

# **Alaska Public Offices Commission**





	NG A COMPLAINT epted, complaint must include	APOC LAWS Specify sec	ALLEGEDLY		APOC case name/number/date	
2. Responde	ant's name + contact info nt's name + contact info	Campaign Disclosure Law	AS 15.1			
4. Descriptio	ulations allegedly violated n of allegations	Public Official Financial Disclosure	AS 39.5			
6. Document	nowledge of alleged facts ation to support allegations signature of the complainant	Legislative Financia Disclosure	AS 24.6			
8. Proof that	complaint and all supporting s were served on respondent	Lobbying Regulation		5 60.550–590		
	ets requirements for acceptance, AP nd Respondent when APOC accepts		gations and notify	the respondent of the	right to respond. APOC will notify	
	COMPLAIN	ANT	RESPO	<b>DNDENTS</b> Person	or group allegedly violating law	
☐ Person ☐ Party ⊠ Group	Alaskans for Better Elections	s, Inc.	Person		st Elections; Ranked Choice	
Address City / Zip	510 L St., Ste. 601 Anchorage, AK 99501			Complaint, page 1		
Phone/Fax	907-222-7932					
E-mail	scott@cashiongilmore.com sam@cashiongilmore.com					
(	COMPLAINANT'S REPRESEN	ITATIVE	RE	SPONDENTS' RE	PRESENTATIVES	
If complainar	nt or respondent is political party or gro					
Name/Title	Scott M. Kendall for Complainant Please see attached Complaint, page 1 (Kevin Clarkson)					
Address	510 L Street, Ste. 601					
Phone/Fax 907-222-7932 / 907-222-7938						
E-mail						
DESCRIPT	ON or SUMMARY of ALLEG	ED VIOLATION	/se S	UPPORTING DO	CUMENTS – DESCRIBE:	
Please see	attached supporting info	rmation and	Atra Please	see attached co	omplaint and associated	
documenta	ation.		ges if exhibit	s.		
		ne	eded			
	SERVICE ATTACHED:  F F F F F F F F F F F F F F F F F F F				ned receipt	
COMPLAIN	ANT'S SWORN STATEMENT	: To the best of my I	knowledge and	d belief, these sta	tements are true	
					Date November 13, 2023	
Signature Subscribed a	and sworn to or affirmed by me		Samuel G. Gottste on		Date November 15, 2025	
Subscribed		<u> </u>	0.11	0		
Signature Title Complaints, RESPONSES, INVESTIGATION REPORTS & COMMISSION ACTIONS ARE PUBLIC DOCUMENTS						
APOC ANCHORAGE APOC JUNEAU APOC COMPLAINT PROCESS: 2 AAC 50 450 - 476						
	2221 E. NORTHERN LIGHTS #128     240 MAIN STREET #500     FILING COMPLAINTS : 2AAC 50.880					
ANCHORAGE, AK 99508 P.O. BOX 110222 APOO			OC CRITERIA for ACCEPTINE COMPLAINTS: 2 AAC 0.870			
907-276-4176 /	FAX 907-276-7018 JUNEAU, A			ARINGS: TAAC 50.87	F T MILL	
TOLL-FREE	800-478-4176 465-4864 / F	AX 465-4832 RULES 1	or REQUESTING	EXPEDITED CONSIL	ERATION: AS15.13.380(c)	
WEB: <a href="http://doa.alaska.gov/apoc/">http://doa.alaska.gov/apoc/forms_all.html</a> APOC LAWS: <a href="http://doa.alaska.gov/apoc/apoclaws.html">http://doa.alaska.gov/apoc/apoclaws.html</a>				doa.alaska.gov/apoc/apoclaws.html		



## **APOC Complaint**

1 message

**Todd Cowles** <todd@cashiongilmore.com> To: Kevin Clarkson <kclarkson@gci.net> Cc: Sam Gottstein <sam@cashiongilmore.com>, Scott Kendall <scott@cashiongilmore.com>

Mon, Nov 13, 2023 at 10:28 AM

Mr. Clarkson:

Please find the attached APOC Complaint.

**Todd Cowles** Paralegal Cashion Gilmore & Lindemuth 510 L Street, Suite 601 Anchorage, AK 99501 Main: (907) 222-7932 www.cashiongilmore.com

2023.11.13 APOC Complaint w Exhibits.pdf 4466K

To:	Alaska Public Offices Commission
From:	Alaskans for Better Elections, Inc., Complainant

Re: <u>Complaint Against Alaskans for Honest Elections, the Ranked Choice Education</u> Association, and Art Mathias for Violations of Campaign Finance Laws (AS 15.13)

## **Respondents:**<sup>1</sup>

#### **Alaskans for Honest Elections**

2521 East Mtn Village Dr., #904 Wasilla, AK 99654 Telephone: 1-907-802-8116 Kevin Clarkson (counsel for AHE) kclarkson@gci.net

#### **Ranked Choice Education Association**

2511 Sentry Drive, Suite 200 Anchorage, AK 99507 Kevin Clarkson (counsel for the RCEA) kclarkson@gci.net

## <u>Art Mathias</u>

2511 Sentry Drive, Suite 200 Anchorage, AK 99507 Business Telephone: 907-563-3188 Fax: 907-563-7416 Kevin Clarkson (counsel for Mr. Mathias) kclarkson@gci.net

## I. <u>Summary of Complaint</u>

In November 2022, Alaskans for Honest Elections ("AHE") filed an initiative

(designated "22AKHE") with the Lieutenant Governor's office. The aim of 22AKHE is

to reimpose closed party primaries and to repeal ranked-choice voting ("RCV") in Alaska.

AHE has registered as a ballot group with APOC, and is currently collecting petition

signatures to qualify 22AKHE for placement on the 2024 ballot.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> This information is intended to satisfy the required contact information for this APOC Complaint. It has also been relied upon for service of the complaint. Additional information about the Respondents is included below.

<sup>&</sup>lt;sup>2</sup> See Exhibit A, Liz Ruskin, "Launch of campaign to repeal ranked choice voting draws a crowd in Anchorage," Alaska Public Media, at 7 (Feb. 17, 2023).

Complainant previously filed a complaint (23-01-CD) on July 5 against several Respondents — including AHE, the Ranked Choice Education Association ("RCEA"), and Art Mathias — because the way that they contributed money to AHE and other organizations supporting 22AKHE improperly hid the identity of those contributors.<sup>3</sup> The APOC Staff Report, which largely agreed with the allegations, was issued on September 8, 2023; because of inaccurate reporting, and numerous other violations, a hearing on that first complaint is scheduled for November 16, 2023.

*This* complaint concerns Respondents' ongoing disregard for Alaska's statutory disclaimer and reporting requirements, even in the face of hundreds of thousands of dollars in maximum civil penalties from the prior complaint. More specifically, as explained below, this complaint alleges that even after Respondents reviewed a Staff Report instructing them on how to comply with the law: (1) AHE filed inaccurate reports with APOC; (2) AHE failed to report certain expenditures and/or in-kind contributions; (3) the RCEA and Mr. Mathias have continued to intentionally violate the law by providing an inaccurate name for the primary financial contributor to AHE; and (4) AHE's three largest contributor's disclaimer remains inaccurate.

Because any possible election on 22AKHE is not until next year, Complainant does not request to expedite this matter at this time. Rather, Complainant believes that a thorough investigation under the ordinary statutory timeline is more important than a rapid (but perhaps incomplete) outcome.

3

See generally APOC Complaint 23-01-CD (July 5, 2023).

#### II. Background Information About Respondents.

#### A. Alaskans for Honest Elections

AHE is a registered ballot group that is currently gathering signatures for 22AKHE.<sup>4</sup> And although AHE has filed three Quarterly Reports, APOC has assessed civil penalties against AHE for late filings.<sup>5</sup> Three of AHE's five penalties for untimely filings appear to have been paid by AHE as of this filing.<sup>6</sup>

AHE has received at least \$122,000 in contributions from the RCEA this year.<sup>7</sup> However, the RCEA has separately reported that the true source for the majority of these funds is actually Mr. Mathias.<sup>8</sup> Additionally, Mr. Mathias himself corroborated his intent for these contributions go to AHE's effort to reimpose closed party primaries and repeal RCV.<sup>9</sup> According to AHE's reports, the RCEA appears to have contributed nearly 90% of the monetary contributions that AHE has received.<sup>10</sup>

<sup>&</sup>lt;sup>4</sup> See Exhibit B.

<sup>&</sup>lt;sup>5</sup> See Exhibit C.

<sup>&</sup>lt;sup>6</sup> See Exhibit D.

<sup>&</sup>lt;sup>7</sup> See Exhibit E.

<sup>&</sup>lt;sup>8</sup> See Exhibit F.

<sup>&</sup>lt;sup>9</sup> See Exhibit A.

<sup>&</sup>lt;sup>10</sup> See Exhibit G (First Quarterly Report); Exhibit H (Second Quarterly Report); Exhibit I (Third Quarterly Report). However, some of these numbers that have been reported by AHE are known to be inaccurate. See, e.g., APOC Staff Report for 23-01-CD, at 9 (Sept. 8, 2023) (Exhibit J) (noting that a check for \$11,000 was sent by the RCEA to AHE, rather than a check for only \$10,260).

#### **B.** The Ranked Choice Education Association

The RCEA is "an Integrated Auxiliary of" Wellspring Fellowship of Alaska,<sup>11</sup> which itself is related to Wellspring Ministries.<sup>12</sup> The RCEA was formed as a "Nonprofit Religious Organization" in Washington State in December 2022,<sup>13</sup> and may receive tax benefits by purporting to be a 501(c)(3) organization.<sup>14</sup>

Although the RCEA is required to register and report with APOC because of its support of 22AKHE,<sup>15</sup> nearly all of the RCEA's contributors — including one who has contributed at least  $$250,000^{16}$  — are currently unknown. This is because the RCEA has neither registered nor reported with APOC at the time of this filing. The RCEA has

<sup>&</sup>lt;sup>11</sup> See Exhibit K, RCEA Articles of Incorporation (Dec. 16, 2022).

<sup>&</sup>lt;sup>12</sup> See Exhibit J at 10 (Staff Report to 23-01-CD).

<sup>&</sup>lt;sup>13</sup> See Exhibit K. Wellspring Fellowship of Alaska is also a "Nonprofit Religious Organization" that was formed in Washington State in December 2022. See Exhibit L, Wellspring Fellowship of Alaska Articles of Incorporation (Dec. 8, 2022).

<sup>&</sup>lt;sup>14</sup> The RCEA purports to be a 508(c)(1)(A) organization. *See* Exhibit K. All that being a 508(c)(1)(A) organization means is that it can start claiming to be tax exempt as a 501(c)(3) organization without having to first apply for a favorable determination letter from the IRS. *See* <u>https://www.taxnotes.com/research/federal/court-documents/courtopinions-and-orders/no-charitable-deduction-for-donation-to-church-stripped-ofexempt/1p2v7; *see also Taylor v. Comm'r*, T.C. Memo 2000-17 (T.C. 2000) (Exhibit M) ("[S]ection 508(c)(1) simply relieves churches from applying for a favorable determination</u>

<sup>(&</sup>quot;[S]ection 508(c)(1) simply relieves churches from applying for a favorable determination letter regarding their exempt status as required by section 508(a). Nothing in section 508(c)(1) relieves a church from having to meet the requirements of section 501(c)(3).").

<sup>&</sup>lt;sup>15</sup> *See* Exhibit J at 17-18, 21-23 (Staff Report to 23-01-CD).

<sup>&</sup>lt;sup>16</sup> See Exhibit N at 1.

previously reported that the true source of at least \$90,000 that it had contributed to AHE was from Mr. Mathias.<sup>17</sup>

#### C. Art Mathias

Mr. Mathias is the President of the RCEA, and is a Director for AHE.<sup>18</sup> He has contributed at least \$90,000 to the RCEA,<sup>19</sup> and the RCEA subsequently reported that the true source of \$90,000 that it later contributed to AHE was Mr. Mathias.<sup>20</sup> APOC Staff has previously concluded that "Mr. Mathias ... contributed \$90,000 to [the] RCEA knowing that the contribution would be repurposed to support AHE through contributions as needed."<sup>21</sup> Again, APOC Staff's conclusion is proven by the RCEA's own statement that Mr. Mathias is the "true source" of these funds,<sup>22</sup> and by Mr. Mathias' own public statements.<sup>23</sup> It is further proven by the fact that Mr. Mathias appears to control these two entities: he is the President of the RCEA, and is a Director of AHE.<sup>24</sup> The separate legal status of these entities cannot provide Mr. Mathias safe harbor under these unusual circumstances that he himself has created; he is contributing funds to himself or an entity

<sup>&</sup>lt;sup>17</sup> *See* Exhibit F.

<sup>&</sup>lt;sup>18</sup> See Exhibit J at 20 (Staff Report to 23-01-CD). Mr. Mathias is also the President of Wellspring Fellowship, and the President, Treasurer, and founder of Wellspring Ministries.

<sup>&</sup>lt;sup>19</sup> See Exhibit O.

<sup>&</sup>lt;sup>20</sup> See Exhibit F; see also Exhibit A.

<sup>&</sup>lt;sup>21</sup> See Exhibit J at 20 (Staff Report to 23-01-CD).

<sup>&</sup>lt;sup>22</sup> See Exhibit F.

<sup>&</sup>lt;sup>23</sup> See Exhibit A.

<sup>&</sup>lt;sup>24</sup> See Exhibit J at 20 (Staff Report to 23-01-CD).

that he controls, and is then instructing that entity to contribute those very funds to *another* entity that he also controls.

#### III. <u>Violations by Alaskans for Honest Elections for Inaccurate Reports.</u>

APOC has already assessed civil penalties against AHE for (repeatedly) filing late Quarterly and 10-Day Reports.<sup>25</sup> Some of those civil penalties have already been paid.<sup>26</sup> But in addition to being late, AHE's Reports are *also* inaccurate, which itself is a separate violation of Alaska law.

AHE failed to properly account for its cash on hand in its Second Quarterly Report.<sup>27</sup> It also reported a demonstrably false amount for one of the RCEA's contributions.<sup>28</sup> AHE has not corrected or amended its Second Quarterly Report as of this filing. And when AHE finally submitted its Third Quarterly Report, because it used its Second Quarterly Report's (incorrect) calculation for cash on hand, its Third Quarterly Report was also inaccurate in this respect.<sup>29</sup>

Moreover, the contributions and expenditures in AHE's Third Quarterly Report do not line up with some of its other more recent reports. AHE has filed two 10-day reports

<sup>&</sup>lt;sup>25</sup> See Exhibit C.

<sup>&</sup>lt;sup>26</sup> See Exhibit D.

<sup>&</sup>lt;sup>27</sup> *Compare* Exhibit G (reporting ending the first quarter with \$25,085.70 in cash on hand), *with* Exhibit H (reporting beginning the second quarter with \$0 cash on hand).

<sup>&</sup>lt;sup>28</sup> See Exhibit H (reporting a \$10,260 contribution from the RCEA on June 11, 2023); Exhibit J at 11 (Staff Report to 23-01-CD) (noting that the RCEA wrote an \$11,000 check to AHE on May 22, 2023).

<sup>&</sup>lt;sup>29</sup> See Exhibit I.

since July 2023,<sup>30</sup> one of which was also untimely.<sup>31</sup> And AHE's Third Quarterly Report does not include either an in-kind contribution that it reported occurring on September 2, 2023, or an expenditure that it reported occurring on October 2, 2023.<sup>32</sup> Additionally, one of AHE's 10-day reports does not include two expenditures that it reported taking place on September 11, 2023.<sup>33</sup>

In sum, by filing inaccurate reports, AHE:

- Violated AS 15.13.040 and AS 15.13.110 by failing to file an accurate Third Quarterly Report; and
- Violated AS 15.13.040 and AS 15.13.110 by failing to file an accurate 10-Day Report on October 30, 2023.

## IV. <u>Violations by Alaskans for Honest Elections for Failing to Report.</u>

In addition to filing untimely and inaccurate reports, AHE also appears to have made

additional expenditures and/or received in-kind contributions that have not been reported

at all, whether in a Quarterly or 10-Day Report. Specifically, AHE:

• Violated AS 15.13.040 and AS 15.13.110 by failing to report either an expenditure or in-kind contribution for having a table at the Tanana Valley State Fair. It appears from a photo posted by AHE's Twitter account that AHE had fliers and petition booklets at the Tanana Valley State Fair.<sup>34</sup> It may be that AHE was present at the multi-day event because of the Republican Women of Fairbanks, who appear to have reserved two tables at the event.<sup>35</sup> It therefore appears that AHE either failed to report an expenditure to participate at the

- <sup>33</sup> See Exhibit Q; see also Exhibit I.
- <sup>34</sup> See Exhibit R.

<sup>35</sup> See Exhibit S (showing two tables reserved by the Republican Women of Fairbanks in Row F).

<sup>&</sup>lt;sup>30</sup> See Exhibit P (Sept. 4, 2023); Exhibit Q (Oct. 30, 2023).

<sup>&</sup>lt;sup>31</sup> *See* Exhibit C at 9-10.

<sup>&</sup>lt;sup>32</sup> See Exhibit I.

Tanana Valley State Fair, or failed to report its participation as an in-kind contribution from the Republican Women of Fairbanks.

- Violated AS 15.13.040 and AS 15.13.110 by failing to report an expenditure or in-kind contribution for purchasing additional petition signature booklets. AHE's first petition booklets were apparently purchased by the RCEA and given to AHE as an in-kind contribution.<sup>36</sup> Those booklets reportedly cost \$1,382.<sup>37</sup> AHE recently posted on Twitter that they had printed an additional run of petition booklets.<sup>38</sup> But the cost printing of those additional booklets whether as an expenditure or an in-kind contribution have not been included on AHE's Third Quarterly Report or any 10-Day Report.<sup>39</sup>
- Violated AS 15.13.040 and AS 15.13.110 by failing to report an expenditure or in-kind contribution for signature gathering efforts in Dillingham. A recent Story on Instagram showed what appears to be multiple signature gatherers who claim to have spent three days in Dillingham gathering 240 signatures for AHE's signature drive for 22AKHE.<sup>40</sup> One would expect AHE to report the cost of plane tickets and accommodations in Dillingham for multiple signature gatherers over those three days. And, unless these signature gatherers were unpaid volunteers, they should have reported their pay as well. Yet none of these costs have been reported by AHE.

Because these expenditures have only come to light through AHE's use of social media, it is likely — if not certain — that other unreported in-kind contributions and/or expenditures have occurred. APOC Staff should conduct a thorough investigation and

compel reporting of all such activities.

- <sup>38</sup> See Exhibit T.
- <sup>39</sup> See Exhibit I; see also Exhibit Q.

<sup>&</sup>lt;sup>36</sup> *See* Exhibit G at 9-10.

<sup>&</sup>lt;sup>37</sup> *See id.* 

<sup>&</sup>lt;sup>40</sup> See Exhibit U.

V. <u>Violations by the RCEA and Mr. Mathias for Inaccurate Reports.</u>

On September 8, 2023, in a prior APOC Complaint, an APOC Staff Report concluded that "Mr. Mathias . . . contributed \$90,000 to [the] RCEA knowing that the contribution would be repurposed to support AHE through contributions as needed."<sup>41</sup> In doing so, APOC Staff recommended that the Commission impose significant civil penalties against both Mr. Mathias and the RCEA for violating AS 15.13.040, AS 15.13.074(b), and AS 15.13.110.<sup>42</sup>

Despite facing tens of thousands of dollars in recommended civil penalties, Mr. Mathias and the RCEA have continued to intentionally deceive the public by again reporting that the RCEA is a contributor to AHE. This continues to directly violate AS 15.13.040, AS 15.13.074(b), and AS 15.13.110.

In October, the month after APOC Staff issued its Report in the other complaint, the RCEA reported contributing a total of \$32,000 to AHE.<sup>43</sup> But because APOC Staff have already found that similar contributions in the RCEA's name violate AS 15.13.074(b), the same is true for these new contributions.<sup>44</sup> Both the RCEA and Mr. Mathias have therefore:

• Violated AS 15.13.040, AS 15.13.074(b), and AS 15.13.110 by falsely reporting the source of significant contributions to AHE.

<sup>&</sup>lt;sup>41</sup> *See* Exhibit J at 20 (Staff Report to 23-01-CD).

<sup>&</sup>lt;sup>42</sup> See Exhibit J at 19-20, 22-23, 29-31 (Staff Report to 23-01-CD).

<sup>&</sup>lt;sup>43</sup> See Exhibit E.

<sup>&</sup>lt;sup>44</sup> *See* Exhibit J at 19-20, 22-23 (Staff Report to 23-01-CD).

VI. <u>Violation by AHE for Inaccurate Three Largest Contributors Disclaimer.</u>

Ever since APOC Staff issued its report in 23-01-CD on September 8, AHE has known that it should list Mr. Mathias as one of its three largest contributors.<sup>45</sup> AHE has also conceded in 23-01-CD that Phillip Izon should not have been listed as its largest contributor.<sup>46</sup> Yet AHE's (inaccurate) three largest contributor disclaimer *remains false* in the same way as it was when 23-01-CD was filed against it in early July.<sup>47</sup> Mr. Mathias, and not the RCEA, should be listed on AHE's "paid for by" disclaimer, and Mr. Izon should be removed.

By not correcting its "paid for by" disclaimer, AHE has:

• Violated AS 15.13.090 by using an incorrect "paid for by" disclaimer, and falsely listing the RCEA and Mr. Izon as two of its three largest contributors.

### VII. <u>CONCLUSION</u>

From the very beginning, Respondents have deceived Alaskans by not accurately reporting who is financially supporting AHE's effort to reimpose closed party primaries and repeal RCV. And now, even in the face of significant civil penalties, Respondents *continue* to violate the law. APOC should investigate what appears to be Respondents' continuing, intentional, and blatant disregard for Alaska's statutory reporting requirements.

<sup>&</sup>lt;sup>45</sup> *See id.* 

<sup>&</sup>lt;sup>46</sup> See Exhibit V at 6 nn. 9, 11 (acknowledging that Mr. Izon's estimated volunteer efforts should have been listed as a debt, not a contribution).

<sup>&</sup>lt;sup>47</sup> *See* Exhibit W (Nov. 9, 2023).

## CASHION GILMORE & LINDEMUTH Attorneys for Complainant, Alaskans for Better Elections, Inc.

DATE: November 13, 2023

Scott M. Kendall Alaska Bar No. 0405019 Samuel G. Gottstein Alaska Bar No. 1511099

By:

Launch of campaign to repeal ranked choice voting draws a crowd in Anchorage - Alaska Public Media

4/26/23, 11:36 AM



# Launch of campaign to repeal ranked a crowd in Anchorage

By Liz Ruskin, Alaska Public Media - February 17, 2023



Art Matthias speaks to voters at an Alaskans for Honest Elections event on Feb. 16, 2023. (Elyssa Loughlin/Alaska Pub

https://alaskapublic.org/2023/02/17/launch-of-campaign-to-repeal-ranked-choice-voting-draws-a-crowd-in-anchorage/

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A few hundred people met at a south Anchorage church Thursday night to kick off a signand go back to the way Alaska used to elect candidates.

The new system, which Alaskans used for the first time last year, pairs an open primary v to four candidates.

Art Mathias, a longtime Anchorage resident and founder of Wellspring Ministries, is a spo ranked choice puts the entire country at risk.

"Literally, seriously at risk," he said. "If we don't replace rank choice voting, we will never Outside corporations coming up and buying our candidates and buying our elections."

Mathias said he's donated \$100,000 to the effort, and the campaign has raised \$400,000

Fans of ranked choice say it empowers citizens to vote their conscience, without worrying

The system tends to favor consensus candidates and lessen the power of political parties conservatives at a disadvantage to liberals. Last year, Alaşka re-elected its Republican go Legislature.

Ranked choice changed the outcome in only three Alaska races. In two of those, the tabu candidate who got the most first-choice votes kept the lead, even after the votes that we to the voter's choices.

Mathias and other speakers at the kickoff event put the repeal campaign in culture-war to transgender people.

"They keep preaching that a man can get pregnant until we believe it. You believe it?" Ma can this be? And we can't let it go. We got to stay engaged. We got to get engaged, or it yourself?"

Other speakers included Republican fundraiser Michael Alfaro, a North Carolinian who fou presidential runs. Alfaro had said former Gov. Sarah Palin was to be the keynote speaker advisor, Jerry Ward, said she was on a flight and couldn't arrive in time.

Organizers will need 27,000 signatures to get the initiative on the 2024 ballot.

A poll by Alaska Survey Research last month found a majority of Alaska voters would rep future election.

https://twitter.com/IvanMoore1/status/1618437311188078593?s=20

https://alaskapublic.org/2023/02/17/launch-of-campaign-to-repeal-ranked-choice-voting-draws-a-crowd-in-anchorage/

Page 2 of 3

<sup>4</sup> Launch of campaign to repeal ranked choice voting draws a crowd in Anchorage - Alaska Public Media

4/26/23, 11:36 AM



# Liz Ruskin, Alaska Public Media

Liz Ruskin is the Washington, D.C., correspondent for Alaska Public Me Anchorage. Reach her at Iruskin@alaskapublic.org.

https://alaskapublic.org/2023/02/17/launch-of-campaign-to-repeal-ranked-choice-voting-draws-a-crowd-in-anchorage/

GROUP REGISTRATION FORM

# COMPLETED

Submission Date: **03/20/2023** Filer First Name: **Phillip** Filer Middle Name (Optional): **A** Filer Last Name: **Izon** Filer's Title with Group: **Records Keeper** 

# GROUP INFORMATION

Previously Registered: **No** Election Year: **2023** Group Name: **Alaskans For Honest Elections** Abbreviation: **AKHE** Purpose: **Any lawful election matters** Group Type: **Initiative Proposal** Group Mailing Address: **2521 E Mtn Village Dr** City, State Zip: **Wasilla, Alaska 99654** Additional Email Addresses to Notify: **admin@alaskansforhonestelections.com** 

## CHAIR

Name: **Phillip Izon** Address: **4201 E. Dimond Way Unit B** City, State Zip: **Wasilla, Alaska 99654** Phone: **9078028116** E-mail: **admin@alaskansforhonestelections.com** Fax (Optional): **Did Not Report** 

## TREASURER

Name: **Diamond Metzner** Address: **4201 Dimond Way Unit B** City, State Zip: **Wasilla, Alaska 99654** Phone: **907-802-8116** E-mail: **admin@alaskansforhonestelections.com** Fax (Optional): **Did Not Report** 

# Deputy Treasurers / Co-chairs

Name	Address	Title	
No Deputy Treasurers / Co-chairs / Nothing to Report			

Type of Group

## **INITIATIVE PROPOSAL APPLICATION GROUP** Title: **Alaskans For Honest Elections** Subject: **Repeal of Ranked Choice Voting**

C AMPAIGN P LANS

Initiative Proposal Group: Active before the initiative is certified or the ballot in an election.

