



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4744

DATE FILMED 12/2/98 CAMERA NO. 3

CAMERAMAN EES

9  
8  
7  
6  
5  
4  
3  
2  
1  
0  
9  
8  
7  
6  
5  
4  
3  
2  
1  
0

Federal Elections Commission  
999 E. Street NW  
Washington D.C. 20463

MUR 4744

To: F.E.C. Investigation Division

First, I am asking the F.E.C. to investigate the City of Williams (Arizona) Mayor, James Hoffman for Federal campaign violations pertaining to the March 10, 1998 Primary Election and the up coming May 19, 1998 General Election. The Federal law that Mayor Hoffman has violated is accepting contributions from a person (Brian James) who is "not a U.S. Citizen". This was revealed to me when I was campaigning door to door. I knocked on Brian James door. His wife answered and stated that she nor her husband could vote because they were not U.S. Citizens. It clearly states in the Arizona Secretary of State's "1997 -1998 Campaign Finance Reports Booklet" that it is a violation of the law to accept contributions from a non U.S. Citizen.

Brian James mailed campaign flyers for the incumbent mayor through his postage meter for 19 cents per envelop. It is reported that 800 envelops with flyers were mailed. I have envelopes with the postage meter stamp of Brian James, a citizen of Great Britain. The postage meter stamp number is "19". The Flyers were sent though the Williams, Arizona Post Office on March 9, 1998. On April 29, 1998 Brian James stated, on the local radio station KYET 1180 AM, that he could donate to anyone he wanted. Enclosed you will find the letter I sent to the Post Master of the Williams Arizona Post Office, copies of envelopes with the potage meter stamp and other attached campaign violations that have been sent to the state of Arizona and other authorities.

The mayor has signed a Candidate \$500 Threshold Exception Statement, Arizona Revised Statute 16-903(A). Under the law the incumbent mayor has to claim 32 cents per envelop sent, plus the cost of the flyers, envelopes and labels he used. This means he has spent around \$300 of his \$500 campaign expense threshold on this one mailing. I request that you contact the the Post Office immediately to release this information to me so I can give copies of the documents to the State Elections, State Attorney Generals Office, FBI and the news media etc..... I need the evidence well before the May 19, 1998 General Election. With the proof of Mayor Hoffman's postage expenditure, Newspaper ads, flyers and signage around town he has also violated state laws and I need this evidence for the state officials or sent to State Officials now. The Williams Post Office Phone (520)635-4572 Barb Conides, Post Master. Please call and confirm the information from the Post Office ASAP and inform me in writing of your confirmation.

9 0 0 4 3 9 0 1 8 4 9

MAY 11 4 31 PM '98

FEDERAL ELECTIONS COMMISSION  
WASHINGTON, D.C. 20463

Tony Kuc, being first duly sworn upon his oath, deposes and says:

- 1) That James Hoffman Mayor of Williams Arizona has violated Federal law by accepting campaign contributions from a person who is not a U.S. Citizen. The proof is in the records at the Williams Post Office.
- 2) I request that law be applied to the fullest extent.

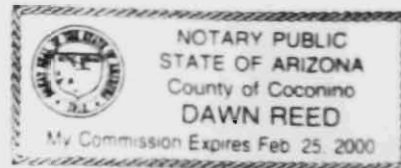
Tony Kuc  
Tony Kuc

SUBSCRIBED AND SWORN to before me this 27<sup>th</sup> day of <sup>APRIL</sup> ~~March~~, 1998

Dawn Reed  
Notary Public

My Commission expires:

2-25-2000



Sincerely, Tony Kuc  
Tony Kuc  
Williams Mayoral Candidate  
892 N. Wells Fargo Drive  
Williams, Arizona 86046

9  
8  
0  
4  
3  
9  
0  
1  
8  
5  
0

Margrave Celmins, P.C.  
City of Williams Attorney  
7201 East Camelback Road  
Scottsdale, Arizona 85251  
Lat J. Celmins

&

Arizona State Attorney Generals Office  
1275 W. Washington Street  
Phoenix, Arizona 85007  
Colleen Connor

Dear Mr. Celmins, P.C. & Colleen Connor,

I am requesting an immediate investigation into Williams Arizona Mayor James Hoffman's \$500 Threshold campaign violations and others listed in this letter. Also State and Federal law violations based on the Campaign Booklet from the Secretary of States Office.

Mayor James Hoffman or others:

- 1) Hoffman had taken contributions from a Non - U.S. Citizen. This has been mailed to the F.E.C. Please obtain documents from Williams Post Office.
- 2) Hoffman exceeded his \$500 threshold limitation.
- 3) Hoffman has not filed his statement of organization as of 4-20-98.
- 4) Hoffman has not filed a political committee as of 4-20-98.
- 5) Hoffman exceeded the Campaign limit before the March 10, 1998 Primary Election just based on the ads he ran and the mailing of his flyer.
- 6) Mayor James Hoffman violated the law by allowing the ad paid for by the 5 council members (see #7 below) . The ad was use on his campaign flyer, which was distributed well before the ad ran in the newspaper. The campaign flyer was used in a public senior citizen meeting the week before the ad ran in the newspaper. Mayor Hoffman was present at the meeting while Chuck Brookbank (Vice Mayor) handed out the flyers. After the flyers were handed out the mayor address the crowd on political issues. The Primary Election was held after this ad ran.
- 7) Five Williams City Council Members (Chuck Brookbank, Bernie Heimenz, Ken Edes, Don Dent, Joyce Sullivant) violated the campaign financing laws by running a paid political ad in the local newspaper for Mayor James Hoffman, **without** filing a campaign statement of organization or a political committee as required.
- 8) Another ad was run by 3 individuals. Mike Cowan, Frank McNelly and Bud Parenteau ran an ad without filing a statement of organization or a political committee.

9 8 0 4 3 9 0 1 8 5 1



The Mayor should have known the law, being in politics for over 15 years. The five incumbent council members should have known the law and checked. The other 3 individuals should have known to check the campaign financing laws because Mike Cowen was a former city council member, Bud Parenteau is and has been on the Williams School Board and has to follow the campaign financing rules and Frank McNelly is on the P & Z Commission for the City of Williams.

**Remember Governor Mecham was impeached because of campaign finance violations and held to the law.** It is crucial that the laws are followed and that there is no special consideration because of a persons current political status. The Constitution of U. S., states: we are all equal under the law. No one should be above the law. Political Officials should be held to even a higher standard and pay fully for there wrong doings. The incumbents should have Known and followed the law.

I am requesting that the fullest extent of the law be applied in this matter to all individuals listed who have violated the State and Federal laws.

Under #16 of the Campaign Finance Reporting Questions and Answers portion of the booklet it states: "Your committee's Failure to File will be referred to the office of the Attorney General for enforcement. By order, the Attorney General could raise the daily fine to \$25 per day until you file the report. If your committee is a candidate campaign or exploratory committee, the Attorney General could issue an order that would bar the candidate or designating individual from filing as a candidate in any jurisdiction in Arizona for five years from the date the report was due- including state, county, city, town, school or special districts, paid or unpaid" "Rev. 11/97" Please refer to the campaign booklet enclosed. (See the in-kind goods & services section of the "Campaign Finance Reports" booklet).

On April 20, 1998 I Check with the City of Williams clerk, Eleanor Addison, and to date the mayor nor anyone else listed in this letter has filed a statement of organization or a political committee as required by law. I also obtain a copy of Mayor James Hoffman's political filings from the city clerk on April 20th, in front of two witnesses.

Enclosed are: (back up documentation numbered the same as following)

- #1) the letter to the Federal Elections Commission asking to confirm and obtain the information from the U.S. Post Office. The investigating body of the state, city or county should also obtain these documents directly in addition to the F.E.C.
- #2) the letter sent to the Williams Arizona Post Office.
- #3) the ads, with the date the ads were run in the Williams Newspaper.
- #4) the cost of political ads, which were faxed to me from the Williams News on April 21, 1998.

