League (2) 60:7,7 leaning (1) 46:12 leap (1) 22:4 least (4) 9:5;17:20; 55:12;56:10 led (1) 40:2 leftward (1) 51:15 legal (17) 11:13;19:7; 20:6;27:9;28:16;30:9; 31:21;40:8;41:4,17,17; 42:5;44:8;45:22;54:6, 8;59:18 legally (3) 20:12,13,18 legislation (1) 52:3 legislative (1) 5:6 less (3) 29:24;31:11; 59:24 letter (8) 15:8;18:25; 21:12;23:10;24:23; 40:14,15;60:7 level (3) 9:8;17:22; 48:11 liability (2) 12:9;13:14 Lilia (1) 8:2 Lilia's (1) 8:7 limit (1) 42:17 limited (4) 12:9;13:13; 23:19;58:5 line (2) 21:19;42:9 list (1) 9:18 Listening (3) 29:1; 59:16;60:18 literally (3) 14:9;17:21; 52:18 little (8) 5:9;8:21;12:6; 14:24;28:9;46:1,7; 53:15 lives (3) 61:11,11;62:1 LLC (1) 30:12 LLC's (1) 34:8 loan (24) 15:25;19:20; 22:10,10,14,14;26:14,</p>	<p>17,18,18,20;27:3,4,10, 25;28:1,4,7,23;29:2,2; 32:15,17,18 local (2) 5:13,14 logic (2) 21:25;32:21 long (3) 8:3;14:22; 42:18 longtime (1) 59:8 look (11) 15:8;20:19; 24:20;25:1,9;29:17,20; 36:11,12;51:6;54:12 looked (1) 54:15 looking (1) 31:24 looks (1) 57:25 loss (1) 19:24 lot (4) 9:6;23:9;36:10; 51:1</p> <p>M</p> <p>Madam (25) 4:7;5:8; 8:15;9:1;10:17;11:8; 12:5;14:22;15:12; 17:13;18:22;19:10; 21:5;25:25;26:16; 27:12,21;30:17;48:24; 50:15;55:2,13,15;56:9; 62:14 mail (1) 62:9 majority (1) 49:3 makes (1) 61:18 making (1) 44:5 managing (1) (1) 12:8 many (1) 60:18 Maricopa (1) 22:20 matter (12) 13:2;18:18; 36:12;37:18;38:1;39:9; 47:19;51:2,8;52:14; 58:6,7 may (13) 12:21;13:9; 17:5;26:8,8;31:12,12; 41:10;51:24;53:11,13; 55:13,17 maybe (9) 9:13;16:22; 17:5;28:1,3;30:12; 41:10;53:10;55:11 mean (28) 7:14;10:1; 11:25;14:9,11;15:14; 16:18,21;17:6;21:20, 22;22:10;24:23,24; 25:18;27:5;28:8;31:23; 33:6,9,17;36:9;41:20; 47:12,13;54:14;55:22; 56:3 means (1) 14:17 meant (1) 25:5 meeting (28) 3:4,10; 4:10;8:4,18;10:22; 42:19,20,23;44:24; 45:2,5;46:15;47:20; 49:4,7,10,10;50:7; 53:25;55:11;57:20,23; 59:14,15,20;61:4;63:4</p>
--	---	---	--	--

<p>meetings (4) 9:5,6; 60:23,25</p> <p>member (4) 12:8;58:9; 61:1,8</p> <p>members (6) 3:11;21:6; 43:9;49:15;54:11; 61:25</p> <p>memo (1) 12:20</p> <p>mention (3) 8:1,18; 23:22</p> <p>mentioned (1) 44:22</p> <p>merits (1) 19:11</p> <p>met (2) 5:10;12:13</p> <p>microphones (1) 3:12</p> <p>might (3) 8:23;20:12; 53:4</p> <p>mind (2) 42:3;44:5</p> <p>minds (1) 48:15</p> <p>mine (1) 7:14</p> <p>minor (1) 23:23</p> <p>minutes (4) 4:4,6,10; 5:2</p> <p>misdemeanor (1) 24:14</p> <p>missed (2) 5:22;33:24</p> <p>missing (2) 7:21,23</p> <p>misstate (1) 53:15</p> <p>misstating (1) 29:11</p> <p>moderator (1) 42:12</p> <p>mom (1) 5:25</p> <p>moment (2) 4:3;10:20</p> <p>Monarrez (1) 8:2</p> <p>money (12) 15:22; 22:11;26:21;27:18; 32:19;33:6,9;34:13,24; 35:23;36:5;39:3</p> <p>monies (1) 12:15</p> <p>Monique (2) 11:12,17</p> <p>months (1) 6:18</p> <p>more (14) 3:7;12:6; 16:22;28:14;31:5;32:3; 42:5;47:14;48:15,16; 54:23;58:24;59:23; 61:25</p> <p>morning (4) 3:3,6;21:7; 59:7</p> <p>most (5) 16:2;25:8; 35:5;46:6;61:1</p> <p>motion (13) 4:6,18; 42:7;44:5,7;49:1,6,9; 56:15;57:2,4;62:13; 63:3</p> <p>motions (1) 42:25</p> <p>mouth (2) 54:19,19</p> <p>move (14) 4:2,9;5:3; 10:13;14:18;44:23; 46:4;50:6,9;55:17; 58:1;62:1,11,16</p> <p>moved (2) 53:22;59:14</p> <p>moving (4) 10:19; 36:10;48:8;58:21</p> <p>much (11) 12:1,2; 26:10,23;29:24,24; 43:12;60:21,24;61:14,</p>	<p>24</p> <p>MUR (1) 10:20</p> <p>mute (5) 3:12;4:14; 41:13;45:7;60:16</p> <p>muted (1) 30:15</p> <p>mutual (1) 20:17</p> <p>myself (6) 29:17;38:1; 43:15;52:6;60:16; 61:21</p> <p>N</p> <p>name (4) 14:8,9;39:23; 59:8</p> <p>named (2) 12:10;52:10</p> <p>Napolitano (1) 16:23</p> <p>nasty (1) 29:24</p> <p>nature (1) 39:23</p> <p>nay (1) 50:6</p> <p>nays (2) 5:1;44:21</p> <p>necessarily (1) 13:3</p> <p>need (22) 11:13;20:19; 32:13;39:17;41:22; 42:5,9,24;45:8;47:5; 48:25;49:1,2,2,3; 53:24;54:21;55:11,17; 56:9,16;58:24</p> <p>needed (3) 3:7;42:18; 58:18</p> <p>needs (1) 16:25</p> <p>network (2) 9:7;23:16</p> <p>neuter (1) 59:24</p> <p>new (4) 59:12,24;60:3; 61:23</p> <p>news (2) 61:15,19</p> <p>next (11) 45:23;46:15; 47:19;49:4,7,10,10; 50:7;54:4,23;63:4</p> <p>noise (1) 41:12</p> <p>nominally (2) 14:8; 52:10</p> <p>nomination (1) 34:10</p> <p>nonprofit (1) 31:16</p> <p>normal (1) 59:15</p> <p>note (3) 5:12;35:15; 60:14</p> <p>notes (1) 6:16</p> <p>November (6) 5:12; 51:9;53:23;55:4,5,9</p> <p>number (1) 36:11</p> <p>numerous (1) 19:1</p> <p>O</p> <p>objection (1) 38:8</p> <p>obligation (10) 22:22, 25;26:25;27:1,11;28:4; 34:21;38:13,20;50:23</p> <p>obviously (6) 8:14,19; 13:1;45:23;59:23;60:8</p> <p>occur (1) 36:7</p> <p>occurred (3) 12:22; 13:9;31:9</p>	<p>October (2) 3:9;50:18</p> <p>offer (1) 7:2</p> <p>Office (6) 6:8;13:16; 30:22;52:5,7;61:18</p> <p>officer (1) 6:7</p> <p>official (1) 8:20</p> <p>once (5) 14:12;20:10, 21;31:17;35:18</p> <p>one (19) 4:3;5:12;8:18; 9:3;10:19;14:24;21:22; 23:21;25:12;32:8; 33:13,13;43:24;46:2,6, 7;47:6;50:6;59:23</p> <p>only (12) 24:18;35:8; 36:4;38:7;40:9;42:15; 43:9;49:14;52:11;61:7, 16,17</p> <p>Oops (1) 45:6</p> <p>open (6) 8:14;10:24; 35:5;42:14;51:20;54:9</p> <p>opened (2) 54:19,19</p> <p>operate (1) 15:9</p> <p>operating (1) 14:8</p> <p>opinion (3) 38:7;54:15; 56:9</p> <p>opposed (1) 48:2</p> <p>opposes (1) 49:23</p> <p>opposition (1) 38:15</p> <p>option (1) 47:21</p> <p>order (5) 3:9,10;9:21; 14:18;39:1</p> <p>ordered (2) 12:14,15</p> <p>ordinarily (1) 53:3</p> <p>organization (1) 14:13</p> <p>organizational (1) 6:24</p> <p>organizations (1) 9:14</p> <p>original (1) 16:15</p> <p>otherwise (3) 34:21; 38:20;58:17</p> <p>ought (1) 53:6</p> <p>out (25) 6:1;7:21;10:3; 11:20;12:16;19:7; 23:21;24:23;27:17; 31:12;32:24;34:12; 35:2;36:9;38:4,11; 39:25;40:5,20;53:1,7, 13,22;54:6;60:13</p> <p>outreach (2) 9:4,7</p> <p>outset (1) 22:7</p> <p>over (7) 6:18;40:14; 44:23;46:15;49:7;50:7; 52:12</p> <p>overcoming (1) 28:18</p> <p>overview (1) 10:24</p> <p>owe (3) 19:4;35:24; 36:5</p> <p>own (8) 6:4;14:1;34:6; 40:20;61:3,9,19;62:1</p> <p>P</p> <p>paid (14) 12:16;18:2; 21:21,22,24;23:6;</p>	<p>24:17;26:7;27:14,16, 19;29:7;35:23;36:6</p> <p>panel (1) 6:22</p> <p>panoply (1) 6:17</p> <p>paragraph (1) 35:6</p> <p>parse (1) 53:7</p> <p>part (1) 62:8</p> <p>participant (1) 6:22</p> <p>participants (1) 42:19</p> <p>participate (2) 28:17; 42:16</p> <p>participated (1) 6:20</p> <p>participating (2) 11:16; 12:10</p> <p>particular (3) 11:12; 20:14;56:1</p> <p>particularly (1) 7:2</p> <p>parties (2) 20:11;41:3</p> <p>partners (1) 14:6</p> <p>partnership (2) 7:25; 9:11</p> <p>parts (1) 36:10</p> <p>party (1) 51:22</p> <p>passed (1) 25:10</p> <p>past (3) 8:3;14:19;56:1</p> <p>Paton (37) 3:20,22,22; 4:13,15,23,24;37:13; 41:23,24,25;43:14,20, 22,25;44:3,4,6,18,19; 47:10,11;48:12;49:8,9; 50:3,4;54:25;55:1; 57:3,4,15,16;62:19,20, 24;63:1</p> <p>Paula (1) 8:5</p> <p>pay (21) 18:8,15;23:1; 26:19,21;27:1,11;28:4, 6;29:18,20,21,23;32:3; 34:21;35:16,24;36:21; 38:20;39:11;40:20</p> <p>paying (2) 29:10;36:18</p> <p>payment (6) 15:20; 17:21;20:18;23:6; 35:15;38:4</p> <p>penalties (1) 25:18</p> <p>penalty (5) 19:8;25:4, 13,14,15</p> <p>people (8) 7:10;9:9,14; 25:10;28:14,17;59:24; 60:9</p> <p>percent (1) 36:5</p> <p>Perhaps (5) 3:15;37:9; 41:16;54:10,24</p> <p>period (1) 18:11</p> <p>periods (1) 19:2</p> <p>person (3) 15:22; 19:23;52:17</p> <p>personal (1) 59:10</p> <p>personally (4) 38:2; 41:8;46:11;60:20</p> <p>perspective (2) 7:3; 46:23</p> <p>perspectives (1) 47:14</p> <p>petition (1) 34:11</p>	<p>Phase (9) 15:20,20,21, 21;35:12,15;36:4,4,5</p> <p>Phoenix (1) 59:9</p> <p>piece (3) 16:15;31:16, 17</p> <p>place (1) 16:9</p> <p>places (1) 35:5</p> <p>plan (1) 60:23</p> <p>pleading (3) 51:7; 52:22;55:25</p> <p>please (4) 3:12,14; 10:17;37:22</p> <p>pleased (1) 10:2</p> <p>pleasure (1) 60:25</p> <p>pocket (1) 40:20</p> <p>point (27) 6:10;14:15; 18:25;19:1,5,9,12; 23:21,23;24:19;25:6; 26:5,23;31:8;33:12,18; 34:4;37:5;38:4,11,22; 39:16;40:5;41:20;48:8; 51:10;58:25</p> <p>pointed (1) 24:23</p> <p>points (1) 23:13</p> <p>political (13) 13:17; 14:7;16:2,14,25;21:13, 25;31:1,19;32:22,23; 33:7;58:24</p> <p>position (10) 30:9,12, 14,18,19;39:9;40:6; 44:1,2;47:3</p> <p>possible (6) 4:3;5:4; 10:20;46:14;50:10,17</p> <p>posture (1) 51:16</p> <p>potentiality (1) 38:9</p> <p>Power (45) 10:21;11:4; 12:9,19,22,24;13:12, 13,14,20,25;17:18; 19:25;20:1;21:7,11; 26:7,13;27:13,15,17; 29:4;30:19,21,24; 32:22,23;33:5;34:8,10, 12,16;35:7;36:18,21; 38:2;39:11,21;40:16; 50:11,12,20;55:24; 58:16,23</p> <p>Powers (1) 26:6</p> <p>practical (2) 46:23; 52:16</p> <p>practice (5) 15:16,16; 32:11,12;40:22</p> <p>practices (1) 59:1</p> <p>precise (1) 31:7</p> <p>precisely (2) 30:18; 33:20</p> <p>predatory (1) 40:21</p> <p>preliminary (1) 51:10</p> <p>present (3) 3:18;21:3; 49:15</p> <p>presentation (1) 11:21</p> <p>presented (1) 39:21</p> <p>presents (1) 11:2</p> <p>pretty (1) 16:19</p>
---	---	---	--	---