BANK ACCOUNT / CAMPAIGN DEPOSITORY

Name of Bank: **Alaska USA FCU** Bank Address: **1501 Parks Hwy** City, State Zip: **Wasilla, Alaska 99654** 

# **Department of Administration**



ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

April 24, 2023

VIA CERTIFIED MAIL, U.S. MAIL, & EMAIL

Alaskans for Honest Elections Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestelections.com nevesiltstudio@gmail.com

RE: Notice of Penalty Assessment – Independent Expenditure Report<sup>1</sup>

Mr. Izon:

According to our records you did not timely file your Independent Expenditure Report that was due on February 25, 2023.<sup>2</sup> Instead, the information required to be reported was disclosed on April 10, 2023, in your First Quarterly Report (44 days late). By law a maximum penalty of \$50 accrues each day the report is late.<sup>3</sup> The maximum penalty the Alaska Public Offices Commission has assessed you is \$2,200.<sup>4</sup>

Staff is reducing the penalty to 50% of the maximum civil penalty that could have been assessed because this is your first election cycle.<sup>5</sup> <u>Accordingly, the assessed penalty owed</u> is \$1,100.

Additionally, please be advised:

 You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our <u>website</u><sup>6</sup> to make a payment by credit card; or you may pay in cash at our offices. Payment must be made within <u>thirty days</u> of the date of this letter. If you are unable to pay the

<sup>&</sup>lt;sup>1</sup> AS 15.13.110(h).

<sup>&</sup>lt;sup>2</sup> For expenditures between February 15, 2023 and February 25, 2023.

AS 15.13.390(a).

<sup>&</sup>lt;sup>4</sup> 2 AAC 50.855(a).

<sup>2</sup> AAC 50.855(b)(2)(C)(i).

https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

2) Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.<sup>7</sup> If you wish to appeal you must submit the enclosed appeal affidavit to APOC within <u>thirty days</u> of the date of this letter.

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment within thirty days or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for a final order in the amount of the assessed penalty and referral to the Attorney General's Office.<sup>8</sup>

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

ALASKA PUBLIC OFFICES COMMISSION	<b>CERTIFICATE OF SERVICE:</b> I hereby certify that on this date, I	caused a true and
Thomas R. Lucas	correct copy of the foregoing to be Alaskans for Honest Elections	delivered to:
Thomas R. Lucas Campaign Disclosure Coordinator	Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestele	Mail ⊠ U.S. Mail ⊠ Email
Encl: Civil Penalty Appeal Affidavit 2 AAC 50.865	<u>ctions.com</u> <u>nevesiltstudio@gmail.com</u>	
cc: Group File (w/o enclosures)	Law Office Assistant	4/24/2023 Date

9171-9690-0935-0294-3929-87

<sup>&</sup>lt;sup>7</sup> 2 AAC 50.831(a).

<sup>&</sup>lt;sup>8</sup> 2 AAC 50.895.

# **Department of Administration**



ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

April 24, 2023

VIA CERTIFIED MAIL, U.S. MAIL, & EMAIL

Alaskans for Honest Elections Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestelections.com nevesiltstudio@gmail.com

RE: Notice of Penalty Assessment – Independent Expenditure Report<sup>1</sup>

Mr. Izon:

According to our records you did not timely file your Independent Expenditure Report that was due on March 21, 2023.<sup>2</sup> Instead, the information required to be reported was disclosed on April 10, 2023, in your First Quarterly Report (20 days late). By law a maximum penalty of \$50 accrues each day the report is late.<sup>3</sup> The maximum penalty the Alaska Public Offices Commission has assessed you is \$1,000.<sup>4</sup>

Staff is reducing the penalty to 50% of the maximum civil penalty that could have been assessed because this is your first election cycle.<sup>5</sup> <u>Accordingly, the assessed penalty owed</u> is \$500.

Additionally, please be advised:

 You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our <u>website</u><sup>6</sup> to make a payment by credit card; or you may pay in cash at our offices. Payment must be made within <u>thirty days</u> of the date of this letter. If you are unable to pay the

<sup>&</sup>lt;sup>1</sup> AS 15.13.110(h).

<sup>&</sup>lt;sup>2</sup> For expenditures between March 11, 2023 and March 21, 2023.

AS 15.13.390(a).

<sup>&</sup>lt;sup>4</sup> 2 AAC 50.855(a).

<sup>2</sup> AAC 50.855(b)(2)(C)(i).

https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

2) Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.<sup>7</sup> If you wish to appeal you must submit the enclosed appeal affidavit to APOC within <u>thirty days</u> of the date of this letter.

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment within thirty days or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for a final order in the amount of the assessed penalty and referral to the Attorney General's Office.<sup>8</sup>

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

ALASKA	A PUBLIC OFFICES COMMISSION	<b>CERTIFICATE OF SERVICE:</b> I hereby certify that on this date, I	caused a true and
Thomas	r R. Lucas	correct copy of the foregoing to be Alaskans for Honest Elections	delivered to:
Thomas F Campaign	R. Lucas n Disclosure Coordinator	Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestele	Mail ⊠ U.S. Mail ⊠ Email
	vil Penalty Appeal Affidavit AAC 50.865	<u>ctions.com</u> <u>nevesiltstudio@gmail.com</u>	4/24/2023
cc: Gr	coup File (w/o enclosures)	Law Office Assistant	Date

9171-9690-0935-0294-3929-94

<sup>&</sup>lt;sup>7</sup> 2 AAC 50.831(a).

<sup>&</sup>lt;sup>8</sup> 2 AAC 50.895.

# **Department of Administration**





ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

July 28, 2023

VIA CERTIFIED MAIL, U.S. MAIL, & EMAIL Alaskans for Honest Elections Attn: Philip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestelections.com nevesiltstudio@gmail.com

RE: Notice of Penalty Assessment – Second Quarterly Report

Mr. Izon:

According to our records you did not timely file your Second Quarterly Report that was due on July 10, 2023.<sup>1</sup> Instead, your report was filed on July 16, 2023 (6 days late). By law, a maximum penalty of \$50 accrues each day the report is late.<sup>2</sup> The maximum penalty the Alaska Public Offices Commission could assess you is \$300.<sup>3</sup>

Staff is reducing the penalty to 50% of the maximum civil penalty that could have been assessed because this is your first election cycle.<sup>4</sup><u>Accordingly, the assessed penalty owed is \$150</u>.

Additionally, please be advised:

1) You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our <u>website</u><sup>5</sup> to make a payment by credit card; or you may pay in cash at our offices. Payment must be made within <u>thirty days</u> of the date of this letter. If you are unable to pay the entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

<sup>1</sup> AS 15.13.110(g).

AS 15.13.390(a).

3

- 2 AAC 50.855(a).
  - 2 AAC 50.855(b)(2)(C)(i).

https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

2) Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.<sup>6</sup> If you wish to appeal you must submit the enclosed appeal affidavit to APOC within <u>thirty days</u> of the date of this letter.

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment within thirty days or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for a final order in the amount of the assessed penalty and referral to the Attorney General's Office.<sup>7</sup>

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

ALASKA PUBLIC OFFICES COMMISSION

Choles Forment

Charles Stormont Campaign Disclosure Associate

Encl: Civil Penalty Appeal Affidavit 2 AAC 50.865

cc: Group File (w/o enclosures)

<b>CERTIFICATE OF SERVICE:</b> I hereby certify that on this date, I caused a true and correct copy of the foregoing to be delivered to:			
Alaskans for Honest Elections Attn: Philip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 <u>admin@alaskansforhonestelec</u> <u>tions.com</u> <u>nevesiltstudio@gmail.com</u>	X X X	Certified Mail U.S. Mail Email	
Euka Pottes	7/28	/2023	

Date

Law Office Assistant

9171-9690-0935-0298-1150-70

<sup>&</sup>lt;sup>6</sup> 2 AAC 50.831(a).

<sup>&</sup>lt;sup>7</sup> 2 AAC 50.895.

# **Department of Administration**





ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

November 3, 2023

VIA CERTIFIED MAIL, U.S. MAIL, & EMAIL Alaskans for Honest Elections Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestelections.com nevesiltstudio@gmail.com kclarkson@gci.net

RE: Notice of Penalty Assessment – Third Quarterly Report

Mr. Izon:

According to our records you did not timely file your Third Quarterly Report that was due on October 10, 2023.<sup>1</sup> Instead, your report was filed on October 30, 2023 (20 days late). By law, a maximum penalty of \$50 accrues each day the report is late.<sup>2</sup> The maximum penalty the Alaska Public Offices Commission could assess you is \$1,000.<sup>3</sup>

Staff is reducing the penalty to 50% of the maximum civil penalty that could have been assessed because this is your first election cycle.<sup>4</sup><u>Accordingly, the assessed penalty owed is \$500</u>.

Additionally, please be advised:

 You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our <u>website</u><sup>5</sup> to make a payment by credit card; or you may pay in cash at our offices. Payment must be made within <u>thirty days</u> of the date of this letter. If you are unable to pay the entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

<sup>&</sup>lt;sup>1</sup> AS 15.13.110(g).

 $<sup>^{2}</sup>$  AS 15.13.390(a).

<sup>2</sup> AAC 50.855(a).

<sup>2</sup> AAC 50.855(b)(2)(C)(i).

https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.<sup>6</sup> If you wish to appeal you must submit the enclosed appeal affidavit to APOC within <u>thirty days</u> of the date of this letter.

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment within thirty days or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for a final order in the amount of the assessed penalty and referral to the Attorney General's Office.<sup>7</sup>

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

ALASKA PUBLIC OFFICES COMMISSION

Thomas R. Lucas

Thomas R. Lucas Campaign Disclosure Coordinator

- Encl: Civil Penalty Appeal Affidavit 2 AAC 50.865
- cc: Group File (w/o enclosures)

<b>CERTIFICATE OF SERVICE:</b> I hereby certify that on this date, I caused a true and correct copy of the foregoing to be delivered to:			
Alaskans for Honest Elections Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 <u>admin@alaskansforhonestelec</u> <u>tions.com</u> <u>nevesiltstudio@gmail.com</u> <u>kclarkson@gci.net</u>	X ( M X (	Certified Aail J.S. Mail Email	
Euka Potters	11/03	/2023	

Law Office Assistant

Date

9171-9690-0935-0294-2018-38

<sup>&</sup>lt;sup>6</sup> 2 AAC 50.831(a).

<sup>&</sup>lt;sup>7</sup> 2 AAC 50.895.

# **Department of Administration**



ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

November 8, 2023

VIA CERTIFIED MAIL, U.S. MAIL, & EMAIL

Alaskans for Honest Elections Attn: Phillip Izon 4201 E. Dimond Way Unit B Wasilla, Alaska 99654 admin@alaskansforhonestelections.com nevesiltstudio@gmail.com kclarkson@gci.net

RE: Notice of Penalty Assessment – Independent Expenditure Report<sup>1</sup>

Mr. Izon:

According to our records you did not timely file your Independent Expenditure Report that was due on October 12, 2023.<sup>2</sup> Instead, the information required to be reported was disclosed on October 30, 2023 (18 days late). By law a maximum penalty of \$50 accrues each day the report is late.<sup>3</sup> The maximum penalty the Alaska Public Offices Commission has assessed you is \$900.<sup>4</sup>

Staff is reducing the penalty to 50% of the maximum civil penalty that could have been assessed because this is your first election cycle.<sup>5</sup> <u>Accordingly, the assessed penalty owed is \$450</u>.

Additionally, please be advised:

 You may pay the reduced penalty and avoid formal Commission action by remitting payment by check or money order payable to the State of Alaska to the Alaska Public Offices Commission at the address above; visiting our <u>website</u><sup>6</sup> to make a payment by credit card; or you may pay in cash at our offices. Payment must be

<sup>&</sup>lt;sup>1</sup> AS 15.13.110(h).

<sup>&</sup>lt;sup>2</sup> For expenditure made on October 2, 2023 to Top Fundraising Solutions.

<sup>&</sup>lt;sup>3</sup> AS 15.13.390(a).

<sup>&</sup>lt;sup>4</sup> 2 AAC 50.855(a).

<sup>2</sup> AAC 50.855(b)(2)(C)(i).

https://aws.state.ak.us/ApocReports/Paper/CommissionCivilPenalties.aspx

PLEASE NOTE: credit card payment cannot be made by phone; they must be made online.

**made within** <u>thirty days</u> of the date of this letter. If you are unable to pay the entire assessed penalty in a single payment and wish to discuss a payment plan, or have any other questions concerning this matter, please contact the APOC staff.

2) Alternatively, you have the right to appeal staff's conclusion that a violation has occurred, or the reduced penalty amount assessed.<sup>7</sup> If you wish to appeal you must submit the enclosed appeal affidavit to APOC within <u>thirty days</u> of the date of this letter.

If you appeal, staff will review your affidavit and prepare a recommendation for the Commission. You will receive a copy of that recommendation and notice of when the Commission will meet to consider the matter. You will have the opportunity to participate in the meeting either in person or telephonically.

Failure to respond to this notice by either making arrangement for payment within thirty days or submitting an appeal within thirty days will result in staff presenting this matter to the Commission for a final order in the amount of the assessed penalty and referral to the Attorney General's Office.<sup>8</sup>

A copy of this letter will be placed in your APOC file and is considered a public document. If you have any questions about this matter, please contact APOC staff.

ALAS	KA PUBLIC OFFICES COMMISSION	<b>CERTIFICATE OF SERVICE:</b>		
		I hereby certify that on this date, I		
		correct copy of the foregoing to be	deliv	ered to:
Thon	ras R. Lucas	Alaskans for Honest		
		Elections	X	Certified
Thom	as R. Lucas	Attn: Phillip Izon	I	Mail
		4201 E. Dimond Way Unit B	$\mathbf{X}$	U.S. Mail
Camp	aign Disclosure Coordinator	Wasilla, Alaska 99654	$\mathbf{X}$	Email
-	-	admin@alaskansforhonestele		
Enal	Civil Denalty Anneal Affidavit	ctions.com		
Enci.	Civil Penalty Appeal Affidavit	nevesiltstudio@gmail.com		
	2 AAC 50.865	kclarkson@gci.net		
		Eika Potters	1	1/8/2023
cc:	Group File (w/o enclosures)	Law Office Assistant	I	Date

9171-9690-0935-0294-2018-52

<sup>&</sup>lt;sup>7</sup> 2 AAC 50.831(a).

<sup>&</sup>lt;sup>8</sup> 2 AAC 50.895.



Alaska Department of Administration Alaska Public Offices Commission

# Receipt for Payment on 9/8/2023

<b>Received From:</b>	Alaskans for Honest Elections		
Address:	2521 W. Mountain Village Dr. #904 Wasilla, 99654		
Paid:	\$1,100.00 of \$1,100.00		
For:	Alaskans for Honest Elections		
Accepted By:	APOC Staff Potter, Erika		
Payment Method:	Check		
Note/Comment:	Campaign Disclosure (CD) Civil Penalty (4/24/2023) paid online for Alaskans for Honest Elections on Friday, September 8, 2023		



Alaska Department of Administration Alaska Public Offices Commission

# Receipt for Payment on 9/8/2023

<b>Received From:</b>	Alaskans for Honest Elections		
Address:	2521 W. Mountain Village Dr. #904 Wasilla, 99654		
Paid:	\$500.00 of \$500.00		
For:	Alaskans for Honest Elections		
Accepted By:	APOC Staff Potter, Erika		
Payment Method:	Check		
Note/Comment:	Campaign Disclosure (CD) Civil Penalty (4/24/2023) paid online for Alaskans for Honest Elections on Friday, September 8, 2023		



Alaska Department of Administration Alaska Public Offices Commission

# Receipt for Payment on 9/8/2023

<b>Received From:</b>	Alaskans for Honest Elections		
Address:	2521 W. Mountain Village Dr. #904 Wasilla, 99654		
Paid:	\$150.00 of \$150.00		
For:	Alaskans for Honest Elections		
Accepted By:	APOC Staff Potter, Erika		
Payment Method:	Check		
Note/Comment:	Campaign Disclosure (CD) Civil Penalty (7/28/2023) paid online for Alaskans for Honest Elections on Friday, September 8, 2023		

Department of Administration / Alaska Public Offices Commission 2221 E. Northern Lights Blvd., Rm. 128 - Anchorage, AK 99508-4149

# STATEMENT OF CONTRIBUTIONS FORM 15-5

# COMPLETED

Submission Date: 10/30/2023

**R**eport **T**ype

Filing Reason: **Contributions of \$500 or more** Report Year: **2023** Filed As: **Other** 

## FILING

Filer First Name: Phil
Filer Middle Name: A
Filer Last Name: Izon
Filer Phone: 9078028116
Filer Email: info@rankedchoiceeducationassociation.org
Filer's Title with Other Entity: Records Keeper

**BUSINESS INFORMATION** 

Business Entity Name: **Ranked Choice Education Association** Business Type: **Education Association** Address: **2511 Sentry Dr Suite 200** City: **Anchorage** State:**Alaska 99507** Country: **United States** 

CONTACT PERSON INFORMATION

First Name: **Phil** Last Name: **Izon** Phone: **907-802-8116** Email: **info@rankedchoiceeducationassociation.org** 

CONTRIBUTIONS

https://aws.state.ak.us/ApocReports/Common/View.aspx?ID=4878&ViewType=SC

Page 1 of 2

Contribution Date	Recipient	Form of Contribution	Amount	Total Annual Contribution
10/02/2023	2023 - Alaskans For Honest Elections	<b>Check</b> Check Number: 2032	\$2,000.00	\$92,000.00
10/24/2023	2023 - Alaskans For Honest Elections	<b>Check</b> Check Number: 2035	\$30,000.00	\$122,000.00

# **R**EPORT **S**UMMARY

Number of Contributions Reported with this Report: 2	
Total of Contributions Reported with this Report:	\$32,000.00

#### STATEMENT OF CONTRIBUTIONS FORM 15-5

#### COMPLETED

#### Submission Date: 06/11/2023

#### Report Type

Filing Reason: **Contributions in excess of \$2,000** Report Year: **2023** Filed As: **Other** 

#### FILING

Filer First Name: **Phillip** Filer Middle Name: **A** Filer Last Name: **Izon** Filer Phone: **9078028116** Filer Email: **nevesiltstudio@gmail.com** Occupation: **Records Keeper** Employer: **Self Employed** Filer's Title with Other Entity: **Records Keeper** 

#### **BUSINESS INFORMATION**

Business Entity Name: **Ranked Choice Education Assoc** Business Type: **Education Organization** Address: **2511 Sentry Dr. Suite 200** City: **Anchorage** State:**Alaska 99507** Country: **United States** 

#### CONTACT PERSON INFORMATION

First Name: **Phillip** Last Name: **Izon** Phone: **9078028116** Email: **info@rankedchoiceeducationassociation.org** Occupation: **Records Keeper** Employer: **Self Employed** 

#### CONTRIBUTIONS

Contribution Date	Recipient	Form of Contribution	Amount	Total Annual Contribution
06/11/2023	2023 - Alaskans For Honest Elections	Check Check Number: 2010	\$10,260.00	\$90,000.00

True Sources

Total

Page 1 of 2

Exhibit F Page 1 of 2

Date	Name	Address	Employment	Amount	Annual
12/20/2022	Name: Art Mathias	Address: <b>3900 Arctic Blvd STE 102</b> , <b>Anchorage, Alaska 99503</b> Phone: <b>907563-3188</b> Email: info@rankedchoiceeducationassociation.org	Insurance Self Employed	\$90,000.00	\$90,000.00
		Received Directly from True Source No Intermediaries	•		

**R**EPORT **S**UMMARY

Number of Contributions Reported with th	s Report: <b>1</b>
Total of Contributions Reported with th	s Report: \$10,260.00

## CAMPAIGN DISCLOSURE FORM

## AMENDMENT

## Amendment Description: Fixing two dates to January 23rd

## COMPLETED

Submission Date: **04/21/2023** Filer First Name: **Phillip** Filer Middle Name: **A** Filer Last Name: **Izon** Filer's Title: **Records Keeper** Report Type: **First Quarterly** 

## **GROUP** INFORMATION

Group Name: **2023 - Alaskans For Honest Elections** Group Abbreviation: **AKHE** Group Address: **2521 E Mtn Village Dr** City, State Zip: **Wasilla, Alaska 99654** 

**R**EPORT INFORMATION

Election Year: **o** Election: **N/A** Report Type: **First Quarterly** Reporting Period: From **01/08/2023** Through **04/07/2023** 

## FINANCIAL SUMMARY

THIS PERIOD ENTI		ENTIRE CAN	MPAIG	N	
Beginning Cash On Hand:	\$0.00				
[+]↓		Year To Date Income Total: (From Box A of previous report)		Total Income To Date: (Box A)	
Total Income Reported:	\$293,817.70	$[+] \Rightarrow$	\$0.00	[=] →	\$293,817.70
[−] ↓		Year to Date Expense Total: (From Box B of previous report)		Total Expense To Date: (Box B)	
Total Expenditures Reported:	\$268,732.00	[+]⇒	\$0.00	[=] ⇒	\$268,732.00
[=]↓					
Closing Cash On Hand:	\$25,085.70				
[−] ↓					
Total Debts:	\$0.00				
[=]↓					
## Surplus/Deficit: **\$25,085.70**

### INCOME

Date Received	Payment Method	Contributor	Details	Amount
01/23/2023	Non-Monetary Website & Domain	<b>Izon, Phillip</b> 13388 E Moosewallow Ave Palmer, Alaska 99645	Occupation: Self Employer: Swarm Intel USA Description:	\$350.00
01/23/2023	Non-Monetary Management Costs / Time In Kind Donation	<b>Izon, Phillip</b> 13388 E Moosewallow Ave Palmer, Alaska 99645	Occupation: Self Employed Employer: Swarm Intel USA Description:	\$200,000.00
01/31/2023	Credit Card	Chambers, Bret 13200 Floral Lane Anchorage, Alaska 99516	Occupation: Retired Employer: Retired Description:	\$50.00
02/01/2023	Credit Card	Angus, George 2420 N Cottonwood Loop Wasilla, Alaska 99654	Occupation: Matsu Borough Employer: Matsu Borough Description:	\$25.00
02/01/2023	Credit Card	<b>Merwin, David</b> PO Box 671624 Chugiak, Alaska 99567	Occupation: Retired Employer: Retired Description:	\$100.00
02/01/2023	Credit Card	<b>Pence, William</b> 3859 Killewich Dr Juneau, Alaska 99801	Occupation: retired Employer: retired Description:	\$50.00
02/02/2023	Credit Card	<b>Sarber, Jon</b> 1285 Bay Ave in Homer,AK Homer, Alaska 99603	Occupation: retired Employer: retired Description:	\$50.00
02/03/2023	Credit Card	<b>Ernster, Renee</b> P.O. Box 3496 Valdez, Alaska 99686	Occupation: DCC LLC Employer: DCC LLC Description:	\$10.00
02/03/2023	Credit Card	<b>Jones, Larry</b> 4710 Kershner Ave. Anchorage, Alaska 99517	Occupation: Accountant Employer: ACS Description:	\$25.00
02/03/2023	Credit Card	<b>Stock, Richard</b> 485 Ballaine Rd Fairbanks, Alaska 99709	Occupation: Retired Employer: Retired Description:	\$50.00
02/05/2023	Credit Card	<b>Moose, Daniel</b> 913 W 14th Ave Anchorage, Alaska 99501	Occupation: Self Employed Employer: Self Employed Description:	\$100.00

\$100.00	Occupation: Retired Employer: Retired Description:	<b>Turner, Fran</b> P.O. Box 646 Nenana, Alaska 99760	Credit Card	02/05/2023
\$1,000.00	Occupation: Education Employer: RCEA Description:	Ranked Choice Education Association 2511 Sentry Dr. Ste 200 Anchorage, Alaska 99507	Check 1007	02/06/2023
\$25.00	Occupation: Self Employer: Na Description:	Hutchison, Christine 281 Juliussen St Kenai, Alaska 99611	Credit Card	02/07/2023
\$20.00	Occupation: Mechanic Employer: Fairbanks Gold Mining Description:	<b>Gregoire, Aaron</b> PO Box 57079 North Pole , Alaska 99505	Credit Card	02/08/2023
\$25.00	Occupation: Retired Employer: Retired Description:	Marrs, Kevin 746 cranberry ridge Fairbanks, Alaska 99712	Credit Card	02/08/2023
\$25.00	Occupation: retired Employer: retired Description:	MODESITT, RICK 1069 RECTOR ROAD PARKERSBURG, West Virginia 26105	Credit Card	02/08/2023
\$75,000.00	Occupation: Education Employer: RCEA Description:	Ranked Choice Education Association 2511 Sentry Drive Ste 200 Anchorage, Alaska 99507	Check 0108107251	02/08/2023
\$20.00	Occupation: Retired Employer: Retired Description:	Wall, Robert 18849 Timberline Drive Anchorage, Alaska 99577	Credit Card	02/08/2023
\$100.00	Occupation: Retired Employer: Retired Description:	Wall, Robert 18849 Timberline Drive Eagle River, Alaska 99577	Credit Card	02/08/2023
\$50.00	Occupation: State of Alaska Employer: State of Alaska Description:	<b>chung, Dyane</b> 620 w 47th ave apt D Anchorage, Alaska 99503	Credit Card	02/09/2023
\$50.00	Occupation: Retired Employer: Retired	Helton, darrell 22021 fawn In	Credit Card	02/09/2023

		Chugiak, Alaska 99567	Description:	
02/09/2023	Credit Card	helton, darrell 22021 Fawn Lane Anchorage, Alaska 99567	Occupation: Retired Employer: Retired Description:	\$10.00
02/09/2023	Credit Card	<b>Maywald, Linda</b> 9211 Flintlock Street Anchorage, Alaska 99507	Occupation: TA Substitute Employer: ASD Description:	\$51.75
02/09/2023	Credit Card	Milos, Adrianne HC 60 Box 2623 Haines, Alaska 99827	Occupation: retired Employer: retired Description:	\$20.00
02/09/2023	Credit Card	Pempek, Caleb P.O. Box 1542 Palmer, Alaska 99645	Occupation: Journeyman Employer: MEA Description:	\$25.00
02/10/2023	Credit Card	Rupe, Cynthia 35555 Kenai Spur Hwy PMB 199 Soldotna, Alaska 99669	Occupation: retired Employer: retired Description:	\$25.00
02/11/2023	Credit Card	<b>Durham, Carmen</b> 1178 Skyline Dr Fairbanks, Alaska 99712	Occupation: Homemaker Employer: Homemaker Description:	\$37.50
02/11/2023	Credit Card	Rupp, Kenneth 3206 South Cir Anchorage, Alaska 99507	Occupation: Retired Employer: Retired Description:	\$100.00
02/11/2023	Credit Card	<b>Smith, Jane</b> P.O.Box 404 Sutton, Alaska 99674	Occupation: Retired Employer: Retired Description:	\$10.00
02/13/2023	Credit Card	<b>Ilgenfritz, linda</b> 4362 York Ave Fairbanks, Alaska 99709	Occupation: Retired Employer: Retired Description:	\$20.00
02/14/2023	Credit Card	Duncan, Sally P.O. Box 16108 Two Rivers, Alaska 99716	Occupation: Retired Employer: Retired Description:	\$235.00
02/15/2023	Credit Card	Armstrong, Vickie 4544 Drake Street Fairbanks, Alaska 99709	Occupation: Retired Employer: Retired Description:	\$156.00
02/15/2023	Credit Card	<b>Breiner, Linda</b> HC 89 BOX 8182 Talkeetna, Alaska 99676	Occupation: Office manager Employer: IOLA Enterprises Description:	\$12.50