98043901352

- 9  
8  
0  
4  
3  
9  
0  
1  
8  
5  
3
- #5) letter to the Williams News
  - #6) Campaign Booklet Information given to me by the City Clerk of Williams (See highlighted portions)
  - #7) Mayor Hoffman's campaign filings
  - #8) copies of two envelopes used in the campaign flyer mailing
  - #9) A copy of Hoffman's campaign flyer
  - #10) I also have a question about the city clerk (Eleanor Addison) notarizing Mayor Hoffman's campaign documents. The city clerk told myself and others running for office that she couldn't notarize our campaign documents. She gave me the impression it was a conflict of interest because she is the official from the city on elections and the city clerk. Is this a violation of the law? Please check and proceed if it is. (Notaries highlighted on documents)
  - #11) A copy of my lawsuit. (See Highlighted parts)
  - #12) A copy of the city attorney's motion to dismiss. (See Highlighted parts)
  - #13) A copy of the city attorney's reply & request for sanctions. (See Highlighted parts)

Also not sent are the pictures of the Hotel and Restaurant Marquis, Banners, etc... that have been, and are being, used to promote Mayor Hoffman. I have the original news papers in my possession.

I am a new candidate to the political game and I have to follow the laws and research them. It was also stressed to me by the city clerk, when I picked up my campaign packet, that I watch my campaign expenditures and any in-kind goods and services should also be counted in my totals.

Enclosed is a lawsuit I am involved in. The city was named as a defendant because of possible financial interest. Please read the city attorneys accusations, claiming I'm using the lawsuit for political purposes which is absolutely an out and out lie. The city attorney asked for sanctions against me because of his (city's) claim. The city attorney did not ask for sanctions against any of the other parties on my side of the law suit. This I believe shows a definite prejudiced against me and a **conflict of interest for the city attorney. The city attorney should not be able to make a determination on the campaign law allegations.** With all the documentation I am providing it almost seems I'm being conspired against. I also believe the county attorney has a conflict of interest because of the closeness of him working with the mayor and city. The County Attorney was given general information on wrong doings in the City of Williams. The county attorney only talked with the city officials and city mayor.

We asked Terry Hance County Attorney if he needed the documentation to prove the allegations were made. He said not at this time, he would contact us, so the people of Williams involved in the allegations waited to hear back from the county Attorney. Next there was a write up in the Flagstaff newspaper stating that Terry Hance found no wrong doings after talking to city officials. The Citizens For A Better were never contacted at all about the investigation and were never allowed to give our evidence. I believe the County Attorney was dodging his responsibility. Many of the Citizens in Flagstaff and in Williams believe there needs to be an investigation into the politics in Northern Arizona.

- A) I strongly request that the state Attorney Generals Office take over the investigation.
- B) I also request that state election officials be present at the General Election in Williams.
- C) I also request that an impartial observer be present at the counting of the votes to completely observe the process. I have my personal attorney who has offered to be there and I request authorization in writing before the election

Finally, I request the State Attorney Generals Office oversee and make sure the responsible office or agency be directed to investigate this matter Immediately, if not taken care of by the Attorney Generals office. There were other Mayoral candidates in the Primary Election that were affected.

In closing please take action on these issues ASAP since the election is only a few weeks away.

Sincerely



Tony Kuc  
Williams Mayoral Candidate  
892 N. Wells Fargo Drive  
Williams, Arizona 86046

**P.S. City Of Williams Attorney, I talked to the Attorney Generals Office and they are waiting to here from you and the county on the conflict of interest. The first move belongs to the City of Williams Attorney.**

cc	U S Attorney	cc	Arizona Republic	cc	TV KUSK Prescott
	Jane Hull Governor		Mesa Tribune		TV 2 Flagstaff
	Secretary of State		Daily Sun Flagstaff		TV 3 Phx
	Coconino County Elections		Prescott Courier Prescott		TV 5 Phx
	Coconino County Attorney		Williams Newspaper		TV 10 Phx
	City of Williams Attorney		F E C		TV 12 Phx
	John McCain Senate		F B I		TV 15 Phx
			I N S		

9 8 0 4 3 9 0 1 8 5 4

U.S. Post Office  
Williams, Arizona

April 21, 1998

Dear Barb Conides, Post Master,

I, Tony Kuc talked with the U.S. Post Masters Office, the Postal Inspectors Office and with the Mailing Requirements Branch of the Post Office, yesterday. I was told to request in writing, the information I need for the U.S. Attorney, FBI, Federal Elections Commission and State Attorney Generals Office from the Mailing Requirements Branch. On March 8th or 9th 1998, there was a large mailing of campaign flyers sent through your post office under Brian James postage meter for 19 cents per envelop. These were campaign flyers for Jim Hoffman.

I would like to request in writing from the Williams Post Office Branch,

- 1) how many (flyers) envelops were sent
- 2) the owners name, of the postage meter, that was used in this mailing.
- 3) and the postage meter stamp number used

I am trying to confirm that the candidate for Mayor has over spent on his campaign financing for the primary and general elections. This documentation will be forwarded to the above State and Federal Offices.

On April 20, 1998 I talked to the official from the Mailing Requirements Branch, she though that the information should be released to me because it is of a political nature and because political expenditures are public information. Under the "State Campaign Finance Reporting Laws" all campaign financing information is public information. Under the Federal Freedom of information act, I am entitled to know what my opponent has spent. It is my right to have this information released under the law.

Please check with your internal office and then call me and I will personally pick up the information.

The election is only a few weeks away and I need this documentation immediately for the proper authorities

If you have any questions please call

Sincerely,



Tony Kuc  
892 N. Wells Fargo Drive  
Williams, Arizona 86046

90043901855



nd get  
sub **FREE!**  
and Canyon Blvd.  
5-0955

is March 31

**S:**

een a great  
like to point  
ne of these

City has 20  
double the  
bers of the  
lawsuits and

ater used at  
n dollars on  
**97-98 was**

It is totally  
ar would sell  
n \$542,488.  
llion gallons

many of the  
re false and  
sues, but we

less worker  
**pport and**

if we are to  
hat work for

ookbank

6X10K

# Return Jim Hoffman as Mayor

*For continued progress*

## Accomplishments as Mayor of Williams

*Here are the facts*

- ✓ **Increased City revenue**
  - Consistent growth in City sales tax revenue over the past 8 years—more than double.
  - This is the result of good economic planning in the late 80s and the recruitment of Grand Canyon Railroad
  - *Result:* Increased income has put City in a very strong financial position.
- ✓ **Leadership in opposing Canyon Forest Village**
  - City Council funded study to show the economic impact of Canyon Forest Village on Williams's businesses and residents.
  - Mayor Hoffman took a regional leadership role on this issue.
  - *Result:* Forest Service has presented two new alternatives for limited or no development of Canyon Forest Village.
- ✓ **Golf course development saves the City hundreds of thousands of dollars**
  - It solves the effluent water disposal problem.
  - Alternative cost is estimated at \$2.5 million to construct effluent treatment plant and \$300,000 in annual operating cost.
  - *Result:* Over time the expanded golf course will prove to be profitable like the City electric system.
- ✓ **Tax breaks for Williams Citizens**
  - Sewer infrastructure bond was taken to the residents and passed last year.
  - City negotiated the best possible interest rates on the bonds so that the \$375,000 per year can all be paid for by profits from the electric company.
  - *Result:* Necessary sewer improvement with no increase in sewer rates

### *Summary of accomplishments*

Improved City infrastructure and appearance.

Returned City to growth.

Positioned City for future growth and economic strength.

Strong City management—Cost per person to operate City is only \$730.

### **Jim Hoffman**

- Has a vision for Williams's future
- Is a strong fiscal manager
- Understands municipal government
- Is respected throughout the state and region
- Gets things done!

#### **Priorities for the next two years**

- Complete water development plan.
- Direct dollars into substantial road improvements throughout the City.



Paid for by the Candidate

**"Don't forget to vote March 10. I need your support for continued progress."**

#3  
MAYOR HOFFMAN  
MARCH 10 1998  
COST OF THIS 2004.40

301 S. 7th St.  
Williams Health Center  
635-2222

**OLD TRAILS**  
616 Airport Rd.  
635-2591

meal deal  
and get  
one 6" sub FREE!  
1052 N. Grand Canyon Blvd.  
635-0955  
expires March 31

**KILLINSWORTH**  
**TEXACO**  
  
999 N. Grand Canyon  
635-2291

**WILLIAMS NEWS**  
635-4426  
118 S. 3rd Street

Return  
**Jim**

# HERE ARE THE FACTS:

During the current campaign for Mayor there has been a great amount of false information put out to the public. We would like to point out just two examples of how false and misleading some of these claims are.

