

Complainant's Cure Response to Notice of Deficiency

FROM: [COMPLAINANT NAME REDACTED]
TO: Thomas M. Collins, Executive Director, Arizona Citizens Clean Elections Commission
DATE: May 11, 2026 · 15:21 MST
SUBJECT: Re: Notice of Deficiency re: BABA – Cure Response under R2-20-809(E)

Director Collins,

Thank you for the prompt review of the five complaints I filed on May 7, and for the May 11 letter. I appreciate the time and care your office has put into these matters.

On the House Victory Fund and Arizona Senate Victory Fund complaints, I accept the Commission's disposition. The 90-day external-complaint time bar plainly applies to those allegations under Title 16 Chapter 6 Article 2, and the 2024-cycle conduct in question falls outside that window. I will not pursue further action on those two matters with the Commission. I've made a note in my files so I don't waste your time (or my money with a notary!) again.

This response addresses the Notice of Deficiency on the Building A Better Arizona complaint under A.A.C. R2-20-809(E), with A.R.S. § 16-973(I) as the principal point of analysis. I would like to offer some additional information during the cure window. My hope is that this material is useful in deciding whether the cured complaint should be reinstated.

I appreciate, and accept, the Commission's framing that § 16-973(I) is the controlling provision. The remaining question on my reading is the one § 16-973(I) itself raises: whether *"the disclosures required by this section are included in those periodic reports."* I'd like to walk through the available filing options and what BABA's periodic reports actually contain, so the Commission has the full record.

1. The Secretary of State already provides a VRKA-specific filing pathway, separate from the standard periodic CFR.

The May 11 letter noted that the SOS-prescribed periodic-report format does not include VRKA-specific fields, and suggested the Secretary’s office as the appropriate channel for any form-design concerns. I’d like to respectfully clarify that the SOS already maintains a separate, VRKA-specific filing pathway in addition to the standard periodic Campaign Finance Report (CFR), and that both pathways live on SeeTheMoney:

Filing pathway	Required content	What BABA filed
Periodic CFR — Schedules C1–C7, E1, E2a/b/c, E3, E4, R1, T1, L1, L2, S1	Contributions, expenditures, cash on hand — basic financial activity under Title 16 Ch. 6	5 filings, 2025 Q1 through 2026 Q1
VRKA Initial Report under § 16-973(A)	Original-source donors, intermediary chains, traceable monies on hand, campaign media spending manager, \$10K disbursement recipients with candidate-and-office tagging, Major Donor identification	None filed
VRKA Supplemental Reports under § 16-973(B)	Updated disclosures at each \$25K cumulative threshold	None filed

The Secretary of State’s VRKA filer index at azsos.gov/elections/campaign-finance/vrka-reporting confirms that this separate pathway exists at the SOS and is regularly used by covered-person PACs. The standard CFR is one form; the VRKA Initial / Supplemental Report is a different form. Both are filed at the SOS and both surface on SeeTheMoney. A covered-person PAC ordinarily files both.

I respectfully suggest that the question is not whether the SOS-prescribed CFR format should be redesigned to carry VRKA content — the SOS has already addressed that question by providing a separate VRKA-specific filing pathway. The question for the present matter is whether the § 16-973(I) safe harbor applies when a covered-person PAC files the CFR but

does not also file the VRKA Initial and Supplemental Reports that the SOS makes available for that purpose.

2. Five additional § 16-973(A) categories that the CFR does not carry.

The May 11 letter focused on donor identity under § 16-973(A)(6). I would respectfully draw the Commission's attention to five additional content categories that § 16-973(A) requires and that the periodic-CFR format does not provide for. The VRKA Initial Report format addresses each of them:

- **§ 16-973(A)(4)** — the campaign media spending manager (the individual who directly or indirectly controls how traceable monies are spent). The CFR identifies the treasurer (Ashley Ragan), a different statutory role.
- **§ 16-973(A)(5)** — the total amount of “traceable monies” on hand. Under § 16-972(B), traceable monies excludes funds the donor has opted out of having used for CMS. The CFR shows total cash and makes no opt-out separation.
- **§ 16-973(A)(7)** — the identity of each intermediary that transferred more than \$5,000 in traceable monies from an original source, with date, amount, and both original and intermediate source. Schedule C shows only the contributor of record.
- **§ 16-973(A)(8)** — disbursement recipients receiving \$10,000 or more in traceable monies, with candidate-or-office tagging for any public communication paid from those funds. Schedule E itemizes by \$250 with vendor and purpose but does not carry the candidate-and-office tagging § 16-973(A)(8) requires.
- **§ 16-973(A)(9)** — Major Donor identification: any person whose total contributions of traceable monies constituted more than half of the covered person's traceable monies at the start of the cycle. The CFR has no equivalent calculation.