02/15/2023	Credit Card	<b>Breiner, Linda</b> HC 89 Box 8182 Talkeetna, Alaska 99676	Occupation: office manager Employer: IOLA Enterprises Description:	\$50.00
02/15/2023	Credit Card	Carlo, Raven P.O. Box 58062 Fairbanks, Alaska 99711	Occupation: CNA Employer: Foundation Health Description:	\$12.50
02/15/2023	Credit Card	<b>Cruse, Riska</b> PO Box 401 Willow, Alaska 99688	Occupation: Photographer Employer: Self Description:	\$12.50
02/15/2023	Credit Card	<b>Jeff Taylor</b> Box 3076 Anderson, Alaska 99744	Occupation: No Employer: Na Description:	\$33.50
02/15/2023	Credit Card	<b>Mader, Brian</b> PO Box 1794 Kenai, Alaska 99611	Occupation: Construction Employer: Alaska Electrical Description:	\$100.00
02/15/2023	Credit Card	Mitchell, Teresa 3000 Wentworth St Anchorage, Alaska 99508	Occupation: Accountant Employer: Self Description:	\$10.00
02/15/2023	Credit Card	<b>Pearce, David</b> 6275 N. Douglas Hwy Juneau, Alaska 99801	Occupation: Retired Employer: N/A Description:	\$7.00
02/15/2023	Credit Card	<b>Stark, Rhonda</b> PO Box 1452 Palmer, Alaska 99645	Occupation: Office Manager Employer: Alaska Prime Power Description:	\$41.00
02/15/2023	Credit Card	Sunseri-Fichtner, Tiffiany 1271 S Paddy Place Wasilla, Alaska 99623	Occupation: na Employer: na Description:	\$12.50
02/16/2023	Check 1922	Kruckenberg, Kateryna PO Box 220591 Anchorage, Alaska 99522	Occupation: Book Keeper Employer: Consistent Book Keeping Description:	\$250.00
02/16/2023	Credit Card	Mathew, john 9200 Emerald St Anchorage, Alaska 99502	Occupation: retired Employer: na Description:	\$100.00
02/16/2023	Credit Card	Musick, Terrence 12220 Rainbow Ave Anchorage, Alaska 99516	Occupation: retired Employer: retired Description:	\$100.00
02/16/2023	Credit Card	Pherson, Sandra 7287 N False Pass Cir Wasilla, Alaska 99654	Occupation: clerk Employer: valley country stores Description:	\$50.00
02/16/2023	Credit Card	Pherson, Sandy	Occupation: Clerk	\$20.00

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		7287 N False Pass Cir Wasilla, Alaska 99654	Employer: Valley Country Stores Description:	
02/16/2023	Credit Card	<b>Rosen, Jeffrey</b> 10441 Nabesna Circle Anchorage, Alaska 99577	Occupation: Retired Employer: Retired Description:	\$10.00
02/16/2023	Check 27765	<b>Suter, Mary</b> PO Box 670144 Chugiak, Alaska 99567	Occupation: Retired Employer: Retired Description:	\$500.00
02/16/2023	Credit Card	<b>VanValin, Lenora</b> 6112 North Moose Meadows Road Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$20.00
02/16/2023	Credit Card	VavValin, Lenora 6112 N. Moose Meadows Rd Wasilla, Alaska 99654	Occupation: retired Employer: retired Description:	\$10.00
02/16/2023	Check 8886	Warren, J. Kris 900 W 86th Ave Anchorage, Alaska 99515	Occupation: Retired Employer: Retired Description:	\$250.00
02/16/2023	Check 1515	Warren, Dawn 900 W. 86th Ave Anchorage, Alaska 99515	Occupation: Retired Employer: Retired Description:	\$250.00
02/16/2023	Credit Card	Whisamore, John 5921 S Bodenburg Loop Palmer, Alaska 99645	Occupation: retired Employer: retired Description:	\$50.00
02/16/2023	Check 4632	Young, Harry 33081 Eagle Vista Dr Eagle River, Alaska 99577	Occupation: Retired Employer: Retired Description:	\$300.00
02/17/2023	Credit Card	<b>Braham, Roxanna</b> 2120 Badger Road North Pole, Alaska 99705	Occupation: Na Employer: Midstate Equipment Inc. Description:	\$200.00
02/17/2023	Credit Card	Jackson, Tim 3227 216th Pl Bothell, Washington 98021	Occupation: PMF Employer: PMF Description:	\$250.00
02/17/2023	Credit Card	<b>Priestley, Joan</b> 3705 Arctic Boulevard Suite 1332 Anchorage, Alaska 99503	Occupation: Retired Employer: Retired Description:	\$103.50
02/18/2023	Credit Card	Nettels, Chris 1901 Beaver Place	Occupation: Retired Employer: Geotek	\$100.00

		Anchorage, Alaska 99504	Description:	
02/19/2023	Credit Card	Helmuth, Carolyn 2062 East Carney Road Wasilla, Alaska 99654	Occupation: Payroll Lead Employer: Calista Corporation Description:	\$115.75
02/19/2023	Credit Card	<b>Urbano, Paul</b> 9160 E Lexington St Palmer, Alaska 99645	Occupation: Retired Employer: Retired Description:	\$12.50
02/20/2023	Credit Card	Clark, Todd 9310 Carlson Road Anchorage, Alaska 99507	Occupation: Owner Employer: TGI Freight Description:	\$100.00
02/20/2023	Credit Card	Mcintosh, Larry N Dartmoor St Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$25.00
02/20/2023	Credit Card	McIntosh, Larry 4085 Dartmoor Street Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$10.00
02/20/2023	Credit Card	<b>Miller, Robert</b> 902 Noorvik Court Fairbanks, Alaska 99701	Occupation: Army Employer: US Army Description:	\$77.00
02/20/2023	Credit Card	Sell, Rebecca 3224 W 30th Ave Anchorage, Alaska 99517	Occupation: Retired Employer: Retired Description:	\$45.00
02/21/2023	Credit Card	<b>Evans, Brett</b> Po Box 879002 Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$50.00
02/21/2023	Check 5159	Franklin, Catherine PO Box 823 Palmer, Alaska 99645	Occupation: Retired Employer: Retired Description:	\$200.00
02/21/2023	Credit Card	<b>Glover, Scott</b> PO Box 871571 Wasilla, Alaska 99687	Occupation: Retired Employer: Retired Description:	\$42.45
02/21/2023	Credit Card	<b>Thomas, Harrel</b> 5957 Franklin Drive Anchorage, Alaska 99518	Occupation: Retired Employer: Retired Description:	\$25.00
02/22/2023	Credit Card	Amos, Denise 3717 W 43rd Ave Anchorage, Alaska 99517	Occupation: na Employer: na Description:	\$100.00
02/22/2023	Credit Card	Caffroy, Chandra 35020 Scandinavian Drive/731 Anchor Point, Alaska 99556	Occupation: Manager Employer: AFCR Description:	\$80.00

02/22/2023	Check 841	Cole, Susan 2440 E Tudor Rd Box 811 Anchorage, Alaska 99507	Occupation: Retired Employer: Retired Description:	\$50.00
02/22/2023	Check 279	<b>Crossman, Elsie</b> 1801 Minerva Way Anchorage, Alaska 99515	Occupation: Retired Employer: Retired Description:	\$25.00
02/22/2023	Check 3644	<b>Easterly, Sue</b> 1526 Bannister Dr. Anchorage, Alaska 99508	Occupation: Retired Employer: Retired Description:	\$100.00
02/22/2023	Credit Card	Fogle, Kathy 37065 Steelhead Cir Sterling, Alaska 99672	Occupation: Retired Employer: Retired Description:	\$29.25
02/22/2023	Check 4135	Halverson, Robert 1371 Hillcrest Dr Unit 303 Anchorage, Alaska 99503	Occupation: Retired Employer: Retired Description:	\$200.00
02/22/2023	Check 5925	Heim, Sabah 14440 Old Seward Hwy Anchorage, Alaska 99515	Occupation: Self Employer: Self Description:	\$100.00
02/22/2023	Credit Card	Hill, Linda 12410 Hopa Circle Anchorage, Alaska 99515	Occupation: Retired Employer: Retired Description:	\$27.50
02/22/2023	Credit Card	<b>Hill, Linda</b> 12410 Hopa Cr Anchorage, Alaska 99518	Occupation: Retired Employer: Retired Description:	\$100.00
02/22/2023	Check 6041	Jackson, Sherri 3626 Casper St Anchorage, Alaska 99502	Occupation: Retired Employer: Retired Description:	\$50.00
02/22/2023	Credit Card	Kern, Danny 4901 E 40th Ave Anchorage, Alaska 99516	Occupation: retired Employer: retired Description:	\$100.00
02/22/2023	Credit Card	<b>Leverty, Bradley</b> 3501 N Moose St Wasilla, Alaska 99654	Occupation: retired Employer: retired Description:	\$50.00
02/22/2023	Check 8701	Luhrs, James 3333 Lakeshore Dr Anchorage, Alaska	Occupation: retired Employer: retired Description:	\$200.00

		99517		
02/22/2023	Credit Card	<b>Metzner, Diamond</b> 4201 Dimond Way Wasilla, Alaska 99654	Occupation: Marketing Employer: Self Description:	\$83.60
02/22/2023	Credit Card	<b>Ordaz, Azabel</b> 806 West 57th Ave Anchorage, Alaska 99518	Occupation: business manager Employer: ak4dy Description:	\$50.00
02/22/2023	Credit Card	<b>Overstreet, Carolyn</b> 8122 Lamplighter Ct Anchorage, Alaska 99502	Occupation: Retired Employer: Retired Description:	\$2,000.00
02/22/2023	Check 678	Pessolano, Jodie 5018 E 43rd Ave #5 Anchorage, Alaska 99508	Occupation: Self Employer: North Star Design Description:	\$100.00
02/22/2023	Credit Card	<b>Phelps, Greg</b> 8501 Skyhills Dr Anchorage, Alaska 99502	Occupation: Self Employer: PHELPs Construction, LLC Description:	\$100.00
02/22/2023	Credit Card	<b>Price, Noreen</b> 20656 Driftwood Bay Dr Eagle River, Alaska 99577	Occupation: retired Employer: retired Description:	\$200.00
02/22/2023	Cash	Ranked Choice Education Association 2511 Sentry Dr. Ste 200 Anchorage, Alaska 99507	Occupation: Education Employer: RCEA Description:	\$2,358.00
02/22/2023	Credit Card	<b>Smith, Dorothy</b> 12411 Caragana Cir Anchorage, Alaska 99515	Occupation: Homemaker Employer: homemaker Description:	\$250.00
02/22/2023	Check 3302	<b>Turner, Linda</b> 1027 S Arza Cir Palmer, Alaska 99645	Occupation: Retired Employer: Retired Description:	\$50.00
02/22/2023	Check 8834	<b>Washburn, Rebecca</b> PO Box 823 Palmer, Alaska 99645	Occupation: Self Employer: Washburn Farm Nursery Description:	\$100.00
02/22/2023	Credit Card	Whisamore, John 5921 S. Bodenburg Lp Palmer, Alaska 99645	Occupation: Retired Employer: retired Description:	\$12.50
02/23/2023	Non-Monetary Printing Services / In- Kind Donation	Ranked Choice Education Association 2511 Sentry Dr. Ste	Occupation: Education Employer: RCEA Description:	\$1,382.00

		200 Anchorage, Alaska 99507		
02/23/2023	Credit Card	<b>Richeson, Randolph</b> 360 W. KATMAI Soldotna, Alaska 99669	Occupation: retired Employer: retired Description:	\$100.00
02/23/2023	Credit Card	<b>Rosin, Lela</b> 3669 CHINULNA DRIVE Kenai, Alaska 99611	Occupation: Self Employer: Self Description:	\$200.00
02/24/2023	Credit Card	<b>CORBeil, Richard</b> 3336 Doil Dr Anchorage, Alaska 99507	Occupation: Employer: Description:	\$50.00
02/24/2023	Credit Card	Eads, Margaret P.O. Box 19529 Thorne Bay, Alaska 99919	Occupation: Lumberman Employer: Self Employed Description:	\$71.00
02/24/2023	Credit Card	<b>Terry, Desiree</b> 11130 E Equestrian Circle Palmer, Alaska 99645	Occupation: Creekside Church Employer: Creekside Church Description:	\$20.00
02/25/2023	Credit Card	Ducey, Cynthia P.O.Box 220844 Anchorage, Alaska 99522	Occupation: attorney Employer: ducey and associates Description:	\$200.00
02/27/2023	Credit Card	Sherman, Colleen 43420 Kalifornsky Beach Rd Soldotna, Alaska 99669	Occupation: Self Employer: G F Sherman Signs Description:	\$500.00
02/28/2023	Credit Card	<b>McMullen, Kym</b> 4541 E Crane Rd Wasilla, Alaska 99654	Occupation: Na Employer: Na Description:	\$25.00
03/01/2023	Credit Card	Hahn, Deborah 11725 Inspiration Dr Eagle River, Alaska 99577	Occupation: retired Employer: retired Description:	\$100.00
03/01/2023	Credit Card	Heise, Genie 4506 Taft Street Anchorage, Alaska 99517	Occupation: Parole Officer Employer: State of Alaska Description:	\$38.70
03/01/2023	Credit Card	Rapp, Cammie 1555 Bradway Rd. #4 North pole, Alaska 99705	Occupation: Retired Employer: Retired Description:	\$69.00
03/01/2023	Credit Card	Rapp, Cammie 1555 Bradway Rd #4	Occupation: retired Employer: retired	\$50.00

		North Pole, Alaska 99705	Description:	
03/02/2023	Credit Card	Johanknecht, Peter 7700 Evander Drive Anchorage, Alaska 99518	Occupation: Retired Employer: Retired Description:	\$20.00
03/04/2023	Credit Card	<b>Rebecca, Washburn</b> PO Box 823 Palmer, Alaska 99645	Occupation: Self Employer: Washburn Family Nursery Description:	\$500.00
03/06/2023	Credit Card	<b>carson, edward</b> 580 W Roy Rd Apt 1 Wasilla, Alaska 99654	Occupation: Quality Control Inspector Employer: NANA Construction Description:	\$30.00
03/07/2023	Credit Card	<b>Donelson, Cecelia</b> 908 R Street Anchorage, Alaska 99501	Occupation: real estate sales Employer: self employed Description:	\$55.00
03/07/2023	Credit Card	Hutchison, Christine 281 Juliussen St Kenai, Alaska 99611	Occupation: Self Employer: Na Description:	\$25.00
03/09/2023	Credit Card	<b>Martin, Brian</b> 6570 E Robinson Cir Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$10.00
03/09/2023	Credit Card	Sherman, Colleen 43420 Kalifornsky Beach Rd Soldotna, Alaska 99669	Occupation: Self Employer: GF Sherman Signs Description:	\$500.00
03/11/2023	Credit Card	Holliday, Lola PO Box 551 Garden Grove, California 92842	Occupation: na Employer: na Description:	\$20.00
03/13/2023	Credit Card	Carhart, Steve 3324 Knik Ave Anchorage, Alaska 99517	Occupation: Retired Employer: Retired Description:	\$25.00
03/13/2023	Credit Card	<b>Francine, Sayer</b> PO Box 10 Homer, Alaska 99603	Occupation: retired Employer: retired Description:	\$100.00
03/16/2023	Credit Card	Anderson, John 3801 Chiniak Bay Dr Anchorage, Alaska 99515	Occupation: Manager Employer: Alaska Abatement Description:	\$250.00
03/16/2023	Credit Card	<b>Baird, Joe</b> 414 Marine Street Sitka, Alaska 99835	Occupation: Retired Employer: Retired Description:	\$50.00
03/18/2023	Credit Card	<b>Curry, Amah</b> POB 210516 Auke Bay, Alaska	Occupation: retired Employer: na Description:	\$12.50

		99821		
03/18/2023	Credit Card	<b>Durham, Carmen</b> 1178 Skyline Dr Fairbanks, Alaska 99712	Occupation: Homemaker Employer: Homemaker Description:	\$29.25
03/18/2023	Credit Card	<b>Erickson, Arne</b> 368 Hillside Drive Fairbanks, Alaska 99712	Occupation: Commercial Vehicle Inspector Employer: State of Alaska Description:	\$25.00
03/18/2023	Credit Card	Lindsey, Kurt PO Box 92267 Anchorage, Alaska 99509	Occupation: Southside Petro Employer: Southside Petro Description:	\$500.00
03/18/2023	Credit Card	<b>Newman, Larry</b> 4637 Virginia #C Dallas, Texas 75204	Occupation: retired Employer: retired Description:	\$10.00
03/18/2023	Credit Card	<b>Priebe, Mary</b> 4790 Sandy Beach Dr Anchorage, Alaska 99502	Occupation: retired Employer: retired Description:	\$75.00
03/18/2023	Credit Card	Veith, Frank PO BOX 1591 Anchorage, Alaska 99645	Occupation: CONAM Construction Employer: Conam construction Description:	\$50.00
03/19/2023	Credit Card	<b>Melum, Lana</b> 7231 North Park Dr Anchorage, Alaska 99516	Occupation: Retired Employer: Retired Description:	\$100.00
03/20/2023	Credit Card	Mattson, Donald 730 West Rockside Road Wasilla, Alaska 99654	Occupation: Retired Employer: Retired Description:	\$30.00
03/21/2023	Check 31688	<b>Leman, Loren</b> 2699 Nathaniel Ct Anchorage, Alaska 99517	Occupation: Retired Employer: Retired Description:	\$150.00
03/29/2023	Credit Card	<b>Carey, Craig</b> 4109 Lynn Dr Anchorage, Alaska 99508	Occupation: Employer: Description:	\$25.00
03/29/2023	Credit Card	<b>Cooper, Darlene</b> 1300 West 45th Avenue Anchorage, Alaska 99503	Occupation: Retired Employer: Retired Description:	\$62.50
03/29/2023	Credit Card	<b>Olson, Larry</b> PO Box 978 Sterling, Alaska 99672	Occupation: Retired Employer: Retired Description:	\$20.00

03/30/2023	Credit Card	Campbell, Casey 126 E Cook Ave Anchorage, Alaska 99501	Occupation: Realtor Employer: Benson Realty Description Description:	\$20.00
03/30/2023	Credit Card	Whitford, Sharri 175 n Binkley st #4032 Soldotna, Alaska 99669	Occupation: Retired Employer: Retired Description:	\$41.45
04/01/2023	Credit Card	<b>Carroll, Susanne</b> 1752B Army Rd Fairbanks, Alaska 99709	Occupation: Retired Employer: na Description:	\$12.50
04/01/2023	Credit Card	Hahn, Deborah 11725 Inspiration Dr Eagle River, Alaska 99577	Occupation: Retired Employer: Retired Description:	\$100.00
04/01/2023	Credit Card	<b>Tennis, Jacque</b> 2931 Bennett Ave Anchorage, Alaska 99517	Occupation: Retired Employer: Retired Description:	\$50.00
04/04/2023	Credit Card	<b>Ross, Leroy</b> 3223 E. Lakeview Rd Wasilla, Alaska 99654	Occupation: Three Bears Alaska Employer: Three Bears Alaska Description:	\$100.00
04/07/2023	Credit Card	Hutchison, Christine 281 Juliussen St Kenai, Alaska 99611	Occupation: Self Employer: Na Description:	\$25.00
			of Contributions under \$100:	0
		Sum	of Contributions under \$100:	\$0.00
			Income Total:	\$293,817.70

### Expenditures

Date	Payment Method	Vendor	Purpose	Amount
01/23/2023	Non-Monetary Website & Domain	<b>Izon, Phillip</b> 13388 E Moosewallow Ave Palmer, Alaska 99645		\$350.00
01/23/2023	Non-Monetary Management Costs / Time In Kind Donation	<b>Izon, Phillip</b> 13388 E Moosewallow Ave Palmer, Alaska 99645		\$200,000.00
02/15/2023	Check 101	<b>Leading Light Advsors</b> 4201 E. Dimond Way Wasilla, Alaska 99654	Marketing / Communications	\$20,000.00
02/22/2023	Check 102	Leading Light Advisors 4201 E. Dimond Way	Marketing / Communications	\$20,000.00

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		Wasilla, Alaska 99654		
02/23/2023	Non-Monetary Printing Services / In-Kind Donation	Ranked Choice Education Association 2511 Sentry Dr. Ste 200 Anchorage, Alaska 99507		\$1,382.00
03/11/2023	Debit Card	Leading Light Advisors 4201 E Dimond Way Wasilla, Alaska 99654	Merchandise / Marketing	\$2,500.00
03/15/2023	Debit Card	<b>Leading Light Advisors</b> 4201 E Dimond Way Wasilla, Alaska 99654	Merchandise / Marketing	\$3,000.00
03/21/2023	Check 103	<b>Leading Light Advisors</b> 4201 E. Dimond Way Wasilla, Alaska 99654	Marketing / Communications	\$20,000.00
04/01/2023	Debit Card	Leading Light Advisors 4201 E Dimond Way Wasilla, Alaska 99654	Merchandise / Marketing	\$1,500.00
			Expenditure Total:	\$268,732.00

Debts

Date Incurred	Name	Description or Purpose	Original Amount	Balance Remaining	
	No Debts / Nothing to Report				
Remaining Debt Total:					

## CAMPAIGN DISCLOSURE FORM

## Completed

Submission Date: **07/16/2023** Filer First Name: **Phillip** Filer Middle Name: **A** Filer Last Name: **Izon** Filer's Title: **Records Keeper** Report Type: **Second Quarterly Report** 

### **GROUP** INFORMATION

Group Name: **2023 - Alaskans For Honest Elections** Group Abbreviation: **AKHE** Group Address: **2521 E Mtn Village Dr** City, State Zip: **Wasilla, Alaska 99654** 

### **R**EPORT INFORMATION

Election Year: **o** Election: **N/A** Report Type: **Second Quarterly Report** Reporting Period: From **o4/08/2023** Through **o7/07/2023** 

## FINANCIAL SUMMARY

THIS PERIOD			ENTIRE CAI	MPAIG	N
Beginning Cash On Hand:	\$0.00				
[+]↓			e Income Total: f previous report)	Total I	ncome To Date: (Box A)
Total Income Reported:	\$10,760.00	$[+] \Rightarrow$	\$0.00	[=] →	\$10,760.00
[−] ↓			Expense Total: f previous report)	Total E	(Box B)
Total Expenditures Reported:	\$10,000.00	[+]⇒	\$0.00	[=] →	\$10,000.00
[=]↓					
Closing Cash On Hand:	\$760.00				
[−]↓					
Total Debts:	\$0.00				
		]			

#### 11/9/23, 12:09 PM

## [=]↓ Surplus/Deficit: **\$760.00**

## INCOME

Date Received	Payment Method	Contributor	Details	Amount
04/28/2023	Credit Card	Adickes, William 1401 Edgecumbe Drive Sitka, Alaska 99835	Occupation: Home Maker / Attorney Employer: Retired Description:	\$500.00
06/11/2023	Check 2010	Ranked Choice Education Association 2511 Sentry Dr Suite 200 Anchorage, Alaska 99507	Occupation: Education Assocation Employer: RCEA Description:	\$10,260.00
		Number of C	ontributions under \$100:	0
Sum of Contributions under \$100:				\$0.00
Income Total:				\$10,760.00

## Expenditures

Date	Payment Method	Vendor	Purpose	Amount
06/12/2023	Check 201	Leading Light Advisors 4201 Dimond Way Wasilla, Alaska 99654	Advertising / Communication	\$5,000.00
07/03/2023	Check 202	Leading Light Advisors 4201 Dimond Way Wasilla, Alaska 99654	Advertising / Communication	\$5,000.00
			Expenditure Total:	\$10,000.00

## DEBTS

Date Incurred	Name	Description or Purpose	Original Amount	Balance Remaining	
	No Debts / Nothing to Report				
			Remaining Debt Total:	\$0.00	

Exhibit H Page 2 of 3 Disclosure Form View

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Exhibit H Page 3 of 3

## CAMPAIGN DISCLOSURE FORM

## Completed

Submission Date: **10/30/2023** Filer First Name: **Phillip** Filer Middle Name: **A** Filer Last Name: **Izon** Filer's Title: **Records Keeper** Report Type: **Third Quarterly Report** 

## **GROUP** INFORMATION

Group Name: **2023 - Alaskans For Honest Elections** Group Abbreviation: **AKHE** Group Address: **2521 E Mtn Village Dr** City, State Zip: **Wasilla, Alaska 99654** 

### **R**EPORT INFORMATION

Election Year: **o** Election: **N/A** Report Type: **Third Quarterly Report** Reporting Period: From **07/08/2023** Through **10/07/2023** 

## FINANCIAL SUMMARY

THIS PERIOD	THIS PERIOD			ENTIRE CAMPAIGN		
Beginning Cash On Hand:	\$760.00					
[+]↓			Date Income Total: ox A of previous report)	Total I	ncome To Date: (Box A)	
Total Income Reported:	\$2,000.00	$[+] \Rightarrow$	\$10,760.00	[=] →	\$12,760.00	
[−]↓			Date Expense Total: ox B of previous report)	Total E	xpense To Date: (Box B)	
Total Expenditures Reported:	\$2,550.00	$[+] \Rightarrow$	\$10,000.00	[=] →	\$12,550.00	
[=]↓						
Closing Cash On Hand:	\$210.00					
[−]↓						
Total Debts:	\$0.00					

## [=]↓ Surplus/Deficit: **\$210.00**

### INCOME

Date Received	Payment Method	Contributor	Details	Amount
10/02/2023	Check 2032	Ranked Choice Education Association 2511 Sentry Dr Suite 200 Anchorage, Alaska 99507	Occupation: Education Association Employer: RCEA Description:	\$2,000.00
		Number of C	ontributions under \$100:	0
		Sum of C	ontributions under \$100:	\$0.00
	Income Total:			\$2,000.00

# Expenditures

Date	Payment Method	Vendor	Purpose	Amount
09/11/2023	Check 57	Alaska Support Industry Alliance 406 W. Fireweed Blvd. Suite 200 Anchorage, AK 99503 Anchorage, Alaska 99503	Marketing and Outreach	\$800.00
09/11/2023	Check 58	State of Alaska 2221 E Northern Lights Rm 128 Anchorage, Alaska 99508	Fines	\$1,750.00
		E	xpenditure Total:	\$2,550.00

### DEBTS

Date Incurred	Name	Description or Purpose	Original Amount	Balance Remaining
		No Debts / Noth	ing to Report	
			Remaining Debt Total:	\$0.00

# **Department of Administration**

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ALASKA PUBLIC OFFICES COMMISSION

2221 E. Northern Lights Blvd., Rm. 128 Anchorage, AK 99508-4149 Main: 907.276.4176 Fax: 907.276.7018 www.doa.alaska.gov/apoc

TO: APOC Commissioners
DATE: September 9, 2023
FROM: Thomas R. Lucas, Campaign Disclosure Coordinator
SUBJECT: Staff Report, 23-01-CD, Alaskans for Better Elections v. Alaskans for Honest Elections, Alaskans for Honest Government, Wellspring Ministries, Wellspring Fellowship, Ranked Choice Education Association, Art Mathias and Phillip Izon.