<p>prevent (2) 23:4;36:15 prevents (1) 38:23 previous (1) 38:25 primary (10) 17:24; 18:1,6,7,8;19:2;20:2,3; 35:19;39:3 prior (1) 44:22 private (1) 60:13 privy (1) 52:13 probable (1) 14:19 probably (4) 3:6;8:9,10; 25:8 problem (1) 46:24 proceed (2) 14:21; 47:20 proceeding (1) 43:4 proceedings (1) 63:7 proceeds (1) 28:7 process (2) 8:20;9:9 prohibit (2) 47:19,23 project (2) 7:7,10 promises (2) 34:20; 38:19 promising (1) 40:4 props (1) 61:22 provide (3) 20:6;21:21; 27:16 provided (8) 15:20,24; 26:6,12;27:13,14,19; 35:12 providing (3) 13:23; 27:18;31:21 public (11) 13:16;23:1; 35:19;45:2;57:23;58:2, 4,5,9;61:1,24 published (1) 9:22 pull (2) 55:10,11 purchase (2) 34:13; 36:22 purely (1) 36:2 purpose (9) 13:15,18, 20;14:4;31:20;32:7; 33:10,16;38:16 purposes (2) 12:23; 55:16 pursuing (1) 40:11 put (7) 6:21;9:12,14; 19:14;21:11;25:11; 39:9 puts (2) 30:11,13 putting (1) 5:21</p>	<p>13,18;25:14;29:6 quick (4) 33:14;42:24; 45:15,21 quite (2) 15:14;32:14 quorum (2) 4:1;59:16 quote (3) 22:17;26:23; 34:8</p>	<p>related (1) 22:13 relatedly (1) 31:23 relates (2) 50:12;52:24 relevant (1) 33:18 relied (1) 39:20 remain (1) 59:11 remaining (1) 42:19 remedies (1) 24:24 remedy (2) 24:18,22 remember (1) 16:21 reminded (1) 9:19 repay (4) 12:15;22:12, 16;39:1 repayment (2) 19:16; 39:1 report (3) 5:5;6:16;37:1 reporter (9) 8:3,5; 42:23;43:2,4,17,18; 56:24,25 reporting (1) 36:7 reports (5) 13:25;14:14, 16;21:14,15 represent (2) 38:1; 60:17 representative (1) 52:7 representing (1) 60:6 represents (1) 51:23 requested (2) 34:10; 38:3 requesting (1) 14:20 required (1) 60:12 requirement (1) 48:18 requires (1) 28:5 reschedule (1) 61:3 rescheduling (1) 58:6 research (1) 46:21 resident (1) 59:9 resolve (1) 55:23 resolved (1) 52:13 respect (2) 12:22;51:2 respected (1) 22:19 respond (1) 29:12 responding (1) 58:8 response (8) 10:14; 19:21;20:6;21:3;23:11; 37:15;53:22;62:6 responsibility (1) 37:1 responsive (3) 28:20; 51:7;55:25 responsiveness (1) 52:20 result (1) 58:5 results (1) 30:23 resumes (2) 45:3;57:24 return (1) 42:20 reverse (1) 32:23 right (19) 3:24;4:18; 9:22;19:20;23:8;27:20; 29:15,21;36:6,7;39:15; 49:5;52:17;53:21; 54:22;55:6;57:11; 62:17,21 risk (2) 29:5;30:2</p>	<p>Rivko (4) 59:6,6,8; 60:24 road (1) 31:1 role (2) 6:25;8:20 roll (1) 4:19 room (5) 42:15,17,19, 20;43:11 Rule (4) 50:22,22,25; 51:19 rules (13) 12:18;13:8; 16:20;19:17;32:5; 34:17;38:17;40:19; 47:18,23;49:16;58:15; 59:2 ruling (1) 38:14 run (1) 21:18 running (1) 40:3</p>	<p>13:23;15:20,23;16:17, 18;20:2;21:21;23:5; 27:14,16,18;31:21; 34:22;35:12;38:21 serving (1) 61:9 session (23) 11:14,19; 42:1,10,16,18,25; 43:10;44:7,22,25;45:2; 53:5;54:9,11;55:18; 56:13,16;57:2,5,19,21, 23 set (2) 39:3;45:6 sets (2) 17:21,22 setting (1) 35:15 settle (1) 52:9 settled (1) 29:14 several (2) 6:18;55:9 shakes (1) 36:9 shall (5) 34:18;35:13, 16;38:18;45:12 share (1) 9:11 sharing (2) 9:4,10 show (1) 23:24 sick (1) 60:18 side (2) 29:8;43:24 sign (2) 19:9;36:14 signatures (4) 34:11, 13;35:22;36:22 signed (3) 18:17;20:11; 34:15 significant (3) 22:4; 41:4;60:10 signing (1) 39:19 similar (1) 48:11 simple (1) 13:3 simply (1) 24:15 single (1) 35:4 sites (2) 5:16,16 situation (2) 49:16; 61:17 situations (2) 25:5;41:2 six (1) 52:12 skill (1) 8:8 slash (1) 23:1 Sloan (35) 12:11,15; 13:23,23,24;15:19; 16:16;17:17;18:14,15, 16;23:1;27:2;31:1; 32:21;34:7,9,9,17; 35:8;36:22,23;37:2,19, 20,21,23;40:25;41:1,6, 15;58:11,12,13;59:5 Sloan's (2) 30:20;36:25 somebody (1) 41:12 somehow (1) 31:10 someone (4) 21:23; 36:18,21;49:1 sometimes (2) 29:16,17 somewhat (1) 30:12 son (1) 61:4 soon (1) 19:25 sooner (1) 54:3 sorry (15) 5:17;11:6;</p>
<p>Q</p> <p>qualification (3) 16:4; 18:15;28:2 qualified (3) 23:1;27:2; 36:23 qualifies (3) 34:24; 35:3,19 qualify (6) 15:23;19:2, 23;29:7;35:25;40:13 qualifying (7) 24:5,9,10,</p>	<p>R</p> <p>R2-20-110b5 (1) 38:16 race (1) 16:23 raised (1) 33:24 reach (1) 60:13 reached (1) 10:3 read (2) 35:21;62:8 real (7) 23:25;24:24; 33:13;45:21;46:1; 51:20;56:3 realize (1) 60:8 really (11) 13:4;24:1; 25:10;36:8,15;39:16; 46:20;48:14;52:10; 60:9;61:23 realm (2) 21:20;25:20 reason (12) 12:11,20, 21;13:6,6,12;14:19; 17:19;25:4;31:18;33:8; 48:8 reasonable (2) 39:24; 50:25 reasons (1) 23:11 Rebecca (1) 22:19 receipt (2) 23:7;35:23 receive (1) 38:24 received (2) 5:22;12:7 receives (2) 15:22;23:5 recert (2) 6:13,15 recommendation (1) 10:24 recommendations (2) 46:4;60:5 recommending (1) 51:18 reconsider (1) 58:21 record (4) 3:15;11:15, 21;60:14 recorded (1) 36:24 redistricting (3) 8:19,20; 9:3 reference (1) 5:25 refers (1) 14:5 regard (1) 22:13 regarding (2) 20:6,18 regardless (1) 36:8 regards (1) 39:4 register (1) 16:25 regulation (1) 25:16 regulations (1) 23:4 regulatory (4) 5:5;22:4; 23:16,19 regurgitation (1) 23:12 reimbursed (1) 26:13</p>	<p>S</p> <p>sadly (1) 61:16 same (3) 31:14;33:8; 35:10 saw (1) 16:15 saying (4) 33:6;37:7, 25;53:3 scandal (1) 61:19 scenarios (1) 41:18 schedule (1) 59:19 scheduling (2) 55:3; 58:20 school (4) 5:18;6:2,2; 7:16 seating (1) 52:20 second (15) 4:12,15, 18;44:10,12;45:16; 49:6,13,16,19,22;57:8, 10;62:18,20 seconded (1) 49:2 Secretary (5) 6:8,21; 7:8;23:17;52:10 section (2) 44:24;57:20 seem (1) 20:12 seems (3) 26:11;38:25; 61:17 send (3) 24:11,12; 25:12 sending (1) 62:8 sense (1) 22:2 sent (4) 24:3,7;34:17; 40:14 separate (7) 16:13,24; 17:15;42:9;44:25; 48:20;57:21 September (6) 7:5; 12:17;34:9;35:23; 36:19,21 serious (2) 13:4;31:6 serve (1) 61:12 service (10) 13:22; 15:17,18;16:7;17:19, 25;18:5;26:6,12;35:7 services (16) 8:7;</p>		

30:16;33:24;34:3;37:8; 43:2;46:18,19;50:15; 54:17,20;55:7;56:19; 62:4 sort (4) 25:19;46:16; 53:1,11 Sota (20) 11:1,3;17:5; 21:2,5,6;25:23;26:2, 16;27:13,21;29:12,15; 30:2;31:8;32:11;33:4, 5;40:15;41:6 Sota's (5) 19:1;31:18, 20;36:20;44:2 sought (1) 32:24 sounds (2) 29:4;30:8 speak (6) 5:15;9:15; 11:3;33:4;41:6,22 speaking (3) 41:15; 52:5;59:8 specific (3) 22:21; 26:24;38:12 specifically (1) 34:17 spending (2) 32:7; 34:13 spent (1) 39:3 Staff (3) 14:15;19:13; 58:6 Staff's (2) 13:7;51:21 stage (2) 14:19,20 stance (1) 40:23 standards (1) 41:17 start (4) 3:15;8:23; 34:10;37:25 started (2) 11:21;60:9 starts (1) 30:19 State (9) 6:21;7:9; 23:18;34:17;51:22,23, 25;52:7,14 stated (3) 15:19;38:7; 48:12 statement (1) 23:11 states (1) 38:16 State's (1) 6:8 statute (4) 24:4,5,8,10 stay (2) 42:18,19 still (8) 6:12,14;19:8; 21:9;23:15;36:5;42:5; 61:8 stop (1) 46:11 storytelling (3) 7:7,10, 10 strategy (3) 54:6;56:10; 57:5 strong (1) 47:6 strongly (1) 48:14 study (1) 58:6 stuff (2) 51:1,6 stymie (1) 48:13 subdivisions (1) 5:18 subject (2) 13:21;25:16 submit (2) 35:13;60:7 sued (1) 38:2 suggestions (1) 58:4	suit (1) 22:13 sums (1) 8:10 Superior (1) 22:20 support (2) 14:5;30:22 supporting (1) 13:15 supportive (1) 28:15 supposed (2) 25:19; 36:17 Sure (10) 15:6;17:3,10, 13;20:10,20;30:6; 37:21;45:14;62:7 surprising (1) 28:10 system (2) 28:15,17	52:21;55:11;59:14 together (1) 5:21 told (2) 39:10,13 Tom (28) 5:7;8:17; 9:18,24;10:18,23;11:2, 5,15;18:21,24;30:7,8; 33:1;36:9;43:20,22,23; 45:6;46:2,5;48:4,9,21; 50:13;53:21;54:12; 56:17 Tom's (1) 48:13 took (2) 17:17,18 towards (1) 46:12 TPOF (4) 13:22;15:19; 18:14;32:5 training (1) 6:7 tribal (1) 6:20 tried (1) 36:11 triggered (1) 32:6 trip (1) 61:4 TRO (1) 51:10 trouble (2) 3:6;16:23 true (5) 14:11;33:7,16; 36:3,4 try (3) 17:11;25:21; 52:8 trying (6) 36:1;53:2,16; 56:3;59:18;61:21 turn (2) 32:21,24 turns (1) 39:25 two (3) 16:13;50:6;60:7 type (2) 15:3;30:22	V valid (5) 22:24;39:5,7, 18,18 validity (2) 20:7;58:14 Valley (1) 7:9 variety (2) 5:23;6:25 various (1) 5:17 vendor (5) 21:11,12,23, 25;24:22 vendors (3) 21:18,21; 25:3 versus (3) 29:2;50:11; 52:14 VI (1) 50:10 view (4) 13:7;14:11; 51:21;52:12 views (1) 52:7 VII (1) 58:1 VIII (1) 62:11 village (1) 43:21 violation (12) 12:21; 13:8;16:20;24:15; 30:10,11,11,13;32:4; 39:8;40:18,19 virtually (1) 10:23 virtue (2) 30:9,13 vis-a-vis (1) 23:17 void (4) 31:25;32:1; 33:15,17 vote (23) 4:20,24,25; 5:1;44:14,15,20;47:8, 20;49:3,3,24;50:1,5,6; 57:12,13,17,18;62:22, 25;63:2,3 voter (2) 6:17;59:9 votes (1) 4:22 voting (1) 7:11	whole (1) 24:20 who's (2) 8:2;12:8 wife (1) 38:2 willing (1) 29:4 win (1) 33:10 wisely (1) 21:8 wish (3) 33:4;58:9;62:5 within (4) 18:12;31:21; 35:17;39:2 without (3) 8:6;29:9; 32:9 wonder (1) 16:13 wonderful (2) 9:17; 61:21 wondering (1) 34:1 words (2) 17:16;52:20 work (3) 15:3,4;48:13 working (2) 9:19;11:15 works (1) 21:20 worst (2) 24:10,12 written (3) 5:2;16:3; 40:19 wrong (2) 27:24;33:19 wrote (1) 40:15
	T			X
	table (5) 46:13;47:9; 48:5;49:9,24 tabled (1) 54:1 tabling (3) 47:19;48:2,4 talk (7) 8:21;52:4; 53:19;54:7,21;57:5; 60:19 talked (1) 17:17 teacher (2) 7:15,15 team (1) 9:4 teaming (1) 9:3 technically (1) 55:10 telling (1) 25:8 tells (1) 25:3 ten (1) 35:14 term (2) 61:8,13 termination (3) 20:15, 17;35:18 terms (9) 17:22;19:12; 20:12,18;22:5;29:2; 31:23;34:25;53:7 terribly (1) 33:18 Thanks (1) 10:18 Thanksgiving (1) 51:8 therefore (6) 15:23; 16:19;20:1;29:7;36:6; 59:25 thinking (1) 29:6 THOMAS (2) 43:16; 55:7 though (1) 46:12 thought (1) 16:17 thoughts (1) 54:18 three (7) 5:1;9:5;44:21; 49:14;50:21;57:18; 63:3 Thursday (1) 61:6 Thursdays (1) 59:14 Tim (6) 11:1;17:5;30:7; 45:10,11,19 timetable (1) 27:23 timing (3) 20:16;53:8; 61:5 Timothy (1) 21:6 Titla (1) 6:19 today (8) 3:8;4:1; 12:25;46:16;49:15;	U unavailable (1) 55:4 unavoidable (1) 51:4 under (14) 12:18; 13:17,22;14:2,8;19:16; 21:24,24;24:8;27:3; 31:24;36:20;44:25; 57:21 undermined (1) 16:5 understood (2) 58:16, 16 undisputed (1) 35:16 unique (1) 29:19 unreasonable (1) 31:9 until/if (1) 27:2 up (10) 3:6;6:23;8:10; 9:3;15:24;17:24;25:2; 45:25;54:19;62:2 upcoming (1) 60:8 update (1) 5:6 updates (1) 5:5 upfront (1) 18:10 upon (4) 23:6;32:14; 34:19;38:19 upshot (2) 18:4;51:7 use (1) 48:22 used (3) 35:8,8,9 using (1) 7:16 usual (1) 61:6	W waive (1) 19:16 waking (1) 3:6 wants (4) 21:10;22:9, 10;40:17 warranted (1) 58:22 watershed (1) 48:17 way (15) 12:5;15:10; 16:21;19:14;21:20; 28:10,11,14,17;36:13; 47:2,6;53:19;59:23; 60:17 ways (2) 36:11;40:17 website (4) 5:19;6:3; 7:6;9:12 week (3) 7:5;54:4,23 weigh (2) 47:25;48:15 welcome (2) 11:23; 12:4 what's (5) 3:7;24:22,22; 25:13,15 Whereupon (1) 63:7	Y year (2) 12:6,7 years (4) 16:22;52:12; 60:6;61:12 yesterday (2) 59:14; 61:5
				Z
				zero (5) 5:1;35:6; 44:21;57:18;63:3 Zoom (1) 60:18
				1
				1 (8) 15:20,21;23:20; 24:14;30:25;35:13,15; 36:4 10:39 (1) 45:3 100 (1) 36:5 11:06 (1) 57:24 11:13 (1) 63:8 110 (1) 50:22 13th (1) 50:18 16-941 (1) 25:1
				2
				2 (7) 15:20,21;23:20, 20;31:4;35:6;36:4 2019 (3) 34:9;36:19,21 2020 (2) 12:12,23 2021 (4) 3:9;4:4,10;