1. Mr. Kuc states in his campaign material that the City has 20 lawsuits and claims currently pending. This is more than double the current number of 8. Furthermore, Mr. Kuc and the members of the Concerned Citizens account for half of the current total of lawsuits and claims against the city.

2. Mr. Kuc also states that the 30 million gallons of water used at the golf course could have been sold for "2.4 to 4.5 million dollars on the low side". The City's total water sales for all uses in 97-98 was \$542,488.

This represents sales of 153 million gallons of water. It is totally misleading and false to think that less than 20% of our water would sell for 2.4 million dollars when the other 80% only brought in \$542,488. The other point is that we don't have a customer for 30 million gallons of water!

We feel the citizens of Williams should know that many of the statements in the current campaign against Mr. Hoffman are false and misleading. We, as a Council, don't always agree on the issues, but we do try to work on the issues in a positive manner.

Mayor Hoffman has been and continues to be a tireless worker for the good of Williams. **Mayor Hoffman has our support and deserves your support.**

P.S. We also strongly support the Home Rule Option! If we are to continue to grow, we must be able to set our own limits that work for our community.

**SUPPORT HOFFMAN**  
**SUPPORT HOME RULE**

Paid for by:  
Don Dent, Ken Edes, Joyce Sullivant, Bernie Hiemenz, Chuck Brookbank

- ✓ Increase
  - Consist
  - than do
  - This is
  - ment of
  - Result:
- ✓ Leaders
  - City C
  - Village
  - Mayor
  - Result:
  - develop
- ✓ Golf cot
  - It solve
  - Altern
  - plant a
  - Result:
  - the Cit
- ✓ Tax bre
  - Sewer
  - City ne
  - \$375,0
  - Result:

Pe  
Strong Ci

- Has a visi
- Is a strong
- Understar
- Is respect
- Gets thir
- Pri
- Complet
- Direct do
- througho

"Don't forgo

9809489010510511370  
WED MARCH 11 1998 WILLIAMS NEWS PAPER



Thu	18	50	30
Fri	19	51	31
Sat	20	54	31
Sun	21	55	30
Mon	22	56	29



### Three Day Forecast

Day	Date	High	Low	Conditions
Thurs	18	48	20	Mostly Sunny
Fri	20	54	21	Partly Sunny
Sat	21	53	24	Periods of clouds & sun

Visit our website at <http://www.grandcanyontourguide.com>

## SHERIFF'S RE

The Coconino County Sheriff's Department reported the following incidents in the Williams area from Jan. 20-Feb. 4:

**Tuesday, Jan. 27**  
 • A .22-caliber pistol was found in a room at the Quality Inn Mountain Ranch Resort outside of Williams. The gun, which was found by a maid, was apparently left by a member of a tour group, which

had re-  
 empl-  
 who h-  
 one f-  
 the m-  
 Satur-  
 • Se-  
 violen-  
 Willia-  
 attack-  
 woman

THANK YOU  
 FOR YOUR SUPPORT  
 in the Primary Election

I will continue to work for the positive growth of Williams for all its citizens.

I will also support Mayor Jim Hoffman and Ken Edes in the General Election. They both have a positive attitude and work hard on issues that will allow Williams to grow.

Thank you.  
 Don Dent



*Grand Canyon*  
**COFFEE & CAFE**



WILLIAMS, ARIZONA  
 125 W. Rte. 66

**GOOD MORNIN' SANDWICHES**  
 Fresh scrambled eggs, cheese, ham or bacon on a hot roll, bagel, croissant, or sourdough.  
**BUY 1, GET 1 FREE**  
 8am - 11am

Also try our fine selection of sandwiches and home made breads.  
 (Coupon valid through March 25, 1999)

THANK YOU  
 for your vote in the  
 Primary Election.



Will  
 now c

It's mid-  
 some m-  
 number  
 registre

NATI

98043901850  
 \$64.89  
 COST OF THIS AD  
 4x5  
 WEB MARCH 18TH 1999  
 WILLIAMS NEWS CENTER

For  
 To  
 Th  
 Sa  
 Sa  
 No  
 He  
 To  
 P  
 d  
 a  
 sh  
 Sc  
 in  
 se  
 m  
 G  
 a  
 v  
 C  
 a  
 v  
 a  
 s  
 s  
 s

sh  
Sc  
in  
se  
mi  
(7  
as

to grow.

Thank you.  
Don Dent

BUY 1, GET 1 FREE

8am - 11am

Also try our fine selection of coffees,  
sandwiches and home made pastries.

(Coupon valid through March 25, '98)



Browse through our unique  
selection of greeting cards

221 W. Route 1  
10% off for area residents

WILLIAMS NEWS SERVICE  
MARCH 18, 1998  
8:41 AM  
SIX 6 COST OF JHAD 197.34

THANK YOU  
for your vote in the  
Primary Election.



Your continued support in the General Election on  
May 19 will be deeply appreciated.

I pledge to continue to work for the benefit and  
growth of the total community.

Mayor Jim Hoffman

**Williams Health Care Cen**

now offers *after hours Medical Ad*

1-800-230-CARE

(2273)

It's midnight, your child has a fever and you need  
some medical advice. Now you can call our toll-free  
number and discuss health-related concerns with a  
registered nurse between the hours of 8pm and



Services provided during  
regular hours include:

- Family Practice & Urgent Care
- Lab and X-ray Services
- Physical Therapy
- Massage Therapy
- Harkness Pharmacy

301 S. 7th Street

635-4441

Project  
facilities, s  
117 S. :  
William  
63

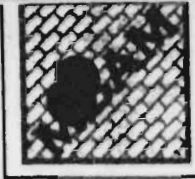
Chambers, 1102 N. Hopi Drive, Flagstaff, AZ 86001  
NOTE: Local elected officials have the authority to  
submit to the State for CDBG funding.  
If you have an access need, please contact Eleanor Addison at Town Hall, 520-  
635-4451, as soon as possible before you wish to review the application or attend the  
meeting. TDD: Arizona Disability Relay: 1-800-367-8939 & ask for 520-635-4451. 3/25/98

owns a twenty percent interest in the  
liability company are:  
1) Kurt James Truettner, 3440 Red Rock Lane, Flagstaff, AZ 86001  
2) Cindi Lee Truettner, 1102 N. Hopi Drive, Flagstaff, AZ 86001  
Member  
3/18, 25, 4/1/98

2) Cindi

6 5 8 1 0 6 2 7 0 8 6

Visit our website at <http://www.grandcanyonourgide.com>



Stop by 130 W. Ro  
and meet us.  
Tom and Tammy Lea  
635-5382 (FAX 635

# CITIZENS OF WILLIAMS

We cannot express enough how impor-  
tant your vote is in the upcoming election.

We feel the re-election of **Jim Hoffman**  
for Mayor is vital to keep Williams moving in  
a positive direction.

Every vote is extremely important.

**Please vote on May 19th.**

**Mike Cowen · Frank McNelly · Bud Parenteau**

Ad paid for by Mr. Cowen, Mr. McNelly, and Mr. Parenteau

## Memorial t Rend

Participate i  
longest runn  
this year

- > Vendor booths are half price to local residents (Seligman-Parks-Grand Canyon).
- > Be in the parade your business c
- > Include you org business's spec
- > Volunteer to he
- > Be a business s (\$40 - includes
- > Have fun!