On July 11, 2023, APOC staff accepted a complaint filed by Alaskans for Better Elections (Complainant) against Respondents Alaskans for Honest Elections (AHE), Alaskans for Honest Government (AHG), Wellspring Ministries (WM), Ranked Choice Education Association (RCEA), Art Mathias, and Phillip Izon.<sup>1</sup>

The complaint alleges that Respondents violated AS 15.13 in connection with the 22AKHE Initiative by failing to file timely reports and registrations; and obscuring the true source of contributions to AHE.

On July 12, 2023, Complainant filed its First Supplement in support of its complaint.<sup>2</sup> On July 25, 2023, Complainant filed its Second Supplement in support of its complaint contending that Wellsprings Fellowship (WF) should be a party to the complaint.<sup>3</sup>

On July 26, 2023, Respondents AHE, AHG, RCEA WM WF, Art Mathias and Phillip Izon filed an Answer to the complaint.<sup>4</sup>

On August 1, 2023, Complainant filed a Response to Respondents' Answer.<sup>5</sup>

<sup>2</sup> Exhibit 2, First Supplement.

<sup>&</sup>lt;sup>1</sup> Exhibit 1, Complaint.

<sup>&</sup>lt;sup>3</sup> Exhibit 3, Second Supplement.

<sup>&</sup>lt;sup>4</sup> Exhibit 4, Answer to Complaint.

<sup>&</sup>lt;sup>5</sup> Exhibit 5, Response to Answer.

On August 3, 2023, Respondents filed their First Amended Answer to the Complaint.<sup>6</sup>

On August 8, 2023 Complainant filed a Third Supplement to its Complaint.<sup>7</sup>

On August 14, 2023, Respondents filed a Reply to Complainant's Response to Answer and Third Supplement to the Complaint.<sup>8</sup>

#### **FACTS**

### 1. Initiative Petition 22AKHE

On November 23, 2022, primary sponsors Phillip Izon, Art Mathias, and Jamie R. Donley proposed an initiative by filing an application with the Lieutenant Governor for an initiative entitled "An Act Restoring Political Party Primaries and Single-Choice General Elections." The Lieutenant Governor certified the sponsors' petition application, identified as 22AKHE, on January 20, 2023, and the Division of Elections issued petition booklets to the sponsors on February 8, 2023.<sup>9</sup>

### 2. Alaskans for Honest Government

Alaskans for Honest Government (AHG) registered as an entity with APOC on November 1, 2022, with the stated purpose to "help Alaskans with data, information, and research. Provide polling and other election resources to voters."<sup>10</sup> Phillip Izon was listed as the entity's Record Keeper/Agent and Diamond Metzer is listed as its Treasurer – no other officers or directors were listed.<sup>11</sup>

According to Mr. Izon, AHG was formed with the intent of making independent expenditures related to Alaska's federal congressional and U.S. Senate races.<sup>12</sup> AHG's

<sup>&</sup>lt;sup>6</sup> Exhibit 6, First Amended Answer.

<sup>&</sup>lt;sup>7</sup> Exhibit 7, Third Supplement.

<sup>&</sup>lt;sup>8</sup> Exhibit 8 Reply to Response.

<sup>&</sup>lt;sup>9</sup> Exhibits 9, 10, and 11, Application Certificate, Application Acceptance, and Excerpt from Alaska Division of Elections Petition List, respectively.

<sup>&</sup>lt;sup>10</sup> Exhibit 12, AHG Entity Registration.

<sup>&</sup>lt;sup>11</sup> Id.

<sup>&</sup>lt;sup>12</sup> Exhibit 13, First Affidavit of Izon at Paragraph 4.

belief is that its registration was made by mistake (presumably because it believed that it would only be engaged in federal election activity).<sup>13</sup>

AHG purchased a web domain on October 15, 2022.<sup>14</sup> Despite the stated intent of AHG's creation, as of November 18, 2022, the AHG website landing page contained a link to "Alaskans for Honest Elections' Ballot Initiative", a graphic showing the process for bringing the initiative to the voters, and appeared to be devoted solely to ranked choice voting in general and Alaskans for Honest Elections' efforts, in particular.<sup>15</sup> As of April 26, 2023, AHG's website contained multiple links, including a page where visitors could sign up to receive a petition booklet for 22AKHE, a link to AHE's website; a link to a page with the same link and graphic that existed on AHG's web domain on November 18, 2022; and additional language directing visitors to "Click Here To sign The Initiative Today," which if clicked took the user to the AHE's website.<sup>16</sup> As of July 5, 2023, AHG's website landing page continued to contain a link to sign the petition and a link to "Alaskans for Honest Elections Ballot Initiative".<sup>17</sup>

As of July 6, 2023, the AHG website landing page no longer contained the signing links or the link to AHE at the top of the page,<sup>18</sup> but had transitioned to adding a pop-up that requested help in getting rid of ranked choice voting<sup>19</sup> that itself transitioned to a second pop-up showing the AHE process for bringing the initiative to the voters graphic as was used in November and April.<sup>20</sup>

AHG has the following identifier on its website: "paid for by Alaskans for Honest Government. Not authorized by any candidate or candidate's committee." This is the sole paid-for-by identifier that has appeared on AHG's website since its inception.

Id.

Exhibit 14 Whois Report for Alaskansforhonestgovernment.org.
 Exhibit 15, November 18, 2022, Landing

Page:https://web.archive.org/web/20221118175919/https://alaskansforhonestgovernment.org/.

<sup>13</sup> 

<sup>&</sup>lt;sup>16</sup> Exhibit 16, April 26, 2023, Click Here Page (attached as Exhibit Q to the Complaint).

<sup>&</sup>lt;sup>17</sup> Exhibit 17 AHG July 5, 2023, Landing Page.

<sup>&</sup>lt;sup>18</sup> Exhibit 18, July 6, 2023, Landing Page.

<sup>&</sup>lt;sup>19</sup> Exhibit 19, July 26, 2023, Pop-up Page 1.

<sup>&</sup>lt;sup>20</sup> Exhibit 20, July 26, 2023, Pop-up Page 2.

#### 3. Alaskans for Honest Elections

Alaskans for Honest Elections (AHE) is an Alaska nonprofit corporation created on January 23, 2023.<sup>21</sup> AHE registered as a group with APOC on March 20, 2023, with the stated purpose of: "Any lawful election matters."<sup>22</sup> Phillip Izon is designated as the Chairman of the group and a Director of the corporation; Diamond Metzer is designated Treasurer of the group and a Director of the corporation; and Art Mathias is listed as a Director of the corporation.<sup>23</sup>

It appears that AHE may have registered as a group sooner due to mistaken advice received from APOC Campaign Disclosure Coordinator Tom Lucas on November 18, 2022, and reiterated on November 21, 2022.<sup>24</sup> Mr. Lucas' mistaken advice was corrected by the Commission's director on February 23, 2023, and reiterated on February 24, 2023.<sup>25</sup>

AHE timely filed its First Quarter Report on April 10, 2023.<sup>26</sup> This report included expenditures beginning on January 20, 2023, for which independent expenditure reports should have been filed but were not.<sup>27</sup> This resulted in APOC staff issuing one Notice of Violation and two Notices of Penalty for the late reported expenditures that should have been reported within 10 days.<sup>28</sup>

AHE's First Quarter Report included a nonmonetary contribution of \$200,000 from Mr. Izon for "Management Costs/Time."<sup>29</sup> Mr. Izon explains that this was intended as an estimate of the total value of the services he would render to AHE through the end of the campaign.<sup>30</sup> As Mr. Izon further explained in response to APOC staff's request for information,

<sup>&</sup>lt;sup>21</sup> Exhibit 21, AHE Articles of Incorporation.

<sup>&</sup>lt;sup>22</sup> Exhibit 22, AHE Group Registration.

<sup>&</sup>lt;sup>23</sup> Exhibits 21 and 22.

<sup>&</sup>lt;sup>24</sup> Exhibit 23, Email Chain Lucas/Izon (mistakenly informing Mr. Izon that he was contemplating a referendum which would not require immediate registration with APOC).

<sup>&</sup>lt;sup>25</sup> Exhibit 24, Email Chain Hebdon/Izon (informing Mr. Izon that, he should register an initiative application group).

<sup>&</sup>lt;sup>26</sup> Exhibit 25, First Quarter Report.

<sup>&</sup>lt;sup>27</sup> Id.

<sup>&</sup>lt;sup>28</sup> Exhibits 26, 27, and 28, Notices of Violation and Penalty (Because AHE has not appealed or paid the assessed civil penalties, Notices of Referral to the Commission were issued to AHE on August 29, 2023).

<sup>&</sup>lt;sup>29</sup> Ex. 25.

<sup>&</sup>lt;sup>30</sup> Ex. 13, paragraph 2.

When I was approached to lead the initiative campaign. I was asked how much I would charge to do it, I quoted \$200,000. I have a decade of experience as a commercial banker and loan officer. I am currently self employed in artificial intelligence, I do not manage large projects like this often. Though I have done various political and commercial work for various companies in the cannabis industry here in Alaska. I also owned multiple cannabis companies.<sup>31</sup>

AHE's First Quarter Report also included contributions from Ranked Choice Education Association (RCEA) – two checks totaling \$76,000, one cash contribution of \$2,358,<sup>32</sup> and one nonmonetary contribution of printing services valued at \$1,382.<sup>33</sup> AHE's Second Quarter Report, filed six days late<sup>34</sup> included one contribution from RCEA in the amount of \$10,260.<sup>35</sup>

RCEA reported contributions to AHE in the amount of \$79,740 on its May 9, 2023, Statement of Contributions Report.<sup>36</sup> Confusingly, the RCEA \$1,382 nonmonetary contribution of printing services reported on AHE's First Quarter Report is reported by RCEA as a monetary contribution of \$1,382 via check number 103.<sup>37</sup>

RCEA reported a single contribution to AHE in the amount of \$10,260 on its June 11, 2023, Statement of Contributions Report.<sup>38</sup> The total annual contribution from RCEA is reported on this report as \$90,000 with Art Mathias named as the sole true source of the contribution.<sup>39</sup> Of note, Art Mathias is reported to have stated that he had donated \$100,000 to the effort to repeal ranked choice voting at the launch of the 22AKHE petition booklet signature gathering drive.<sup>40</sup>

<sup>33</sup> Ex. 25.

<sup>&</sup>lt;sup>31</sup> Exhibit 29, Request and Response.

<sup>&</sup>lt;sup>32</sup> This contribution was returned, and a check issued for the same amount as of July25, 2023 (see Ex. 30, Second Affidavit of Izon).

<sup>&</sup>lt;sup>34</sup> Exhibit 31, Notice of Penalty for Second Quarter Report.

<sup>&</sup>lt;sup>35</sup> Exhibit 32 Second Quarter Report.

<sup>&</sup>lt;sup>36</sup> Exhibit 33, May 9, 2023, Statement of contributions Report.

<sup>&</sup>lt;sup>37</sup> *Id.* 

<sup>&</sup>lt;sup>38</sup> Exhibit 34, June 11, 2023, Statement of Contributions Report.

<sup>&</sup>lt;sup>39</sup> *Id.* 

<sup>&</sup>lt;sup>40</sup> Exhibit 35, Excerpt of Ruskin Article (full article at <u>https://alaskapublic.org/2023/02/17/launch-of-campaign-to-repeal-ranked-choice-voting-draws-a-crowd-in-anchorage/</u>)

AHE promoted and held a 22AKHE petition booklet signing event on Wellspring Ministries' premises at 2511 Sentry Drive in Anchorage, AK, on February 16, 2023.<sup>41</sup> As it turns out, Wellspring Ministries leases its gymnasium to another entity, Wellspring Fellowship, which in-turn allows the Greater Alaska Chapter of the Association of Mature American Citizens to use gymnasium to for its monthly meetings.<sup>42</sup>

On February 16, 2023, AMAC hosted AHE's February 16, 2023, petition booklet signing event at Wellspring Ministries' gymnasium.<sup>43</sup> AMAC has hosted other persons at its monthly meeting time and does not charge a fee for the hosting.<sup>44</sup> AHE has not reported any contribution from AMAC.

AHE purchased a web domain on November 11, 2022.<sup>45</sup> As of November 19, 2022, and through April 6, 2023, the paid-for-by identifier on AHE'S website stated only "Paid for by Alaskans for Honest Elections, 2521 E. Mtn Village Drive #904 Wasilla, Ak 99654 Not Authorized by any candidate or candidate's committee".<sup>46</sup> But, by at least April 21, 2023, the website had been amended to add the following paid for by identifier:

This Communication Was Paid For By Alaskans For Honest Elections, 2521 E. Mtn Village Dr. #904 Wasilla, Ak 99654 Phillip Izon, Dirctor Approved This Message. The Top 3 Contributors Are Phillip Izon, Wasilla, AK, Ranked Choice Education Association, Anchorage, AK And Carolyn Overstreet, Anchorage, AK.<sup>47</sup>

AHE posted 17 videos on its YouTube page.<sup>48</sup> The first two videos (from left to right on the exhibit) present first a pro-ranked choice speaker; and second, an anti-ranked choice speaker. The remaining 15 videos all urge the listener to reject ranked choice voting for various reasons and to sign the 22AKHE petition booklets.<sup>49</sup> The paid-for-by identifiers

<sup>&</sup>lt;sup>41</sup> Exhibit 36, Signing Invitation.

<sup>&</sup>lt;sup>42</sup> Exhibit 37, August 2, 2023, Response to Information Request.

<sup>&</sup>lt;sup>43</sup> *Id.* 

<sup>&</sup>lt;sup>44</sup> Exhibit 38, AMAC Email Response to Staff Question.

<sup>&</sup>lt;sup>45</sup> Exhibit 39, AHE Whois Report.

<sup>&</sup>lt;sup>46</sup> Exhibit 40, November 19, 2022, Internet Archive of Website; Exhibit 41 April 6, 2023, Internet Archive of Website.

<sup>&</sup>lt;sup>47</sup> Exhibit 42, April 21 Internet Archive of Website.

<sup>&</sup>lt;sup>48</sup> Exhibit 43, YouTube Videos Captured June 30, 2023 (Exhibit N to complaint); Exhibit 44 Affidavit of Gottstein, paragraph 5. <u>https://www.youtube.com/@907honest/videos.</u>

<sup>&</sup>lt;sup>49</sup> <u>https://www.youtube.com/@907honest/videos.</u>

on the videos state only: "Paid for by Alaskans for Honest Elections. Not authorized by any candidate or candidate's committee."<sup>50</sup> Two of the fifteen videos had been posted three months prior to June 30, 2023; ten were posted four months prior to June 30, 2023; and three were posted 5 months prior to June 30, 2023.<sup>51</sup>

#### 4. Ranked Choice Education Association

RCEA is a State of Washington corporation created on December 16, 2022.<sup>52</sup> Art Mathias is RCEA's President; Phillip Izon and Patricia Mathias are Directors.<sup>53</sup> RCEA purchased its first web domain on December 22, 2022, one month after Phillip Izon, Art Mathias, and Jamie R. Donley filed their application for initiation 22AKHE with the Lieutenant Governor.<sup>54</sup> This was RCEA's website until it purchased a new web domain on May 23, 2023.<sup>55</sup>

RCEA's first domain landing page was devoted to promoting the efforts of AHE.<sup>56</sup> Under a heading entitled "Alaska's Efforts to Repeal Ranked Choice," AHE's signature gathering efforts are promoted by presenting information on 22AKHE and a QR code that links directly to AHE's website. AHE's website, among other things, lists various locations where 22AKHE petition booklets can be signed.<sup>57</sup> This first domain of RCEA contained no paid for by identifier.<sup>58</sup>

The information provided on RCEA's new domain is clearly different from what was presented on its first domain in that it emphasizes a more general purpose of explaining and arguing why RCEA believes ranked choice voting is a very bad thing but without

<sup>&</sup>lt;sup>50</sup> *Id.* See also examples given in Exhibit L to the Complaint.

<sup>&</sup>lt;sup>51</sup> Ex. 43, YouTube Videos.

<sup>&</sup>lt;sup>52</sup> Exhibit 45, RCEA Articles of Incorporation.

<sup>&</sup>lt;sup>53</sup> *Id.* 

<sup>&</sup>lt;sup>54</sup> Exhibit 46, Whois report for rankedchoiceeducationassociation.org.

<sup>&</sup>lt;sup>55</sup> Exhibit 47, rankedchoiceedu.org. Whois Report.

<sup>&</sup>lt;sup>56</sup> Exhibit 48 (Exhibit X from Complaint); Ex. 44, Affidavit of Gottstein, par. 11.

<sup>&</sup>lt;sup>57</sup> *Id.* at p. 2.

<sup>&</sup>lt;sup>58</sup> Ex. 48.

mentioning the 22AKHE initiative. Further, this new domain provides no links to AHE materials or any other materials supporting the signing of 22AKHE petition booklets.<sup>59</sup>

RCEA's new domain is consistent with RCEA activities as described in its answer to the complaint; and in Mr. Izon's Second Affidavit.<sup>60</sup> In its answer, RCEA argues that its website, by its words, focuses on acquainting the American public with the dire effects adoption of ranked choice voting would have on American democracy in all jurisdictions.<sup>61</sup> Further, RCEA argues that Mr. Mathias and Mr. Izon, on behalf of RCEA, have traveled to approximately eight states in the lower-48 to speak and consult with community members about ranked choice voting; and that more of this activity is scheduled to take place.<sup>62</sup> In their Second Affidavits, both Mr. Mathias and Mr. Izon detail their efforts to acquaint individuals in other states with what they argue are flaws and negative aspects of ranked choice voting.<sup>63</sup> However, on July 3, 2023, RCEA published a Tweet from its Twitter account stating it hopes to get 22AKHE on the ballot so that it can be removed from "our state."<sup>64</sup> Additionally, on July 5, 2023, RCEA announced by Tweet that it is the group behind the repeal of ranked choice voting in Alaska.<sup>65</sup>

RCEA has reported a total of \$90,000 in contributions to AHE – the entire amount attributed by RCEA on its June 11, 2023, Statement of Contributions report as being donated by Art Mathias on December 22, 2022:

\$1,000 February 6, 2023, Check # 101
\$75,000 February 8, 2023, Check # 102
\$2,358 February 22, 2023, Cash
\$1,382 February 23, 2023 Check # 103

<sup>&</sup>lt;sup>59</sup> Exhibit 49, New RCEA Landing Page <u>https://rankedchoiceedu.org/</u>.

<sup>&</sup>lt;sup>60</sup> Exhibit 50, Second Affidavit of Izon.

<sup>&</sup>lt;sup>61</sup> Ex. 1, at pp 18-19.

<sup>&</sup>lt;sup>62</sup> *Id.* 

<sup>&</sup>lt;sup>63</sup> Exhibit 51, Second Affidavit of Mathias; Ex.50, respectively.

<sup>&</sup>lt;sup>64</sup> Exhibit 52, July 3, 2023, RCEA Retweet of its own Tweet (Exhibit UU to Complainant's First Supplement); Exhibit 53, July 12, 2023 Affidavit of Gottstein.

<sup>&</sup>lt;sup>65</sup> Exhibit 54, July 5, 2023 RCEA Tweet (Exhibit VV to Complainant's First Supplement); Ex. 53.

### \$10,260 June 11, 2023 Check # 2010.66

Staff's investigation, however, revealed a slightly different picture:

- The \$1,000 check is actually dated January 9, 2023, and the accurate check number is #1007;
- The \$75,000 contribution was actually made by cashier's check, not check #107. This cashier's check was issued on February 3, 2023 as opposed to the reported date of February 8, 2023;
- The February 22, 2023 cash contribution of \$2,358 was refunded to AHE,<sup>67</sup> but another check in amount of \$2,258 was contributed to AHE on August 1, 2023 using check #2021; and
- The actual check number for the \$1,382 contribution made on February 23, 2023, is 2004, not #103.

Additionally, the investigation revealed no evidence of the existence of a check in the amount of \$10,260, but Staff was able to identify an unreported contribution of \$11,000 made by check number 2010 and dated May 22, 2023.<sup>68</sup>

### 5. Wellspring Ministries

Wellspring Ministries is an Alaska nonprofit corporation formed on July 1, 1999.<sup>69</sup> Art Mathias is its President and Treasurer, Patricia Mathias is its Vice President, Monica Mosier is its Secretary and a Director; and Janice Coulter and Patrick Hadley are Directors.<sup>70</sup> Wellspring Ministries' premises are located at 2511 Sentry Drive in Anchorage, AK. Wellspring Ministries has a gymnasium at this location that also serves as an auditorium.<sup>71</sup>

<sup>&</sup>lt;sup>66</sup> Exhibit 55, May 9, 2023 and June 11, 2023 Statement of Contributions Reports.

<sup>&</sup>lt;sup>67</sup> Exhibit 13, at paragraph 7.

<sup>&</sup>lt;sup>68</sup> Exhibit 56, RCEA Checks to AHE.

<sup>&</sup>lt;sup>69</sup> Exhibit 57, Alaska Department of commerce Entity Details Page.

<sup>&</sup>lt;sup>70</sup> *Id*.

<sup>&</sup>lt;sup>71</sup> Ex. 37.

Wellspring Ministries leases its gymnasium, office space, and a conference room to Wellspring Fellowship.<sup>72</sup>

### 6. Wellspring Fellowship

Wellspring Fellowship nonprofit corporation incorporated in the State of Washington and on December 8, 2022.<sup>73</sup> Art Mathias, Patrick Hadley, Gayle Hadley, and Monica Mosier are its Directors.<sup>74</sup>

Wellspring Fellowship allows RCEA to receive mail and to use the conference room leased from Wellspring Ministries for its meetings, which typically last sixty to ninety minutes every two to three months.<sup>75</sup>

Wellspring Fellowship also allows the Greater Alaska Chapter of the Association of Mature American Citizens to use the gymnasium leased from Wellspring Ministries and charges \$1 for this monthly meeting.<sup>76</sup> According to Wellspring Ministries, it charges Wellspring Fellowship only the costs associated with its operation and maintenance of the leased space because, as a nonprofit organization, it is not allowed to profit from the lease.<sup>77</sup> For one of its monthly meetings in Wellspring Ministries' gymnasium, the Greater Alaska Chapter of the Association of Mature American Citizens hosted AHE's petition booklet signing event for approximately one hour on February 16, 2023.<sup>78</sup> The gymnasium/auditorium has a maximum capacity of 800.<sup>79</sup>

### 7. Art Mathias

Mr. Mathias is one of the three sponsors of 22AKHE along with Phillip Izon and Jamie R. Donley.<sup>80</sup>

<sup>78</sup> Id.

<sup>&</sup>lt;sup>72</sup> Exhibit 37, at p.5.

<sup>&</sup>lt;sup>73</sup> Exhibit 58, WF Articles of Incorporation.

<sup>&</sup>lt;sup>74</sup> Id.

<sup>&</sup>lt;sup>75</sup> Ex. 37, at pp. 2-3.

<sup>&</sup>lt;sup>76</sup> Ex. 37, at p. 2.

<sup>&</sup>lt;sup>77</sup> Id.

<sup>&</sup>lt;sup>79</sup> Exhibit 59, August 3, 2023, Response to Information Requests.

<sup>&</sup>lt;sup>80</sup> Ex. 9, Application Certificate.

On December 22, 2022, Mr. Mathias contributed \$90,000 to RCEA.<sup>81</sup> On its June 11, 2023, Statement of Contributions Report RCEA reported that its current total annual contribution to AHC was \$90,000 with Art Mathias as the single true source of the funds.<sup>82</sup> At the launch of the 22AKHE petition booklet signature gathering drive Mr. Mathias is alleged to have "told supporters that ranked choice voting puts the entire country at risk. Literally, seriously at risk."<sup>83</sup> Mathias is further alleged to state "[i]f we don't replace rank choice voting, we will never elect another conservative, and we will only have outside corporations coming up and buying our candidates and buying our elections."<sup>84</sup> And, Mathias "said he's donated \$100,000 to the effort, and the campaign has raised \$400,000 from out of state."<sup>85</sup>

Mr. Mathias argues, however, that by "effort" he meant the overall effort that both AHE and RCEA were involved in, with AHE working to repeal ranked choice voting in Alaska, and RCEA working to educate Americans in other states against the concept of ranked choice voting.<sup>86</sup>

### LAW AND ANALYSIS

#### 1. <u>Registration</u>

Complainant alleges that respondents AHG and RCEA made one or more expenditures in support of an initiative application filed with the Lieutenant Governor that triggered registration and reporting requirements. As described above, it is clear from their websites that AHG and RCEA are decidedly against ranked choice voting in general; and that both utilized their websites to showcase AHE materials clearly supporting the 22AKHE petition booklet signature gathering effort.

- <sup>84</sup> Id.
- <sup>85</sup> *Id.*
- <sup>86</sup> Ex.49.

<sup>&</sup>lt;sup>81</sup> Exhibit 60, Art Mathias check for \$90,000.

<sup>&</sup>lt;sup>82</sup> Ex.34.

<sup>&</sup>lt;sup>83</sup> Ex. 35.

Alaska law requires each person, other than an individual, to register with APOC before making an expenditure in support of or in opposition to, a ballot proposition or an initiative application filed with the Lieutenant Governor.<sup>87</sup>

An expenditure is defined as "a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of... influencing the outcome of a ballot proposition or question."<sup>88</sup> The definition of expenditure also "includes an express communication and an electioneering communication, but does not include an issues communication."<sup>89</sup>

An express communication is one that "when read as a whole and with limited reference to outside events, is susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate."<sup>90</sup>

An electioneering communication is one that addresses an issue of political importance and attributes a position on that issue to a candidate who is directly or indirectly identified and occurs within the 30 days preceding a general or municipal election.<sup>91</sup>

An issues communication is one that addresses an issue of political importance, directly or indirectly identifies a candidate, but does not support or oppose a candidate.<sup>92</sup>

Although the communication definitions are specific to communications regarding candidates, the distinctions also are appropriate for ballot proposition and initiative campaigns.<sup>93</sup>

<sup>88</sup> AS 15.13.400(7)(a)(iv).

<sup>&</sup>lt;sup>87</sup> AS 15.13.050(a).

<sup>&</sup>lt;sup>89</sup> AS 15.13.400(7)(C).

<sup>&</sup>lt;sup>90</sup> AS 15.13.400(8).

<sup>&</sup>lt;sup>91</sup> AS 15.13.400(6).

<sup>&</sup>lt;sup>92</sup> AS 15.13.400(13).

<sup>&</sup>lt;sup>93</sup> See, *McIntyre v. Ohio Elections Comm'n*, 115 S. Ct. 1511 (1995) (holding that principles regarding regulation of political speech in candidate elections extend equally to issue-based elections such as referendums); *Calif. ProLife Council, Inc., v. Getman*, 328 F.3d 1088 (9th Cir. 2003) (holding that states may regulate express ballot measure advocacy through disclosure laws and applying analysis of "express advocacy" in candidate campaigns to ballot initiative campaigns); *Federal Election Comm'n v. Wisconsin Right to Life, Inc.*, 127 S. Ct. 2652 (2007) (holding that campaign communications that are susceptible to no reasonable interpretation other than as an appeal to vote for or against a specific candidate are the functional equivalent of express campaign communications) (*See also*, AO 08-02-CD, Timothy McKeever (Renewable Resources Coalition)).