12:13 20th (1) 55:5 21-01 (1) 10:21 22 (1) 31:11 22nd (1) 50:19 23rd (1) 53:23 24 (1) 39:2 29th (3) 3:9;4:4,10 2nd (1) 5:12				
3				
3 (1) 36:5 30 (1) 35:17				
4				
43 (1) 25:1 4th (1) 55:4				
9				
9:30 (1) 3:9				

**CITIZENS CLEAN ELECTIONS COMMISSION
EXECUTIVE DIRECTOR REPORT
December 16, 2021**

Announcements:

Congratulations to Avery for completing his Masters in Public Administration from Arizona State University!

The Legislative Session begins on January 10, 2022 at noon. Bills are already prefiled.

Voter Education:

Avery met with Chair Erika Neuberg regarding outreach and education tactics for the community.

Gina served as a judge for the We the People regional competitions on Saturday, December 11th. We the People, the Citizen and the Constitution is led by the Center for Civic Education and promotes the teaching and learning of the Constitution and the Bill of Rights.

Gina served as a panelist for the CCEC sponsored Morning Scoop event, 2022 Midterm Elections, along with Maricopa County Elections Director Scott Jarrett, Secretary of State Information Security Office Ken Matt, and Paul Senseman with Policy Development Group.

Gina participated in the Secretary of State's Election Security and Election Communications monthly meetings.

Tom attended the joint meeting of the County Recorders and County Elections Officials at the Arizona Association of Counties Annual Conference.

Avery and Gina met with ASU's Center for Political Thought and Leadership to discuss CCEC's civic curriculum and potential partnerships.

Avery and Gina met with the Center for the Future of Arizona to discuss collaboration in school participatory budgeting elections.

Chairwoman Chan and Gina attended the Democracy Fund State Association Conference.

Avery and Gina participated in Spot127's youth produced video on election information.

Gina met with the Carter Center to discuss election observers at the polls.

Gina attended a panel discussion regarding housing and homelessness (with regards to CCEC's voters without a permanent address education materials).

Gina attended the Flinn Brown annual convention regarding media and message.

Avery attended meetings with the Arizona African American Legislative Committee.

Avery attended meetings with the Educational Momentum Action Team.

Gina and Alec met with Democracy Works regarding their Voting Information Project.

The 2022 Voter Education Plan will be presented to the Commission in January.

Administration:

Our next commission meeting is scheduled for Thursday, January 27, 2022. At the January meeting, the Commission will discuss and take possible action on future meeting dates for 2022.

- **Arizona Auditor General Audit**
 - Paula and Mike coordinated our work with the Auditor General's Office on the statutory audit required by A.R.S § 16-949.
- **Outstanding legal matters**
 - Legacy Foundation Action Fund
 - Awaiting decision
 - The Power of Fives, LLC v. Clean Elections, CV2021-015826, Superior Court for Maricopa County
 - Answer filed.
 - Election cases involving Arizona including:
 - Arizona Democratic Party v. Hobbs, Ninth Circuit Court of Appeals, Dec. 8, 2021
 - In a 2-1 decision, the Court overruled a district court opinion that had held it was unconstitutional not to provide voters who fail to sign return envelopes with mail ballots the same five days offered to those whose signatures may be mismatched. Consequently, Arizona law is not changed. <https://cases.justia.com/federal/appellate-courts/ca9/20-16759/20-16759-2021-12-08.pdf?ts=1638986598>.
 - Sign your mail ballot return envelope!
 - Torgeson v. Town of Gilbert, CV2021-017974, Superior Court for Maricopa County.
 - Election contest. Law suit arose out of Town's decision to remove signs against a local bond issue. Motion to dismiss argues that an election challenge is not an appropriate vehicle for this suit, but adds that it was appropriate for town to take down signs because they were not posted by a political committee. <https://www.abc15.com/news/region-southeast-valley/gilbert/man-sues-to-void-election-after-arizona-town-removed-political-signs>.
- **Appointments**
 - No additional information at this time

Enforcement

- MUR 20-04, Sloan, pending.
 - MUT 21-01, TPOF, pending.
- **Secretary of State**
 - Gina, Alec, Avery, Julian, Tom and Chairwoman Chan completed election officer certification or recertification training through the Arizona Secretary of State's Office.
 - Last week, Secretary Hobbs released a letter criticizing the Attorney General's office over its handling of the Election Procedures Manual. The deadline, in theory, for approval of the manual, is Dec. 31.
 - The letter and related materials are available, please contact staff.
- **Legislative**
 - Mike, Julian and Avery have begun working with legislative staff on Clean Elections issues.

Regulatory Agenda 2022

The Commission will complete its substantive work on the 2021 regulatory agenda with the rule amendment before it today.

Currently, staff has no plans for additional rule amendments or other rulemaking actions. Staff will continue to monitor legislative and administrative activity to ensure its rules are up to date. For more information on rules email ccec@azcleaselections.gov.

Doug Ducey
Governor

Thomas M. Collins
Executive Director



Amy B. Chan
Chair

Mark S. Kimble
Damien R. Meyer
Steve M. Titla
Galen D. Paton
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

MEMORANDUM

To: Commissioners

From: Thomas Collins, Executive Director and Mike Becker, Policy Director

Date: December 16, 2021

Subject: Proposed 2022 Calendar Year Budget

The Commission operates under system of caps that operate on a calendar year basis. We are asking the Commission to approve:

1. the 2022 expenditure cap (\$); \$23,919,756
2. the 2022 administration and enforcement expenditure cap (\$); \$2,391,976
3. the 2022 public education (paid media) expenditure cap (\$); \$2,391,976
4. the projection of 2022 candidate funding disbursements (\$); \$5,915,894
5. the projection of no excess funds in the Clean Elections Fund in 2022.

Expenditure Cap on Total Expenses

In compliance with A.R.S. § 16-949, the Commission projects an expenditure cap for each calendar year for all expenses under the Act, including candidate funding. *Id.* That expenditure cap, in turn, may be exceeded during a four-year period so long as the difference is made up by a cap reduction in a subsequent year. *Id.*

The Commission's projected expenditure cap for 2022 is \$23,919,756

Specific Categories of Expenses

The Commission categorizes operating expenses using four categories under the expenditure cap: Administration/Enforcement, Public Education, Voter Education and Candidate Funding. Our overhead costs are apportioned by a 50/50 split between Administration/Enforcement and Voter Education. Personal Services and Employee Related Expenses are apportioned by allocated staff-time between administration/enforcement and voter education responsibilities.

Administrative/Enforcement

The Clean Elections Act ("Act") permits the Commission to spend up to 10 percent of the calendar year expenditure cap for administrative and enforcement costs (A.R.S. §16-949 (B)). Administrative and Enforcement expenditures are projected at 60% of the expenditure cap (\$). \$1,450,200.

Public Education

The Commission may apply up to ten percent of the yearly expenditure cap for reasonable and necessary expense associated with public education, including participation and the purposes of the Act. A.R.S. §16-949 (C). Public education expenditures are projected at \$2,00,000.

Voter Education and Implementation of the Act

The Commission may make reasonable and necessary expenditures to implement the Act, including expenditures for voter education pursuant to A.R.S. 16-956(A). A.R.S. § 16-949(D) These expenditures are not subject to any cap. Id. Voter Education and Implementation Expenditures are projected at \$4,700,000.

Candidate Funding

Section 16-954(c) provides that the Commission annually project the “amount of clean elections funding for which all candidates will have qualified. . . for the following calendar year.”

There will be \$5,915,894 in candidate funding in calendar year 2022.

Other Projections

The Act provides that the Commission make two projections each year relating to the balance of and availability of funds in the Clean Elections Fund.

Section 16-954(B) provides that the Commission shall project the amount of money that will be collected in the fund over the next four years and the availability of those funds. The statute instructs the Commission to compare that projection to projected expenditures “under the assumption that expected expenses will be at the expenditure limit in § 16-949, subsection A” to determine whether there are “excess monies” in the fund.

This year, staff recommends that the Commission determine that there are no excess monies in the fund based on the chart below.

Calendar Year	2022	2023	2024	2025
Projected Revenue	\$6,193,500	\$6,003,500	\$6,061,000	\$6,003,500
Projected Expenses (Assuming at expenditure limit)	\$23,919,756	\$23,919,756	\$23,919,756	\$23,919,756
Difference	\$(17,726,256)	\$(17,916,256)	\$(17,858,756)	\$(17,916,256)

Section 16-954(C) also provides that the Commission shall annually “announce whether the amount that the [C]ommission plans to spend the following year pursuant to § 16-949[A] . . . exceeds the projected amount of clean elections funding.” The statute continues by stating that if the Commission “determines that the fund contains insufficient monies or the spending cap would be exceeded were all candidates’ accounts fully funded,” then the commission may take steps to adjust the funding available to candidates.

Staff believes that the fund contains sufficient monies to fully fund participating candidates in 2022 without exceeding the expenditure cap, as adjusted for carryover funds as described above. Therefore, staff does not recommend that the Commission take steps to adjust candidate funding.

**Citizens Clean Elections Commission
2020 Admin Expenditure Projections**

1

	2021 Actuals (as of Nov 10)	2022 Projections
<i>Expenses</i>		
Personal Services	\$ 262,145	\$ 490,000
ERE	99,922	180,000
Professional & Outside Services		
Attorney General Legal Services	47,325	65,000
External Legal Services	52,977	130,000
Temperary Agency Services	35,156	50,000
Other Professional Outside Services	167,294	200,000
<i>Total Professional & Outside Services</i>	<u>302,752</u>	<u>445,000</u>
Travel-In State	-	8,000
Travel Out-of-State	0	1,500
Other Operating Expenditures		
Risk Management Charges	1,450	2,000
DOA Finance Divison	1,455	2,500
Other External Data Processing	26,099	32,000
External Telecomm Charges	6,303	6,000
Other External Telecom Service	-	6,500
AFIS Usage and Development	1,033	1,100
Rent Charges to State Agency	74,200	75,000
Rental of Other Machinery & Equip	-	500
Miscellaneous Rent	-	1,000
Internal Acct/Budg/Financial Services	4,250	5,000
Repair & Maintenance - Other Equip	1,188	3,500
Other Repair & Maintenance	-	2,000
Software Support and Maintenance	-	1,500
Office Supplies	-	2,500
Other Operating Supplies	-	200
Conference, Education & Training Reg.	169	3,500
Advertising	2,990	2,500
External Printing	2,625	3,500
Postage & Delivery	687	2,500
Awards	-	300
Dues	585	600
Books Subscriptions & Publications	3,772	10,000
Other Miscellaneous Operating	-	500
<i>Total Other Operating Expendtiures</i>	<u>126,806</u>	<u>164,700</u>
Aid to Individua/Organization	-	13,000
Capital Equipment	-	-
Non-Capital Equipment	11,101	25,000
Transfers (other state agencies)	-	10,000
Total Expenses	<u>\$ 802,726</u>	<u>1,337,200</u>

Citizens Clean Elections Commission
2020 Voter Public Education Expenditure Projections