For entry

Or stop in at t



WILLIAMS NEWS  
WED APRIL 22, 1998  
#13637  
90045701060  
7X6  
COW OF THIS NO

#4



Printing and Publishing  
Continuously Since 1889

# Williams - GRAND CANYON - News

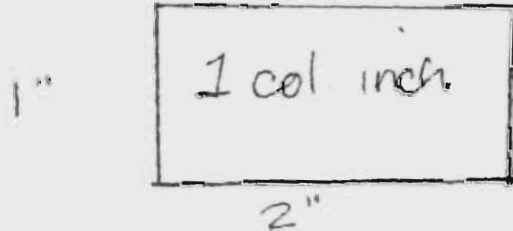
Published in the Heart of Arizona's Scenic Wonderland

DOUG WELLS Publisher

P.O. BOX 667  
WILLIAMS, ARIZONA 86046  
Phone (520) 633-4426  
Fax # (520) 633-4887

Tony -

Political ad rates - \$6.30 per col. inch



Ad sizes -	2 col (4") x 5" (10)	(63.00)	\$ 64.89 w. TAX
	3 col (6") x 5" (15)	(94.50)	\$ 97.34 w. TAX
	3 col (6") x 9" (27)	(170.10)	\$ 175.10 w. TAX
	3 col (6") x 10.5 (31.5)	(198.45)	\$ 204.40 w. TAX

All political ads must be paid for before going to print. Deadline for space is 3pm Monday.

Thanks -

Connie 634-4426

98043901861



#5

Western Newspaper, Inc.  
Yuma, Arizona

April 27, 1998

Subject: Williams - Grand Canyon News  
Editor, Ann Widmann

Dear D.J.,

Allow me to introduce myself, my name is Tony Kuc and I am running for Mayor of Williams. Your Editor, Ann Widmann approached me for a candidate interview for the Williams News along with other candidates. My interview took place on April 15, 1998, and I was astonished at the biased treatment I received.

The policy of the paper with previous elections has been to ask each candidate the same 5 - 10 questions, thus giving the public a fair comparison of "apples to apples". However, Ms. Widmann wanted to know, if I was financially stable and eluded to what my personal income was. I was also asked the name of my new attorney, and I was asked for information about a ongoing lawsuit I have against a contractor. The city was initially named as a co-defendent, but latter dropped. When I complained that this line of questioning had nothing to do with city issues or campaign promises, she stated she could ask what she wanted. When I asked if she was going to question the other candidates in the same fashion, she indicated she would not and it was her decision. Each time I attempted to discuss issues pertinent to the election, she asked me another personal question.

I believe the local newspaper has an obligation to be unbiased at all times, especially prior to an election. Each candidate should be asked the same questions for fairness and evaluation by the public.

Many of the downtown merchants are supporting me for Mayor, and they have given me permission to say that if fairness does not take place, you will lose their advertising dollars. (This apparently happened before with another biased Editor).

I would like to point out that reporters and newspapers are adamant about their First Amendment rights, but there is also a moral code of fairness and justice that the general public has a right too.

I request that the interview of April 15, 1998 not be published, and that I am allowed a second interview, with exactly the same questions as all other candidates, and that I receive a fair and unbiased interview. I realize editors have a certain latitude, but I believe my treatment was biased and bordering on hostile, and I believe Ms. Widmann received direction as how to proceed. If the public has questions regarding my private life, they can call me at home and the paper can print a statement in my article giving the public my phone number to call on my personal life. The personal issues do not have to be published in the paper.

I have a wittiness that has talked to the police department but that is not in the police report yet. The wittiness has the evidence showing that the flyer came out of the Williams News Office and was then distributed by the council person.

98043901862

I trust this will receive your immediate attention, and we can all put this unpleasant occurrence behind us.

Now for the legal issue at hand, about the end of February, your paper in Williams received (by fax) a spoof of one of my campaign flyer. The flyer has "libelous and defamatory information" in it, against me. In talking to the police department on the investigation it has been discovered that the flyer was distributed through the Williams News office. One of your employees gave the flyer to a city council person. The city council person then distributed copies of the flyer. Next it was showing up all over town. This incident has caused my family and myself great distress and harm.

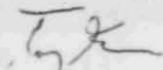
I have spoken to my attorney about this matter. The paper should have immediately contacted the police or myself upon receiving this flyer. It is common knowledge that Doug Wells, your publisher, and the current mayor play golf together and are friends.

The possibility of legal action is being considered. Please review the following suggestions.

- 1) Immediately schedule a fair interview with identical questions as the incumbent mayor. This should be done in all fairness. Also contact the Williams News immediately in case they plan on running the biased interview in the paper this week, so you can stop it.
- 2) That the Williams News print in normal size news print and within the first 3 pages of the newspaper the negative flyer in full with an apology from the newspaper and a (\$1,000.00) "One Thousand Dollar Reward" (paid for by the paper) for the arrest and conviction of the person or persons who created the flyer and faxed it to the Williams News. (The flyer was faxed from Kinko Copy in Flagstaff. Kinko requires that a fax cover sheet be sent with each fax, identifying the sender. To my knowledge the fax cover sheet was never recovered from the paper).
- 3) Reprimand in the paper the people who assisted in distributing the flyer by bringing the story public.
- 4) Your corporate office take legal action against the people involved in the distribution of the flyer and print the story in the Williams News.

Please respond to the above suggestions within one week of this letter and by Wednesday April 29, 1998 on #1.

Sincerely,



Tony Kuc  
Williams Mayoral Candidate  
892 N. Wells Fargo Drive  
Williams, Arizona 86046

Phone (520)635-9488  
Fax (520)635-1111

98043901863





# Arizona Secretary of State Election Services Division

October 1997

Betsy Bayless  
Secretary of State  
602/542-4285  
602/542-1575 (fax)

Jessica Funkhouser  
State Election Director  
602/542-6167  
602/542-6172 (fax)

In plain language, this packet explains the "who, what, where, when and how" of campaign finance reports. The "Questions and Answers" section is a straightforward introduction to campaign financing reporting for new committees, and a quick review for experienced committees.

The instructions for filling out the different schedules tell you what type of information goes on each schedule and whether contribution limits apply. Along with line-by-line instructions for each schedule we added some "practical tips." At the back of the campaign finance schedules, we added a sample set of the other forms committees have to fill out, such as Statements of Organization, No Activity Statements, and Statements of Termination. Of course, the "1997-1998 Election Cycle Campaign Contribution Limits" chart is included, too.

The Campaign Finance Software (Version 2.0) is still only \$10, which includes any updates the Secretary of State may make during the 1997-1998 election cycle. The program will do the arithmetic for you, make name and address lists of your contributors, and print out all the schedules you need for a complete report. All you'll need is the treasurer's signature and to get it to the filing office on time! If you want to convert your existing computer files to CFS2, technical help is available. An order form for CFS2 is in this packet.

If you have any suggestions for additional information to be included next time, please contact Election Services, (602) 542-8683.

Jessica Funkhouser  
State Election Director

98043901864

# **Campaign Finance Reports**

## **Instructions for 1997-1998 Election Cycle**



**Issued by  
Betsey Bayless  
Arizona Secretary of State  
October 1997**

98043901865

SECRETARY OF STATE  
TELEPHONE NUMBERS

Main Number	(602) 542-4285
Betsey Bayless Secretary of State	(602) 542-3012
Warren Whitney Assistant Secretary of State	(602) 542-4919
Jessica Funkhouser State Election Director	(602) 542-6167
Election Services Facsimile number	(602) 542-8683 (602) 542-6172

Betsey Bayless  
Secretary of State  
1700 West Washington, 7<sup>th</sup> Floor  
Phoenix, Arizona 85007

**The office of the Secretary of State is an equal opportunity employer.**

**Requests for reasonable alternate formats and/or accommodations can be made five days in advance by contacting the Secretary of State coordinator at (602) 542-4285.**

9 6 0 4 3 9 0 1 8 6 6

# CAMPAIGN FINANCE REPORTING

## Questions & Answers

### 1. Who must file Campaign Finance Reports?

Once you file a Statement of Organization to register a political committee, the committee has to file Campaign Finance Reports. In some situations, the committee can file an exemption statement (see #5, below).

### 2. Does every committee and every candidate have to file a Statement of Organization?

Non-candidate committees: Any time two or more people work together to try to get an issue on the ballot, to recall a public official, or to influence the result of an election, they are a "political committee" under Arizona law. All committees must register by filing a Statement of Organization within ten days of becoming a political committee.