Generally, an issues communication does not trigger registration and reporting requirements. But, where a communication that would ordinarily be an issues communication is disseminated contemporaneously with ballot proposition involving the same or similar subject, the Commission has engaged in further analysis to determine if, under all the circumstances, the communication is actually an express communication that triggers APOC's registration and reporting requirements. Several such cases are discussed below.

In AO 08-02-CD the Commission approved staff's advice addressing a similar issue as presented herein. In that case, the Renewable Resources Coalition asked whether certain anti-Pebble Mine advertisements lost their non-regulated character as issues communications if disseminated near the time of a ballot proposition involving a similar or the same subject.<sup>94</sup> In that case, the Renewable Resources Coalition (RRC) had for several years opposed the Pebble Mine project using phrases such as "protect clean water and wild Alaska salmon." During the period of such activity, two clean water initiatives reached the 2008 statewide ballot. The initiatives proposed new regulations for new largescale mining projects in the state, which presumably would include the Pebble Mine, regarding the discharge and storage of certain toxic materials.<sup>95</sup>

RRC asked the Commission for an advisory opinion as to whether it would be able to continue its education of the public concerning the potential negative impact of the proposed Pebble Mine in the same manner as it had in the past, including use of the phrase, "clean water," without such activities being considered expenditures made to influence the outcome of a ballot proposition.<sup>96</sup> After reviewing RRC's previous advertisements, and proposed new sample advertisements staff noted that there was no discussion of voting and no express advocacy supporting the initiatives.<sup>97</sup>

<sup>&</sup>lt;sup>94</sup> Exhibit 61, AO 08-02-CD, *Renewable Resources Coalition*.

<sup>&</sup>lt;sup>95</sup> *Id.* at p. 9.

<sup>&</sup>lt;sup>96</sup> *Id.* at p. 10.

<sup>&</sup>lt;sup>97</sup> *Id.* at p. 11.

Ultimately, the Commission approved staff's recommended advice after analysis of the question presented:

"In this case, the example advertisements you provided with your request do not expressly advocate for a position on a ballot initiative or make any mention of an initiative, election or voting. Nor are they the functional equivalents of express communications because they are susceptible to reasonable interpretations other than as exhortations to vote for the initiatives. While the use of the term "clean water" might be interpreted by listeners who are aware of the initiatives as a message in support of the initiatives, it is not the only reasonable interpretation of the advertisements."<sup>98</sup>

In AO 14-04-CD, *Renewable Resources Foundation*, the Commission adopted staff's advisory opinion which relied on the legal conclusions and tests set forth in AO 08-02-CD:

"Because the proposed ad does not mention the initiative, does not advocate any position on the initiative and is susceptible to interpretations other than an exhortation to vote for the initiative; the ad would not trigger a reporting or disclosure requirement under AS 15.13"<sup>99</sup>

In AO 19-04-CD, *Bags for Change*, the Commission emphasized the importance of a history of communications on a subject that has crossed over to becoming the subject of an initiative. There, the organization, Bags for Change had for many years communicated with the public concerning the harmful effects of plastics in general and plastic bags in particular. In its draft opinion, staff opined that a brochure that provided neutral cost information about a ballot proposition concerning the elimination of plastic bags and mentioned voting and the proposition by name nevertheless did not trigger a registration or reporting requirement because the brochure, taken as a whole, was susceptible to a reasonable interpretation other than an exhortation to vote one way or the other because it provided neutral information concerning the proposition. Upon approving the opinion by a 5-0 vote, the Commission amended to the foregoing, "especially...given that [Bags for

<sup>&</sup>lt;sup>98</sup> Ex. 61.

<sup>&</sup>lt;sup>99</sup> Ex. 62, AO 14-04-CD, *Renewable Resources Foundation*.

Change] has engaged in educational efforts for three years before the [i]nitiative, rather than a group that was created around the [i]nitiative."<sup>100</sup>

More recently, in *Yes on 2 for Better elections v. Alaska Public Policy Forum, et. al.*<sup>101</sup> the Commission determined that Alaska Public Policy Forum's communications were express communications even though the ballot measure at issue was not identified by name where there was no history of communicating about the topic, the communications were disseminated in the context of a ballot measure on the same topic, and the communications were not neutral.<sup>102</sup>

#### A. Alaskans for Honest Government

Alaskans for Honest Government (AHG) purchased a web domain on October 15, 2022, and registered as an entity with APOC on November 1, 2022. Phillip Izon is named as the Record Keeper/Agent and Diamond Metzer is the named Treasurer on AHG's registration.

As of November 18, 2022, AHG's website was primarily devoted to the topic of ranked choice voting in general and AHE's efforts (including a link to the AHE website) in particular. On November 23, 2022, Phillip Izon, Art Mathias, and Jaime R. Donley filed an application to propose an initiative with the Lieutenant Governor. After certification of the sponsors' application by the Lieutenant Governor, the Division of Elections identified the sponsors' petition as "22AKHE." As of April 26, 2023, AHG's website contained links to sign up to receive a 22AKHE petition booklet and to AHE's website. As of July 6, 2023, AHG's website no longer contained the links to AHE, but had transitioned to popups requesting the public's help in eliminating ranked choice voting and displaying AHE's graphic showing the steps to an initiative election on ranked choice voting. On these facts, staff concludes that AHG's website was an express communication because under all the circumstances it was susceptible of no other reasonable interpretation but as an exhortation

<sup>&</sup>lt;sup>100</sup> *Id.* at p. 5.

<sup>&</sup>lt;sup>101</sup> Complaint 20-05-CD

<sup>&</sup>lt;sup>102</sup> Id.

to support 22AKHE, an initiative petition for a ballot proposition to eliminate ranked choice voting in Alaska.

Staff's conclusion is consistent with the Commission's decisions in *Bags for Change and Renewable Resources* because here, unlike those cases, AHG has no lengthy history of opposing the subject of the initiative, but instead began its opposition to ranked choice voting within days of filing its application to propose initiative 22AKHE.

Staff's conclusion is also consistent with the Commission's decision in *Yes on 2 for Better elections v. Alaska Public Policy Forum, et. al.*<sup>103</sup> In that case, the Commission determined that Alaska Public Policy Forum's communications were express communications even where the ballot measure at issue was not identified by name because there was no history of communicating about the topic, the communications were disseminated in the context of a ballot measure on the same topic, and the communications were not neutral.<sup>104</sup>

Accordingly, staff concludes that AHG violated AS 15.13.050 by failing to register with APOC before expending funds on its website.

Complainant contends that AHG should have registered as a group. Staff disagrees. A group is defined in relevant part as "any combination of two or more individuals acting jointly who organize for the principal purpose of filing an initiative proposal application...or who file an initiative proposal application" with the Lieutenant Governor.<sup>105</sup> Clearly, AHG does not satisfy the principal purpose test of the definition because they did not organize for the principal purpose of filing an initiative proposal application; ofr file an initiative proposal application. Instead, AHG is a person who has made independent expenditures (expenditures in connection with the creation, maintenance and updating of its website) opposing an initiative proposal application filed with the Lieutenant Governor and therefore should have registered as an entity.

#### **B.** Ranked Choice Education Association

<sup>&</sup>lt;sup>103</sup> Complaint 20-05-CD

<sup>&</sup>lt;sup>104</sup> *Id*.

<sup>&</sup>lt;sup>105</sup> AS 15.13.400(9).

RCEA purchased its first domain on December 22, 2022, one month after Phillip Izon, Art Mathias, and Jamie R. Donley filed their application to propose the initiative, ultimately identified as 22AKHE, with the Lieutenant Governor.

RCEA's first domain landing page was devoted to promoting the efforts of AHE. Under a heading entitled "Alaska's Efforts to Repeal Ranked Choice," AHE's signature gathering efforts are promoted by presenting AHE, information about initiative 22AKHE, and a QR code that links directly to AHE's website which, among other things, lists various locations where 22AKHE petition booklets can be signed. Further, RCEA has openly stated on its Twitter account that it is the group behind the 22AKHE effort.

On these facts, staff concludes that RCEA's website was an express communication because under all the circumstances it was susceptible of no other reasonable interpretation but as an exhortation to support 22AKHE, an initiative proposed to eliminate ranked choice voting in Alaska.

Staff's conclusion is consistent with the Commission's decisions in *Bags for Change and Renewable Resources* because here, unlike the parties in those cases, RCEA has no lengthy history of opposing ranked choice voting, the subject of the initiative, but instead began its opposition to ranked choice voting contemporaneously with Izon, Mathias, and Donley's filing of an application to propose the initiative that ultimately became 22AKHE.

Staff's conclusion is also consistent with the Commission's decision in *Yes on 2 for Better elections v. Alaska Public Policy Forum, et. al.*<sup>106</sup> In that case, the Commission determined that Alaska Public Policy Forum's communications were express communications even where the ballot measure at issue was not identified by name and where there was no history of communicating about the topic, the communications were disseminated in the context of a ballot measure on the same topic, and the communications were not neutral.<sup>107</sup>

<sup>&</sup>lt;sup>106</sup> Complaint 20-05-CD

<sup>&</sup>lt;sup>107</sup> *Id*.

Accordingly, staff concludes that RCEA violated AS 15.13.050 by failing to register with APOC before expending funds on its website.

Complainant contends that RCEA should have registered as a group. For the same reasons stated above in paragraph A, "Alaskans for Honest Government," Staff disagrees. Like AHG, RCEA does not satisfy the principal purpose test of the definition of group. Instead, RCEA has made independent expenditures opposing an initiative proposal and therefore should have registered as an entity.

#### C. Alaskans for Honest Elections

A person is required to register with APOC "*before* making an expenditure in support of or in opposition ...to an initiative proposal application filed with the lieutenant governor."<sup>108</sup> AHE registered with APOC on March 20, 2023, but actually made its first expenditure two months before that on January 20, 2023. Thus, by not registering with APOC until two month *after* making its first expenditure, AHE violated AS 15.13.050(a).

#### 2. <u>Reporting</u>

### A. Alaskans for Honest Government

As a person making independent expenditures opposing an initiative application, AHG was required to file independent expenditure reports.<sup>109</sup> These reports should have been filed within 10 days of making each expenditure.<sup>110</sup>

As a person opposing an initiative application, AHG was also required to file quarterly reports if it received contributions exceeding \$500 or made expenditures exceeding \$500 within a calendar year.<sup>111</sup>

Here, AHG violated AS 15.13.040 by failing to file independent expenditure reports; and AS 15.13.110(g) by failing to file a First Quarter Report.

### **B.** Alaskans for Honest Elections

<sup>&</sup>lt;sup>108</sup> AS 15.13.050(a) (emphasis added).

<sup>&</sup>lt;sup>109</sup> AS 15.13.040(d).

<sup>&</sup>lt;sup>110</sup> AS 15.13.110(h).

<sup>&</sup>lt;sup>111</sup> AS 15.13.110(g).
AHE violated AS 15.13.110(h) by failing to file three independent expenditure reports, and instead reporting the expenditures late on its First Quarter Report. Further AHE violated AS 15.13.110(g) by filing inaccurate First and Second Quarter Reports and by filing its Second Quarter Report six days late. As noted above, Staff has issued civil penalty assessments for all three independent expenditure violations and the late Second Quarter violation and AHE has been notified that the assessments are being referred to the Commission because they have not been appealed or paid. Accordingly, Staff recommends that those allegations be dismissed without prejudice as they are being addressed under the ordinary civil penalty procedure for late-filed reports consistent with 2 AAC 50.855 and 2 AAC 50.895.

Complainant also alleges that AHE violated AS 15.13.040(b), AS 15.13.074(b), and AS 15.13.110(k) by failing to accurately report the source of the contributions it received.<sup>112</sup> Specifically, Complainant contends that AHE reports showing RCEA as the contributor are inaccurate because, as alleged by Complainant, RCEA appears to have been specifically created as a pass-through for the dual purposes of unlawfully obtaining a tax deduction for donors and obscuring the actual source of the donations.<sup>113</sup>

A person may not contribute anonymously, using a fictitious name, or using the name of another.<sup>114</sup> A contribution must be made in the name of the true source of the money or thing of value – a person may not contribute using the name of another; or use a third-party conduit.<sup>115</sup> A person making independent expenditures is required to report contributions made to the person on its independent expenditure reports.<sup>116</sup> For purposes of the AS 15.13.040(e) requirement to report contributors, the term "contribution" means the true source of the contribution.<sup>117</sup>

<sup>116</sup> AS 15.13.040(e).

<sup>&</sup>lt;sup>112</sup> Ex. 1 at p. 7.

<sup>&</sup>lt;sup>113</sup> *Id*.

<sup>&</sup>lt;sup>114</sup> AS 15.13.074(b).

<sup>&</sup>lt;sup>115</sup> 2 AAC 50.258(a).

<sup>&</sup>lt;sup>117</sup> AS 15.13.040(q).

Here, as discussed below, staff has concluded that the weight of the evidence establishes that Mr. Mathias, the President of RCEA and a Director of AHE, contributed \$90,000 to RCEA knowing that the contribution would be repurposed to support AHE through contributions as needed. Further, on its June 11, 2023, Statement of Contributions filed by Phillip Izon, Chair of AHE, Art Mathias is reported as the sole true source of the funds RCEA had, up to that point, contributed to AHE. On these facts, staff concludes that AHE violated AS 15.13.110(g) and AS 15.13.074(b) by filing inaccurate First and Second Quarter reports and for failing to report Mr. Mathias' contributions.

Complainant further alleges that AHE violated AS 15.13.040(b)-(c) when it reported a \$200,000 nonmonetary contribution from Phillip Izon.<sup>118</sup> But, Complainant's assertion is based on the false assumption that the reported contribution was for Mr. Izon's efforts covering no longer than a calendar quarter.<sup>119</sup> As Mr. Izon explained, the \$200,000 amount was an estimate of the value of his services through the end of AHE's campaign – a campaign only barely begun and still in the signature gathering stage – and was based on what he would have quoted if paid to do it. On these facts, staff concludes that there is insufficient evidence to find an AS 15.13 violation based on AHE's reporting of a \$200,000 nonmonetary contribution from Mr. Izon.

Complainant also alleges that AHE violated AS 15.13.040(j)-(k) by failing to notify its contributors who contributed \$500 or more of their obligation to file a statement of contributions report within 30 days. But, neither AS 15.13, the regulations adopted thereunder, or prior Commission decisions establish such a requirement. The statutory provisions cited by Complainant relate solely to the obligations of the person receiving the contribution; and do not include an obligation to inform contributors of their own, separate obligations under the statute. Accordingly, this allegation should be dismissed.

Finally, the investigation revealed that the Greater Alaska Chapter of the Association of Mature American Citizens hosted AHE's February 16, 2023, petition

<sup>&</sup>lt;sup>118</sup> Ex. 1 at p. 6.

<sup>&</sup>lt;sup>119</sup> *Id*.

signing event. Complainant contends that AHE violated AS 15.13 by not reporting a nonmonetary contribution from the Greater Alaska Chapter of the Association of Mature American Citizens, namely the Association's act of providing the gymnasium space for AHE's event.

The permission of the owner of real or personal property to post political signs; or to use space for an event is not considered a contribution unless the owner customarily charges a fee for that activity.<sup>120</sup> In AO 12-16-CD the Commission was asked whether a candidate was required to seek permission of the owner of the property when posting a sign on that property when it is occupied by another who has given permission to post the sign.<sup>121</sup> The Commission found that APOC does not regulate who can or cannot grant permission to place signs on real or personal property, but, that in general a candidate must ensure that contributions or expenditures are reported when political signs are posted in areas for which a charge is ordinarily made.<sup>122</sup>

Here, the Greater Alaska Chapter of the Association of Mature American Citizens, the lessee of space within a building, provided use of that space to AHE at no cost just as it has done for other persons. Nevertheless, because the gymnasium's owner, Wellspring Ministries, customarily charges an at-cost fee for use of the gymnasium, Staff concludes that AHE violated AS 15.13.110(g) by failing to include a nonmonetary contribution from Wellspring Ministries on its First Quarter Report.<sup>123</sup>

# C. Ranked Choice Education Association

As a person making independent expenditures opposing an initiative application, RCEA was required to file independent expenditure reports.<sup>124</sup> These reports should have been filed within 10 days of making each expenditure.<sup>125</sup>

<sup>&</sup>lt;sup>120</sup> AS 15.13.040(i).

<sup>&</sup>lt;sup>121</sup> Exhibit 63, AO 12-16-CD, *Max Gruenberg*.

<sup>&</sup>lt;sup>122</sup> Ex. 63, at p. 3.

<sup>&</sup>lt;sup>123</sup> Staff notes that under 2 AAC 50.250(B)(1)(a) the amount of the contribution would not be the de minimis amount WM charges WF for the use of the space that WF granted to AMAC, but rather should be the normal market charge for a similar space.

<sup>&</sup>lt;sup>124</sup> AS 15.13.040(d).

<sup>&</sup>lt;sup>125</sup> AS 15.13.110(h).

As a person opposing an initiative application, RCEA was also required to file quarterly reports no later than 10 days after the end of the quarter if it received contributions exceeding \$500 or made expenditures exceeding \$500 within a calendar year.<sup>126</sup>

Here, RCEA violated AS 15.13.040(d) and AS 15.13.110(h) by failing to timely file independent expenditure reports; and AS 15.13.110(g) by failing to timely file a 2022 Fourth Quarter Report.

Complainant contends that RCEA violated AS 15.13 by making a cash contribution of \$2,358 to AHE. A person may not make a cash contribution that exceeds \$100.<sup>127</sup> RCEA concedes that it made the cash contribution in violation AS 15.13.074(e).

Complainant further contends that RCEA violated AS 15.13.074(b) by making contributions in the name of another.<sup>128</sup> Specifically, Complainant contends that RCEA was created for the purpose of laundering donations to AHE.<sup>129</sup> Staff does not agree. As discussed above, it is abundantly clear that RCEA has been involved in substantial activities in the lower-48 to further its mission of warning Americans about what it perceives to be the flaws and negative aspects of ranked choice voting.

Complainant appears to be primarily concerned with the \$90,000 donation Mr. Mathias made to RCEA at the beginning of its existence. A person may not contribute anonymously, using a fictitious name, or using the name of another.<sup>130</sup> A contribution must be made in the name of the true source of the money or thing of value – a person may not contribute using the name of another; or use a third-party conduit.<sup>131</sup> A person making independent expenditures is required to report contributions made to the person on its independent expenditure reports.<sup>132</sup> For purposes of the AS 15.13.040(e) requirement to report contributors, the term "contribution" means the true source of the contribution.<sup>133</sup>

- <sup>129</sup> *Id.*
- <sup>130</sup> AS 15.13.074(b).
- $\begin{array}{rcl} 131 & 2 \text{ AAC } 50.258(a). \\ 132 & AS & 15 & 12 & 0.40(a) \end{array}$
- $\begin{array}{ccc} ^{132} & \text{AS } 15.13.040(e). \\ ^{133} & \text{AS } 15.13.040(a) \end{array}$

<sup>&</sup>lt;sup>126</sup> AS 15.13.110(g).

<sup>&</sup>lt;sup>127</sup> AS 15.13.074(e)

<sup>&</sup>lt;sup>128</sup> Ex. 1, at p. 19.

<sup>&</sup>lt;sup>133</sup> AS 15.13.040(q).

Here, RCEA has filed only two statement of contributions reports – the first one on May 9, 2023, identifying four contributions in excess of \$500 all made in February, 2023, that did not identify Mr. Mathias as the true source and a June 11, 2023 report showing one additional contribution in excess of \$500, but reporting Mr. Mathias as the true source of all previous contributions to AHE.<sup>134</sup> Accordingly, staff concludes that RCEA's May 9, 2023, statement of contribution report violated AS 15.13.074(b); and that the allegation should be dismissed with respect to the June 11, 2023, statement of contributions report.

# Wellspring Ministries/Wellspring Fellowship

A person who contributes \$500 or more to a group organized for the principal purpose of filing an initiative proposal application with the Lieutenant Governor or that has filed an initiative proposal application with the Lieutenant Governor, is required to report that contribution no later than 30 days after the contribution is made.<sup>135</sup>

Wellspring Ministries leases office space and a gymnasium/auditorium to Wellspring Fellowship. Wellspring Fellowship allows RCEA to receive to use its leased conference room for meetings typically taking an hour to an hour and a half once every two to three months.

Complainant alleges that Wellspring Fellowship violated AS 15.13.040(k) by failing to report its contribution of access to its leased premises to RCEA.<sup>136</sup> But, that section of AS 15.13 only applies to contributions made to groups organized for the principal purpose of influencing a ballot proposition; or groups organized for the principal purpose of filing an initiative application or that has filed an initiative application.<sup>137</sup> RCEA is not such a group because it did not file an application to propose the initiative 22AKHE. Accordingly, Staff recommends that this allegation be dismissed.

# 3. Identification of Political Communications

<sup>&</sup>lt;sup>134</sup> RCEA has filed no other reports although required to do so.

<sup>&</sup>lt;sup>135</sup> AS 15.13.040(k)

<sup>&</sup>lt;sup>136</sup> Ex. 1, at p. 22.

<sup>&</sup>lt;sup>137</sup> AS 15.13.040(k).

Alaska's campaign disclosure law requires all communications to be identified using the words "paid for by" followed by the name and address of the person paying for the communication.<sup>138</sup> For a person other than an individual or candidate, the identifier must include the name and title of the person's principal officer; and a statement from the principal officer approving the communication; and, unless the person is a political party, the name, city and state of each of the person's top 3 contributors, if any.<sup>139</sup>

A "communication" is defined as "an announcement or advertisement disseminated through print or broadcast media, including radio, television, cable, and satellite, the Internet, or through a mass mailing, excluding those placed by an individual or nongroup entity and costing \$500 or less and those that do not directly or indirectly identify a candidate or proposition, as that term is defined in AS 15.13.065(c)."<sup>140</sup>

A political communication is further defined to include press releases and material on an internet website.<sup>141</sup> For a communication containing a video component by broadcast, cable, satellite, internet or other digital communication, the paid for by identifier must remain on the screen throughout the entirety of the communication.<sup>142</sup>

# A. Alaskans for Honest Government

AHG's website identifier has, at all times relevant, stated only that it was paid for by AHG and that it is not authorized by any candidate or candidate's committee.

Here, because AHG's internet website failed to identify its principal officer, provide a statement from its principal officer approving the communication and name its top three contributors, staff concludes that AHG violated AS 15.13.090(a).

# **B.** Alaskans for Honest Elections

AHE purchased a web domain on November 11, 2022. Between November 19, 2022, and April 6, 2023, the paid for by identifier on AHE'S website did not name its

<sup>&</sup>lt;sup>138</sup> AS 15.13.090(a).

<sup>&</sup>lt;sup>139</sup> AS 15.13.090(a)(2).

<sup>&</sup>lt;sup>140</sup> AS 15.13.400(3).

<sup>&</sup>lt;sup>141</sup> 2 AAC 50.306(e)(2)(A) and (B).

<sup>&</sup>lt;sup>142</sup> AS 15.13.090(c).

principal officer, did not include a statement from the principal officer approving the communication and did not name AHE'S top three contributors. But, by at least April 21, 2023, the website had been amended to add all the information required by AS 15.13.090(a). Accordingly, staff concludes that AHE violated AS 15.13.090(a) for failing to have a complete paid-for-by identifier on its website between November 19, 2022, and April 6, 2023.

AHE posted 15 videos that urge the viewer to reject ranked choice voting for various reasons and to sign the 22AKHE petition booklets. The written portion of the paid-for-by identifiers do not comply with AS 15.13.090(a) and what was present did not remain on the screen throughout the entirety of the video as required. Accordingly, staff concludes that AHE's videos did not comply with the identification requirements set out AS 15.13.090(a) and (c).

# C. Ranked Choice Education Association

RCEA's first domain was an express communication requiring a paid-for-by identifier. Because the first domain did not have a paid for by identifier, staff concludes that RCEA violated AS 15.13.090(a).

# 4. Art Mathias

A person may not contribute using the name of another.<sup>143</sup> A contribution must be made in the name of the true source of the money or thing of value – a person may not contribute using the name of another; or use a third-party conduit.<sup>144</sup>

Mr. Mathias was one of the three sponsors of the application to propose initiative 22AKHE along with Phillip Izon and Jamie R. Donley.

On December 22, 2022, Mr. Mathias contributed \$90,000 to RCEA. Mr. Mathias is the President of RCEA. On its June 11, 2023, Statement of Contributions Report, RCEA reported that its current total annual contribution to AHE was \$90,000 with Art Mathias as the single true source of the funds. At the launch of the 22AKHE initiative signature

<sup>&</sup>lt;sup>143</sup> AS 15.13.074(b).

<sup>&</sup>lt;sup>144</sup> 2 AAC 50.258(a).

gathering drive the following was attributed to Mr. Mathias: "Mathias said he's donated \$100,000 to the effort, and the campaign has raised \$400,000 from out of state."<sup>145</sup>

Mr. Mathias contends that by "the effort" he meant the overall effort that *both AHE and RCEA* were involved in<sup>146</sup>, with AHE working to repeal ranked choice voting in Alaska, and RCEA working to educate Americans against the concept of ranked choice voting.<sup>147</sup>

On these facts, staff concludes that the weight of the evidence establishes that Mr. Mathias contributed his funds to RCEA knowing that they would be repurposed to support AHE through contributions as needed and thereby violated AS 15.13.074(b) and 2 AAC 50.258(a).

In reaching its conclusion concerning Mr. Mathias' contributions, staff has not considered Complainant's assertions concerning unlawful tax deductions because that is an IRS issue, clearly outside of APOC's jurisdiction.

Every person contributing \$500 or more to an initiative application group is required to report that contribution on a form prescribed by the Commission not later than 30 days after making the contribution.<sup>148</sup> Here, staff concludes that Mr. Mathias contributed \$90,000 AHE using RCEA as a third party conduit. Because Mr. Mathias failed to file a statement of contributions report, staff concludes that he violated AS 15.13.040(k); and AS 15.13.074(b) by using RCEA as a third party conduit.

# 5. Phillip Izon

Complainant appears to allege that Mr. Izon should be held personally responsible for any violations that may have been committed by any of the Respondents under his direction.<sup>149</sup> Staff can find nothing in AS 15.13, the regulations adopted thereunder, or decisions of the Commission that would support assessing personal liability against an

<sup>&</sup>lt;sup>145</sup> Ex. 35.

<sup>&</sup>lt;sup>146</sup> Emphasis added.

<sup>&</sup>lt;sup>147</sup> Ex. 51, at paragraph 4.

<sup>&</sup>lt;sup>148</sup> AS 15.13.040(k).

<sup>&</sup>lt;sup>149</sup> Exhibit 1 at p. 11.

individual that directs the activities of a person subject to AS 15.13. Accordingly, Staff recommends that this allegation be dismissed.

# **CONCLUSION**

# 1. Alaskans for Honest Government

Staff recommends that the Commission find that AHG violated AS 15.13.110(h) for failing to file an independent expenditure report in connection with its purchase of a web domain; AS 15.13.110(g) for its failure to file a 2022 Fourth Quarter Report; and AS 15.13.090 for failure to place a compliant paid for by identifier on its website.

