



November 25, 2014

SENT VIA U.S. MAIL AND E-MAIL TO:

Kristin L. Windtberg  
Osborn Maledon  
2929 N. Central Ave  
21<sup>st</sup> Floor  
Phoenix, AZ 85012

Re: Campaign Finance Complaints against Respect the Promise in Opposition to R-14-02 – Neighbors for a Better Glendale (“RTP”) and Respect the Promise in Opposition to R-14-01 – Neighbors for a Better Glendale (R-14-01)

Dear Ms. Windtberg:

On October 6, 2014, the City of Glendale City Clerk received a written campaign finance complaint from George Fallar filed against RTP. The Committee’s response was received by your letter dated October 24, 2014.

Allegation 1: The Statement of Organization listed an incorrect and misleading committee name.

The complaint alleges that RTP incorrectly checked the “Oppose” box on the Statement of Organization because it supports passage of the ballot measure associated with referendum petition R-14-02. Further, the complaint contends that this was an intentional act to mislead the public and that all signatures gathered by the committee should be declared void.

Arizona Revised Statute (A.R.S.) § 16-902.01(F) requires the name of the committee to include the official serial number of the petition when assigned and a statement whether the committee “supports or opposes the passage of the ballot measure.” Thus, the committee must state its position on the underlying City Council act, not its position on the referendum. A committee that circulates petitions and supports the referendum effort is one that opposes passage of ballot measure because it seeks to overturn the actions of the City Council. A successful referendum places a question on the ballot of whether to approve or reject the City Council’s actions. The committee opposes this. For these reasons, the Statement of Organization indicated a correct name and accurate indication that RTP opposed passage of the ballot measure. Therefore, no further action will be taken in connection to this allegation.

Allegation 2: The name of the committee was not correct on the Campaign Finance Reports.

The complaint argues that the following campaign finance reports did not indicate a correct name: June 30 report, Pre-Primary Report and Post-Primary report. The committee names on



the three reports contained unintentional errors of a nature that would not generally mislead the public. Except for errors in the names, the reports were complete. The committee has filed amended reports to correct the names. Therefore, this matter is considered resolved and no further action will be taken in connection to this allegation.

Allegation 3: \$10K notices were not timely filed for contributions over \$10,000.

The complaint alleges that the committee failed to timely report contributions made by Neighbors for a Better Glendale to Respect the Promise, in both its form for R-14-01 and in its form for R-14-02. The specific contributions complained about are as follows:

\$10,000 on April 1  
\$15,000 on April 7  
\$10,000 on April 17  
\$6,000 on April 28  
\$30,000 on August 18  
\$30,000 on August 25  
\$6,000 on September 9

A.R.S. § 16-914.01(B) requires a committee acting in support of or opposition to the qualification, passage or defeat of an initiative or referendum or any other ballot measure, question or proposition to give notice, within 24 hours, to the City Clerk the first time each of the following occurs:

1. The committee has received contributions totaling ten thousand dollars or more.
2. The committee has made expenditures totaling ten thousand dollars or more.
3. The committee has received contributions totaling ten thousand dollars or more from a single source.
4. The committee has received contributions totaling ten thousand dollars or more from different additional single sources.

Based on the statutory language requiring notice “the first time each of the following occurs,” a notice to the Glendale City Clerk was required for R-14-01 – Neighbors for a Better Glendale on April 1, 2014. April 1 is the first time the committee received contributions totaling \$10,000 or more and the first time the committee received contributions totaling \$10,000 or more from a single source. Notification was not received by the City until October 24, 2014, after the complaint was provided to the committee.

For RTP [14-02], Neighbors for a Better Glendale made a \$30,000 contribution on August 18, 2014. August 18 is the first time the committee received contributions totaling \$10,000 or more and the first time the committee received contributions totally \$10,000 or more from a single source. Notification was not received by the City until October 24, 2014, after the complaint was provided to the committee.



Therefore, reasonable cause exists to believe there has been a violation of A.R.S. § 16-914.01(B) as it relates to the two contributions received from Neighbors for a Better Glendale on April 1, 2014 and August 18, 2014.

Allegation 4: 10K notices were not filed for expenditures over \$10,000.

The complaint alleges that the committee failed to timely report expenditures made to Petition Partners from Respect the Promise, in both its form for R-14-01 ("R-14-01"), and in its form for R-14-02 (RTP). A.R.S. § 16-914.01(B), cited above, required the committee to file a report within 24 hours of "expenditures totaling ten thousand dollars or more."

Based on the statutory language requiring notice "the first time each of the following occurs," a notice to the Glendale City Clerk was required for R-14-01 within 24 hours of its expenditure on April 1, 2014 for \$10,000 to Petition Partners. Notification was not received by the City until October 24, 2014, after the complaint was provided to the committee.

For RTP, the first over-\$10,000 expenditure was the \$25,000 paid to Petition Partners on August 19, 2014. Notification of the expenditure was not received by the City until October 24, 2014, after the complaint was provided to the committee.

Therefore, reasonable cause exists to believe there has been a violation of A.R.S. § 16-914.01(B) as it relates to the two expenditures made on April 1, 2014 and August 19, 2014.

By copy of this letter, I am notifying the City Attorney of my findings regarding the contributions and expenditures as they relate to A.R.S. § 16-914.01(B) and advising you that the City Attorney may take additional action.

If you have any questions or concerns, please contact me.

Pam Hanna, MMC, MAC  
City Clerk

cc: Mr. George Fallar  
Mr. Michael Bailey, City Attorney  
Ms. Debborah Robberson, Chief Deputy City Attorney