Candidate and exploratory committees: Candidates and individuals exploring the possibility of running for office must register as political committees if they raise or spend more than \$500. Exploratory committees can wait to register until they hit the \$500 mark. Candidate committees are required to file either a Statement of Organization or a \$500 Threshold Exception Statement as soon as they organize. The \$500 Threshold Exception Statement tells the public that you don't intend to receive or spend more than \$500 (including your own money) on your campaign. If you file the exception statement, you do not need to file any Campaign Finance Reports unless you later receive more or spend more than \$500. If you do receive or spend more than \$500, you have to file a Statement of Organization within 3 business days of the day you first received or spent more than \$500, and you will have to start filing Campaign Finance Reports (see #3, below).

### 3. When do I have to start filing Campaign Finance Reports? And when can I stop?

When you have to start filing Campaign Finance Reports depends on the date you filed your Statement of Organization. Look at the schedule of reporting periods on the front page of the Campaign Finance Report packet. On the schedule, find the date you filed your Statement of Organization, and see what report period it falls into; look on the right side of the page to figure out when the next report is due. Even if your committee was only in existence for a few days in a reporting period you still have to file the next report. The law sets the time periods; you cannot change them for your own convenience.

When you can stop filing Campaign Finance Reports depends on the date you file your Termination Statement. You have to file Campaign Finance Reports that cover every day between the date on your Statement of Organization and the date on your Termination Statement. Your committee is not terminated by filing a report with a zero balance or by losing an election.

### 4. Who has to fill out the Campaign Finance Report? Who can sign it?

Anybody can fill out the Campaign Finance Report, but the treasurer is responsible for making sure it is filled out correctly, and the treasurer has to sign it. For a candidate's campaign committee or an exploratory committee, the candidate or the designating individual is also responsible for making sure the report is filled out correctly, and can sign instead of the treasurer. Filing an unsigned report is considered a failure to file, according to Arizona law.

98043901867

5. **What if I have nothing to report?**

If you have a report to file, but nothing to report on a particular schedule, do not include that schedule with your report. The detailed summary page tells the filing officer that nothing has changed on that schedule since your last report, and it's a waste of paper and filing space to send in blank schedules.

The law allows the following statements to be filed in place of Campaign Finance Reports, in limited situations:

- **Statement of No Activity:** If you filed a Statement of Organization for your political committee, but you did not receive any contributions (not even of your own money) and did not spend any committee money during the reporting period, you can file a Statement of No Activity instead of the Campaign Finance Report. But you still have to file one for every report period — by the deadline — just as if you were filing Campaign Finance Reports. And you have to keep filing those "Statements of No Activity" until you file your Termination Statement.
- **Statement of No Annual Activity:** This statement is only for candidate's campaign committees. If you have a candidate's campaign committee that remains open after an election because of outstanding debts, you can file a notarized Statement of No Annual Activity stating that your committee does not intend to receive any contributions or make any expenditures during the year. The Statement must be filed by January 31 of the election year. If you receive any contributions or make any expenditures during the year, you must file Campaign Finance Reports.

6. **What is a contribution?**

A contribution is anything of value that your committee receives. When you report contributions, they fall in the following categories:

- **Monetary:** This category includes cash, checks, money orders, and payroll deduction contributions. The money can be given under any circumstance, including as part of a fundraising event, such as a pancake breakfast, ice cream social, or cocktail party, or in return for a campaign memento, such as a tee shirt or coffee mug. When your committee receives a monetary contribution, you report receiving it on Schedule A, A-1 or B. When your committee gives a monetary contribution to another committee, you report giving it on Schedule D-7.
- **Loans:** This category includes loans of money, credit or advances that are contributed to your committee, and your committee has agreed to pay back to the contributor. Only the unpaid balance of a loan is considered a contribution, so as you pay the loans back, make sure you report the payments made. When your committee receives a loan, you report it on Schedule C or C-1 (depending on who gave you the loan). When you pay back all or part of the loan, you report it on Schedule D-4 or D-5. When your committee makes a loan to another committee, you report that on Schedule D-2.
- **In-kind goods and services:** This category includes such things as wood for signs, printing, paper products, mailing lists, or designing your campaign logo. (Remember that a corporation is limited as to which types of committees it can give to. See #8, below.) In-kind contributions must be reported at their fair market value — the price it would cost someone else (like your opponent) to purchase the same thing. If, instead of getting the whole thing, you get a special discount (a discount no one else gets), the amount you saved is an in-kind contribution. When your committee receives an in-kind contribution, report it on Schedule E. When your committee gives an in-kind contribution (such as giving a candidate a mailing list), report it on Schedule D-7.

9 8 0 4 3 9 0 1 8 6 3



7. **Is everything my committee receives considered a contribution?**

If you are a candidate's campaign committee or an exploratory committee, some of the money, loans, or in-kind goods and services you receive are not considered contributions, and do not have to be reported. The following are the most common examples. For a complete listing, please look at A.R.S. § 16-901(5)(b):

- The professional services of an accountant or lawyer that are donated to a political committee are exempt from reporting only if the services are paid for by the regular employer of the individual rendering the services (i.e. the law firm or accounting firm; a client is not an "employer") and the services are given solely for the purpose of compliance with Arizona election law (all of Title 16 "Elections and Electors," not just campaign finance)
- The time your volunteers spend working on your campaign – stuffing envelopes, knocking on doors, calling voters, etc.
- The use of meeting places that are usually used for free, such as church recreation halls
- Up to \$100 of expenses for invitations, food and beverages, spent by a person having a fundraiser for you only if the fundraiser is held at the person's home or in a church or community room. If two people who live in the same house host a fundraiser, each person can spend up to \$100 for invitations, food and beverages
- Bank loans made in the ordinary course of business, such as overdrafts or credit reserve on your committee account

8. **How do I know if contribution limits apply to my committee?**

Limits on the contributions your committee can receive only apply to candidate campaign committees and exploratory committees. In other words, Arizona law sets a maximum amount that individuals and political committees ("PACs") can give to candidates and people exploring whether to run for office. The law sets one amount for local offices (which includes the legislature) and a different amount for statewide offices. The limits are changed by the Secretary of State every two years. The 1997-1998 Election Cycle Campaign Contribution Limits chart is included in this packet.

In addition, candidate campaign and exploratory committees are forbidden from receiving money from corporations, limited liability companies, labor organizations and citizens of other countries. Contributions given by a minor are considered made by the child's parents.

All other types of political committees can receive contributions from any person or entity, without limit.

9. **So, if contribution limits apply to my committee, what does that mean?**

First of all, it means that your committee can only receive contributions from individuals (who are U.S. citizens) and from other PACs. For example, you can receive contributions from your next door neighbor, from people at your child's school, from people you don't even know. And you can receive contributions from other PACs, such as a committee organized to support "good government," a committee formed for "clean air," District 25 Republicans – the possibilities are endless.

Second, it means that the amount you receive from individuals and other PACs is limited. The 1997-1998 Election Cycle Campaign Contribution Limits chart lists who can contribute to your committee (the column on the left) and how much. How much depends on whether your committee is about getting someone elected to a local office or a statewide office. The first three rows show you how much you can receive from an individual, another PAC, or an "upper limit" political committee (often called a Super PAC). For example, if you are running for Attorney General, which is a statewide office, you can receive up to \$670 from each individual (person) and each PAC that wants to contribute to your committee. If a Super PAC wants to contribute, you can receive as much as \$3,790 from it. If you are not sure about who the SuperPACs are, check with

98043901869



the Secretary of State's office. When a SuperPAC gives you a contribution, the SuperPAC must also give you a copy of its certificate from the Secretary of State certifying its SuperPAC status.

Third, it means that the total amounts you can receive from some categories of contributors is limited. Look again at the 1997-1998 Contribution Limits chart. The fourth row down sets a limit on how much, overall, your committee can receive from all PACs except political parties: \$7,560 if you are in a local election, \$75,610 in a statewide election. Once you have received that much, you can't take another dollar from another PAC. But, if you become the nominee of your political party (by primary election), you can also receive up to \$7,560 (local) or \$75,610 (statewide) from your political party and related political organizations (see line 5 of the chart). This gets complicated, because contributions from political organizations (defined in A.R.S. § 16-901(20)) – which are registered political committees – counts toward both the total that all PACs can give at any time during the campaign, and the total that political parties and organizations can give after the primary. Consult your party's attorney for guidance in this area.