# 2. Ranked Choice Education Association

Staff recommends that the Commission find that RCEA violated AS 15.13.050 by failing to register before making expenditures; AS 15.13.110(h) for failing to file an independent expenditure report in connection with its purchase of a web domain; AS 15.13.110(g) for its failure to file a 2022 Fourth Quarter Report; AS 15.13.074(e) for making a cash contribution in excess of \$100; and AS 15.13.090 for failure to place a compliant paid for by identifier on its website.

Staff recommends that the Commission find that RCEA violated AS 15.13.074(b) by reporting that it was the contributor to AHE, when Mr. Mathias was the true source of the contributions.

# 3. Alaskans for Honest Elections

Staff recommends that the Commission find that AHE violated AS 15.13.050 by failing to timely register; AS 15.13.110(g) and AS 15.13.074(b) by failing to file accurate Quarterly Reports and by naming RCEA as a contributor; and AS 15.13.090 for failure to place compliant paid for by identifiers on its website and YouTube videos.

Staff recommends that the allegations concerning the alleged fraudulent contribution of Mr. Izon: and the failure to notify contributors of a duty to file statement of contribution reports be dismissed.

Staff recommends that the allegations concerning late-filed reports be dismissed without prejudice as they are being addressed under the ordinary civil penalty procedure for late-filed reports consistent with 2 AAC 50.855 and 2 AAC 50.895 and the assessed civil penalties were paid.<sup>150</sup>

# 4. Art Mathias

Staff recommends that the Commission find that Art Mathias violated AS 15.13.074(b) and 2 AAC 50.258(a) by contributing funds to AHE in the name of another.

# 5. Wellspring Ministries/Wellspring Fellowship

Staff recommends that the allegation concerning failure to report a contribution of access to its leased premises to RCEA be dismissed.

# 6. Phillip Izon

Staff recommends that the Commission dismiss the allegation that Mr. Izon is personally responsible for violations committed by persons under his control.

# MAXIMUM CIVIL PENALTIES

# 1. <u>Registration Violations</u>

The maximum civil penalty for failure to timely register is \$50 per day for each day the violation continues.<sup>151</sup>

Here, AHE was required to register no later than January 20, 2023, but did not do so until March 20, 2023 a period of 59 days resulting in a maximum civil penalty of \$2,950.

RCEA was required to register as of December 22, 2022, when it acquired its First Domain: a period of 196 days<sup>152</sup> resulting in a maximum civil penalty of \$9,850.

# 2. <u>Reporting Violations</u>

A person making an independent expenditure must file an independent expenditure report not less than 10 days after the expenditure has been made;<sup>153</sup> and a person required to file a quarterly report must file it within 10 days of the end of the quarter.<sup>154</sup> The

<sup>&</sup>lt;sup>150</sup> Exhibit 64, September 8, 2023 Payment Receipt.

<sup>&</sup>lt;sup>151</sup> AS 15.13.390(a).

<sup>&</sup>lt;sup>152</sup> Staff tolled the running of all civil penalties as of July 5, 2023, the date the complaint was filed.

<sup>&</sup>lt;sup>153</sup> AS 15.13.110(h).

<sup>&</sup>lt;sup>154</sup> AS 15.13.110(g)

maximum civil penalty for failing to timely file a 10-day independent expenditure report and a quarterly report are both \$50 per day for each day the violation continues.<sup>155</sup>

Here, RCEA was required to file an independent expenditure report in connection with the purchase of its web domain on December 22, 2022: a period of 186 days resulting in a maximum civil penalty of \$9,300.

RCEA was also required to file a 2022 Fourth Quarter report no later than January 10, 2023: a period of 177 days resulting in a maximum civil penalty of \$8,850.

RCEA misreported by failing to disclose Art Mathias as the true source of its contribution to AHE on its May 9, 2023 statement of contribution report. The maximum civil penalty for misreporting or failing to disclose the true source of a contribution in violation of AS 15.13.074(b) is not more than the amount of the contribution that was misreported or not disclosed.<sup>156</sup> RCEA misreported that it was the contributor to AHE on its May 9, 2023 statement of contributions report which totaled \$79,740 resulting in a maximum civil penalty of \$79,740.

AHG was required to file an independent expenditure report 10 days after the application to propose initiative 22AKHE was filed on November 23, 2022, and AHG continued to promote AHE's efforts in connection with 22AKHE: a period of 215 days resulting in a maximum civil penalty of \$10,750.

AHG was also required to file a 2022 Fourth Quarter Report no later than January 10, 2023: a period of 177 days resulting in a maximum civil penalty of \$8,850.

Art Mathias was required to file a statement of contributions report within 30 days of making his \$90,000 contribution to AHE (through RCEA) on December 22, 2022: a period of 166 days resulting in a maximum civil penalty of \$8,300.

Art Mathias violated AS 15.13.074(b) and 2 AAC 50.258(a) by using RCEA as a third party conduit for his contribution to AHE. The maximum civil penalty for a violation of AS 15.13.074(b) is the amount of the contribution that is the subject of misreporting or

<sup>&</sup>lt;sup>155</sup> AS 15.13.390(a).

failure to disclose. <sup>157</sup>Here, the amount undisclosed is \$90,000 resulting in a maximum civil penalty of no more than \$90,000.

# Paid-for-By Identifier Violations

The maximum civil penalty for failing to provide a required paid-for-by identifier is \$50 per day for each day the violation continues.<sup>158</sup>

AHG's website failed to provide a compliant paid for by identifier from November 23, 2022, the date the sponsors' application to propose initiative 22AKHE was filed with the Lieutenant Governor: a period of 225 days resulting in a maximum civil penalty of \$11,250.

RCEA's website failed to provide a compliant paid-for-by identifier from December 22, 2022, through May 23, 2023, when it purchased a new web domain: a period of 153 days resulting in a maximum civil penalty of \$7,650.

AHE's website failed to provide a compliant paid-for-by identifier from November 23, 2022, the date sponsors' application to propose initiative 22AKHE was filed with the Lieutenant Governor through April 6, 2023: a period of 135 days resulting in a maximum civil penalty of \$6,750.

AHE's YouTube videos failed to provide compliant paid-for-by identifiers for various amounts of time depending on when each video was posted. The combined amount of time that the videos were posted without a compliant paid-for-by identifier is 61 months or 1,830 days resulting in a maximum civil penalty of \$91,500.

# **MITIGATION AND RECOMMENDATION**

A civil penalty may be reduced by up to 50% if the person required to file is an inexperienced filer.<sup>159</sup> An inexperienced filer is one that has been subject to a reporting requirement for less than 365 days. All of Respondents have been subject to a reporting requirement for less than 365 days.

<sup>&</sup>lt;sup>157</sup> AS 15.13.390(a)(3).

<sup>&</sup>lt;sup>158</sup> AS 15.13.390(a).

<sup>&</sup>lt;sup>159</sup> 2 AAC 50.865(a)(1)(B).

A civil penalty may be reduced by a percentage greater than 50% or waived entirely if the penalty is significantly out of proportion to the degree of harm suffered by the public.<sup>160</sup>

Here, staff recommends that the maximum civil penalties for all violations except for the AS 15.13.074(b) violations be reduced by 90% because the maximum civil penalties are significantly out of proportion to the degree of harm suffered by the public; the Respondents are all inexperienced filers; inaccurate advice from APOC staff contributed to Respondent's failed attempts to comply with AS 15.13 until February 23, 2023, when the Commission's director corrected the inaccurate advice; and because the harm caused by the paid for by identifier violations was mitigated to some extent by the less compliant, but nevertheless, identifying information that was provided on the websites and videos. Under these circumstances staff believes a substantial reduction of the maximum civil penalties is warranted. Accordingly, staff recommends a civil penalty of \$3,085 for AHG's violations; \$3,565 for RCEA's violations; and \$10,120 for AHE's violations.

Staff recommends that the AS 15.390(a)(3) maximum civil penalties with respect to Mr. Mathias and RCEA in connection with contributing in the name of another be reduced by 75% to \$22,500 and \$19,935 respectively because both are inexperienced filers and because RCEA ultimately reported that Mr. Mathias was the true source of its contributions to AHE on its June 11, 2023 statement of contributions report. Staff does not recommend further reduction because, given the size of the contribution, staff believes that the harm suffered by the public was substantial.

<sup>&</sup>lt;sup>160</sup> 2 AAC 50.865(b)(5).

FILED Secretary of State State of Washington Date Filed: 12/16/2022 Effective Date: 12/16/2022 ARTICLES OF INCORPORATION UBI No: 605 003 865 RANKED CHOICE EDUCATION ASSOCIATION

## **ARTICLE I**

NAME

The name of the Nonprofit Religious Corporation is <u>RANKED CHOICE EDUCATION</u> <u>ASSOCIATION</u>. Its existence shall be perpetual.

# ARTICLE II

EFFECTIVE DATE

The effective date of incorporation shall be: upon filing by the Secretary of State.

## ARTICLE III TYPE OF NONPROFIT CORPORATION

The corporation is a Church Integrated Auxiliary, a <u>Nonprofit Religious Corporation</u>. The Nonprofit Corporation is a Charitable Nonprofit as defined by RCW 24.03A.010(5). The Nonprofit Corporation's Gross Revenue did not exceed \$500,000 in the most recent fiscal year, RCW 24.03A.960(2)(a)(b).

## ARTICLE IV MEMBERS

The nonprofit will not have members or members with voting rights.

## ARTICLE V

## PURPOSE AND MISSION

RANKED CHOICE EDUCATION ASSOCIATION is an Integrated Auxiliary of the Founding Church, WELLSPRING FELLOWSHIP OF ALASKA. The purpose and mission of this ministry is; 1) to promote Christian doctrines; 2) to establish and oversee places of worship; 3) to evangelize worldwide; 4) support missionary activities, license and ordain ministers of the gospel; 5) the preservation of the truth; 6) Train, develop, and support leaders in our community and nation as called for in our beliefs, and 7) to engage in activities necessary for the accomplishment of the purpose.

RANKED CHOICE EDUCATION ASSOCIATION Page 1 of 6

Work Order #: 2022121600775423 - 1 Received Date: 12/16/2022 Amount Received: \$450.00

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## ARTICLE VI GENERAL POWERS

Section 1. All property held by the above named Religious Corporation, shall be held in trust for the use, purpose, benefit, and behoove of the incorporated Faith Based Organization herein named.

Section 2. The above-named Religious Corporation, shall, for the purpose of the organization, have the power to contract in the same manner and to the same extent as natural men and women, and may sue and be sued, and may defend in all courts and places. In all matters and proceedings whatever, the organization herein named shall have authority to borrow money and to give promissory notes therefore, and to secure the payment of the same by mortgage or other lien upon property, real and personal; to buy, sell, lease, mortgage and in every way deal in real and personal property in the same manner as a natural person may, and to appoint legal counsel, licensed and/or unlicensed, to the extent that any legal counsel employed shall be utilized in a capacity to protect the rights of the Religious Corporation and to address all courts in any and all litigious matters whether National or International.

Section 3. The Corporation shall have all authority granted in the Washington State Constitution Article One, Section 7 and 11 and the Washington State Nonprofit Corporation Act including, but not limited to RCW 24.03A as well as all rights guaranteed in Federal Law through the First Amendment, 26 U.S.C. (Internal Revenue Code) 508(c)(1)(a), 6033(a) (3), and the Religious Freedom Restoration Act 42 U.S.C Chapter 21B 2000.

Section 4. The Board of Directors of the Founding Church, WELLSPRING FELLOWSHIP OF ALASKA, shall have authority and right to appoint or remove one director of the board of RANKED CHOICE EDUCATION ASSOCIATION consistent with the Bylaws of said ministry.

#### ARTICLE VII BOARD OF DIRECTORS

Section 1. The management of the corporation shall be vested in a board of no fewer than two (2) directors. The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of the directors shall be fixed by the Bylaws of this corporation.

Section 2. The names and addresses of the Board of Directors who will manage the affairs of the corporation until their successors are selected as provided in the Bylaws are:

Dr. Arthur Mathias, President	2511 Sentry Dr., Ste.200, Anchorage, Alaska, 99507
Philip Izon, Director	2511 Sentry Dr., Ste.200, Anchorage, Alaska, 99507
Patricia Mathias, Director	2511 Sentry Dr., Ste.200, Anchorage, Alaska, 99507

RANKED CHOICE EDUCATION ASSOCIATION Page 2 of 6

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Section 1. The provisions of the Bylaws of the Corporation shall govern the manner in which the Directors of the Corporation shall be elected or appointed.

Section 2. Changes may be made to election or appointment of Directors through amendment to the Articles of Incorporation or stipulation in the Bylaws.

## ARTICLE IX LIMITATION OF DIRECTORS' LIABILITY

Section 1. A director shall have no liability to the corporation for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

Section 2. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended.

Section 3. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

#### ARTICLE X

## INDEMNIFICATION

Section 1. Right to Indemnification of Directors and Officers. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation or, while a director or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to

#### RANKED CHOICE EDUCATION ASSOCIATION Page 3 of 6

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Received Date: 12/16/2022 Amount Received: \$450.00 the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be

paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition.

Section 2. Non-exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, or vote of disinterested directors or otherwise.

Section 3. Insurance, Contracts and Funding. The corporation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03A.540 of the Washington Nonprofit Corporation Act, or any successor provisions, and RCW 23B.08.510 of the Washington Business Corporation Act, or any successor provisions. The corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 4. Indemnification of Employees and Agents of the Corporation. The corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

#### ARTICLE XI **BYLAWS**

The authority to make, alter, amend, or repeal the Bylaws of this corporation is vested in the Board of Directors, and may be exercised in a manner set forth in the Bylaws of the corporation.

#### Page 4 of 6 RANKED CHOICE EDUCATION ASSOCIATION

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## **ARTICLE XII** DISTRIBUTION UPON DISSOLUTION

Upon the dissolution of the corporation, after paying or making provisions for the payment of all the legal liabilities of the corporation, all assets shall be distributed for one or more exempt purposes within the meaning of 26 U.S.C. § 508 (c)(1)(a) or § 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine which are organized and operated exclusively for such purposes.

#### **ARTICLE XIII** AMENDMENTS

The authority to amend, alter, change, or repeal any provision contained in these Articles of Incorporation is vested solely in the Board of Directors, and may be exercised at any regular or special meeting of the board.

#### ARTICLE XIV PUBLIC INSPECTION OF DOCUMENTS

The Bylaws and Articles of Incorporation shall be kept at the principal place of business or registered agent address. All other records of accounts and finances, minutes of the proceedings of its Boards and any minutes which may be maintained by committees of the Board; records of the names and post office addresses of its officers and Directors, and such other records as may be necessary or advisable are protected under The First Amendment, 26 U.S.C. § 508, 26 U.S.C. § 6033(a)(3), and 42 U.S.C Chapter 21B § 2000. All such records shall not be open for public inspection.

### RANKED CHOICE EDUCATION ASSOCIATION Page 5 of 6

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## ARTICLE XV REGISTERED AGENT OFFICE AND CONSENT

NORTHWEST CORPORATE SERVICES does hereby consent to serve as the initial Registered Agent in the State of Washington for RANKED CHOICE EDUCATION ASSOCIATION.

The name and street address of the initial registered office of the corporation is:

NORTHWEST CORPORATE SERVICES 3501 South 38th Street #109 Tacoma, WA 98409

I consent to serve as registered agent in the State of Washington for the above named corporation. I understand it will be my responsibility to accept Service of Process on behalf of the corporation; to forward mail to the corporation; and to immediately notify the Office of the Secretary of State if I resign or change the Registered Office Address.

(Agent for NWCS) Dan Peterson 12-15-2022 Printed Name Signature of Registered Agent Date

## ARTICLE XVI PRINCIPAL PLACE OF BUSINESS

The principal place of business is: 2511 Sentry Dr., Ste.200, Anchorage, Alaska, 99507

### **ARTICLE XVII INCORPORATOR**

The name and address of the Incorporator is:

Northwest Corporate Services 3501 S. 38th St. #109 Tacoma, WA 98409

Date <u>12-15-2022</u>

Dan Peterson, Incorporator agent for NWCS

RANKED CHOICE EDUCATION ASSOCIATION Page 6 of 6

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Work Order #: 2022121600775423 - 1 Received Date: 12/16/2022 Amount Received: \$450.00

#### FILED Secretary of State State of Washington Date Filed: 12/08/2022 Effective Date: 12/08/2022 ARTICLES OF INCORPORATION UBI No: 604 999 351 WELLSPRING FELLOWSHIP OF ALASKA

## ARTICLE I NAME

## The name of the Nonprofit Religious Corporation is <u>WELLSPRING FELLOWSHIP OF</u> <u>ALASKA</u>. Its existence shall be perpetual.

# ARTICLE II

## EFFECTIVE DATE

The effective date of incorporation shall be: upon filing by the Secretary of State.

## ARTICLE III TYPE OF NONPROFIT CORPORATION

The corporation is a church, a <u>Nonprofit Religious Corporation</u>. The Nonprofit Corporation is a Charitable Nonprofit as defined by RCW 24.03A.010(5). The Nonprofit Corporation's Gross Revenue did not exceed \$500,000 in the most recent fiscal year, RCW 24.03A.960(2)(a)(b).

## ARTICLE IV MEMBERS

The nonprofit will not have members or members with voting rights.

## ARTICLE V PURPOSE AND MISSION

The purpose and mission of WELLSPRING FELLOWSHIP OF ALASKA is 1) to promote Christian doctrines; 2) to establish and oversee places of worship; 3) to evangelize worldwide; 4) support missionary activities, license and ordain ministers of the gospel; 5) the preservation of the truth; 6) Train, develop, and support leaders in our community and nation as called for in our beliefs, and 7) to engage in activities necessary for the accomplishment of the purpose.

WELLSPRING FELLOWSHIP OF ALASKA Page 1 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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#### ARTICLE VI GENERAL POWERS

# Section 1. All property held by the above named Religious Corporation, shall be held in trust for the use, purpose, benefit, and behoove of the incorporated Faith Based Organization herein named.

Section 2. The above-named Religious Corporation, shall, for the purpose of the organization, have the power to contract in the same manner and to the same extent as natural men and women, and may sue and be sued, and may defend in all courts and places. In all matters and proceedings whatever, the organization herein named shall have authority to borrow money and to give promissory notes therefore, and to secure the payment of the same by mortgage or other lien upon property, real and personal; to buy, sell, lease, mortgage and in every way deal in real and personal property in the same manner as a natural person may, and to appoint legal counsel, licensed and/or unlicensed, to the extent that any legal counsel employed shall be utilized in a capacity to protect the rights of the Religious Corporation and to address all courts in any and all litigious matters whether National or International.

Section 3. The Corporation shall have all authority granted in the Washington State Constitution Article One, Section 7 and 11 and the Washington State Nonprofit Corporation Act including, but not limited to RCW 24.03A as well as all rights guaranteed in Federal Law through the First Amendment, 26 U.S.C. (Internal Revenue Code) § 508(c)(1)(a), § 6033(a) (3), and the Religious Freedom Restoration Act 42 U.S.C Chapter 21B § 2000.

## ARTICLE VII BOARD OF DIRECTORS

Section 1. The management of the corporation shall be vested in a board of no fewer than three (3) directors. The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of the directors shall be fixed by the Bylaws of this corporation.

Section 2. The names and addresses of the Board of Directors who will manage the affairs of the corporation until their successors are selected as provided in the Bylaws are:

Dr. Art Mathias, President	2511 Sentry Dr., Ste. 200, Anchorage, AK, 99507
Patrick Hadley, Director	2511 Sentry Dr., Ste. 200, Anchorage, AK, 99507
Gayle Hadley, Director	2511 Sentry Dr., Ste. 200, Anchorage, AK, 99507
Monica Mosier, Director	2511 Sentry Dr., Ste. 200, Anchorage, AK, 99507

WELLSPRING FELLOWSHIP OF ALASKA Page 2 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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## ARTICLE VIII INSTRUCTIONS FOR VACANCY

Section 1. The provisions of the Bylaws of the Corporation shall govern the manner in which the Directors of the Corporation shall be elected or appointed.

Section 2. Changes may be made to election or appointment of Directors through amendment to the Articles of Incorporation or stipulation in the Bylaws.

## ARTICLE IX LIMITATION OF DIRECTORS' LIABILITY

Section 1. A director shall have no liability to the corporation for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

Section 2. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended.

Section 3. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

#### ARTICLE X INDEMNIFICATION

Section 1. Right to Indemnification of Directors and Officers. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation or, while a director or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to

WELLSPRING FELLOWSHIP OF ALASKA Page 3 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be

paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition.

Section 2. Non-exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation. Bylaws, agreement, or vote of disinterested directors or otherwise.

Section 3. Insurance, Contracts and Funding. The corporation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03A.540 of the Washington Nonprofit Corporation Act, or any successor provisions, and RCW 23B.08.510 of the Washington Business Corporation Act, or any successor provisions. The corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 4. Indemnification of Employees and Agents of the Corporation. The corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

WELLSPRING FELLOWSHIP OF ALASKA Page 4 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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#### ARTICLE XI BYLAWS

The authority to make, alter, amend, or repeal the Bylaws of this corporation is vested in the Board of Directors, and may be exercised in a manner set forth in the Bylaws of the corporation.

## ARTICLE XII DISTRIBUTION UPON DISSOLUTION

Upon the dissolution of the corporation, after paying or making provisions for the payment of all the legal liabilities of the corporation, all assets shall be distributed for one or more exempt purposes within the meaning of 26 U.S.C. § 508 (c)(1)(a) or § 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine which are organized and operated exclusively for such purposes.

## ARTICLE XIII AMENDMENTS

The authority to amend, alter, change, or repeal any provision contained in these Articles of Incorporation is vested solely in the Board of Directors, and may be exercised at any regular or special meeting of the board.

## ARTICLE XIV PUBLIC INSPECTION OF DOCUMENTS

The Bylaws and Articles of Incorporation shall be kept at the principal place of business or registered agent address. All other records of accounts and finances, minutes of the proceedings of its Boards and any minutes which may be maintained by committees of the Board; records of the names and post office addresses of its officers and Directors, and such other records as may be necessary or advisable are protected under The First Amendment, 26 U.S.C. § 508, 26 U.S.C. § 6033(a)(3), and 42 U.S.C Chapter 21B § 2000. All such records shall not be open for public inspection.

WELLSPRING FELLOWSHIP OF ALASKA Page 5 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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Exhibit L Page 5 of 6

## ARTICLE XV REGISTERED AGENT OFFICE AND CONSENT

## NORTHWEST CORPORATE SERVICES does hereby consent to serve as the initial Registered Agent in the State of Washington for WELLSPRING FELLOWSHIP OF ALASKA.

The name and street address of the initial registered office of the corporation is:

NORTHWEST CORPORATE SERVICES 3501 South 38<sup>th</sup> Street #109 Tacoma, WA 98409

I consent to serve as registered agent in the State of Washington for the above named corporation. I understand it will be my responsibility to accept Service of Process on behalf of the corporation; to forward mail to the corporation; and to immediately notify the Office of the Secretary of State if I resign or change the Registered Office Address.

Didd (Agent for NWCS ) Dan Peterson Signature of Registered Agent Printed Name 12-8-2022 Printed Name Date

## ARTICLE XVI PRINCIPAL PLACE OF BUSINESS

The principal place of business is: 2511 Sentry Dr., Ste. 200, Anchorage, AK, 99507

## ARTICLE XVII INCORPORATOR

The name and address of the Incorporator is:

Northwest Corporate Services 3501 S. 38<sup>th</sup> St. #109 Tacoma, WA 98409

Date 12-8-2022

Dan Peterson, Incorporator agent for NWCS

WELLSPRING FELLOWSHIP OF ALASKA Page 6 of 6

Work Order #: 2022120800759731 - 8 Received Date: 12/08/2022 Amount Received: \$720.00

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# Taylor v. Commissioner

United States Tax Court January 18, 2000, Filed No. 14021-98

## Reporter

2000 Tax Ct. Memo LEXIS 17 \*; T.C. Memo 2000-17; 79 T.C.M. (CCH) 1364

JACK LANE <u>**TAYLOR**</u>, Petitioner v. COMMISSIONER OF INTERNAL REVENUE, Respondent

**Disposition:** [\*1] Decision will be entered for respondent.

## **Core Terms**

church, charitable contribution, deductible, exemption, organizations, donations, published opinion, burden of proof, taxable year, contributions, substantiate, Taxpayers, qualifies, religious, contends, relieves

# **Case Summary**

## **Procedural Posture**

Petitioner taxpayer challenged respondent Commissioner of the Internal Revenue's determination of deficiencies, on grounds that petitioner claimed that he was entitled to a deduction for a charitable contribution under <u>*I.R.C.* § 170</u>.

## Overview

Petitioner taxpayer donated money to a church in 1996. Respondent Commissioner of Internal Revenue in 1995 had determined that the that church no longer qualified as an organization described in <u>*I.R.C.*</u> § <u>170(c)(2)</u>, and deleted that church from the list of organizations contributions to which were deductible under section <u>*I.R.C.*</u> § <u>170</u>. On his 1996 tax return, petitioner claimed a deduction for a charitable contribution. By notice of deficiency, respondent determined that petitioner was not entitled to any deduction for a charitable contribution because petitioner had failed to substantiate any such contribution, and further, that the church was not an organization described in <u>§ 170(c)(2)</u>. The court held that petitioner failed to carry his burden of proving that the church qualified as a religious organization under § <u>170(c)(2)</u>, and petitioner was not entitled to a charitable contribution deduction for his donations.

## Outcome

Petitioner taxpayer was not entitled to a deduction for a charitable contribution because he failed to carry his burden of proving that the church qualified as a religious organization as defined by the Internal Revenue Code.

## LexisNexis® Headnotes

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > Allowance of Deduction

Tax Law > Federal Income Tax Computation > Nonbusiness Expenses > General Overview

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > General Overview

# <u>HN1</u>[**\***] Charitable Contributions, Allowance of Deduction

<u>*I.R.C.*</u> <u>§ 170(a)</u> allows as a deduction any charitable contribution, as defined in <u>*I.R.C.*</u> <u>§ 170(c)</u>, that is made during the taxable year.

Estate, Gift & Trust Law > Gifts > Personal Gifts > General Overview

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

Tax Law > Federal Income Tax Computation > Nonbusiness Expenses > General

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### Overview

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > General Overview

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > Religious Organizations

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Charitable, Religious & Scientific Organizations

## HN2[

<u>*I.R.C.* § 170(*c*)</u> defines a charitable contribution as a contribution or gift to or for the use of a corporation, trust, or community chest, fund, or foundation which is organized and operated exclusively for religious purposes, provided that none of the net earnings inures to the benefit of any private individual. <u>*I.R.C.*§</u> <u>170(*c*)(2)</u>; <u>*I.R.C.*§ 501(*c*)(3)</u>.

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Charitable, Religious & Scientific Organizations

Tax Law > Federal Income Tax Computation > Nonbusiness Expenses > General Overview

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > General Overview

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

# <u>HN3</u> Exempt Organizations, Charitable, Religious & Scientific Organizations

Qualified entities under <u>*I.R.C.*</u> § <u>170</u> are essentially those organizations that qualify for an exemption from tax under <u>*I.R.C.*</u> § <u>501(c)(3)</u>.

