

Janice K. Brewer
Governor

Thomas M. Collins
Executive Director



Timothy J. Reckart
Chair

Louis J. Hoffman
Thomas J. Koester
Mitchell C. Laird
Steve M. Titla
Commissioners

State of Arizona
Citizens Clean Elections Commission

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

Via Federal Express

September 26, 2014

RE: CCEC MUR #14-007

Jason Torchinsky
Holtzman Vogel Josefiak PLLC
1010 Wisconsin Ave, NW
Suite 530
Washington, DC 20007,

Dear Mr. Torchinsky:

Enclosed with this letter please find the Compliance Order dated September 26, 2014.

As indicated in our conversation after the hearing this week, I do not believe that the investigation need be particularly extensive. Pursuant to A.R.S. § 16-956 and A.A.C. R2-20-210, I request that Legacy Foundation Action Fund provide written answers to the follow questions under oath:

1. Please provide how much money was expended to create and run the television advertisement identified in the Compliance Order.
2. Please identify any other advertisements pertaining to Scott Smith that ran in Arizona.
3. With regard to any advertisements identified in LFAF's response to question 2, please provide information on the scope of the purchase, including how much money was spent to create and run any such advertisements and where they ran.

Please provide the answer to these questions by October 3, 2014 at the 5 p.m. Arizona time.

Sincerely,

Thomas M. Collins
Executive Director
Citizens Clean Elections Commission

Encl.

c: Brian Bergin (email only)
Mary O'Grady (email only)

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ORDER REQUIRING COMPLIANCE
A.R.S. § 16-957 & A.A.C. R2-20-208(A)

VIA FEDERAL EXPRESS

September 26, 2014

Legacy Foundation Action Fund
C/O Jason Torchinsky
Holtzman Vogel Josefiak PLLC
1010 Wisconsin Ave, NW
Suite 530
Washington, DC 20007

RE: CCEC File No.: #14-007 – Legacy Foundation Action Fund

Dear Mr. Torchinsky:

On September 11, 2014, the Citizens Clean Elections Commission (“Commission”) found **reason to believe** that the Legacy Foundation Action Fund (LFAF) violated the Citizens Clean Elections Act and Rules.

Violation & Factual Basis Supporting The Finding

Failure to Report Independent Expenditures

Section 16-941(D) of the Arizona Revised Statutes and Arizona Administrative Code Section R2-20-109 provide that all persons shall file reports of independent expenditures above a threshold set forth in the Act. The Commission has reason to believe that between March 31 and April 14, 2014 LFAF made independent expenditures of at least \$260,000 that expressly advocated the defeat of Candidate Scott Smith in the Republican gubernatorial primary. A.R.S. §§ 16-941(D); -958; -901.01; 961(A). It filed no reports of any kind of the expenditure.

The advertisement is available here: http://www.youtube.com/watch?v=NycZZLOA_OQ.

14 Day Period to Comply

You are hereby ordered to comply with A.R.S. §§ 16-941(D); -958 and A.A.C. R2-20-109 within **14 days** of the date of this order. During that period, you 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) and A.A.C. R2-20-208(A).

After the 14 days, if the Commission finds that you remain out of compliance, the Commission shall make a public finding to that effect and issue an order assessing a civil penalty, unless the Commission publishes findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty. A.R.S. § 16-957(B).

If you have any questions, please call (602) 364-3477 or toll free (877) 631-8891.

Issued this 26th day of September, 2014
Citizens Clean Elections Commission

Paula Thomas

From: Paula Thomas
Sent: Friday, September 26, 2014 10:54 AM
To: 'Jason Torchinsky'
Cc: 'Brian Bergin'; 'O'Grady, Mary'; Thomas Collins; Sara Larsen
Subject: Request Letter & Order Requiring Compliance - MUR 14-007
Attachments: mur 007 order.pdf

Importance: High

Dear Mr. Torchinsky:

Pursuant to A.R.S. § 16-956 and A.A.C. R2-20-210, the Citizens Clean Elections Commission respectfully requests written answers to the attached questions under oath. Attached is request letter & the Compliance Order dated September 26, 2014. Thank you.

Paula Thomas, Executive Assistant
Clean Elections Commission
1616 W. Adams, Suite 110
Phoenix, AZ 85007
(602) 364-3477

From: (602) 364-3477
Paula Thomas
Clean Elections Commission
1616 W Adams, Suite 110

Origin ID: ZSYA



J14221409230326

Phoenix, AZ 85007

Ship Date: 26SEP14
ActWgt: 1.0 LB
CAD: 103754444/INET3550

Delivery Address Bar Code

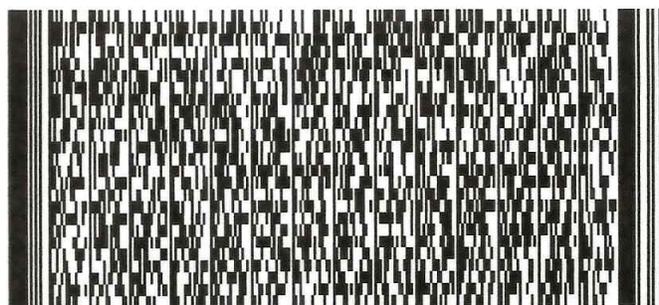


SHIP TO: (202) 737-8808 **BILL SENDER**
Jason Torchinsky
Holtzman Vogel Josefiak PLLC
1010 Wisconsin Ave NW
Suite 530
WASHINGTON, DC 20007

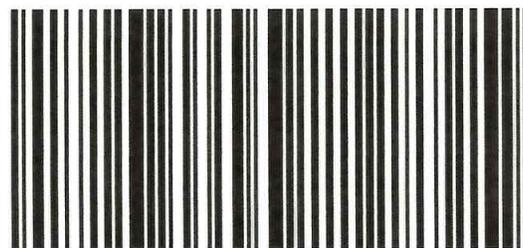
Ref # CCEC MUR 14-007
Invoice #
PO #
Dept #

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