There is no limit on the total amount you can receive from all individuals.

**10. But what about using my own or my family's money?**

If you are a candidate, or a member of the candidate's family, there is no limit on the contributions of money, loans or in-kind goods and services that you can make to your candidate's campaign committee. The same thing is true for a designating individual and his or her family, making contributions to his or her exploratory committee – no limits on their contributions.

If you are going to contribute your own or your family's money, watch out for two things. First, the law limits which family members can give contributions without limit. For campaign finance purposes, the law considers your "family members" to be your parents, your grandparents, your spouse, your children, your siblings, and the parents and spouses of those people. Your brother Mike and his wife Sally may contribute as much as they want, but Aunt Trudy is limited to \$300 or \$670, just like an individual not related to you.

Second, keep track of the total amount of the contributions that come from you and the specified family members. (And remember – a loan is a contribution!) If together, you and your family members contribute more than \$11,840 to your committee for a local office, or more than \$23,670 for a statewide office, you must notify the filing office of that contribution within 24 hours of receiving it. In addition, if your committee is a candidate's campaign committee, you have to notify every other candidate running for that office within 24 hours, too. Those notifications must be in writing, sent by certified mail. The notice must include the total amount contributed or promised by the candidate or family members, as of the date of the notice. Notices of later contributions are also required, and the law sets severe penalties for failure to comply with the notice requirements. If you think you might use more than \$11,840/\$23,670 of personal or family money for your campaign, read the requirements of A.R.S. § 16-905(F) and (G).

**11. Okay! My campaign finance report is done! Where do I file it?**

If you are a candidate for the state legislature, file the original and a copy of your Campaign Finance Report with either the Secretary of State's office or your county's election officer. The two offices will make sure that the original gets to the Secretary of State and the copy to the county.

For statewide candidates and all other political committees registered with the Secretary of State, reports are filed at the Secretary of State's office. County candidates and political committees, as well as school board and special district candidates, file with the county elections officer. City or town candidates and political committees file with the city or town clerk.

If you are using the Secretary of State's software program, CFS2.0, you may file your report on the disk. Print the report for the treasurer to sign, then submit the signed report and the disk.

9804390187C

**12. What are the deadlines for filing my report?**

The deadlines for filing your Campaign Finance Report are listed the Summary (front) page of each packet, in the CFS2.0 program, and on the Secretary of State's webpage on the Internet ([www.sosaz.com](http://www.sosaz.com)). The Secretary of State's office does not mail reminder notices before the deadlines.

**13. What is "on-time" filing?**

Your campaign finance report is considered "on time" if:

- it is received at the Election Services counter of the Office of the Secretary of State by 5:00 p.m. on the last date listed for the filing period. It can be received through U.S. mail, by private delivery or courier service, or hand delivery.
- For legislative candidates, if 2 copies are received at your county elections office of the county in which you reside, by 5:00 p.m. on last date listed for the filing period.
- ONLY for the Post Primary and Pre-General reports, your report is considered on time if you send the report certified U.S. Mail, and the postmark is on or before the last date of the filing deadline. There are no substitutions for this: you cannot use your private postage meter instead of getting a U.S. post office postmark, nor you can use the date of acceptance by a private sector delivery or courier service.

The Secretary of State's office will not accept reports submitted by facsimile. The report containing the treasurer's or candidate's original signature has to be filed by the deadline.

**14. How many "failure to file" notices will my committee get?**

The Secretary of State sends only one "Failure to File" notice for each report. That notice will be sent out 5-10 business days after the filing deadline, by certified mail, to the committee's address. A copy of the notice is also sent by regular mail to the committee treasurer. If the committee is a candidate's campaign committee or exploratory committee, a second copy is sent to the candidate and designating individual, by regular mail. And a third copy of the notice becomes part of the committee's file. A notice will go out to every committee that did not file on time, even if the committee filed the day after the deadline (and paid the \$10 late fine).

**15. If I have to file late, how do I do it?**

The Secretary of State will accept your report late, if you also pay a late fee of \$10 for each day the report is late. The fine starts accumulating the day after the deadline, so it is still best to file as soon as possible. You do not need to wait until you receive the Failure to File notice—by the time you receive it, your committee may owe as much as \$100-\$150.

The Secretary of State's office cannot, by law, accept a late campaign finance report without payment of the late fee. Even if you want to claim "good cause" for filing late, making that written request to waive the late fee does not substitute for paying the fee at the time you file your campaign finance report. If later your "good cause" is granted, your late fee will be refunded. If you want your "good cause" claim decided before you file, then the late fee will continue to accumulate until the day decision is made. At that time, if "good cause" is not granted, you owe late fee based on the day the report is finally filed (up to \$450 dollars).

You may pay a late fee by cash or check. The Secretary of State's office will provide a receipt. If the check is drawn on the committee's account, the fee may be reported as an operating expense on the next campaign finance report. If an individual pays the fee for the committee, that must be reported as a contribution.

98043901871

**16. What happens if I don't file my report, even after I get the Failure to File notice?**

If, 15 days after your committee received the FTF notice, your committee still has not filed the campaign finance report, then:

- If your committee is a candidate's campaign or exploratory committee, the Secretary of State could bar the candidate or designating individual, for five years from the date the campaign finance report was due, from filing as a candidate for any office (paid or unpaid) that requires filing nomination papers at the Secretary of State's office
- Your committee's Failure to File will be referred to the Office of the Attorney General for enforcement. By order, the Attorney General could raise the daily fine to \$25 per day until you file the report. If your committee is a candidate campaign or exploratory committee, the Attorney General could issue an order that would bar the candidate or designating individual from filing as a candidate in any jurisdiction in Arizona for five years from the date the report was due— including state, county, city, town, school or special districts, paid or unpaid offices.

Rev: 11/97

98043901872

RECEIVED 8:23 A.M. 4-20-98  
 FROM KLR ANNA ADAMS  
 CITY CLERK  
 ORIGINAL  
 PIVL HARRIS

#7  
 AND #10

FINANCIAL DISCLOSURE STATEMENT

(For use by Local Public Officers of the City/Town of Williams)

Date 1/5/97 For Calendar Year 1997

(Or other applicable period, please specify)

1. GENERAL INFORMATION

List your name and address, and the name of each member of your household. Also, list all names under which you and members of your household did business. Include controlled and dependent businesses (see definitions) and indicate whether a business is controlled or dependent, or both.

(a) Name of Local Public Officer James L. Hoffman  
 Address 620 W. Meade

(b) Name of Local Public Officer's Spouse Pamela Hoffman

(c) Members of Household James, Pamela, ANGELE

(d) Names under which you, your spouse and members of your household (those persons listed in (a), (b) and (c) above) did business.

Local Public Officer or Member of Household	Business Name	Business Address	Controlled and/or Dependent Business
<u>JAMES</u>	<u>Hoffman Food Service Inc</u>	<u>P.O. Box 37</u>	<u>Dependent</u>
<u>Pamela</u>	<u>Fair Properties Lt</u>	<u>620 W. Meade</u>	<u>dependent</u>
<u>Pamela</u>	<u>Red Feather Corp.</u>	<u>620 W. Meade</u>	<u>dependent</u>

98043901873

#8

47810654006

99-02-30-41  
BOWMAN GEORGIA ANNE  
PO BOX 471  
WILLIAMS AZ 86046-0471

BULK RATE  
U.S. POSTAGE  
PAID  
WILLIAMS, AZ  
PERMIT NO. 19

98-02-30-42  
FRANZEN ROBERT CARL JR  
103 W EDISON AVE  
WILLIAMS AZ 86046-2029

BULK RATE  
U.S. POSTAGE  
PAID  
WILLIAMS, AZ  
PERMIT NO. 19



#9 OUTSIDE

# Return Jim Hoffman as Mayor

*For continued progress*

## Accomplishments as Mayor of Williams

*Here are the facts*

- ✓ **Increased City revenue**
  - Consistent growth in City sales tax revenue over the past 8 years—more than double.
  - This is the result of good economic planning in the late 80s and the recruitment of Grand Canyon Railroad
  - *Result:* Increased income has put City in a very strong financial position.
- ✓ **Leadership in opposing Canyon Forest Village**
  - City Council funded study to show the economic impact of Canyon Forest Village on Williams's businesses and residents.
  - Mayor Hoffman took a regional leadership role on this issue.
  - *Result:* Forest Service has presented two new alternatives for limited or no development of Canyon Forest Village.
- ✓ **Golf course development saves the City hundreds of thousands of dollars**
  - It solves the effluent water disposal problem.
  - Alternative cost is estimated at \$2.5 million to construct effluent treatment plant and \$300,000 in annual operating cost.
  - *Result:* Over time the expanded golf course will prove to be profitable like the City electric system.
- ✓ **Tax breaks for Williams Citizens**
  - Sewer infrastructure bond was taken to the residents and passed last year.
  - City negotiated the best possible interest rates on the bonds so that the \$375,000 per year can all be paid for by profits from the electric company.
  - *Result:* Necessary sewer improvement with no increase in sewer rates

### *Summary of accomplishments*

Improved City infrastructure and appearance.