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > General Overview

<u>HN4</u>[土] Exempt Organizations, Conditions & Restrictions

Deductions are a matter of legislative grace and taxpayers must satisfy the specific requirements of the deductions they claim.

Tax Law > ... > Audits & Investigations > Burdens of Proof > Burden of Taxpayer

Tax Law > ... > Nonbusiness Expenses > Charitable Contributions > General Overview

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

## HN5 Burdens of Proof, Burden of Taxpayer

Taxpayers bear the burden of proving their entitlement to the deductions they claim. <u>Tax Ct. R. 142(a)</u>.

Business & Corporate Compliance > ... > Exempt Organizations > Private Foundations > Imposition of Tax

Tax Law > ... > Exempt Organizations > Private Foundations > General Overview

## HN6[ ] Private Foundations, Imposition of Tax

<u>*I.R.C.*</u> § 508(c)(1)(A) provides that churches, their integrated auxiliaries, and conventions or associations of churches are excepted from the general rule of <u>*I.R.C.*</u> § 508(a).

Business & Corporate Compliance > ... > Exempt Organizations > Private Foundations > Imposition of Tax

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Charitable, Religious & Scientific Organizations

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

Tax Law > ... > Exempt Organizations > Private Foundations > General Overview

HN7[ ] Private Foundations, Imposition of Tax

I.R.C. § 508(a) provides that organizations described in

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section <u>I.R.C. § 501(c)(3)</u> and organized after October 9, 1969, are required to apply formally for recognition of their tax-exempt status.

Business & Corporate Compliance > ... > Exempt Organizations > Private Foundations > Imposition of Tax

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Charitable, Religious & Scientific Organizations

Tax Law > Federal Taxpayer Groups > Exempt Organizations > Conditions & Restrictions

Tax Law > ... > Exempt Organizations > Private Foundations > General Overview

## HN8[1] Private Foundations, Imposition of Tax

<u>*I.R.C.*</u> § <u>508(c)(1)</u> simply relieves churches from applying for a favorable determination letter regarding their exempt status as required by section <u>*I.R.C.*</u> § <u>508(a)</u>. Nothing in § <u>508(c)(1)</u> relieves a church from having to meet the requirements of <u>*I.R.C.*</u> § <u>501(c)(3)</u>.

Counsel: Jack Lane Taylor, pro se.

Russell D. Pinkerton, for respondent.

Judges: Armen, Robert N., Jr.

**Opinion by:** ARMEN

## Opinion

[\*2] MEMORANDUM FINDINGS OF FACT AND OPINION

ARMEN, SPECIAL TRIAL JUDGE: Respondent determined a deficiency in petitioner's Federal income tax for the taxable year 1996 in **[\*3]** the amount of \$ 1,298. The issue for decision is whether petitioner is entitled to a deduction for a charitable contribution under *section 170.* <sup>1</sup> We hold that he is not.

## FINDINGS OF FACT

Some of the facts have been stipulated, and they are so found. Petitioner resided in Indianapolis, Indiana, at the time that his petition was filed with the Court.

During the year in issue, petitioner donated \$ 8,647 to the Indianapolis Baptist Temple (IBT). <sup>2</sup> In the previous year, on May 8, 1995, the Service had determined that IBT no longer qualified as an organization described in <u>section 170(c)(2)</u> and by <u>Announcement 95-35</u>, 1995-19 *I.R.B.* 14, deleted IBT from the list of organizations contributions to which are deductible under <u>section 170</u>.

[\*4] On his joint 1996 Federal income tax return, petitioner claimed a deduction in the amount of \$ 8,647 for a charitable contribution. By notice of deficiency, respondent determined that petitioner was not entitled to any deduction for a charitable contribution because petitioner had failed to substantiate any such contribution, and further, that IBT was not an organization described in <u>section 170(c)(2)</u>. At trial, respondent conceded the substantiation issue.

## OPINION

HN1 Section 170(a) allows as a deduction any charitable contribution, as defined in section 170(c), that is made during the taxable year. As pertinent here, HN2 **?**] section 170(c) defines a charitable contribution as a contribution or gift to or for the use of a corporation, trust, or community chest, fund, or foundation which is organized and operated exclusively for religious purposes, provided that none of the net earnings inures to the benefit of any private individual. See sec. <u>170(c)(2);</u> see also <u>sec. 501(c)(3)</u>. <u>HN3</u>[<sup>\*</sup>] Qualified entities under section 170 are essentially those organizations that qualify for an exemption from tax under <u>section 501(c)(3)</u>. See, e.g., <u>Dew v.</u> Commissioner, 91 T.C. 615, 623 (1988); [\*5] Kessler v. Commissioner, 87 T.C. 1285, 1288 (1986), affd. without published opinion 838 F.2d 1215 (6th Cir. 1988).

HN4 ↑ Deductions are a matter of legislative grace and taxpayers must satisfy the specific requirements of the deductions they claim. See <u>New Colonial Ice Co. v.</u> <u>Helvering, 292 U.S. 435, 78 L. Ed. 1348, 54 S. Ct. 788</u> (1934). HN5 ↑ Taxpayers bear the burden of proving their entitlement to the deductions they claim. See <u>Rule</u> 142(a); INDOPCO, Inc. v. Commissioner, 503 U.S. 79, 84, 117 L. Ed. 2d 226, 112 S. Ct. 1039 (1992); Welch v.

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<sup>&</sup>lt;sup>1</sup> All section references are to the Internal Revenue Code, as amended, and all Rule references are to the Tax Court Rules of Practice and Procedure.

 $<sup>^2\,\</sup>mbox{Throughout this opinion we use the words "donation" and "donate" for convenience only and not to imply any legal conclusion.$ 

Helvering, 290 U.S. 111, 78 L. Ed. 212, 54 S. Ct. 8 (1933); Davis v. Commissioner, 81 T.C. 806, 815 (1983), affd. without published opinion 767 F.2d 931 (9th Cir. 1985). <sup>3</sup> These rules apply with equal force to deductions claimed for charitable contributions. See Davis v. Commissioner, supra.

**[\*6]** Petitioner concedes that during the year in issue IBT was not an organization defined in <u>section 501(c)(3)</u> and, by implication, we understand him not to assert that IBT is an organization defined in <u>section 170(c)(2)</u>. Rather, petitioner contends that his donations to IBT are deductible because IBT is not a "corporation", but a "church". As a church, petitioner contends, IBT is exempt from having to meet the requirements of <u>section 170(c)(2)</u>. He relies on <u>section 508(c)(1)</u> for support for his position.

HN6 Section 508(c)(1)(A) provides that churches, their integrated auxiliaries, and conventions or associations of churches are excepted from the general rule of section 508(a). HN7 [ ] Section 508(a) provides that organizations described in section 501(c)(3) and organized after October 9, 1969, are required to apply formally for recognition of their tax-exempt status. Thus, **HN8**  $\uparrow$  section 508(c)(1) simply relieves churches from applying for a favorable determination letter regarding their exempt status as required by section 508(a). Nothing in section 508(c)(1) relieves a church from having to meet the requirements of section 501(c)(3). In fact, it is clear that when the Commissioner determines that an [\*7] organization is not entitled to an exemption as a church, as is the case for IBT, its contributors must prove the church's right to an exemption under section 501(c)(3) in order to be entitled to a deduction for their contributions. <sup>4</sup> See Riemers v. Commissioner, T.C. Memo 1981-456; Hall v. Commissioner, T.C. Memo 1980-576, affd. 676 F.2d 692 (4th Cir. 1982); Brown v. Commissioner, T.C. Memo 1980-553; sec. 1.508-1(a)(3), (4), Income Tax Regs.

Petitioner's position is based on the assertion that IBT was not required to meet the requirements of <u>sections</u>

<u>170(c)(2)</u> and <u>501(c)(3)</u>, and he did not introduce any evidence at trial to establish **[\*8]** that IBT was an organization defined in those sections. Having failed to carry his burden of proving that IBT qualifies as a religious organization under <u>section 170(c)(2)</u>, petitioner is not entitled to a charitable contribution deduction for his donations to IBT. Cf. <u>Hall v. Commissioner, supra.</u>

To reflect our disposition of the disputed issue,

Decision will be entered for respondent.

End of Document

<sup>&</sup>lt;sup>3</sup>Cf. sec. 7491, effective for court proceedings arising in connection with examinations commencing after July 22, 1998.

<sup>&</sup>lt;sup>4</sup> Cf. sec. 7428(c), which validates up to \$ 1,000 per contributor where the donee has instituted proceedings under sec. 7428 to contest the revocation of the donee's status. There is nothing in the record to suggest that this provision has any application in the present case.

Interest summary	
Interest paid this statement	\$8.35
Average collected balance	\$277,161.36
Annual percentage yield earned	0.10%
Interest earned this statement period	\$8.35
Interest paid this year	\$8.35

#### **Transaction history**



The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks written checks listed are also displayed in the preceding Transaction history)

Number	Date	Amount	Number	Date	Amount
1001	12/23	12,500.00	1002	12/30	19,500.00

#### Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellsfargo.com/feefag for a link to these documents, and answers to common monthly service fee questions.

We waived the fee this fee period to allow you to meet the requirements to will need to meet one of the requirements to avoid the monthly service fee	r is about to expire. You		
How to avoid the monthly service fee Have any ONE of the following account requirements	Minimum required	This fee period	
Minimum daily balance	\$10,000.00	\$250,025.00	
· Combined balance in linked accounts, which may include	\$15,000.00	\$310,302.77	
<ul> <li>Average ledger balance in your Navigate Business Checking, Initiate Checking, and Additional Navigate Business Checking, plus</li> <li>Average ledger balance in your Business Market Rate Savings, and B Platinum Savings, plus</li> <li>Average ledger balance in your Business Time Account and Busines Rate Time Account</li> </ul>	Business		

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# **Created with Scanner Pro**

#### March 31, 2023 Page 2 of 4

WELLS FARGO

\$12.84
\$151,160.09
0.10%
\$12.84
\$47.31
\$8.35

Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
3/16 3/21 3/31	2005	Check	234.95 12.84	5,500.00	148,415 44 148,650 39 148,663 23
Ending ba	lance on 3/31				148,663 23
Totals			\$247.79	\$5,500.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Summary of checks writter(checks listed are also displayed in the preceding Transaction history)



#### Monthly service fee summary

For a complete list of fees and detailed account information, see the disclosures applicable to your account or talk to a banker. Go to wellistargo com/feefag for a link to these documents, and answers to common monthly service fee questions.

Fee period 03/01/2023 - 03/31/2023	Standard monthly service fee \$25.00	You paid \$0.00
How to avoid the monthly service fee Have any ONE of the following account requirements	Minimum required	This fee period
Minimum daily balance	\$10,000.00	\$148,415.44
· Combined balance in linked accounts, which may include	\$15,000.00	\$151,243 75 🗐
Average ledger balance in your Navigate Business Checking, Ini Checking, and Additional Navigate Business Checking, plus Average ledger balance in your Business Market Rate Savings, a Platinum Savings, plus     Average ledger balance in your Business Time Account and Bus Rate Time Account     envie	nd Business	

# **Created with Scanner Pro**

## Exhibit 5

7:31		al 🗢 🗌
÷	All Transactio	ons
Check #	1493	
Туре		
Check		
	ion Total	
\$90,000.	00	
Posted D		
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N atry	BIGG TEDLEEDKITLE	2.57.22 Marg
Nation R	BIGG TEDLEEDKITLE	amthies
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Page 1 of 1

Exhibit O Page 1 of 1

# INDEPENDENT EXPENDITURES FORM 15-6

# COMPLETED

Submission Date: 09/04/2023

FILER INFORMATION

Filer First Name: Phillip
Filer Middle Name: A
Filer Last Name: Izon
Filer Full Address: 4201 Dimond Way Unit B
Wasilla, Alaska 99654
Filer Occupation: Self
Filer Employer: Swarm Intel USA
Filer's Title with Other Entity: Records Keeper

# **R**EPORT INFORMATION

Report Year: **2023** Election Year: **-1** Report Type: **Twenty-four Hour** Filer Type: **Registered Group** 

# BUSINESS/OTHER ENTITY INFORMATION

Business/Other Entity Name: Alaskans For Honest Elections Type of Business or Organization: Registered Group Address: 2521 E Mtn Village Dr City: Wasilla State: Alaska 99654 Country: United States Business/Other Entity Contact Person: Diamond Metzner Contact E-mail: admin@alaskansforhonestelections.com Contact Phone: 907-802-8116

# **ELECTION INFORMATION**

# Election: Multiple Elections / Other

# Election Description: Nothing to Report

Officers

Name	Full Address	Title
Phillip Izon	4201 E. Dimond Way Unit B Wasilla, Alaska 99654	Chair
Diamond Metzner	4201 Dimond Way Unit B Wasilla, Alaska 99654	Treasurer

# Expenditures

Date	Recipient	Payment Type	Candidate / Proposition	Amount
09/02/2023	Law Offices of Kevin Clarkson 2223 Latona Dr. NE Keizer, Oregon 97303	<b>Check</b> Check Number: 2027	SUPPORT: 22AKHE Election: In Kind Contribution Legal Expenses	\$7,479.33

# CONTRIBUTIONS

Contribution Date	Contributor	Details	Amount
	No Contributions / Nothing to	o Report	

# DEBTS

Date	Recipient	Candidate / Proposition	Amount
	No Deb	ts / Nothing to Report	

# **Report Summary**

\$7,479.33	Number of Expenditures Reported with this Report: <b>1</b> Total of paid Expenditures:
\$294,416.70	Previous Contributions: Number of Contributions Reported with this Report: <b>0</b>
\$0.00 \$294,416.70	Total of Contributions Reported with this Report: Cumulative Contribution Amounts:
Number of Officers: 2	
--	--------
Number of Debts Reported with this Report: <b>0</b> Total of Debts Incurred but not yet paid:	\$0.00

## INDEPENDENT EXPENDITURES FORM 15-6

## COMPLETED

### Submission Date: 10/30/2023

FILER INFORMATION

Filer First Name: Phillip
Filer Middle Name: A
Filer Last Name: Izon
Filer Full Address: 4201 Dimond Way Unit B
Wasilla, Alaska 99654
Filer Occupation: Self
Filer Employer: SEALcam
Filer's Title with Other Entity: Records Keeper

## **R**EPORT INFORMATION

Report Year: **2023** Election Year: **-1** Report Type: **Ten Day** Filer Type: **Registered Group** 

## BUSINESS/OTHER ENTITY INFORMATION

Business/Other Entity Name: Alaskans For Honest Elections Type of Business or Organization: Registered Group Address: 2521 E Mtn Village Dr City: Wasilla State: Alaska 99654 Country: United States Business/Other Entity Contact Person: Diamond Metzner Contact E-mail: admin@alaskansforhonestelections.com Contact Phone: 907-802-8116

## **ELECTION INFORMATION**

### Election: Multiple Elections / Other

## Election Description: Nothing to Report

Officers

Name	Full Address	Title
Phillip Izon	4201 E. Dimond Way Unit B Wasilla, Alaska 99654	Chair
Diamond Metzner	4201 Dimond Way Unit B Wasilla, Alaska 99654	Treasurer

## Expenditures

Date	Recipient	Payment Type	Candidate / Proposition	Amount
10/02/2023	<b>Top Fundraising</b> <b>Solutions</b> 607 W. Northern Lights Blvd Anchorage, Alaska 99503	<b>Check</b> Check Number: 61	SUPPORT: 22AKHE Election: Management services	\$3,196.00
10/24/2023	<b>Leading Light Advisors</b> 4201 Dimond Way Wasilla, Alaska 99654	<b>Check</b> Check Number: 63	SUPPORT: 22AKHE Election: Marketing Services	\$15,000.00

## CONTRIBUTIONS

Contribution Date	Contributor	Details	Amount
No Contributions / Nothing to Report			

Debts

Date	Recipient	Candidate / Proposition	Amount
	No Deb	ts / Nothing to Report	

## **R**EPORT **S**UMMARY

Number of Expenditures Reported with this Report: <b>2</b> Total of paid Expenditures:	\$18,196.00

Previous Contributions: Number of Contributions Reported with this Report: <b>0</b>
Total of Contributions Reported with this Report: Cumulative Contribution Amounts:
Number of Officers: 2
Number of Debts Reported with this Report: <b>0</b> Total of Debts Incurred but not yet paid:



Alaskans For Honest Elections Bill 22AKHE 🤣 @907Honest · 21h Tanana Fair - July 28 - Aug 6th - Sign To Repeal Rank Choice Voting

In the vast and untamed wilderness of Alaska, where the spirit of freedom roams, a powerful lesson in democracy emerges.

Alaskans, the true stewards of their land and elections, collect signatures for change,... Show more







Alaskans For Honest Elections Bill 22AKHE 🤣 @907Honest · Sep 3 ···· Go #TEAMALASKA

We have handed out 1,000 petition books so far. We just ordered another 400 at 150 signatures per petition book if full, that is 210,000 signatures. Not all books returned are completely full, but We only need 26,000!!!



To: Alaska Public Offices Commission From: RESPONDENTS: Alaskans for Honest Elections Ranked Choice Education Association Alaskans for Honest Government Wellspring Ministries Art Matthias Phillip Izon

#### Re: Answer to Complaint filed by Alaskans for Better Elections

The Respondents, Alaskans for Honest Elections ("AHE"); Ranked Choice Education Association ("RCEA"); Alaskans for Honest Government ("AHG"); Wellspring Ministries ("WM"); Wellspring Fellowship ("WF"); Art Matthias; and Phillip Izon, answer the July 5, 2023, complaint and the July 25, 2023, Second Supplement filed by Alaskans for Better Elections ("ABE") as follows:

#### I. SUMMARY OF ANSWER

ABE's allegations are overwrought, largely half-baked, and attempt to make much ado about very little. AHE asks that ABE's complaint, and its supplements, be dismissed. AHE commits itself to compliance with Alaska's campaign finance laws and commits to working with APOC staff to ensure future compliance.

In late 2022, Art Matthias, Phillip Izon and other like-minded Alaskans (hereafter "Alaskans"), dissatisfied with ranked choice voting ("RCV") in Alaska, began efforts to undo most or all of 19AKBE, also known as Ballot Measure 2, which had put RCV in place in Alaska in November 2020. In that vein Alaskans formed Alaskans for Honest Elections ("AHE") as a

non-profit corporation and Internal Revenue Code ("IRC") §501(c)(4) tax-exempt entity to carry out the effort. Meanwhile, Alaskans recognized that those responsible for bringing RCV to Alaska were actively trying to spread RCV to other states and jurisdictions in the lower-48. To counter that effort and to try to stop the spread of RCV to other states and jurisdictions, Matthias and Izon formed RCEA to work primarily to educate Americans in other states in the lower-48 about the flaws and negative aspects of RCV.

ABE's complaint is based substantially upon its misunderstanding of the forms and activities of the various legal entities they reference in their complaint, and the relationship (or lack thereof) between those entities and with the individuals they identify. And despite ABE's false accusations and use of solacious, rude, and insulting language,<sup>1</sup> from the beginning of its efforts, AHE has sought to comply with Alaska's campaign finance laws. In this respect, Izon contacted and regularly communicated with APOC staff seeking advice on how to comply.

Initially, APOC incorrectly led Izon to believe that AHE was pursuing a referendum and thus would have no reporting requirements until after the referendum became a proposition. When APOC corrected its advice, telling AHE that they were in fact pursuing an initiative rather than a referendum, AHE promptly filed campaign disclosure forms. Neither Izon nor Matthias were greatly experienced with Alaska's complicated campaign reporting system and by regularly communicating with APOC's staff they made their best efforts to comply with the law. At present, with minor exceptions, they have succeeded and complied.

<sup>&</sup>lt;sup>1</sup> ABE's complaint is littered throughout with derogatory comments about Izon and Matthias. Respondents will endeavor to respond to the substance of ABE's allegations complaint while declining to respond in-kind to the unbecoming invectives.

ABE's complaint reflects its misunderstanding of RCEA's business form, tax-exempt status, and activities. RCEA is a non-profit, tax-exempt organization, but was not formed under IRC §501(c)(3). RCEA is organizationally related to Wellspring Fellowship ("WF"), a Washington non-profit corporation and church that is tax-exempt under IRC §508(c)(1)(A). As an integrated auxiliary of WF, RCEA is also tax-exempt under IRC §508(c)(1)(A). RCEA acts to educate Americans in the lower-48 regarding the flaws and negative aspects of RCV. Despite ABE's unsupported allegations to the contrary, RCEA is not involved in the effort to introduce or promote 22AKHE.

WM, which is a separate entity than WF, is an IRC §501(c)(3) tax-exempt Faith Based Organization ("FBO") that operates a Christian ministry from Anchorage, Alaska. ABE has confused WM with WF. Other than having some of the same individuals in leadership positions within the organizations, WM and WF are not related. ABE latches onto the innocuous fact that WM owns the building and real property located at 2511 Sentry Dr. in Anchorage, Alaska and therein rents a mail depository and a modicum of office space to WF's integrated auxiliary, RCEA, to reach the erroneous conclusion that WM is involved in, or making contributions to, the efforts to introduce and promote 22AKHE. WM is not involved with introducing or promoting 22AKHE. Incidentally, WM also rents its gymnasium to WF for use as a worship hall for WF's Sunday church services, but this is plainly not within APOC's jurisdiction.

ABE likewise misunderstands AHG. AHG was formed as a Political Action Committee ("PAC") prior to Alaska's November 2022 general election to conduct independent expenditure activities related to Alaska's federal Congressional and U.S. Senate races. It is for this reason that AHG registered with the Federal Election Commission ("FEC"). Why ABE is mystified by AHG's FEC registration is unclear. Izon registered AHG with APOC in early November 2022 in

> Exhibit V Page 3 of 23

error, but that registration is immaterial. In any event, ABE ignores the date of AHG's APOC registration (November 1, 2022—one week before the last general election) and the statement therein to the effect that AHG would have "NO" involvement in supporting or opposing a "State Initiative."

#### II. PARTIES AND ALLEGATIONS

#### A. Alaskans for Honest Elections

AHE is an Alaska non-profit corporation that was formed on January 23, 2023, and it is as an IRC §501(c)(4) tax-exempt entity. AHE is the official ballot group formed to introduce and promote fair elections in Alaska by eliminating RCV. AHE is thus a "group" as that term is defined under AS 15.13.400(9)(B) because it was organized "for the principal purpose of influencing the outcome of one or more elections" and it "take[s] action the major purpose of which is to influence the outcome of an election." AHE registered with APOC on January 1, 2023.<sup>2</sup> AHE filed its initiative bill with the Lieutenant Governor in November 2022 and the Lieutenant Governor approved the bill. AHE is currently working to collect the petition signatures required to place the bill, 22AKHE, on the ballot in 2024.

Matthias and Izon would have registered AHE with APOC sooner, but they understood from advice given by APOC staff that they were pursuing a referendum and that AHE's first filings would be due only after they had filed the signatures they would collect with the Lieutenant Governor.<sup>3</sup> After APOC corrected its staff's earlier incorrect advice on February 23,

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<sup>&</sup>lt;sup>2</sup> See Ex. C. Citations to lettered exhibits are to the exhibits attached to ABE's complaint. Citations to numbered exhibits are to exhibits that Respondents have submitted with this answer. Izon originally mistakenly registered AHE as an "entity."

<sup>&</sup>lt;sup>3</sup> Ex. 1. By email dated November 18, 2022, Tom Lucas of APOC wrote to Izon as follows: "It appears what you are contemplating is a referendum (a ballot proposition to repeal a law), not an initiative. The two are treated differently during the signature gathering stage. For a

2023,<sup>4</sup> and then on March 15, 2023, gave more detailed advice, Izon promptly amended AHE's registration with APOC as a group related to an initiative proposal on March 20, 2023.<sup>5</sup> On April 21, 2023, AHE filed a Campaign Disclosure Form reflecting the \$293,817.70 in contributions it had received and the \$268,732 in expenditures it had made between January and April, 2023.<sup>6</sup>

Previously as AHE pursued 22AKHE's initial approval and then the later signature threshold, it is true that APOC twice fined AHE for late Independent Expenditure Reports as AHE waded its way through Alaska's byzantine campaign finance laws.<sup>7</sup> But the APOC letters (Ex. J) reflect that APOC recognized Izon's and Matthias' inexperience and reduced the

referendum, any money spent is not considered an expenditure until the referendum becomes a proposition (that is, sufficient signatures were gathered and the Lieutenant Governor has scheduled it for the ballot at an election). Nevertheless, a group formed to sponsor a referendum must file a report within 30 days after its first filing with the Lieutenant Governor and within 10 days after the end of each calendar quarter thereafter." *Id.* Lucas' advice was incorrect because under Art, XI, Sec. 1 of the Alaska Constitution, a "referendum" is designed to "approve or reject *acts of the legislature.*" *Id.* (emphasis added). It was not the legislature that made RCV part of Alaska law, but rather the people by initiative.

<sup>&</sup>lt;sup>4</sup> Ex. 2. By email dated February 23, 2023, Heather Hebdon, APOC's Executive Director, wrote to Izon as follows: "I am writing to follow up on the attached email chain between you and Tom Lucas (APOC staff) .... Tom appears to have misunderstood the purpose of your group in that he believed you were seeking to file a referendum, when in actuality, you were filing an initiative proposal application...." Without explaining why 22AKHE was an initiative as opposed to a referendum, Hebdon then advised Izon that AHE should register as a "initiative proposal application group," file independent expenditure reports within 10 days of making expenditures, file quarterly reports within 7 days of the end of each calendar quarter, and then reminded Izon that AHE's contributors who gave \$500 or more in the aggregate would need to file statements of contributions within 30 days of making the contribution. *Id*.

<sup>&</sup>lt;sup>5</sup> Ex. H.

<sup>&</sup>lt;sup>6</sup> Ex. G.

<sup>&</sup>lt;sup>7</sup> It should be beyond dispute that Alaska's campaign finance laws are written in a complex and convoluted manner, and that with those statutes' hidden morsels of restrictions and exceptions, they present a challenge to even the most seasoned attorney who might be attempting to comprehend the details of their terms. Neither Matthias nor Izon are attorneys.

maximum fines of \$1,000 and \$2,200 by 50% to a total of only \$1,600—as APOC stated, this is AHE's "first election cycle." *Id*.

#### 1. Alleged Violations by AHE

#### a. False Contribution Intended to Inflate AHE's Finances

AHE and Izon deny that AHE reported a fabricated "in kind" contribution from Izon. AHE was formed as a non-profit corporation on January 23, 2023.<sup>8</sup> Prior to filing AHE's first quarterly report in April 2023, Izon inquired of APOC staff about how to report his in-kind provision of campaign related services to AHE. APOC staff advised Izon to "estimate" what the total amount of AHE's debt for his services will ultimately be at the end of the campaign meaning following the election in 2024—as of April 2023 a period of more than one year in the future.<sup>9</sup> The \$200,000 that Izon placed as both a donation and expenditure on AHE's first quarterly report<sup>10</sup> was simply his reasonable effort to follow APOC staff's direction.<sup>11</sup> ABE's rude and insulting comments regarding Izon's professional experience and abilities should not require a response.