1

	2021 Actuals (as of Nov.10)	2022 Projections
<i>Expenses</i>		
Personal Services	\$ 238,890	\$ 490,000
ERE	85,866	180,000
Professional & Outside Services		
Public Ed- Paid Media	769,789	2,000,000
Reister Debates	587,127	1,700,000
Attorney General Legal Services	47,325	65,000
Temporary Agency Services	63,672	220,000
Other Professional Outside Services	59,772	3,075,000
<i>Total Professional & Outside Services</i>	<u>1,527,685</u>	<u>7,060,000</u>
Travel-In State	-	3,000
Travel Out-of-State	-	3,000
Other Operating Expenditures		
DOA Financial Division	1,455	1500
Risk Management Charges	1,450	1,500
Other External Data Processing	868	40,000
AFIS Usage and Development	1,033	1,100
External Telecom Charges	6,509	8,000
Other External Telecom Service	-	6,500
Rent Charges to State Agency	74,200	75,000
Rental of Info Tech Equipment	-	900
Rental of Other Machinery and Equipment	-	2,000
Miscellaneous Rent	-	10,000
Internal Acct/Budg/Financial Services	4,250	4,500
Repair & Maintenance - Info Tech PCLAN	-	500
Repair & Maintenance - Buildings	-	500
Repair & Maintenance - Other Equip	1,179	3,500
Other Repair & Maintenance	-	2,000
Software Support and Maintenance	583	1,500
Uniforms	-	500
Office Supplies	23	500
Computer Supplies	-	300
Other Operating Supplies	38	1,500
Conference Education & Training Reg.	1,486	6,000
Advertising	11,036	4,000
Employee Tuition and Training	1,966	2,500
External Printing	957,212	1,200,000
Postage & Delivery	583	550,000
Awards	-	
Entertainment & Promo Items	-	10,000
Other Miscellaneous Operating	-	5,000
Dues	-	500
Books, Subscriptions & Publications	1,585	2,500
<i>Total Other Operating Expenditures</i>	<u>1,064,001</u>	<u>1,940,800</u>

Citizens Clean Elections Commission
2020 Voter Public Education Expenditure Projections

Capital Equipment		
Non-Capital Equipment	11,882	40,000
Transfers (other state agencies)	-	10,000
<i>Total Expenses</i>	<u>\$ 2,382,891</u>	<u>9,726,800</u>

**Citizens Clean Elections Commission
Revenue Projections - 4 years**

	2021 Actuals	2022	2023	2024	2025
<i>Revenues</i>					
Court Assessments	\$ 5,533,009	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Commission Assessments	1,558	4,000	1,500	4,000	1,500
\$5 Tax Donations	-	-	-	-	-
\$5 Candidate Qualifying Contributions	-	185,000	-	50,000	-
Miscellaneous	31,219	7,000	2,000	7,000	2,000
Total Revenues	\$ 5,565,786	\$ 6,196,000	\$ 6,003,500	\$ 6,061,000	\$ 6,003,500

**Citizens Clean Elections Commission
2022 Expenditure Caps
A.R.S. §16-949**

Expenditure Cap	Amount
Total Expenditure Cap	\$23,919,756
Public Ed Paid Media	\$2,391,976
Admin & Enforcement	\$2,391,976

2021 Tax Filers	Spending Limit Coefficient
3,417,108	\$7

Citizens Clean Elections Commission
Expenditure Cap Spending and Fund Balance Projection

Calendar Year	Beginning Fund Balance	Revenues	Expenditure Cap	Ending Fund Balance
2018	\$ 26,808,607	\$ 6,028,168	\$ 20,668,270	\$ 12,168,505
2019	\$ 12,168,505	\$ 5,961,265	\$ 20,932,604	\$ (2,802,834)
2020	\$ (2,802,834)	\$ 5,923,918	\$ 21,704,634	\$ (18,583,550)
2021	\$ (18,583,550)	\$ 5,565,786	\$22,974,427	\$ (35,992,191)
2022	\$ (35,992,191)	\$6,193,500	\$22,974,427	\$ (52,773,118)

Citizens Clean Elections Commission
Expenditure Cap/Excess Funds Projections - 4 years

Calendar Year	Beginning Fund Balance	Projected Revenues	Projected Expenditure Cap	Ending Fund Balance
2022	\$31,455,508	\$6,193,500	\$23,919,756	\$13,729,252
2023	\$13,729,252	\$6,003,500	\$23,919,756	(\$4,187,004)
2024	(\$4,187,004)	\$6,061,000	\$23,919,756	(\$22,045,760)
2025	(\$22,045,760)	\$6,003,500	\$23,919,756	(\$39,962,016)

Citizens Clean Elections Commission
Anticipated Fund Balance Projections - 4 Years

Calendar Year	Beginning Fund Balance	Projected Revenues	Projected Expenditures	Ending Fund Balance
2021	\$28,447,293	\$6,193,500	\$4,597,000	\$30,043,793
2022	\$30,043,793	\$6,813,000	\$18,000,000	\$18,856,793
2023	\$18,856,793	\$6,506,000	\$5,000,000	\$20,362,793
2024	\$20,362,793	\$6,713,000	\$12,000,000	\$15,075,793

Citizens Clean Elections Commission
2022 Candidate Funding Projection

<i>Calendar Year</i>	2018	2019	2020	2021	2022 Projection
<i>Candidate Funding</i>	\$8,973,613	\$0	\$2,883,648	0	\$5,915,894

**Citizens Clean Elections Commission
2022 Candidate Funding Projections**

2022 Primary Funding Projections				2022 General Funding Projections			
Office	Participating Candidates	Primary Funding Amt.	Funding Total	Office	Participating Candidates	General Funding Amt.	Funding Total
Governor	1	\$ 854,567	\$ 854,567	Governor	1	\$ 1,281,851	\$ 1,281,851
Secretary of State	1	\$ 221,442	\$ 221,442	Secretary of State	1	\$ 332,163	\$ 332,163
Attorney General	1	\$ 221,442	\$ 221,442	Attorney General	1	\$ 332,163	\$ 332,163
Sup. of Public Instr.	2	\$ 110,698	\$ 221,396	Sup. of Public Instr,	2	\$ 166,047	\$ 332,094
Treasurer	2	\$ 110,698	\$ 221,396	Treasurer	2	\$ 166,047	\$ 332,094
Mine Inspector	2	\$55,367	\$ 110,734	Mine Inspector	2	\$ 83,051	\$ 166,102
Corp. Comm. (2 seats)	8	\$110,698	\$ 221,396	Corp. Comm (2 seats)	4	\$ 166,047	\$ 332,094
Legislature	20	\$ 17,293	\$ 221,442	Legislature	15	\$ 25,940	\$ 389,100
<i>Total Primary Funding for Statewide and Legislature</i>			<u>\$ 2,418,233</u>	<i>Total General Funding for Statewide and Legislature</i>			<u>\$ 3,497,661</u>
Total Candidate Funding for 2022 Election			<u>\$ 5,915,894</u>				

Doug Ducey
Governor

Thomas M. Collins
Executive Director



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

MEMORANDUM

To: Governor's Regulatory Review Council

From: Thomas M. Collins

Date: 10.26.2021

Subject: Economic, Small Business and Consumer Impact Statement R2-20-101

1. An identification of the proposed rule making.

R2-20-101. Amended.

2. An identification of the persons who will be directly affected by, bear the costs of or directly benefit from the proposed rule making.

Candidates for state and legislative office are directly affected, as are individual donors who may be related to candidates who, under this rule, will be limited by this rule amendment.

Other entities making expenditures or contributions in state or legislative elections are indirectly effected insofar as their decisions consider participating candidate activities.

3. A cost benefit analysis of the following:

(a) The probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the proposed rule making. The probable costs to the implementing agency shall include the number of new full-time employees necessary to implement and enforce the proposed rule. The preparer of the economic, small business and consumer impact statement shall notify the joint legislative budget committee of the number of new full-time employees necessary to implement and enforce the rule before the rule is approved by the council.

Agency probable costs: The agency does not anticipate any additional FTEs, nor additional costs, The agency's view is that this rule change is a necessary to align the Commission's rule with state statute and court rulings and not one that can or will increase any agency cost.

Agency probable benefits: The rule amendment is intended to ensure consistency across legal definitions where required by state law. This reinforces the statutory change and may provide a benefit by eliminating a definition that can cause confusion and increase compliance costs.

No other agency is directly affected.

(b) The probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the proposed rule making.

No political subdivision of this state is directly affected by the implementation and enforcement of this amended rule.

(c) The probable costs and benefits to businesses directly affected by the proposed rule making, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the proposed rule making.

Because this rule amendment ensures clarity of definitions, any business directly affected will benefit and incur no costs from the change. The benefit arises directly from the amendment, which can reduce compliance costs.

4. A general description of the probable impact on private and public employment in businesses, agencies and political subdivisions of this state directly affected by the proposed rule making.

The agency did and does not anticipate any impact on private or public employment in any of the directly affected communities.

5. A statement of the probable impact of the proposed rule making on small businesses. The statement shall include:

(a) An identification of the small businesses subject to the proposed rule making.

To the best of the agency's knowledge no small businesses are subject to its amended rule.

(b) The administrative and other costs required for compliance with the proposed rule making.

If there was a small business impact, it would be an decrease in compliance costs as indicated above.

(c) A description of the methods prescribed in section 41-1035 that the agency may use to reduce the impact on small businesses, with reasons for the agency's decision to use or not to use each method.

The agency would be open to any of the methods prescribed in section 41-1035. However, any anticipated impact is de minimis.

(d) The probable cost and benefit to private persons and consumers who are directly affected by the proposed rule making.

There is a probable cost to participating candidates, as well as donors too those candidates. On the other hand, the amendment ensures there is no conflict in the application of the extant statute to those individuals.

6. A statement of the probable effect on state revenues.

This rule amendment does not have a probable impact on state revenues.

7. A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule making, including the monetizing of the costs and benefits for each option and providing the rationale for not using nonselected alternatives.

The amendment proposes the least intrusive, least burdensome and least costly way of achieving the statute and rules goals based on the assessment that amending the rule to ensure the statute's application to affected parties is necessary.

8. A description of any data on which a rule is based with a detailed explanation of how the data was obtained and why the data is acceptable data. An agency advocating that any data is acceptable data has the burden of proving that the data is acceptable.

Not applicable.

C. If for any reason adequate data are not reasonably available to comply with the requirements of subsection B of this section, the agency shall explain the limitations of the data and the methods that were employed in the attempt to obtain the data and shall characterize the probable impacts in qualitative terms. The absence of adequate data, if explained in accordance with this subsection, shall not be grounds for a legal challenge to the sufficiency of the economic, small business and consumer impact statement.

The Commission amended this rule as a result of the passage of legislation in 2016 and a 2020 recent court of appeals decision.

NOTICE OF FINAL RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

PREAMBLE

1. Article, Part, or Section Affected (as applicable) Rulemaking Action
R2-20-101 Amend.
2. Citations to the agency's statutory rulemaking authority to include both the authorizing statute (general) and the implementing statute (specific):
Authorizing statute: A.R.S. § 16-956(A)(7)
Implementing statute: A.R.S. §§ 16-940, -941, 942, 956, 957, 958, 961.
3. The effective date of the rule:
 - a. If the agency selected a date earlier than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason or reasons the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):
An immediate effective date is necessary to ensure the rules are made consistent with statute and court decisions as soon as possible during the qualifying period set forth in the Clean Elections Act.
 - b. If the agency selected a date later than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason or reasons the agency selected the later effective date as provided in A.R.S. § 41-1032(B):
4. Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the final rulemaking package:
Notice of Rulemaking Docket Opening: 27 A.A.R. 1334 (August 27, 2021)
Notice of Proposed Rulemaking: 27 A.A.R.1297 (August 27, 2021)
5. The agency's contact person who can answer questions about the rulemaking:
Name: Thomas M. Collins
Address: Arizona Citizens Clean Elections Commission
 1616 W. Adams, Suite 110
 Phoenix, AZ 85007
Telephone: (602) 364-3477
E-mail: ccec@azcleelections.gov
Web site: azcleelections.gov
6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:
This amendment clarifies that the terms for family members defined in A.R.S. 16-901 also applies to restrict the pool of potential family members who may provide early contributions to

participating candidates in the state's Clean Elections funding program. . In 2016 Ariz. Sess. Laws Ch. 79 (Senate Bill 1516 (2016)) the Legislature broadened the definitions of family members in Article 1, Chapter 6 of Title 16, Arizona Revised Statutes. The result of this is that the narrower definition in the Commission rules should be stricken as inconsistent with existing law. The Clean Elections Act uses this definition as a limitation on contributions while Title 16, Chapter 6, Article 1 uses it to expand contributions not subject to campaign contribution limits. Nevertheless, this seems to reflect the intent of the Court of Appeals in *Arizona Advocacy Network v. State*, 475 P.3d 1149 (Ariz. App. 2020), that the Legislature may reverse and alter certain definitions without "amending" the Clean Elections Act. This action seeks to amend the rule to clarify that the Clean Elections Rules definition of the term "family member" in the same terms that A.R.S § 16-901 seeks to define family contribution and that family member will have that meaning throughout the Clean Elections Rules.

7. **A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

Not applicable.

8. **A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

9. **A summary of the economic, small business, and consumer impact:**

The amendment seeks to resolve potential confusion between statutory definitions and preexisting rule definitions of the Commission. The impact on participating candidates and donors is to limit their ability to take or give contributions depending on the family relationship of the candidate and the donor. However, the overall impact will be to standardize definitions across candidates and other entities, which lowers compliance costs.

10. **A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:**

Not applicable.

11. **An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:**

The Agency received no comments related to this docket.

12. **All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

- a. **Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

No.

- b. **Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**

No.

- c. **Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**

No.

13. **A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rule:**

None.

14. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the *Register* as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

Not applicable.

15. The full text of the rules follows:

**TITLE 2. ADMINISTRATION
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION
ARTICLE 1. GENERAL PROVISIONS**

R2-20-101. Definitions

In addition to the definitions provided in A.R.S. § 16-961, the following shall apply to the Chapter, unless the context otherwise requires:

1. No Change.
2. No Change.
3. No Change.
4. No Change.
5. No Change.
6. No Change.
7. No Change.
8. No Change.
9. No Change.
10. No Change.
11. No Change.
 - a. No Change.
 - b. No Change.
 - c. No Change.
12. No Change.
13. "Family member" means ~~parent, grandparent, spouse, child, or sibling of the candidate or a parent or spouse of any of those persons~~ parent, grandparent, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members, regardless of whether the relation is established by marriage or adoption.
- ~~14.~~ No Change.
15. No Change.
16. No Change.
17. No Change.
18. No Change.
19. No Change.
20. No Change.
21. No Change.
22. No Change.
23. No Change.
24. No Change.
25. No Change.



