

December 31, 2014



SENT VIA REGISTERED MAIL AND E-MAIL TO:

Ms. Kristin L. Windtberg
Osborn Maledon
2929 North Central Avenue
21st Floor
Phoenix, AZ 85012
kwindtberg@omlaw.com

Mr. Gary Hirsch, Chairman
No More Bad Deals for Glendale in Opposition to R-14-03 – Neighbors for a Better Glendale
4520 West Echo Lane
Glendale, AZ 85302
Gary.hirsch@cox.net

Ms. Jill Ryan, Treasurer
No More Bad Deals for Glendale in Opposition to R-14-03 – Neighbors for a Better Glendale
8414 West Augusta Avenue
Glendale, AZ 85305
Jillryan1@gmail.com

Re: Campaign Finance Complaints against No More Bad Deals for Glendale in Opposition to R-14-03 – Neighbors for a Better Glendale (“NMBD”)

Dear Ms. Windtberg, Ms. Ryan and Mr. Hirsch:

Sherwood Complaint

On September 26, 2014, the City of Glendale City Clerk received a complaint from Mr. Gary Sherwood regarding the Post-Primary report filed by NMBD: “...it shows on schedule B (first line) receiving a \$35K contribution from Neighbors for a Better Glendale on 8-29, yet on the Campaign Financial report for Neighbors for a Better Glendale, it shows on schedule D-6, line 4d, only transferring \$30K, a discrepancy of \$5K.”

NMBD’s response to this allegation was received on October 24, 2014. NMBD stated that Neighbors for a Better Glendale (“Neighbors”) made a clerical error in its Post-Primary Election Report and that the report filed by No More Bad Deals reported the correct amount of \$35K as the contribution it received from Neighbors. On October 24, 2014, Neighbors filed an amended Post-Primary Report correcting the arithmetic error. Therefore, the Sherwood Complaint is considered resolved and no further action is required.



Fallar Complaint

October 6, 2014, the City of Glendale City Clerk received a written campaign finance complaint from Mr. George Fallar with the following allegations:

1. The Pre-Primary report has not been filed.
2. Incorrect and misleading committee filing.
3. The committee ID number is not correct on pages two and four.
4. 10K notices not promptly filed for contributions over \$10,000 from Neighbors for a Better Glendale.
5. 10K notices not promptly filed for expenditures over \$10,000 to Petition Partners.
6. The amount listed as a contribution received does not match the expenditure amount listed on the Neighbors for a Better Glendale report.

NMBD's response to the allegations was received on October 24, 2014.

Allegation 1: The Pre-Primary Report was not Filed

Since receiving the complaint, NMBD filed its Pre-Primary report on October 29, 2014, and paid the required late fees. Therefore, this allegation is considered resolved and no further action is required.

Allegation 2: Incorrect and Misleading Committee Filing

The complaint alleges that the Statement of Organization filed by NMBD was incorrect and misleading because it checked the "oppose" box on the form indicating that it opposes the ballot measure associated with petition R-14-03.

Arizona Revised Statute (A.R.S.) § 16-902.01(F) requires the name of the committee to include a statement "whether the political committee supports or opposes the passage of the ballot measure." Here, the ballot measure is the referendum of the settlement agreement between the City and the Tohono O'odham Nation and the resolution of support for the proposed casino. NMBD opposes passage of the ballot measure. I agree with the reasoning of the Arizona Court of Appeals decision cited by NMBD. For these reasons, this allegation is considered resolved and no further action is required.

Allegation 3: The Committee ID Number is Incorrect on Pages 2 and 4

The complaint alleged that pages two and four of the Pre-Primary Election Report contained the wrong committee ID number. The ID number was incorrect on these pages; it was correct on the remaining pages. NMBD has amended their Post-Primary Election report to correct this clerical error. Therefore, this allegation is considered resolved and no further action is required.

Allegation 4: 10K Notices Not Promptly Filed for Contributions over \$10,000

The complaint alleges that NMBD failed to timely report contributions made by Neighbors for a Better Glendale. The specific contributions complained about are as follows:



\$35,000 on August 29, 2014
\$10,000 on September 9, 2014
\$10,000 on September 12, 2014

A.R.S. § 16-914.01(B) requires, in addition to the requirements of section 16-913, 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,” to the Glendale City Clerk was required within 24 hours of August 29, 2014. August 29, 2014, is the first time the committee: 1) received contributions totaling \$10,000 or more; and 2) the first time the committee received contributions totaling \$10,000 or more from a single source. NMBD was required to file a notice of **each** statutory occurrence.

On August 29, 2014, NMBD received a contribution of \$35,000 from Neighbors for a Better Glendale, which triggered the notice provisions of A.R.S. § 16-914.01(B)(1) and (3).. Notification was not received by the City Clerk until October 24, 2014, after the complaint was provided to the committee. Therefore, there is reasonable cause to believe there has been a violation of A.R.S. § 16-914.01(B).

Allegation 5: 10K notices not promptly filed for expenditures over \$10,000

The complaint alleges that the committee failed to timely report expenditures made to Petition Partners. Specifically, the complaint refers to the following relevant expenditures:

\$30,000 on August 19, 2014
\$10,000 on September 11, 2014

A.R.S. § 16-914.01(B), cited above, required the committee to file a report within 24 hours of the committee making 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 within 24 hours of the committee’s expenditure on August 19, 2014 for \$30,000 to Petition Partners. Notice was not received by the City Clerk until October 24, 2014, after the complaint was provided to the committee. Therefore, there is reasonable cause to believe there has been a violation of A.R.S. § 16-914.01(B).



Allegation 6: Mismatched contribution and expenditure amounts

The complaint alleged that NMBD's Post-Primary Election report identifies a \$35,000 contribution from Neighbors for a Better Glendale ("Neighbors") on August 29, 2014, but that Neighbors' Post-Primary Election Report identifies a \$30,000 contribution to NMBD. The amount reported by NMBD was correct; Neighbors has filed an amended report to correct its clerical error. Therefore, this allegation is considered resolved and no further action is required.

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 at (623) 930-2252.

A handwritten signature in cursive script that reads "Pam Hanna".

Pam Hanna, MMC, MAC
City Clerk

cc: Mr. George Fallar
Mr. Gary Sherwood
Mr. Michael Bailey
Ms. Deborah Robberson