<sup>&</sup>lt;sup>8</sup> Ex. I. AHE's Articles of Incorporation reflect a filing date of January 23, 2023. *Id.* <sup>9</sup> Izon Aff. ¶ 2; Ex. 3 (Tom Lucas, an APOC staff member, wrote Izon regarding how he should go about reporting his in-kind non-monetary contribution to AHE, and told him: "If your group has decided to use your business for certain supplies/services, but has not yet paid for them, you report it as debt and estimate what the total amount of the debt will ultimately be *at the end of the campaign.*") (emphasis added).

<sup>&</sup>lt;sup>10</sup> Ex. G, pp. 2, 13.

<sup>&</sup>lt;sup>11</sup> Izon Aff, ¶ 2. Granted, Izon could have been more precise in AHE's April 2023 quarterly report to indicate that the \$200,000 amount reflected an estimated *debt* that AHE would *potentially owe* to him for his work *through the conclusion of the election in 2024*. Nonetheless, he did report the \$200,000 as an "In Kind Donation" of "Non-Monetary Management Costs/Time." Ex. G, p. 3, 13 (emphasis added). No reasonable person reading AHE's report could have been misled to believe that Izon contributed \$200,000 in monetary funds or that AHE held \$200,000 of monetary funds contributed by Izon in its campaign account. *Id*.

ABE's allegation that AHE "concocted" the estimated value of Izon's in-kind donation of "services" to "inflat[e] the public's perceptions regarding support for AHE,"<sup>12</sup> is unsupported political hyperbole. Anyone reading AHE's first quarterly report would have seen that the \$200,000 "in kind" donation was "Non-Monetary" and was completely offset by an obligation to Izon for "Management Costs/Time."<sup>13</sup> No reasonable person reading AHE's report could have believed that AHE held \$200,000 in its campaign account as a result of Izon's donation.

#### b. Failure to Accurately Report The Source of Contributions Laundered Through RCEA

AHE denies that "laundered" is a term that can be correctly used to describe RCEA's donations to AHE. RCEA's donations to AHE were correctly reported, and RCEA is a genuine contributor to AHE. RCEA denies that it had or now has any reporting obligations to APOC. And AHE denies that it failed to disclose that Matthias made the initial contribution to RCEA prior to the time of RCEA's monetary contributions to AHE. Despite the lack of any legal obligation, Matthias announced his donation to RCEA to the public in February 2023,<sup>14</sup> and again despite the lack of legal obligation, a copy of Matthias' check to RCEA was provided to APOC in June 2023.<sup>15</sup>

AHE denies that AS 15.13.040(b) requires, or consistent with the First and Fourteenth Amendments to the United States Constitution can be interpreted and applied to require, AHE

<sup>&</sup>lt;sup>12</sup> Complaint p. 6.

<sup>&</sup>lt;sup>13</sup> Ex. G, pp. 2, 13.

<sup>&</sup>lt;sup>14</sup> Ex. A, p. 2 (Liz Ruskin reported on February 17, 2023, in Alaska Public Media that Matthias had publicly stated to "[a] few hundred people," including news reporters, that "he's donated \$100,000 to the effort."). Matthias made a perfectly legal donation to RCEA and RCEA made a perfectly legal donation to AHE.

<sup>&</sup>lt;sup>15</sup> Izon Aff. ¶ 3.

and/or RCEA to report the identity of RCEA's contributors.<sup>16</sup> First, the "true source" reporting requirements apply only to "candidate elections." Second, to the extent that the statutes, including but not limited to AS 15.13.400(19), require ballot groups such as AHE that receive contributions from non-profit tax-exempt organizations such as RCEA, to report the identity of the non-profit's contributors, the statute is an unconstitutional violation of the First and Fourteenth Amendments. RCEA and its contributors have First Amendment rights to free speech, association, and associational privacy that ABE's suggested interpretation of Alaska's campaign finance laws, specifically AS 15.13.040(b) and AS 15.13.400(19), unconstitutionally infringe. *See, Americans for Prosperity v. Bonta*, 594 U.S. \_\_\_\_, 141 S. Ct. 2373 (2021) (compelled disclosure requirements of the identity of non-profit donors are reviewed under exacting scrutiny); *NAACP v. Alabama*, 357 U.S. 449, 462 (1958).

ABE's suppositions about why RCEA was formed and its purpose, together with ABE's salacious use of terms like "laundering," are unsuitable and represent nothing more than unsupported political hyperbole. RCEA is an educational organization with a perfectly legal educational mission that is not directly related to 22AKHE—the fact that RCEA's educational purpose and 22AKHE's subject matter both relate to RCV is incidental, immaterial, and of no legal consequence.<sup>17</sup> RCEA has supported AHE directly only by making monetary contributions

<sup>&</sup>lt;sup>16</sup> Without waiving this objection (to any requirement to disclose RCEA's donors), Respondents note that at present RCEA's donor base consists of more than Matthias. Matthias Aff.  $\P$  2.

<sup>&</sup>lt;sup>17</sup> There are many other organizations that work to educate Americans regarding the flaws and detriments of RCV. Among other organizations, groups opposing RCV include the *Heritage Foundation*; (See www.heritage.org/election-integrity/report/ranked-choice-voting-bad-choice) and *The Foundation for Government Accountability* (*See* https://thefga.org/research/rankedchoice-voting-a disaster-in-disguise). Does ABE literally contend that those organizations likewise must comply with Alaska campaign finance laws simply because they, like AHE, focus upon opposing RCV, and have internet presences that can be accessed by Alaskans?

which have been reported to APOC. The similarity of AHE's and RCEA's arguments and videos—demonstrating why RCV is a bad and flawed idea that has negative effects on elections, voter turnout, and candidates' political speech—is to be expected and is of no consequence. The arguments against RCV are being repeated by many individuals and organizations throughout the lower-48.

RCEA is not a group under AS 15.13.400(9)(B) because it is not organized "for the principal purpose of influencing the outcome of one or more elections" nor does it "take action the major purpose of which is to influence the outcome of an election." RCEA is a tax-exempt non-profit IRC §508(c)(1)(A) organization whose mission is to educate Americans about the flaws and negative effects of RCV. ABE's allegations about "unlawful" tax deductions are both uninformed and unknowledgeable. In any event, the only government agency with jurisdiction to adjudicate tax-exempt status and the lawfulness of federal income tax deductions that may or may not be claimed, is the IRS. Tax deductions are not pertinent to Alaska campaign finance, and it is not APOC's place to investigate or adjudicate federal income tax deductions.

#### c. Failure to Accurately Report Three Largest Contributors

ABE's allegations about AHE's reporting of its three largest contributors mirror ABE's allegations about AHE's reporting of Izon's in-kind contribution and RCEA's legal nature and status and they require no further or additional response. Izon's reported contribution reflects AHE's best reasonable efforts to comply with APOC staff's advice to estimate the value of Izon's services through the conclusion of the 2024 election. RCEA's contribution is a real contribution from RCEA and not Matthias.

#### d. Failure to Include Three Largest Contributors Onscreen Throughout Advertisement

AHE has endeavored and continues to endeavor to comply with the requirements of Alaska's campaign finance laws. As stated above, initially AHE believed based upon APOC staff's incorrect advice that it was pursuing a referendum. AHE's advertisements did not contain information about contributors prior to that time because it believed it had no obligation to do so related to a referendum effort. Since receiving corrected advice from APOC, AHE has endeavored to comply with the requirements of the law, including the listing of the three largest contributors.

#### e. Failure to Timely Register as a Ballot Group

AHE did not register earlier than it did as a ballot group because it had been advised by APOC staff that it was pursuing a referendum. AHE registered as a ballot group promptly after APOC staff corrected its prior advice to AHE.

#### f. Failure to File 10-day Reports

AHE did not file expenditure reports before April 2023 because it had been operating under the incorrect assumption, based upon APOC staff's advice, that it was pursuing a referendum. Upon being advised that it was in fact pursuing an initiative, AHE endeavored to promptly catch up with its required reporting, and filed its quarterly report on April 21, 2023. AHE has had only two expenditures since that time, two \$5,000 payments to Leading Light for management services. Those two expenditures were reported to APOC on AHE's recently filed second quarterly report.

#### g. Unlawful Cash Contribution

In February 2023 RCEA transferred \$2,358 in cash to AHE because it was operating under the impression that it was pursuing a referendum.<sup>18</sup> This contribution was transferred in cash in error and would have been accomplished by way of a check but for the incorrect advice that AHE was pursuing a referendum. *Id.* AHE and RCEA have now corrected the cash contribution as of July 24, 2023, and will be happy to provide APOC documentation to the effect.<sup>19</sup>

#### h. Failure to Advise Donors of Requirement to File Form 15-5 For Donation of \$500 or More

Alaska campaign finance law requires duplicative reporting of contributions by both group recipients and donors. *See* AS 15.13.040(j)-(k). AHE did not advise its initial donors— those who donated in January, February and early March 2023—of an obligation to report their contributions to APOC before mid-March 2023, because AHE was operating under the mistaken impression—based upon incorrect APOC staff advice—that it was pursuing a referendum. After APOC staff corrected its earlier faulty advice, AHE has since notified its contributors of their reporting obligations.<sup>20</sup> The reports under AS 15.13.040(k) are due from the contributors not the group receiving the donation, and AHE cannot file the reports for the contributors. The fact that ABE was able to identify by name and amount of donation the four AHE contributors who have not yet filed the duplicative contribution reports reflects the lack of any harm to the public from the absence of the duplicative reports.

<sup>&</sup>lt;sup>18</sup> Izon Aff. ¶ 7.

<sup>&</sup>lt;sup>19</sup> Izon Aff. ¶ 7.

<sup>&</sup>lt;sup>20</sup> Izon Aff. ¶ 8.

#### i. Any Other Allegations Not Pleaded

This allegation states nothing substantive and requires no response.

#### B. Phillip Izon

It is true that Izon has varying types of relationships with some of the Respondent entities. Some of those entities with which Izon is involved are mere bystanders to the efforts to introduce and promote 22AKHE (*e.g.*, RCEA and AHG). Izon has reported for AHE the in-kind donation of services he made—this donation was reported as APOC advised Izon to report it by estimating the value of services Izon would contribute "in-kind" through the conclusion of the election in 2024. ABE's allegations regarding Izon's and/or AHE's motivations for reporting the estimated value of Izon's services through the end of the election in 2024 are incorrect, and represent nothing more than unsupported and salacious political hyperbole designed to draw press and media attention.

ABE's statements smearing AHE, Izon, and Izon's "business partner," Ms. Diamond Metzner, suggesting that AHE's entire operation is "a grift" to "funnel every dime AHE raises back to them [Izon and Metzner] and them alone," is rank slander disguised as legal allegations. The statements are wholly unsupported and wholly unworthy of being placed in a legal pleading. The statements appear to have been included in the complaint simply to score cheap political points with the public as the slander was picked up and repeated by the press and media.

#### 1. Alleged Violations by Mr. Izon

#### a. False Contribution Intended to Inflate AHE's Finances

Respondents repeat here the responses they have provided above. Izon was advised by APOC staff to estimate the value of the services he would provide to AHE through the conclusion of the election in 2024, a period of more than one year [Ex. 3], and that is what he attempted in good faith to do when he filed AHE's first quarterly report.

## b. Miscellaneous Violations by Other Entities Made Under Mr. Izon's Direction

This allegation adds no substance to the complaint and simply attempts to malign Izon with reference to the allegations Respondents address elsewhere. To the extent the allegation requires answer, Respondents incorporate their responses above and below.

#### c. Any Other Violations Not Pleaded

This allegation states nothing of substance and requires no response.

#### C. Alaskans for Honest Government

AHG is a Political Action Committee that was formed to make independent expenditures related to the November 2022 general elections for Alaska's U.S. House and U.S. Senate seats. True, AHG mistakenly registered with APOC when it registered with the FEC in early November 2022.<sup>21</sup> But AHG took no action regarding elections other than Alaska's 2022 federal elections.<sup>22</sup> But the fact that AHG's registrations preceded the last general election in November 2022, should have alerted ABE to the fact that AHG was focused on the last general election rather than events following that election.

The timing of AHG's registrations coupled with its FEC filings, should have alerted ABE to the fact that AHG was focused on Alaska's 2022 federal House and Senate elections. AHG's registration truthfully states that it was not and is not involved in the effort to introduce or promote a state initiative, because it had no such involvement in early November 2022 (a time

<sup>&</sup>lt;sup>21</sup> Ex. D.

Izon Aff.  $\P$  4.

when there was no initiative effort, and has no such involvement thereafter.<sup>23</sup> ABE's suggestion that AHG's early November activity was "unlawful" because it "appears to promote only republican candidates"<sup>24</sup> is puzzling—independent expenditure speech is constitutionally protected (see *Citizens United v. FEC*, 558 U.S. 310 (2010)) and government cannot limit independent speakers to nonpartisan words—partisanship, as determined by the particular independent speaker, is constitutionally protected. *Id*.

When the 2022 general election was complete and the idea of repealing RCV in Alaska began to be discussed, there was some confusion in the public regarding AHG's role in that potential effort. AHG did, therefore, after the 2022 general election was complete, place links on its web page to direct members of the public to AHE, the entity that was pursuing Ballot Measure 2's repeal. But AHG later removed those links upon realizing that they could be misconstrued as contributions to AHE in its initiative effort.<sup>25</sup>

ABE's discussion of AHG's FEC reports is pointless—it is the FEC that has jurisdiction over AHG's November 2022 activity related to the now completed Alaska federal congressional and U.S. senate elections. The FEC has taken no action against AHG, and no complaints have been filed.

<sup>&</sup>lt;sup>23</sup> Ex. D. How ABE interprets "Ranking the Red" as being a plea to support an initiative to repeal RCV is mystifying. The phrase "Ranking the Red" was a commonly known pitch to have republican voters in the November 2022 House election rank as their first and second choices the republicans appearing on the general election ballot, namely Sarah Palin and Nick Begich. Despite ABE's unawareness, AHG's early November 2022 activity was unmistakably related to the 2022 general election and <u>not</u> 22AKHE (which did not exist yet).

<sup>&</sup>lt;sup>24</sup> Complaint p. 12 n. 41,

Izon Aff.  $\P$  5.

ABE's allegation that AHG has raised and spent money in support of 22AKHE<sup>26</sup> is baseless speculation. AHG has not raised or spent money, or taken any action, related to 22AKHE.

#### 1. Alleged Violations by AHG

## a. Failure to Register as a Ballot Group Prior to Undertaking Campaign Activity

ABE's complaint about AHG not being registered with APOC is mystifying because ABE criticizes AHG for registering with APOC on November 1, 2022.<sup>27</sup> If ABE's point is that AHG has not re-registered as a ballot group related to 22AKHE, then ABE's complaint is unjustified. AHG has not registered as a ballot group because it is not a ballot group. AHG is not a group under AS 15.13.400(9)(B) because it is not presently organized "for the principal purpose of influencing the outcome of one or more [2024] elections" nor does it "take action the major purpose of which is to influence the outcome of an election."

Quite simply, AHG registered with the FEC and APOC in early November 2022 because it planned to act related to Alaska's federal congressional and U.S. senate races through election day, November 8, 2022. AHG's registration with APOC was a mistake and unnecessary. Once the 2022 election was complete, AHG's purpose was complete, and it has since ceased activity.

#### b. Failure to File any Quarterly Reports

AHG has filed no reports with APOC because it is not a ballot group, it has neither raised nor spent funds related to 22AKHE, and it has taken no action related to 22AKHE. ABE has

<sup>&</sup>lt;sup>26</sup> Complaint p. 12-13.

<sup>&</sup>lt;sup>27</sup> Complaint pp. 11-12; Ex. D.

cited nothing in its complaint to support its bare allegations that AHG is acting as a ballot group in support of 22AKHE.

#### c. Failure to File any 10-day Independent Expenditure Reports

AHG has filed no reports with APOC because it is not a ballot group, it has neither raised nor spent funds related to 22AKHE, and it has taken no action related to 22AKHE.

#### d. Failure to Report Three Largest Contributors

AHG has filed no reports with APOC and has reported no contributors because it is not a ballot group, it has neither raised nor spent funds related to 22AKHE, and it has taken no action related to 22AKHE.

#### e. Other Violations Not Pleaded

This allegation states nothing of substance that requires a response.

#### **D.** Ranked Choice Education Association

Matthias and Izon formed RCEA as a Washington non-profit religious corporation and an IRC 508(c)(1)(A) tax-exempt organization. Contrary to ABE's misinformed understanding, RCEA is not an IRC 501(c)(3) tax-exempt organization. Under 508(c)(1)(A) of the IRC a faith-based organization ("FBO") and church auxiliary like RCEA is not required to apply with the IRS to obtain tax-exempt status.<sup>28</sup>

Under 508 of the IRC newly formed non-profit 501(c)(3) organizations are required to "notify [the] Secretary that they are applying for recognition of section 501(c)(3) status." See

It is because of RCEA's 508(c)(1)(A) status that ABE could not find RCEA on the IRS's website of "such" (apparently meaning 501(c)(3)) "entities"). Complaint p. 17 and n. 65.

IRC §508(a).<sup>29</sup> However, by way of §508(c)(1)(A), Congress provided a "mandatory" "exception" from this requirement for churches and other FBOs. IRC §508(c)(1)(A) provides:

(c) Exceptions

(1) Mandatory exceptions

Subsections (a) and (b) shall not apply to—

(A) churches, their integrated auxiliaries, and conventions or associations of churches....

IRC §508(c)(1)(A). Churches and FBOs can be and are formed under §508(c)(1)(A) without the need of a filing with the IRS. Pursuant to the "mandatory exception" of §508(c)(1)(A), churches, their auxiliaries, and other FBOs are by their very nature tax-exempt and donations to them are tax deductible. IRC § 170(b). With all due respect to APOC, RCEA's tax-exempt status is not within APOC's jurisdiction—the IRS is the only government agency that has jurisdiction over RCEA's tax exempt status. ABE's speculations about tax deductions that may or may not have been taken are pointless because once again the only government agency with jurisdiction over federal income tax deductions is the IRS.

<sup>&</sup>lt;sup>29</sup> IRC §501(c)(3) was adopted into the IRC in 1954. The 1954 amendments placed limitations on the activities and free speech of non-profit tax-exempt organizations, including arguably churches and other religious FBOs. IRC §508 was adopted as part of the Tax Reform Act of 1969 (H.R. 13270) codified as Public Law 91-172 and was intended by Congress to remove from churches and other FBOs the filing requirements and restrictions of §501(c)(3). IRC §508(a) states: "Except as provided in subsection (c), an organization organized after October 9, 1969, shall not be treated as an organization described in section 501(c)(3)—(1) unless it has given notice to the Secretary in such manner as the Secretary may by regulations prescribe, that it is applying for recognition of such status, or (2) for any period before the giving of such notice, if such notice is given after the time prescribed by the Secretary by regulations for giving notice under this subsection."

RCEA has no relationship to WM. RCEA is a "Church Integrated Auxiliary"<sup>30</sup> of another Washington non-profit corporation and §508(c)(1)(A) entity, Wellspring Fellowship, which is a church. Despite at one point in its complaint quoting RCEA's Articles of Incorporation correctly,<sup>31</sup> ABE confuses WF with WM.<sup>32</sup> ABE corrected its misstatements and added allegations against WF in its July 24, 2023, Second Supplement, but its allegations about WF are baseless.

As an integrated auxiliary of WF, RCEA functions as an educational organization that consistent with its purposes seeks to "[t]rain, develop, and support leaders in our community and nation as called for in our beliefs," and "to engage in activities for the accomplishment of the purposes."<sup>33</sup> In states and jurisdictions in the lower-48 where RCV is being considered, RCEA distributes and presents educational material and sends its representatives to speak at educational/informative events. RCEA's materials and speaking presentations are designed to educate Americans on the flaws and negative aspects of RCV. RCEA's materials and speaking presentations make no reference to 22AKHE.

Matthias and Izon have travelled to approximately eight states in the lower-48 to speak and consult with community members and leaders regarding efforts to adopt or ban RCV in those states. RCEA has scheduled more trips and speaking/consulting engagements for Matthias and Izon in additional states through September 2023.<sup>34</sup> None of this activity relates to promoting

<sup>&</sup>lt;sup>30</sup> See Ex. B, p. 1.

<sup>&</sup>lt;sup>31</sup> Complaint p. 14 ("RCEA 'is an Integrated Auxiliary of the Founding Church, Wellspring Fellowship of Alaska."").

<sup>&</sup>lt;sup>32</sup> ABE originally wrongly confused WF with WM, calling WF "another Respondent in this Complaint." Complaint p. 14. WF was not an originally named Respondent in the complaint. Only WM was named as a Respondent in ABE's original complaint. Complaint p. 1.

<sup>&</sup>lt;sup>33</sup> See Ex. B, p. 1.

Izon Aff.  $\P$  6.

22AKHE—the simple fact that RCEA focusses on RCV as a general concept and uses Alaska as an example of RCV's flaws and negative effects on elections, voter turnout, and candidate speech, <u>does not</u> mean that RCEA is working to advance 22AKHE. If ABE's idea was law, then other organizations opposing RCV in the lower-48 would have reporting obligations to APOC despite their complete unawareness of and lack of involvement with 22AKHE. And ABE's notion regarding Alaska's registration and reporting requirements would violate the First Amendment.

Other than making donations to AHE that were reported to APOC, RCEA is not involved in the efforts to introduce and/or promote 22AKHE in Alaska. RCEA is not a "group" as defined in AS 15.13.400(9)(B) because it is not organized "for the principal purpose of influencing the outcome of one or more elections" nor does it "take action the major purpose of which is to influence the outcome of an election."

Likewise, WF is not involved in the efforts to introduce and/or promote 22AKHE in Alaska. WF is also not a "group" as defined in AS 15.13.400(9)(B) because it is not organized "for the principal purpose of influencing the outcome of one or more elections" nor does it "take action the major purpose of which is to influence the outcome of an election." Regardless of its Supplement filed July 24, 2023, ABE has stated no basis for its allegations against WF.

RCEA does not advocate for 22AKHE, and ABE has presented no facts to support its claim to the contrary. ABE admits that 22AKHE is not mentioned on RCEA's web page (Complaint p. 15), and ABE has presented no other facts to support its allegations than the fact that Matthias and Izon are involved in RCEA and that RCEA focusses upon RCV and at one time mentioned "Alaska" on its web page in reference to who it is that is pushing RCV on America and Alaska. Matthias and Izon are perfectly entitled to engage in constitutionally

protected educational speech activity for RCEA regarding the flaws and faults of RCV as a general concept. And RCEA is constitutionally entitled to mention Alaska to those it seeks to educate in the lower-48 as a prime example of RCV's flaws and negative effects. RCEA is also entitled to inform Americans who it is that seeks to push RCV on Americans—including Alaska as a prime example.

The fact that RCEA rents a mail depository and some small semblance of office space from WM is wholly insignificant to APOC. With all due respect to APOC, RCEA's rental relationship with WM is not within APOC's jurisdiction.

#### 1. Alleged Violations by RCEA

#### a. Unlawful Cash Contribution

RCEA's contributions to AHE were perfectly legal. ABE's salacious allegations about "laundering" or giving in the name of another, are unsuitable as related to RCEA and Matthias. RCEA was entitled to make donations to AHE. ABE's references to the limitations placed on IRC §501(c)(3) organizations are out of place with respect to RCEA.

RCEA and Matthias made no effort to hide the fact that Matthias gave the initial contribution to RCEA. See Ex. A. And although not required, RCEA, in an effort to be candid with the Alaska public, reported to APOC that Matthias made contributions to RCEA. Currently, RCEA has other donors than Matthias and funds its educational activities outside Alaska with those contributions. RCEA and its donors are not within APOC's jurisdiction, and they have constitutionally protected rights to free speech, association, and associational privacy that ABE's complaint urges APOC to infringe. APOC should not take ABE's bait.

#### b. Donations Made in the Name of Another

See response above.

## c. Failure to Register as a Ballot Group Prior to Undertaking Campaign Activity

See response above.

#### d. Failure to File any Quarterly Reports

See response above.

#### e. Failure to File any 10-day Independent Expenditure Reports

See response above.

#### f. Failure to Report Top Three Donors

See response above.

#### g. Other Violations Not Pleaded

See response above.

#### E. Wellspring Ministries

ABE originally confused WM with WF. WM has no political involvement in any

matters, let alone 22AKHE. WM is a non-profit tax-exempt IRC §501(c)(3) entity that focusses on its Christian ministry. The fact that WM owns property and rents a mail depository and some small modicum of office space to RCEA is irrelevant to APOC.

#### 1. Alleged Violations by Wellspring

#### a. Failure to Report In-kind Contributions to RCEA

See responses above.

#### b. Other Violations Not Pleaded

This allegation states nothing of substance that requires a response.

#### F. Art Matthias

Matthias is a director of AHE. Matthias is also a director for RCEA. He also holds

positions with WM and WF. Matthias' holding these various positions with multiple

organizations is perfectly legal. Matthias was perfectly entitled to donate to RCEA, and he

would have been entitled to donate directly to AHE—there are no limitations on the amount he could have donated. Alaska's prior campaign contribution limitations were struck down as unconstitutional. *See Thompson v. Hebdon*, 589 U.S. \_\_\_\_, 140 S. Ct. 348 (2019); *Thompson v. Hebdon*, 7 F.4<sup>th</sup> 811 (9<sup>th</sup> Cir. 2021).

Matthias made no secret of his donation to RCEA [Ex. A] and although not legally required he even reported it to APOC and provided APOC with a copy of his check.

#### 1. Alleged Violations by Mr. Matthias

#### a. Donations Made in the Name of Another

Matthias denies that he has made any donations in the name of another. Matthias has donated to RCEA, a donation that is not within APOC's jurisdiction, but he has not yet donated to AHE. It is RCEA that has donated to AHE.

#### b. Failure to File Forms 15-5 for Donations of \$500 or More

Matthias has made no donations requiring a Form 15-5.

#### c. Other Violations Not Pleaded

This allegation states nothing of substance that requires a response.

#### July 24, 2023, Supplement

In response to ABE's July 24, 2023, supplemental filing, Matthias is <u>not</u> the male voice speaking on the recording submitted (the recording is of a Kelly Tshibaka event). The fact that this unknown gentleman mistakenly referenced Wellspring <u>Ministries</u> is inconsequential.

#### **III. CONCLUSION**

Respondents ask that ABE's complaint be dismissed. The minor reporting mistakes AHE has made with respect to the timing and correctness of reporting have either already been addressed by APOC or have been subsequently corrected or can be easily corrected.

Dated this 26<sup>th</sup> day of July, 2023.

Law Offices of Kevin G. Clarkson

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By \_\_\_\_

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# D - < > DE C alaskansforhonestelections.com Our Mission is to Return Alaskan Elections to Alaskans Alaska's Future is in Our Hands This Communication Was Paid For By Alaskans For Honest Elections, 2521 E Mtn Village Dr #904 Wasilla, AK 99654 Phillip Izon, Director Approved This Message. The Top 3 Contributors Are Phillip Izon, Wasilla, AK, Ranked Choice Education Association, Anchorage, AK, ; And Carolyn Overstreet, Anchorage, AK **Contact Us Here**

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