Arizona
Secretary
of State

Digitally signed
by Arizona
Secretary of
State
Date: 2021.08.26
17:32:42 -07'00'

www.azsos.gov

Arizona Administrative REGISTER

Published by the Department of State ~ Office of the Secretary of State

Vol. 27, Issue 35

~ Administrative Register Contents ~

August 27, 2021

Information	1292
Rulemaking Guide	1293
<u>RULES AND RULEMAKING</u>	
Proposed Rulemaking, Notices of	
2 A.A.C. 20 Citizens Clean Elections Commission	1295
9 A.A.C. 25 Department of Health Services - Emergency Medical Services	1297
Final Rulemaking, Notices of	
4 A.A.C. 34 Board of Manufactured Housing	1324
Final Expedited Rulemaking, Notices of	
9 A.A.C. 6 Department of Health Services - Communicable Diseases and Infestations	1329
Recodification, Notices of	
4 A.A.C. 34 Board of Manufactured Housing	1332
Termination, Notices of Rule	
2 A.A.C. 20 Citizens Clean Elections Commission	1333
<u>OTHER AGENCY NOTICES</u>	
Docket Opening, Notices of Rulemaking	
2 A.A.C. 20 Citizens Clean Elections Commission	1334
9 A.A.C. 13 Department of Health Services - Health Programs Services	1334
9 A.A.C. 16 Department of Health Services - Occupational Licensing	1335
Substantive Policy Statement, Notices of Agency	
Department of Environmental Quality	1337
<u>GOVERNOR'S OFFICE</u>	
Governor's Executive Order 2021-02	
Moratorium on Rulemaking to Promote Job Creation and Economic Development; Internal Review of Administrative Rules	1338
<u>INDEXES</u>	
Register Index Ledger	1340
Rulemaking Action, Cumulative Index for 2021	1341
Other Notices and Public Records, Cumulative Index for 2021	1345
<u>CALENDAR/DEADLINES</u>	
Rules Effective Dates Calendar	1347
Register Publishing Deadlines	1349
<u>GOVERNOR'S REGULATORY REVIEW COUNCIL</u>	
Governor's Regulatory Review Council Deadlines	1350

DIRECTOR
Administrative Rules Division
Scott Cancelosi

PUBLISHER
Secretary of State
KATIE HOBBS

RULES MANAGING EDITOR
Arizona Administrative Register
Rhonda Paschal

Definitions

Arizona Administrative Code (A.A.C.): Official rules codified and published by the Secretary of State's Office. Available online at www.azsos.gov.

Arizona Administrative Register (A.A.R.): The official publication that includes filed documents pertaining to Arizona rulemaking. Available online at www.azsos.gov.

Administrative Procedure Act (APA): A.R.S. Title 41, Chapter 6, Articles 1 through 10. Available online at www.azleg.gov.

Arizona Revised Statutes (A.R.S.): The statutes are made by the Arizona State Legislature during a legislative session. They are compiled by Legislative Council, with the official publication codified by Thomson West. Citations to statutes include Titles which represent broad subject areas. The Title number is followed by the Section number. For example, A.R.S. § 41-1001 is the definitions Section of Title 41 of the Arizona Administrative Procedures Act. The "§" symbol simply means "section." Available online at www.azleg.gov.

Chapter: A division in the codification of the *Code* designating a state agency or, for a large agency, a major program.

Close of Record: The close of the public record for a proposed rulemaking is the date an agency chooses as the last date it will accept public comments, either written or oral.

Code of Federal Regulations (CFR): The *Code of Federal Regulations* is a codification of the general and permanent rules published in the *Federal Register* by the executive departments and agencies of the federal government.

Docket: A public file for each rulemaking containing materials related to the proceedings of that rulemaking. The docket file is established and maintained by an agency from the time it begins to consider making a rule until the rulemaking is finished. The agency provides public notice of the docket by filing a Notice of Rulemaking Docket Opening with the Office for publication in the *Register*.

Economic, Small Business, and Consumer Impact Statement (EIS): The EIS identifies the impact of the rule on private and public employment, on small businesses, and on consumers. It includes an analysis of the probable costs and benefits of the rule. An agency includes a brief summary of the EIS in its preamble. The EIS is not published in the *Register* but is available from the agency promulgating the rule. The EIS is also filed with the rulemaking package.

Governor's Regulatory Review (G.R.R.C.): Reviews and approves rules to ensure that they are necessary and to avoid unnecessary duplication and adverse impact on the public. G.R.R.C. also assesses whether the rules are clear, concise, understandable, legal, consistent with legislative intent, and whether the benefits of a rule outweigh the cost.

Incorporated by Reference: An agency may incorporate by reference standards or other publications. These standards are available from the state agency with references on where to order the standard or review it online.

Federal Register (FR): The *Federal Register* is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains federal agency regulations; proposed rules and notices; and executive orders, proclamations, and other presidential documents.

Session Laws or "Laws": When an agency references a law that has not yet been codified into the Arizona Revised Statutes, use the word "Laws" is followed by the year the law was passed by the Legislature, followed by the Chapter number using the abbreviation "Ch.," and the specific Section number using the Section symbol (§). For example, Laws 1995, Ch. 6, § 2. Session laws are available at www.azleg.gov.

United States Code (U.S.C.): The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. The Code does not include regulations issued by executive branch agencies, decisions of the federal courts, treaties, or laws enacted by state or local governments.

Acronyms

A.A.C. — *Arizona Administrative Code*

A.A.R. — *Arizona Administrative Register*

APA — *Administrative Procedure Act*

A.R.S. — *Arizona Revised Statutes*

CFR — *Code of Federal Regulations*

EIS — *Economic, Small Business, and Consumer Impact Statement*

FR — *Federal Register*

G.R.R.C. — *Governor's Regulatory Review Council*

U.S.C. — *United States Code*

About Preambles

The Preamble is the part of a rulemaking package that contains information about the rulemaking and provides agency justification and regulatory intent.

It includes reference to the specific statutes authorizing the agency to make the rule, an explanation of the rule, reasons for proposing the rule, and the preliminary Economic Impact Statement.

The information in the Preamble differs between rulemaking notices used and the stage of the rulemaking.



NOTICES OF PROPOSED RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Proposed Rulemakings.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same *Register* issue.

When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA), the notice is published in the *Register* within three weeks of filing. See the publication schedule in the back of each issue of the *Register* for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule (A.R.S. §§ 41-1013 and 41-1022).

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency that promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

NOTICE OF PROPOSED RULEMAKING

TITLE 2. ADMINISTRATION

CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION

[R21-110]

PREAMBLE

1. **Article, Part, or Section Affected (as applicable)**
R2-20-101
- Rulemaking Action**
Amend
2. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
Authorizing statute: A.R.S. § 16-956(A)(7)
Implementing statute: A.R.S. §§ 16-940, 16-941, 16-942, 16-956, 16-957, 16-958, 16-961
3. **Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the proposed rule:**
Notice of Rulemaking Docket Opening: 27 A.A.R. 675, April 30, 2021
Notice of Proposed Rulemaking: 27 A.A.R. 637, April 30, 2021
Notice of Termination of Rulemaking: 27 A.A.R. 1333, August 27, 2021 (*in this issue*)
4. **The agency's contact person who can answer questions about the rulemaking:**
Name: Thomas M. Collins
Address: Citizens Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, AZ 85007
Telephone: (602) 364-3477
Email: ccec@azcleanelections.gov
Website: www.azcleanelections.gov
5. **An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**
R2-20-101(13). In 2016 Ariz. Sess. Laws Ch. 79 (Senate Bill 1516 (2016)) the Legislature broadened the definitions of family members in Article 1, Chapter 6 of Title 16, Arizona Revised Statutes. The result of this is that the narrower definition in the Commission rules should be stricken as inconsistent with existing law. The Clean Elections Act uses this definition as a limitation on contributions while Title 16, Chapter 6, Article 1 uses it to expand contributions not subject to campaign contribution limits. Nevertheless, this seems to reflect the intent of the Court of Appeals in *Arizona Advocacy Network v. State*, 475 P.3d 1149 (Ariz. App. 2020), that the Legislature may reverse and alter certain definitions without "amending" the Clean Elections Act. This action seeks to amend the rule to clarify that the Clean Elections Rules definition of the term "family member" in the same terms that A.R.S. § 16-901 seeks to define family contribution and that family member will have that meaning throughout the Clean Elections Rules.
6. **A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**
Not applicable
7. **A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**
The basis for this change is the implication of *Arizona Advocacy Network v. State*, 475 P.3d 1149 (Ariz. App. 2020).
8. **The preliminary summary of the economic, small business, and consumer impact:**
There is no preliminary economic or consumer or small business impact other than that imposed by statute. The rule will clarify



certain limitations on contributions participating candidates may take and similar matters.

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Thomas M. Collins
Address: Citizens Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, AZ 85007
Telephone: (602) 364-3477
Email: ccec@azcleelections.gov
Website: www.azcleelections.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Under A.R.S. § 16-956, a 60-day public comment period precedes an oral hearing which is the earliest the Commission may act on a proposed rule. Rule comments are accepted, in addition, through the website, email, and regular mail, as well as at call to the public at interim meetings. Rules that are passed unanimously may be made effective immediately. All other approved rules are effective January 1. A.R.S. § 16-956(C), (D).

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

Not applicable

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

No

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

No

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable

13. The full text of the rule follows:

**TITLE 2. ADMINISTRATION
CHAPTER 20. CITIZENS CLEAN ELECTIONS COMMISSION**

ARTICLE 1. GENERAL PROVISIONS

Section

R2-20-101. Definitions

ARTICLE 1. GENERAL PROVISIONS

R2-20-101. Definitions

In addition to the definitions provided in A.R.S. § 16-961, the following shall apply to the Chapter, unless the context otherwise requires:

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change
10. No change
11. No change
 - a. No change
 - b. No change
 - c. No change
12. No change
13. "Family member" means ~~parent, grandparent, spouse, child, or sibling of the candidate or a parent or spouse of any of those persons~~ parent, grandparent, aunt, uncle, child or sibling of the candidate or the candidate's spouse, including the spouse of any of the listed family members, regardless of whether the relation is established by marriage or adoption.



- 14. No change
- 15. No change
- 16. No change
- 17. No change
- 18. No change
- 19. No change
- 20. No change
- 21. No change
- 22. No change
- 23. No change
- 24. No change
- 25. No change

NOTICE OF PROPOSED RULEMAKING
TITLE 9. HEALTH SERVICES
CHAPTER 25. DEPARTMENT OF HEALTH SERVICES
EMERGENCY MEDICAL SERVICES

[R21-111]

PREAMBLE

<u>1. Article, Part, or Section Affected (as applicable)</u>	<u>Rulemaking Action</u>
R9-25-701	Amend
R9-25-703	Amend
R9-25-704	Amend
R9-25-705	Repeal
R9-25-705	Renumber
R9-25-705	Amend
R9-25-706	Renumber
R9-25-706	Amend
R9-25-707	Renumber
R9-25-707	Amend
R9-25-708	Renumber
R9-25-708	Amend
R9-25-709	Renumber
R9-25-709	Amend
R9-25-710	Renumber
R9-25-710	Amend
R9-25-711	Renumber
R9-25-711	Amend
R9-25-712	Renumber
R9-25-712	Amend
R9-25-713	Renumber
R9-25-714	Repeal
R9-25-715	Renumber
R9-25-716	Repeal
R9-25-717	Repeal
R9-25-718	Repeal
R9-25-801	Repeal
R9-25-801	Renumber
R9-25-801	Amend
R9-25-802	Renumber
R9-25-802	Amend
R9-25-803	Renumber
R9-25-803	Amend
R9-25-804	Renumber
R9-25-804	Amend
R9-25-805	Renumber
R9-25-805	Amend
R9-25-806	Repeal
R9-25-807	Renumber
Table 8.1	Repeal

Thomas M. Collins
Executive Director



**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

September 17, 2021
Dr. Bob Branch
The Power of Fives, LLC.
C/O William Fischbach
Tiffany & Bosco
Camelback Esplanade II
Seventh Floor
2525 East Camelback Road
Phoenix, Arizona 85016-9240

Via Electronic Mail and U.S. Mail

Dear Dr. Branch:

This letter serves as an internally-generated complaint against you by the Executive Director of the Arizona Citizens Clean Elections Commission. Ariz. Admin. Code R2-20-207.

Complaint

As you know, on October 23, 2020, you, as the managing member of The Power of Fives, LLC, submitted a complaint against Eric Sloan, a candidate for Corporation Commissioner. The Commission found Reason to Believe that a violation exists against Mr. Sloan, and we pursued an investigation against Mr. Sloan. Around the same time, you pursued an action in arbitration against Mr. Sloan and his wife, to collect the monies allegedly owed to the Power of Fives, LLC pursuant to the contract. Your complaint and the facts as they have been developed through the investigation of Mr. Sloan has provided evidence that you may have violated a number of provisions of the Clean Elections Act and Rules. *See* A.R.S. § 19-957(A) (providing the Commission the authority to determine if “a person has violated any provision of this article”).

I. Relevant Facts

The Power of Fives (“TPOF”) is an Arizona limited liability company, formed by Dr. Bob Branch in 2019 to “identify and support conservative candidates to run for public

office in Arizona.” Ex. 1, TPOF Post-Hearing Stmt. at 2. “TPOF ran 22 clean elections candidates throughout Arizona for the 2020 election cycle.” *Id.* When TPOF recruited a candidate, the candidate and TPOF executed a service agreement. “All of TPOF’s candidates signed an identical agreement.” *Id.*

A. The Sloan Campaign, September 2019-July 2020

In August of 2019, Eric Sloan (the “Candidate”) and TPOF “entered into an agreement where The Power of Fives, for the sum of \$116,016 for the Primary Elections (*sic*) would provide Mr. Sloan with a complete turnkey campaign[.]” Ex. 2, Sloan Complaint at 1. This agreement purports to have been committed to writing and signed by both the Candidate and Dr. Bob Branch as the Manager of TPOF on January 1, 2020. Ex. 3, TPOF Service Agreement at 1, 6. Despite the fact that the parties had not entered into a written agreement for services, Dr. Branch asserted that:

The Power of Fives LLC’s expenditures for Sloan began in September of 2019, when Mr. Sloan requested that The Power of Fives LLC start buying nomination petition signatures . . . [and] hire campaign support staff for his Primary campaign. Additionally, The Power of Fives LLC started holding joint campaign functions for Mr. Sloan’s campaign. Ex. 2 at 1.