Returned City to growth.

Positioned City for future growth and economic strength.

Strong City management—Cost per person to operate City is only \$730.

### **Jim Hoffman**

- Has a vision for Williams's future
- Is a strong fiscal manager
- Understands municipal government
- Is respected throughout the state and region
- Gets things done!

#### **Priorities for the next two years**

- Complete water development plan.
- Direct dollars into substantial road improvements throughout the City.



**"Don't forget to vote March 10. I need your support for continued progress."**

98043901075



1 LAW OFFICE OF JOHN G. GLIEGE  
2 P.O. Box 1388  
3 Flagstaff, AZ 86002-1388  
4 (520) 779-6444

5 John G. Gliedge (#003644)  
6 Attorney for Plaintiffs

7 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
8 IN AND FOR THE COUNTY OF MOHAVE

9 TONY KUC and KATHY KUC, a Marital ) CV - 98-34  
10 Community, TOM JOHNSON and )  
11 MARILYN JOHNSON, a marital ) FIRST AMENDED  
12 Community; LONDONDERRY REALTY, ) COMPLAINT  
13 INC., an Arizona corporation; ) (BREACH IN CONTRACT; TORT)

14 Plaintiffs, )

15 vs. )

16 RON HEALEY and JANE DOE HEALEY, )  
17 his wife; MARK PLAT and JANE DOE )  
18 PLAT, his wife; MARK IV )  
19 DEVELOPMENT; FRED SIDLES, and )  
20 JANE DOE SIDLES, his wife; JOE )  
21 MILLER and JANE DOE MILLER, his )  
22 wife, COLO-RIO CONSTRUCTION, CITY )  
23 OF WILLIAMS; CAPITAL LENDERS, )  
24 STOCKMANS BANK; FIDELITY )  
25 NATIONAL TITLE; NORTH AMERICAN )  
26 MORTGAGE. )

27 Defendants. )

28 COMES NOW the Plaintiffs by and through their attorney undersigned, and for their Causes  
29 Actions against the Defendants allege and complain:

I.

FACTUAL BASIS

1. That the Plaintiffs Tony Kuc and Kathy Kuc are residents of the City of Williams, Coconino County, Arizona.
2. That the Plaintiffs Tom Johnson and Marilyn Johnson are residents of Coconino County, Arizona.
3. That the Plaintiff Londonderry Realty is an Arizona corporation doing business in Coconino and Mohave Counties, Arizona.
4. That the Defendant Mark IV Development is a partnership doing business in Mohave and Coconino Counties, Arizona.
5. That the Defendants Ron Healey and Jane Doe Healey, his wife, are residents of Mohave County, Arizona. That all acts of the defendant Ron Healey were for the benefit of the marital community of Ron Healey and Jane Doe Healey, if any such marital community exists.
6. That the Defendants Mark Plat and Jane Doe Plat, his wife, are residents of Mohave County, Arizona. That all acts of the defendant Mark Plat were for the benefit of the marital community of Mark Plat and Jane Doe Plat, if any such marital community exists.
7. That the Defendant Fred Sidles and Jane Doe Sidles, his wife, are residents of Maricopa County, Arizona. That all acts of the defendant Fred Sidles were for the benefit of the marital community of Fred Sidles and Jane Doe Sidles, if any such marital community exists.
8. That the above-named Defendants all have engaged in the business enterprise of the subdivision of land, construction of homes, and infrastructure improvements to a parcel of property located in Coconino County, in the City of Williams, commonly known as the Pinecrest Subdivision.
9. That the Defendant Joe Miller and Jane Doe Miller, his wife, are residents of Maricopa County, Arizona. That these Defendants have some interest in the property described herein.
10. That the Defendant Colo-Rio Construction provided some of the infrastructure improvements to the subdivision known as Pincrest Subdivision. That to the best of the knowledge, information and beliefs of the Plaintiffs the Defendant Colo Rio construction has perfected a lien against the property known as the Pinecrest Subdivision.

98043901077

90043901878

- 1 11. That the Defendant City of Williams is a municipal corporation in the State of Arizona which upon  
2 information and belief has a lien or other encumbrance upon the property known as the Pinecrest  
3 Subdivision.
- 4 12. That the Defendant Capital Lenders, an Arizona corporation, doing business in Mohave County,  
5 Arizona which upon information and belief has a lien or other encumbrance upon the property  
6 known as the Pinecrest Subdivision.
- 7 13. That the Defendant Stockman's Bank, an Arizona banking corporation, doing business in Mohave  
8 and Coconino Counties, Arizona which upon information and belief has a lien or other  
9 encumbrance upon the property known as the Pinecrest Subdivision.
- 10 14. That the Defendant North American Mortgage, an Arizona corporation, doing business in Yavapai  
11 County, Arizona which upon information and belief has a lien or other encumbrance upon the  
12 property known as the Pinecrest Subdivision.
- 13 15. That the Defendant Fidelity National Title, an Arizona corporation, doing business throughout  
14 Arizona, has acted as escrow agent for all transactions complained in herein and may have liability  
15 for distribution of funds in an amount to be shown at the time of trial.
- 16 16. That all acts complained of occurred in Coconino County, Arizona.
- 17 17. That during all times appropriate hereto, the Plaintiffs Tom Johnson, Tony Kuc and Kathy Kuc were  
18 acting as real estate agents for Lexcor International, Inc.
- 19 18. That during all times appropriate hereto, the Plaintiffs Tom Johnson, Tony Kuc and Kathy Kuc were  
20 acting as real estate agents for Londonderry Realty, Inc.
- 21 19. That due to the acts of the Defendants, the Plaintiffs have had to engage the services of an attorney.
- 22 20. Having asserted the operative facts, the Plaintiffs allege the following Cause of Action against the  
23 Defendants. Each Cause of Action incorporating the facts as heretofore set forth.

COUNT I

(BREACH OF CONTRACT)

1. That the Defendants Ron Healey and Jane Doe Healey, Mark Plat and Jane Doe Plat and Mark IV Development are indebted to the Plaintiffs Tom Johnson, Marilyn Johnson, Tony Kuc and Kathy Kuc in the amount of \$9,834.00.
2. That said indebtedness arose out of the sale of real property commonly known as the Heggstad transaction and the Girvin transaction.
3. That the herein named Defendants have failed, refused and neglected to pay to the herein named Plaintiffs any and all amounts owing and due pursuant to the real estate listing agreement for the above-captioned transactions.
4. That the actions of the Defendants in failing to pay the Plaintiffs all amounts owing and due to the Plaintiffs constitute a breach of said contract.
5. That the breach of contract has caused damage to the Plaintiffs.

WHEREFORE, Plaintiffs pray for relief as hereinafter set forth.

COUNT II

(BREACH OF CONTRACT)

The Plaintiffs incorporate all allegations set forth previously herein and further allege and complain:

6. That the Defendants Ron Healey and Jane Doe Healey, Mark Plat and Jane Doe Plat and Mark IV Development are indebted to the Plaintiffs Tom Johnson, Marilyn Johnson, Tony Kuc and Kathy Kuc in the amount of \$13,788.00.
7. That said indebtedness arose out of the sale of real property commonly known as the Fritsinger transaction.
8. That the herein named Defendants have failed, refused and neglected to pay to the herein named Plaintiffs any and all amounts owing and due pursuant to the real estate listing agreement for the above-captioned transactions.
9. That the actions of the Defendants in failing to pay the Plaintiffs all amounts owing and due to the Plaintiffs constitute a breach of said contract.