My reading of § 16-973(I) is that all of the “disclosures required by this section” must be included for the safe harbor to be available. The five categories above are independent of donor identity under (A)(6), and the cure for each — under the SOS's existing two-track system — is the VRKA Initial Report.

3. Comparator covered-person PACs that filed both forms.

Other covered-person PACs on the Secretary of State's VRKA filer index file both forms in parallel:

- **Tucson Metro Chamber PAC** — filed standalone VRKA reports while also filing periodic CFRs
- **Turning Point PAC** — same pattern
- **Yes on 409** — same pattern (ballot-measure PAC)

I read that practice as confirming that other covered-person PACs do not treat § 16-973(I) as making the VRKA form optional when the CFR is timely; they file both. I would be glad to provide screenshots of any of those filings if the Commission would find them helpful for context.

4. On donor identity and § 16-972(D) — additional specifics from BABA's own filings.

I appreciate the Commission's point that BABA's periodic reports list donor names and that contributions from corporate, LLC, or labor entities are not on their face inconsistent with business-income status. I would like to share the cycle-aggregated picture from BABA's own Schedule C entries, which I believe may be useful:

BABA's 2026-cycle Schedule C records **twenty-seven donors with cycle-aggregate contributions exceeding \$5,000:**

- Nineteen are individuals (combined \$859,000), the largest being Bennett Dorrance at \$149,000 and four donors at \$100,000 each (Jim Click, Jerry Moyes, Paul Baker, Arte Moreno).
- Seven are corporate or LLC entities (combined \$300,000): Mac Automotive (\$100,000), Verde Investments Inc. (\$50,000), Harvard Investments Inc. (\$50,000), Rexco, LLC (\$40,000), Iron Rings Holdings LLC (\$25,000), Lky Development Co., Inc. (\$25,000), and Colliers Engineering and Design (\$10,000).

- One is the Ingram Revocable Living Trust (\$100,000), recorded on Schedule C as a “Contribution from Individuals” although a trust is structurally neither a natural person nor an entity within the § 16-971(13) enumeration.

Under A.R.S. § 16-972(D), each contribution of more than \$5,000 in traceable monies triggers an affirmative duty on the covered person to request, in writing, the identity of any person who directly or indirectly contributed more than \$2,500 in original monies behind that contribution. The donor has ten days to respond. The statute does not appear to carve out corporate-business-income contributions from this duty, nor does it create a presumption that any particular contribution is or is not business income absent the § 16-972(D) inquiry.

The periodic reports do not disclose whether BABA made those requests, whether the donors responded, what original-source information was provided, or what the resulting transfer-record under § 16-972(A) reflects. By way of one representative example, the **Iron Rings Holdings LLC** contribution of \$25,000 from an Alpharetta, Georgia address shows on Schedule C only the entity name, address, and amount — the kind of contribution for which § 16-973(A)(7) intermediary tracing was designed and that the VRKA Initial Report format is structured to carry.

I offer this not to suggest anything improper about any individual donor, but to illustrate how the periodic CFR leaves the § 16-973(A)(6) and (A)(7) questions unresolved on the face of the record.

5. BABA’s own March 1, 2025 Monthly CCEC Trigger Report.

For the Commission’s reference, BABA filed a Monthly CCEC Trigger Report on March 1, 2025 (Report ID 303835) directly disclosing the threshold-crossing February 11, 2025 DDI Media expenditure of \$50,000. That filing shows BABA had an active reporting posture with the Commission at the moment the VRKA threshold was crossed.

I am happy to provide any additional documentation that would help the Commission’s review. If a follow-up conversation would be useful, I am available at the email and phone below. Thank you again for the time and care your office has put into these complaints.

Respectfully,

[COMPLAINANT NAME REDACTED] [CITY REDACTED] [PHONE REDACTED]

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