While the Service Agreement between TPOF and Sloan was not signed until January 1, 2020, TPOF agreed to hire the Sloan Lyons Public Affairs LLC to provide “business consulting services to the CLIENT.” Ex. 4, Sloan Lyons Agreement at 1. In his October 2020 complaint, Dr. Branch stated that:

Mr. Sloan asked The Power of Fives LLC to hire him. He asked for a job, but that would be problematic since he was one of The Power of Fives LLC’s candidates. Mr. Sloan then asked that we hire his wife’s company; (*sic*) “Sloan Lyons Public Affairs LLC” and that we pay Sloan Lyons Public Affairs LLC \$4,000/month; The Power of Fives LLC agreed and hired Sloan Lyons Public Affairs LLC. Ex. 2 at 2.

However, the statement that TPOF would not hire Mr. Sloan conflicts with a statement made by TPOF on February 16, 2021, which states that both “Sloan and his wife Alyssa Sloan Lyons had been working as ‘consultants’ for TPOF” and that “Sloan signed up other TPOF candidates to the agreement . . . and even prepared a PowerPoint slideshow on clean elections law.” Ex. 1 at 4. The agreement with the Sloan Lyons LLC was eventually suspended, and based on the record has not resumed. *Id.* at 4-5.

On at least one occasion, Dr. Branch directly solicited \$5 contributions for at least one candidate, Mr. Sloan. Ex. 5, Email from Bob Branch, “Rep. Candidates in the Arizona Corp Comm race needs your help ASAP” (June 18, 2020). On Thursday, June 18, 2020, Dr.

Branch sent an email to the Arizona State Republican Delegates. Dr. Branch said that as “a State Delegate, you are a leader in the Republican Party; and, we are counting on your leadership abilities.” *Id.* He goes on to explain that there are three open seats for the Arizona Corporation Commission, that Eric Sloan is on the ballot and will win his primary election, but that Eric Sloan is “not yet funded. You cannot run a campaign when not funded.” *Id.* Dr. Branch goes on:

We must get [Eric Sloan and Lea Marquez Peterson] funded. So, I am asking that if you have not already done so, please go to the Secretary of State’s website and contribute to them. . . . Remember that your individual \$5 contribution, less than a cup of coffee, will give the candidate over \$193 in funding for this election cycle. . . . There is Power in those \$5 bills. . . Fill out your voter information, and give a \$5 contribution to each of the three candidates: Eric Sloan . . .

Id.

Mr. Sloan qualified for funding on July 17, 2020, after surviving a challenge to remove him from the ballot and pursuing challenges to remove rival candidates. In the Sloan Complaint, Dr. Branch alleges Mr. Sloan informed him that Mr. Sloan’s nomination petitions had been challenged and that Mr. Sloan was planning on challenging the petitions of his competitors: Boyd Dunn, David Farnsworth, and Kim Owens. Ex. 2 at 2. Dr. Branch alleges this challenge strategy was communicated by Mr. Sloan to Dr. Branch in April after Mr. Sloan was certified as eligible for the ballot. “At that time, [TPOF] made no agreement to pay for those challenges, and [TPOF] made no agreement to defend Mr. Sloan’s own signatures. Simply put, legal services were not services to be provided for in the contractual agreement between Sloan and [TPOF].” *Id.* Dr. Branch alleges that it was not until May 20, 2020, that Mr. Sloan asked TPOF to advance him \$23,000 in legal fees that had accrued in April.

These statements, however, differ from other statements made by Dr. Branch and contemporaneous documents. For example, the engagement agreement between Mr. LaSota and Dr. Branch—which identifies Dr. Branch as the “Client”—indicates it will be paid by Mr. Sloan, and was signed and dated by Dr. Branch on April 16, 2020. Ex. 6, LaSota engagement agreement. Ultimately, Mr. Sloan survived the challenge, his competitors were removed from the ballot, and he won his primary election.

Around this time, the relationship between Mr. Sloan and Dr. Branch was souring. Mr. Sloan’s wife demanded an invoice from TPOF that included only “the time and effort Power of Fives has already expended to date” and “not include[ing] budget items for the remainder of the primary period.” Ex. 1 at 5. Dr. Branch takes the position that “there was

no basis for such a demand, as the Agreement called for a fixed fee of \$116,016.00 for Phase I and Phase II, regardless of what was spent by TPOF.” *Id.* On July 25, 2020, before the primary election had taken place, “Branch emailed Sloan the invoice for Phase III—the general election—noting it was due 10 days after receipt of general election funding.” *Id.* at 6. However, the Service Agreement provides that the invoices for Phase II and III shall be tendered after “the completion of some or all of the Services set forth in a respective payment period,” and then the candidate has thirty days from the receipt of the invoice in which to pay. Ex. 3 at 1. Following the submission of the invoice, Mr. Sloan tendered checks for less than the full primary allotment. Dr. Branch did not accept the partial payments, and instead filed the Sloan Complaint with the Commission and brought a claim for arbitration, in which he was awarded \$116,016 and attorney’s fees and costs.

B. The TPOF Service Agreement

TPOF’s Service Agreement is between the LLC and a candidate. TPOF asserts that it is an independent contractor that will provide the services “described in in Exhibit A,” which is discussed below. Ex. 3 at 1, ¶ 1. The Service Agreement further states that TPOF:

Represents that the Company has the special skill, professional competence, expertise and experience to undertake the obligations imposed by this Agreement, and will perform the Services in a diligent, efficient, competent and skillful manner commensurate with the highest standards of the Company’s profession and in compliance with all applicable laws.

Id. Additionally, TPOF acknowledges it owes a duty to “act in the best interests of the Candidate.” *Id.* During the term of the Service Agreement, the candidate “will not engage any other consultant or contractor that provides services that are competitive to the Services provided by the Company.” *Id.*

The Service Agreement breaks a campaign into three phases. Phase I is dubbed the “prefunding” phase and purports to entitle TPOF to 40% of the total primary election allocation. Ex. 3 at 7. Phase II is the “funded primary” phase, beginning after the candidate qualifies for funding and lasting to the primary election, purports to entitle TPOF to the remainder of the primary election allocation. *Id.* Finally, Phase III, or the “funded general election” phase, begins after the candidate wins the primary election and ends upon the general election, and allegedly entitles TPOF to 100% of the general election allocation. *Id.* Pursuant to the Service Agreement, TPOF would invoice the candidate for Phase I within ten days of the Service Agreement’s execution. *Id.* at 1. Payment for services provided in the “prefunding” phase, before the candidate has qualified for or received any funds from the Commission, are due “within thirty (30) days of the earlier of: (a) the termination of this Agreement, or (b) once the Candidate qualifies for public financing for the Primary

Election.” *Id.* Conversely, TPOF could provide an invoice for the services in Phase II or III “following the completion of some or all of the Services.” *Id.*

The Service Agreement could be terminated in four ways. Either party could give written notice to terminate for any reason, and the agreement would terminate thirty days later. Ex. 3 at 2, ¶ 4. Mutual written agreement would terminate the Service Agreement immediately. *Id.* The Service Agreement would also terminate at the beginning of Phase II if the candidate fails to qualify for public funding, and the beginning of Phase III if the candidate “does not win his or her Primary Election.” *Id.* at 7 (labeled “Exhibit A”) (identifying in the Notes to Phase II and Phase III that the agreement terminates immediately if the prerequisite to begin that phase is not satisfied). Regardless of the manner of termination, “the Candidate shall pay the Company all amounts previously invoiced and/or incurred by the Company in connection with the Services.” *Id.* at 2.

II. Legal Arguments

The Commission has legal authority to investigate and prosecute violations of both Article 1 and Article 2 of Chapter 6, which are the statutes that govern campaign finance in Arizona. A.R.S. §§ 16-941(D), -947(B)(2), -957(A)(7); *Ariz. Advocacy Network Found. v. State*, 250 Ariz. 109, ¶¶53-56 (App. 2020). We have reason to believe, based on the facts presently before us, that the following violations of campaign finance law have occurred. Additional facts may require amendments or supplements to this Complaint.

A. Title 16, Chapter 6, Article 1

Based upon the facts provided herein, it appears that TPOF is operating as a political action committee and has failed to register as required by Arizona law. “An entity *shall* register as a political action committee” if it is “organized for the primary purpose of influencing the result of an election” and “knowingly receives contributions or makes expenditures, in any combination, of at least one thousand dollars in connection with any election in a calendar year.” A.R.S. § 16-905(C) (emphasis added). An LLC, like TPOF, is an “entity” for the purposes of political action committee registration. A.R.S. § 16-901(22). There is no record that TPOF registered as a political action committee.

Furthermore, an LLC like TPOF is prohibited from making a contribution to a candidate committee. A.R.S. § 16-916(A). “Contribution” is defined as “any money, advance, deposit or other thing of value that is made to a person for the purpose of influencing an election.” A.R.S. § 16-901(11). It appears that TPOF provided an advance or other thing of value of at least \$116,016 to the Sloan campaign in the form of the various services outlined above. Additionally, to the extent identical agreements were made with

twenty-two other candidates, additional undisclosed and/or excess contributions may have been made.

If TPOF argues it was not making a contribution to the campaign because it intended to collect payment from Mr. Sloan for TPOF's services, it was likely making an unreported expenditure. Expenditures by committees must be accounted for. *See, e.g.*, A.R.S. § 16-926(B)(3)(o), Ariz. Admin. Code R2-20-109(B)(3). An expenditure is "any purchase, payment or other thing of value that is made by a person for the purpose of influencing an election." A.R.S. § 16-901(25). "Person" includes an "individual, candidate, [or] limited liability company." A.R.S. § 16-901(39). The provision of services contemplated by TPOF's Service Agreement and Exhibit A are not exempt from the definition of expenditure, A.R.S. § 16-921, and were required to be reported. Additionally, the categories of expenses provided on TPOF's invoice are too broad to provide the meaningful transparency required by Arizona law. *E.g.*, A.R.S. § 16-948(C), -956(A)(7), Ariz. Admin. Code R2-20-101(7), R2-20-104(C), (D)

B. Title 16, Chapter 6, Article 2

The Commission is empowered to enforce the provisions of Article 2 if it finds that "there is reason to believe that a person has violated any provision of this article." A.R.S. § 16-957(A). A "person" includes a limited liability company, like TPOF. A.R.S. § 16-901(39); Ariz. Admin. Code R2-20-101(21). Furthermore, a "candidate" includes not only the candidate themselves, but also "any agents or personnel" authorized to act on the candidate's behalf. Ariz. Admin. Code R2-20-101(4). The Commission therefore has the authority to proceed to an enforcement action against Dr. Branch and TPOF because, as demonstrated by the Service Agreement, they are both "persons" authorized to conduct business on a candidate's behalf. Civil penalties for violating contribution and expenditure limits in A.R.S. § 16-941, and the reporting requirements for candidates, apply to their agents as well. A.R.S. § 16-942(A), (B) (providing that penalties may be assessed against a candidate or a person acting on their behalf).

Based on the facts provided, TPOF's terms of service violate the Clean Elections Act and Rules. Specifically, participating candidates "shall not incur debt, or make an expenditure in excess of the amount of cash on hand" prior to qualifying for funding from the Commission. Ariz. Admin. Code R2-20-104(D)(6). Once a candidate qualifies for funding, that candidate may "incur debt, or make expenditures, not to exceed the sum of the cash on hand and the applicable spending limit." *Id.* "[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." Ariz. Admin. Code R2-20-110(A)(5).

Dr. Branch and TPOF acknowledge in the complaint against Mr. Sloan that expenses were incurred for the Sloan campaign in 2019, long before the campaign qualified for funding. The Service Agreement was dated January 1, 2020, but “[t]he Power of Fives LLC’s expenditures for Sloan began in September of 2019, when Mr. Sloan requested that The Power of Fives LLC start buying nomination petition signatures . . . [and] hire campaign support staff for his Primary campaign. Additionally, The Power of Fives LLC started holding joint campaign functions for Mr. Sloan’s campaign.” Ex. 2 at 1. However, Mr. Sloan’s campaign did not qualify and obtain the funding required to pay the Service Agreement until July 17, 2020. In other words, the TPOF Service Agreement contemplated the expenditure of campaign funds long before they were in the candidate’s account, in violation of the Clean Elections Act and Rules. And because TPOF claims it used identical Service Agreements for all of its candidates, it is very likely that this violation occurred repeatedly.

Exhibit A to the Service Agreement states “At no time will [TPOF] spend more than the total Candidate’s clean elections funding allotment for any phase.” Ex. 3 at 7. However, given the financing of the litigation as represented by Dr. Branch in his October 2020 Complaint, this appears to be inaccurate. TPOF claims it “made no agreement to pay” for court challenges to the signatures of Mr. Sloan’s competitors. Ex. 2 at 2. Additionally, TPOF claims it “made no agreement to defend Mr. Sloan’s own signatures” and that “legal services were not services to be provided for in the contractual agreement.” *Id.* Despite this position, Dr. Branch paid \$23,000 for legal services for Mr. Sloan, while alleging that he was entitled to 100% of Mr. Sloan’s primary election allotment. *See id.* (“Mr. Sloan signed a contract with [TPOF] and agreed to pay \$116,016 to [TPOF] for his 2020 Primary race.”). In short, the facts appear to demonstrate that Dr. Branch, in his personal capacity, knowingly incurred debt on behalf of a clean elections candidate in excess of the spending limits.

TPOF’s invoicing and accounting system makes compliance with the Clean Elections Act impossible. Participating candidates are required to maintain their records of accounts and transactions in a specific, transparent manner as required by state law applicable to candidate committees and Ariz. Admin. Code R2-20-115. *See also* A.R.S. § 16-942(B), (C). For example, the Primary Election Invoice provided in the Sloan Complaint indicates \$45,235.92 was spent for “candidate field support.” Ex. 7, Primary Election Invoice at 1. However, there is no additional information that would enable a person to understand how that \$45,000 was spent. *See, e.g.,* Ariz. Admin. Code R2-20-110(A)(1) (requiring that “[e]xpenditures for consulting advising, or other such services to a candidate shall include a detailed description of what is included in the service.”). Additionally, while Dr. Branch indicates TPOF paid for signatures and campaign staff for

Sloan beginning in September 2019, Ex. 2 at 1, there is not a corresponding line on the invoice for either signatures or staff, *see generally* Ex. 7.

Even if TPOF and Dr. Branch argue that they were not acting on behalf of Mr. Sloan, the above-stated facts demonstrate that TPOF and Dr. Branch were still required to file reports with the Secretary of State. Specifically, “any person who makes independent expenditures related to a particular office cumulatively exceeding five hundred dollars in an election cycle . . . shall file reports with the secretary of state” as an independent expenditure. A.R.S. § 16-941(D). An independent expenditure is “an expenditure by a person, other than a candidate committee,” which expressly advocates for or against a candidate and was not done in consultation with or at the suggestion of the candidate. A.R.S. § 16-901(31). No such reports were filed.

Additionally, Dr. Branch violated A.R.S. § 16-946(B)(4) when he sent a targeted email solicitation for \$5 contributions on behalf of Mr. Sloan, while Dr. Branch was employed as Mr. Sloan’s campaign consultant. The email was targeted to state Republican Committeemen, exactly the people who are most likely to contribute to the campaign of a Republican candidate. The language of the email was a clear solicitation for \$5 contributions: “Please go to: <https://apps.azsos.gov/apps/election/eps/qc/> Fill out your voter information, and give a \$5 contribution to . . . Eric Sloan.” This email was sent on June 18, 2020, during the time period the Service Agreement was active. State law prohibits soliciting qualifying contribution by a person “employed or retained by the candidate.” A.R.S. § 16-946(B)(4). Furthermore, this email and any other solicitation during the period of the Service Agreement would be an “expense[] associated with obtaining the qualifying contributions” that must be reported. Ariz. Admin. Code R2-20-105(B)

Opportunity for Response

Commission rules require notification to be given to the Respondent of a Complaint. Ariz. Admin. Code R2-20-204(A). Additionally, the rules provide that you be advised of Commission compliance procedures. *Id.* Those procedures are set forth in Article 2 of the Commission’s Rules (Ariz. Admin. Code. R2-20-201 to R2-20-228) as well as the Clean Elections Act (A.R.S. §§ 16-940 to 16-961), which are available at <https://storage.googleapis.com/core.usgovcloudapi.net/public/docs/554-ACRulesManual-2020.pdf>.

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) (emphasis added). Your response must be notarized. Ariz. Admin. Code R2-20-

205(C). Generally, for the purposes of the Commission's "reason to believe" finding, a failure to respond to a complaint within five days may be viewed as an admission to the allegations. *Id.*

The issuance of this notice and Complaint do not constitute a finding related to the Complaint. A finding, if any, may be made only after the Commission has reviewed the matter. *See* Ariz. Admin. Code R2-20-215(A). Additionally, it is recommended that you seek legal counsel, as the Commission and its staff cannot provide legal advice. Because you have retained counsel in the arbitration matter that concerning the same general facts, we have copied your attorney in that matter, William Fischbach, out of an abundance of caution and to expedite matters if you ultimately choose him to represent you in this matter.

Please contact us if you have any questions at (602) 364-3477 or by email at ccec@azcleelections.gov.

Sincerely,

Thomas M. Collins

Thomas M. Collins,
Executive Director
Arizona Clean Elections Commission

cc: William Fischbach, Tiffany and Bosco by email at wmf@tblaw.com;
Ryan Hogan, Tiffany and Bosco by email at rph@tblaw.com;
Kara Karlson, Arizona Attorney General's Office at Kara.Karlson@azag.gov; and
Kyle Cummings, Arizona Attorney General's Office at Kyle.Cummings@azag.gov

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

MUR 21-01

The Power of Fives, LLC (TPOF)

STATEMENT OF REASONS OF THE EXECUTIVE DIRECTOR

On behalf of the Citizens Clean Elections Commission (“Commission”), the Executive Director hereby provides the following Statement of Reasons why there is reason to believe that a violation of the Citizens Clean Elections Act and Commission rules (collectively, the “Act”) may have occurred. Based on this statement of reasons, the Executive Director requests authorization to investigate.

Background

On August 10, 2020, participating candidate Eric Sloan (Sloan), a candidate for Arizona Corporation Commission, notified Clean Elections Commission staff of a dispute between the Sloan campaign and a vendor of the Sloan Campaign, a Limited Liability Company called The Power of Fives. See A.R.S. § 16-953(C)(providing procedures in the event of a vendor dispute.). In a letter dated October 23, 2020, Dr. Bob Branch (Branch or Complainant), the managing member of TPOF, filed a complaint with the Commission alleging failure to report expenditures, exceeding the primary spending cap and other issues. The Commission determined in December 2020 that there was reason to believe a violation had occurred. In April the Commission ordered Sloan to provide about \$90,000 in repayment to the Clean Elections Fund, which Sloan promptly did. That investigation, while ongoing, gave rise to the Staff Complaint here.

The Power of Fives is an Arizona limited liability company created in 2019. The purpose of TPOF is “identifying and supporting candidates to run for public office” and it provides a “turnkey” or ready-made campaign to candidates with whom it “partners.” The Power of Fives LLC v. Ariz. Citizens Clean Elections Comm’n. Et al., First Amended Complaint, Arizona Superior Court for Maricopa County, CV2021-15826, DKT 10/26/2021; but

see A.R.S. 16-901(3) (defining agent as “any person who has actual authority, either express or implied, to represent or make decisions on behalf of another person.”).

Sloan and TPOF entered a Service Agreement. Complaint at 4-5. The Service Agreement breaks a campaign into three phases. Phase I is dubbed the “prefunding” phase and purports to entitle TPOF to 40% of the total primary election allocation. *Id.* Phase II is the “funded primary” phase, beginning after the candidate qualifies for funding and lasting to the primary election, purports to entitle TPOF to the remainder of the primary election allocation. *Id.* Finally, Phase III, or the “funded general election” phase, begins after the candidate wins the primary election and ends upon the general election, and allegedly entitles TPOF to 100% of the general election allocation. *Id.* Pursuant to the Service Agreement, TPOF would invoice the candidate for Phase I within ten days of the Service Agreement’s execution. *Id.* Payment for services provided in the “prefunding” phase, before the candidate has qualified for or received any funds from the Commission, are due “within thirty (30) days of the earlier of: (a) the termination of this Agreement, or (b) once the Candidate qualifies for public financing for the Primary 5 Election.” *Id.* Conversely, TPOF could provide an invoice for the services in Phase II or III “following the completion of some or all of the Services.” *Id.*

The Service Agreement could be terminated in four ways. Either party could give written notice to terminate for any reason, and the agreement would terminate thirty days later. Mutual written agreement would terminate the Service Agreement immediately. *Id.* The Service Agreement would also terminate at the beginning of Phase II if the candidate fails to qualify for public funding, and the beginning of Phase III if the candidate “does not win his or her Primary Election.” *Id.* Regardless of the manner of termination, “the Candidate shall pay the Company all amounts previously invoiced and/or incurred by the Company in connection with the Services.” *Id.*

Analysis

The Commission is vested with broad jurisdiction to investigate campaign finance matters including TPOF’s activity in 2020.

State law requires entities formed for the purposes of influencing elections and raising and spending a little more than \$1,000 on elections and are not federally recognized non-profits to register with the State and file periodic

reports. *E.g.*, A.R.S. § 16-905. TPOF admits its purpose is to identify and support candidates for office in Arizona, in other words, it was formed to influence the results of elections. See *The Power of Fives First Amended Complaint*. Nor is there a serious question the entity spent and raised more than the threshold to register.

TPOF argues in its response that the Complaint is functionally the same as blaming a law firm on its clients. This is a poor analogy as law firms are not created to identify and support candidates, nor may law firms themselves finance political campaigns and obscure the source of financial support. The services contemplated by TPOF's Service Agreement are not exempt from the definitions of either expenditure or contribution and were therefore likely *required* to be reported. Further, the categories of expenses provided on TPOF's invoice are too broad to provide the meaningful transparency required by Arizona law. *E.g.*, A.R.S. § 16-948(C), -956(A)(7), Ariz. Admin. Code R2-20-101(7), R2-20-104(C), (D). See Complaint at 5-8. The fact that TPOF acted in apparent violation on prohibitions on LLC direct participation in candidate campaigns exacerbates the issue. See Complaint at 5.

In its response, TPOF asserts that, contrary to the plain meaning of the Act and the reported decisions regarding it, the Commission has no jurisdiction over questions arising in relation to Article 1 of Chapter 6 of Title 16. The voters who passed the Clean Elections Act wanted to limit the Commission's efforts to determine whether candidates and their partners and agents participated in the Clean Funding Program legally, the Response explains. TPOF Response (10/13/2021). However, what the Response does is confuse a heading in the Complaint for its analysis.

"Under the [Clean Elections] Act's express language, the Commission has broad enforcement authority," and its "duties and powers include investigating potential violations of articles 1 through 1.7 to the extent they would identify a violation of the Act—violations the Commission alone is empowered to enforce" including failure to file reports. *Ariz. Advocacy Network v. State*, 250 Ariz. 109 (App. 2020). What the court calls "exclusive" remedies that Commission enforces apply to filings throughout Chapter 6, not only to Article 2. See, *e.g.*, A.R.S. § 16-942 (providing penalties for reporting violations throughout the entire chapter). Consequently, the enforcement of the Act includes those terms within it—both Article 1 and Article 2. There is reason to believe that TPOF may have violated reporting requirements imposed upon it by Chapter 6.

There is reason to believe TPOF's financial involvement with the Sloan campaign was reportable under multiple theories.

As detailed in the Complaint, commission rules preclude participating candidates from taking on debt in an amount greater than their cash on hand and the date the charge is incurred is the date of the promise. Ariz. Admin. Code R2-20-104(D)(6); *id.* at R2-20-110(A)(5)

TPOF argues that the Commission's rules do not preclude a contract where payment is conditioned on a successful application for Clean Elections funding because no obligation to pay for goods or services has arisen. However, this not a defense. Instead TPOF admits that it provided services for later payment. In other words, it extended a loan to finance the services provided and Sloan incurred those charges.

Nor could TPOF finance Mr. Sloan's legal expenses via an extension of the financing terms included in the service agreement. While Sloan's receipt of the value of legal services may not have been an expenditure by TPOF, see A.R.S. § 16-921, nothing in the statute allows TPOF to make a loan for that value. As noted above, loans are contributions to the candidate. A.R.S. 16-901(11)(d) (contribution includes "A loan that is made to a committee for the purpose of influencing an election, to the extent the loan remains outstanding."). Accordingly, there remains reason to believe that a violation may have occurred regarding the legal fees associated with TPOF's services.

Alternatively, if TPOF spent independently of Sloan on certain items, the LLC was still required to file reports with the Secretary of State. Specifically, "any person who makes independent expenditures related to a particular office cumulatively . . . in an election cycle . . . shall file reports with the secretary of state" as an independent expenditure. A.R.S. § 16-941(D). An independent expenditure is "an expenditure by a person, other than a candidate committee," which expressly advocates for or against a candidate and was not done in consultation with or at the suggestion of the candidate. A.R.S. § 16-901(31); see *also* A.R.S. § 16-901.01. No such reports were filed.

TPOF's solicitation of qualifying contributions under the Clean Elections Act under the service agreement was not legal.

TPOF sent an email soliciting qualifying contributions during the Service Agreement. TPOF claims that any issue with that email relates to the results of the email—the qualifying contributions received. Not so. The issue is that Dr. Branch solicited them for payment by Mr. Sloan. There is no dispute on this point. Consequently, there is reason to believe a violation may have occurred.

Conclusion

Based on the Complaint, the Response, and the analysis above, the Executive Director recommends the commission determine reason to believe violations of the Clean Elections Act and Rules may have occurred.

If the Commission determines by an affirmative vote of at least three of its members that it has reason to believe TPOF has violated a statute or rule over which the Commission has jurisdiction, the Commission shall notify 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 Commission, comply with the order, or enter into a public administrative settlement with the Commission. A.R.S. § 16-957(A) & Ariz. Admin. Code R2-20-208(A).

If 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. Ariz. Admin. Code R2-20-209(A). The staff seeks authorization for the Executive Director or the Commission's attorneys to subpoena all the Respondent's records documenting disbursements, debts, or obligations to the present, and may authorize an audit, and require persons with information to sit for depositions or other sworn testimony.

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 unless good cause of reduction is shown. A.R.S. § 16-957(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. Ariz. Admin. Code 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 of its members, the Commission may issue of an order and assess civil penalties pursuant to A.R.S. § 16-957(B). Ariz. Admin. Code R2-20-217.

Dated this 27th day of October, 2021

By: S/Thomas M. Collins, Executive Director

Timothy A. La Sota, PLLC

2198 East Camelback, Suite 305

Phoenix, Arizona 85016

P 602-515-2649

tim@timlasota.com

October 13, 2021

Via email to:

Thomas M. Collins
Executive Director
Citizens Clean Elections Commission
1616 West Adams Street, Suite 110
Phoenix, Arizona 85007

Re: Complaint against The Power of Fives, LLC

Dear Mr. Collins:

This firm represents The Power of Fives, LLC and Dr. Bob Branch. This letter serves as my clients' formal response to your "internally-generated complaint" against them, pursuant to Arizona Administrative Code R2-20-205(A).

Your complaint contains a number of legal and factual errors. For the reasons stated below, this matter should proceed no further.

A. ALLEGATIONS BASED ON TITLE 16, CHAPTER 6, ARTICLE 1

As an initial matter, the Citizens Clean Elections Commission's enforcement powers stem from Title 16, Chapter 6, Article 2, **not** Title 16, Chapter 6, Article 1. That is, whatever enforcement authority you have stems from Article 2. The CCEC does not have general enforcement authority over Article 1. For statewide candidates, such complaints are filed with the Secretary of State, who decides whether there is reasonable cause to believe a violation has occurred. Arizona Revised Statutes § 16-938. If the Secretary of State finds reasonable cause, the matter proceeds to the Attorney General for enforcement. *Id.*

It is true that the Arizona Court of Appeals did find A.R.S. § 16-938 unconstitutional to the extent it "to the extent it limits the Commission's investigative authority under the [Citizens Clean Elections] Act." *Arizona Advocacy Network Foundation v. State*, 475 P.3d 1149, 1160 (App. 2020). But the Court of Appeals also made clear that your enforcement

authority is only derived through Article 2. *Id.* at 1160 (“The Act obligates the Commission to ‘[e]nforce *this article*’—article 2.”)(emphasis in original). The Court goes on to describe, in particularity, the extent of your regulatory authority:

The Act also imposes reporting obligations on “any person who makes independent expenditures related to a particular office cumulatively exceeding five hundred dollars in an election cycle.” See A.R.S. § 16-941.D (emphasis added). The Commission is charged with enforcing this provision, which includes investigating alleged violations by reviewing any campaign-finance reports the entity may have filed under articles 1 through 1.7—for example, as a “political action committee.

Id.

Simply put, you have no legal authority to require The Power of Fives, LLC to register as a political action committee, even if you were correct in your assertion that The Power of Fives, LLC is a political action committee. Similarly, you have no enforcement authority with regard to an alleged violation of A.R.S. § 16-916, the statute prohibiting direct contributions from corporations and limited liability companies to candidates.

As it is, The Power of Fives is no more a political action committee than is this law firm. It is a company that provides services to candidates and potential candidates. The services it provides are not independent expenditures. Under Arizona law, “[a]n entity shall register as a political action committee if...[t]he entity is organized for the primary purpose of influencing the result of an election.” A.R.S. § 16-905(C). Like other entities that provide services to candidates, including this law firm, The Power of Fives, LLC is organized for the primary purpose of making money. It is simply not a political committee.

B. ALLEGATIONS BASED ON ARTICLE 2

1. THE CCEC LACKS JURISDICTION OVER MUCH OF THE ALLEGED VIOLATIVE CONDUCT

As a threshold matter, my clients disagree with your threshold assertion of broad regulatory authority over almost anyone having anything to do with a campaign. The Act was never intended to make you the general “campaign cop” over all matters related to campaign finance. You have authority over campaigns and candidates as prescribed in Article 2. You do not have authority over vendors.

In your internally generated complaint, you try to get around this lack of jurisdiction in two ways. The first way you attempt this is by trying to characterize a vendor as a

political action committee. You are simply wrong on the law on this—The Power of Fives, LLC is simply not a political action committee, for the reasons stated above.

You also point to Ariz. Admin. Code R2-20-101(4) as encompassing agents of a candidate as well. But to the extent that this Rule goes beyond the actual authority in the Citizens Clean Elections Act (and you are contorting it to do just that), it is invalid. *Ariz. Dept. of Revenue v. Superior Court*, 189 Ariz. 49, 938 P.2d 98 (App. 1997) (“Because agencies are creatures of statute, the degree to which they can exercise any power depends upon the legislature's grant of authority to the agency.”) The CCEC is clearly a creature of statute, and dependent upon the electorate, acting in their legislative function when passing the Act. It can not expand its powers beyond the Act. And the Act was meant to apply to candidates, give you general regulatory authority over anyone involved in campaigns.

2. BY THE EXPRESS TERMS OF THE CONTRACT, A CANDIDATE DOES NOT “PROMISE, AGREE, CONTRACT OR OTHERWISE INCUR AN OBLIGATION TO PAY FOR GOODS AND SERVICES” UNTIL THE CANDIDATE QUALIFIES FOR FUNDING

Resolution of this issue is simple and one need only resort to the plain language of the contract and the Rule that you cite. Under the contract, when the contract is initially signed, the candidate does not promise to pay for anything. At that time, there is no obligation to the candidate. The candidate need not even remain as a candidate. Any obligation only arises when the candidate qualifies for funding. If there is no obligation, there can be no debt.

Your own Rule, cited in your legal brief, belies your position. Rule R2-20-110(A)(5) states that “[A] candidate or campaign shall be deemed to have made an expenditure as of the state upon which the candidate or campaign promises, agrees, contracts, or otherwise incurs an obligation to pay for goods and services.” But on the say of the signing of the contract, the candidate has zero obligation to pay for anything. And such obligation only arises later, at qualification for funding, if at all.

3. FUNDS SPENT ON A CHALLENGE TO A CANDIDATE’S NOMINATION PETITION SHEETS, OR TO DEFEND AGAINST SUCH A CHALLENGE, ARE NEITHER CONTRIBUTIONS NOT EXPENDITURES, AND ARE COMPLETELY BEYOND YOUR REGULATORY AUTHORITY

In Arizona, funds spent on attorney’s fees are exempted from both the definition of “contribution” and “expenditure”. A.R.S. §§ 16-911 and 16-921. You have no regulatory authority whatsoever on monies spent on legal fees, and surely you must know this. The

CCEC was part of the failed lawsuit that attempted to invalidate these exemptions. There can be no violation of Article 1 or Article 2 with regard to attorney's fees.

In addition, in Arizona, as in most campaign finance schemes, the critical definitions that basically trigger all enforcement authority center on the words "contribution" and "expenditure". A.R.S. § 16-901. Similarly, Arizona uses the same language used in most such schemes, defining this terms with the phrase "made by a person for the purpose of influencing an election." *Id.*

Dating all the way back to the seminal *Buckley* case, courts have interpreted "for the purpose of ... influencing" to mean "communications that expressly advocate the election or defeat of a clearly identified candidate..." *Buckley v. Valeo*, 424 U.S. 1, 79-80 (1980); *see also Yamada v. Snipes*, 786 F.3d 1182, 1189 (9th Cir. 2015) ("*Buckley*...construed the phrase 'for the purpose of ... influencing' to mean 'communications that expressly advocate the election or defeat of a clearly identified candidate...'""); *Wisconsin Right To Life, Inc. v. Barland*, 751 F.3d 804, 832-34 (7th Cir.2014) (limiting "for the purpose of influencing the election or nomination for election of any individual to state or local office" to express advocacy and its functional equivalent); *McKee*, 649 F.3d at 66-67 (construing "influencing" and "influence" in Maine campaign finance statutes to include only communications that constitute express advocacy or its functional equivalent).

Even the language of the Act belies your position. A.R.S. § 16-901.01, titled "Limitations on certain unreported expenditures and contributions", provides:

A. For the purposes of this chapter, "expressly advocates" means:

1. Conveying a communication containing a phrase such as "vote for," "elect," "reelect," "support," "endorse," "cast your ballot for," "(name of candidate) in (year)," "(name of candidate) for (office)," "vote against," "defeat," "reject" or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates.
2. Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard or direct mailer referring to one or more clearly identified candidates and targeted to the electorate of that candidate(s) that in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement or timing of the communication or the inclusion of statements of the candidate(s) or opponents.

The language used by the drafters of the Act was no coincidence. It was a nod to the limits on any state's regulatory authority imposed by the United States Supreme Court in the realm of campaign finance laws. And clearly funds spent on a lawsuit to determine if an individual gathered enough signatures to have the person's name printed on the ballot, pursuant to minimum signature requirements in statute, does not meet the statutory definition. Any payment of funds by anyone for such fees is completely irrelevant and beyond your jurisdiction.

4. GENERAL COMPLAINTS THAT "TPOF'S INVOICING AND ACCOUNTING SYSTEM MAKES COMPLIANT WITH THE CLEAN ELECTIONS ACT IMPOSSIBLE" ARE HYPOTHETICALS AND CANNOT SUPPORT A FINDING OF A VIOLATION

Mr. Sloan's campaign finance reports are his responsibility alone. As stated above, The Power of Fives, LLC is not a political action committee and is not otherwise required to file campaign finance reports. Any claim that Mr. Sloan's campaign finance report lacked proper clarity must be taken up with Mr. Sloan. Certainly it is hardly a rare occurrence that a consultant does not provide sufficient detail in an invoice. But if that is the case, it is incumbent upon the candidate to secure additional information. Failing that, it is simply beyond your jurisdiction for you to target a vendor because you do not like his "invoicing and accounting system."

6. DR. BRANCH'S JUNE 18, 2020 EMAIL DOES NOT CONSTITUTE A "VIOLATION" OF A.R.S. § 16-946

Finally, you claim that Dr. Branch "violated A.R.S. § 16-946(B)(4) when he sent a targeted email solicitation for \$5 contributions on behalf of Mr. Sloan." This assertion represents a gross misunderstanding of the statute in itself. This statute merely defines what is a "qualifying contribution." That statute states that "[t]o qualify as a qualifying contribution, a contribution must meet" the six elements stated in the statute. If a contribution does not meet all six of the criteria, it is not a qualifying contribution. That's all—there is no such thing as a "violation" of this statute. At worst, it is simply not a qualifying contribution, but that issue is clearly moot and not an issue for my client in any event.

In addition, even if there could be a violation, the only consequence is the contribution does not count as a qualifying contribution.

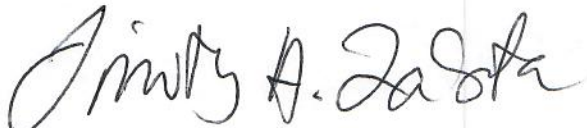
C. CONCLUSION

The nine-page "internally generated" complaint is baseless. Its assertions quickly fall apart upon any scrutiny. One other major reason why the complaint lacks merit is there is no penalty prescribed for the alleged violations. *See* A.R.S. §§ 16-941-43. A review of the three statutes pertaining to penalties reveals nothing applicable to the alleged violative conduct here. Of course that is because the Act was never meant to be applied in the manner you have applied it.

I urge that this matter, which is clearly a creation of yours, be dismissed.

Very truly yours,

TIMOTHY A. LA SOTA PLC



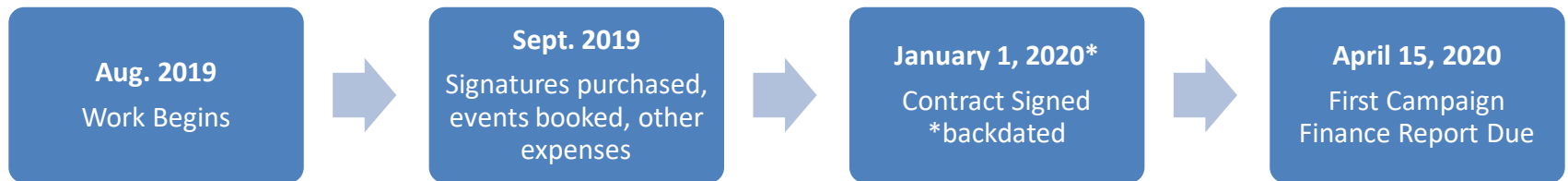
Timothy A. La Sota

STATE OF ARIZONA)
) ss.:
County of Maricopa)

Subscribed and sworn (or affirmed) before me this 12th day of October, by Timothy A. La Sota.

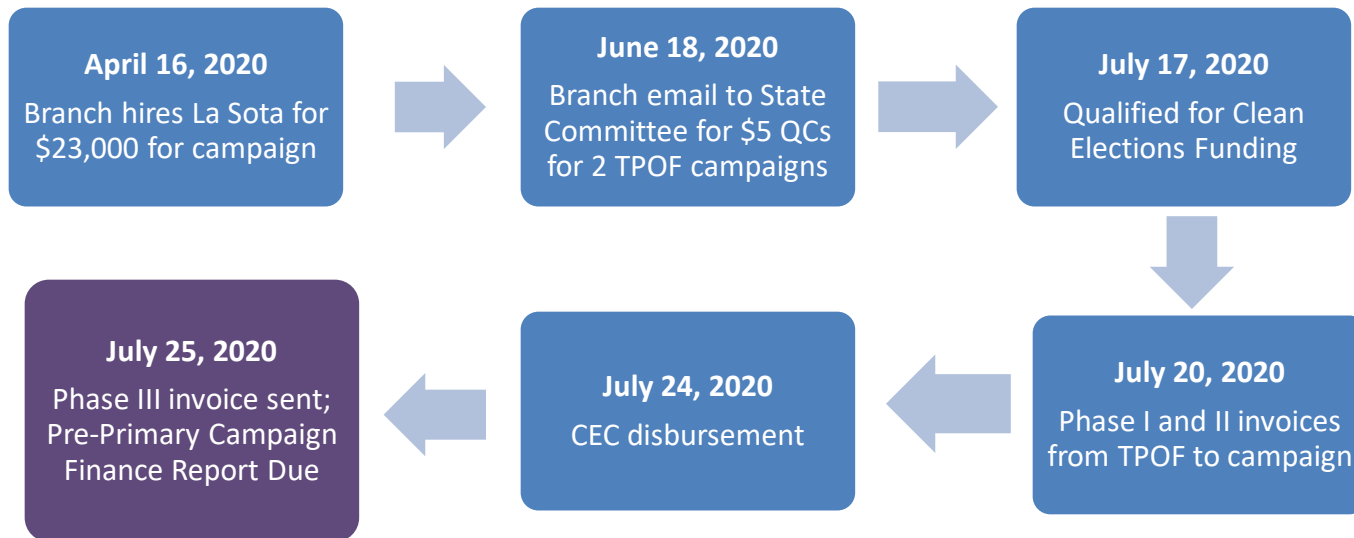

Notary Public

First Reporting Period



- All work done, and expenses made, from the beginning of the campaign in 2019 should be reported by April 15, 2020 at the very latest
- Per TPOF's interpretation of their contract, no report is required at this time (and no report was filed)

Second Reporting Period



- Under TPOF's interpretation of state law and regulations, July 25, 2020, (purple) is the first time a report would be required
- This is a full eleven months after they started working for the Sloan campaign