90043901879



1 10. That the breach of contract has caused damage to the Plaintiffs.

2 11. That upon information and belief the Plaintiffs allege that the Defendants Fred Sidles and Jane Doe  
3 Sidles, Joe Miller and Jane Doe Miller, Colo-Rio Construction, City of Williams, Capital Lenders,  
4 Stockmans Bank, Fidelity National Title and North American Mortgage each may have received  
5 funds out of the foregoing transaction which belong to the Plaintiffs.

6 **WHEREFORE**, Plaintiffs pray for relief as hereinafter set forth.

7 **COUNT III**

8 **(BREACH OF IMPLIED WARRANTY OF GOOD FAITH AND FAIR DEALING)**

9 The Plaintiffs incorporate all allegations set forth previously herein and further allege and  
10 complain:

11 12. That Pursuant to the laws of the state of Arizona, the Defendants, and each of them, had an implied  
12 warranty of good faith and fair dealing in carrying out their duties and obligations to the Plaintiffs  
13 arising under the contract between the Plaintiffs and Mark IV Development, Ron Healey and Jane  
14 Doe Healey, and Mark Plat and Jane Doe Plat.

15 13. That the Defendants failure to pay the Plaintiffs, or failure to cause others to pay the Plaintiffs, the  
16 amounts owing and due to the Plaintiffs and further causing the Plaintiffs to have to engage in  
17 litigation or other dispute resolution mechanisms constitutes a breach of the Defendants duties.

18 14. That the breach of the these Defendants duties caused injury to the Plaintiffs.

19 **WHEREFORE**, Plaintiffs pray for relief as hereinafter set forth.

20 **COUNT IV.**

21 **(FAILURE TO PAY WAGES)**

22 The Plaintiffs incorporate all allegations set forth previously herein and further allege and  
23 complain:

24 15. That pursuant to the laws of the State of Arizona, Real Estate Commissions constitute wages.

25 16. That the Defendants Mark IV Development, Ron Healey and Jane Doe Healey, and Mark Plat and  
26 Jane Doe Plat have failed to pay Real Estate Commissions owing and due to the Plaintiffs.

27 17. That pursuant to the laws of the State of Arizona, the Plaintiffs made demand upon these Defendants  
28 for payment of said commissions.  
29

96043901850

1 18. That these named Defendants have failed, refused and neglected to pay said commissions.

2 19. That pursuant to the laws of the State of Arizona, the Plaintiffs are entitled to collect treble damages  
3 for the Defendants refusal to pay said wages.

4 **WHEREFORE**, Plaintiffs pray for relief as hereinafter set forth.

5  
6 **COUNT V**

7 **(CONVERSION)**

8 The Plaintiffs incorporate all allegations set forth previously herein and further allege and  
9 complain:

10 20. That the Defendants have, by their willful failure to pay or cause others to pay, to the Plaintiffs the  
11 amount owing and due to the Plaintiffs, converted property belonging to the Plaintiffs for the use and  
12 benefit of the Defendants.

13 21. That the Defendants had a duty not to convert property of the Plaintiffs.

14 22. That the Defendants breached said duty to the injury and damage of the Plaintiffs.

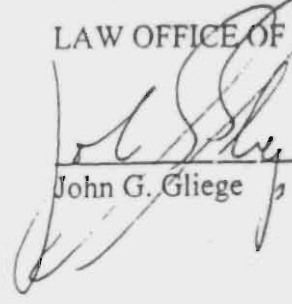
15 **WHEREFORE**, having fully plead all factual matters and all Causes of Action against the  
16 Defendants, the Plaintiff respectfully requests that the Court grant relief as hereinafter set forth:

- 17 1. For damages for Count I Breach of Contract in an amount of \$9,834.00.  
18 2. For damages for Count II Breach of Contract in an amount of \$13,788.00.  
19 3. For reasonable attorney's fees and costs incurred in pursuit of this matter.  
20 4. For Damages in the amount of \$50,000.00 against all Defendants jointly, severally and  
21 individually for Breach of the implied warranty of good faith and fair dealing.  
22 5. For Damages for lost wages in an amount of \$70,866.00 against Defendants Mark IV  
23 Development, Ron Healey and Jane Doe Healey, and Mark Plat and Jane Doe Plat.  
24 6. For Damages for conversion, against all Defendants jointly, severally and individually, the  
25 sum of \$23,622.  
26 7. For Punitive damages due to the intentional tortious conduct of the Defendants in the sum of  
27 \$150,000.00.  
28 8. For such other and further relief as the Court deems necessary and proper under the  
29 circumstances.

9 0 0 4 3 7 0 1 6 3 1

RESPECTFULLY SUBMITTED this 27<sup>ND</sup> day of January, 1998.

LAW OFFICE OF JOHN G. GLIEGE



John G. Gliege

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

90043201002

~~#12~~ #12

Lat J. Celmins (004408)  
1 MARGRAVE CELMINS, P.C.  
7201 East Camelback Road, Suite 330  
2 Scottsdale, Arizona 85251  
(602) 994-2000  
3 Attorneys for Defendant, City of Williams

4 SUPERIOR COURT OF ARIZONA

5 COUNTY OF MOHAVE

6 TONY KUC and KATHY KUC, a marital )  
community, TOM JOHNSON and MARILYN )  
7 JOHNSON, a marital community, )  
LONDONDERRY REALTY, INC., an )  
8 Arizona corporation, )

CV 98-34

9 Plaintiffs, )

10 vs. )

MOTION TO DISMISS FIRST  
AMENDED COMPLAINT AS TO THE  
CITY OF WILLIAMS PURSUANT TO  
RULE 12(b), ARIZONA RULES OF  
CIVIL PROCEDURE AND MOTION  
FOR SANCTIONS

11 RON HEALEY and JANE DOE HEALEY, )  
his wife, MARK PLAT and JANE DOE )  
12 PLAT, his wife, MARK IV )  
DEVELOPMENT, FRED SIDLES and JANE )  
13 DOE SIDLES, his wife, COLO-RIO )  
CONSTRUCTION, CITY OF WILLIAMS, )  
14 CAPITAL LENDERS, STOCKMANS BANK, )  
FIDELITY NATIONAL TITLE, NORTH )  
15 AMERICAN MORTGAGE, )

16 Defendants. )

17  
18 Defendant City of Williams, an Arizona municipal  
19 corporation, by and through its undersigned counsel, hereby moves  
20 this Court, pursuant to the provisions of Rule 12(b), Ariz. R. Civ.  
21 P. for dismissal of the above-captioned action on the following  
22 grounds:

23 1. This Court lacks jurisdiction over the subject  
24 matter of the complaint to the extent that there are any  
25 claims brought against the City of Williams because  
26 plaintiffs have failed to follow the Arizona statutory  
prerequisites found in Ariz. Rev. Stat. Ann. § 12-821.01,  
et seq. requiring the filing of a claim as a condition  
precedent to the filing of a civil action against the City  
of Williams.

90043701803



1 2. This Court lacks jurisdiction over the City of  
2 Williams because plaintiffs have failed to follow the  
3 Arizona statutory prerequisites found in Ariz. Rev. Stat.  
Ann. § 12-821.01, et seq. requiring the filing of a claim  
as a condition precedent to the filing of a civil action  
against the City of Williams.

4 3. The first amended complaint fails to state a  
5 claim against the City of Williams because there are no  
6 substantive facts or theories which are asserted against  
the City. Therefore, as to the City of Williams, the  
first amended complaint should be dismissed.

7 4. The City of Williams moves separately that  
8 sanctions be imposed against plaintiffs and their counsel  
9 for bringing this action in violation of Ariz. Rev. Stat.  
Ann. § 11(a) because the filing of the first amended  
10 complaint is not well-grounded in fact or warranted by  
11 existing law nor can a good faith argument for the  
12 extension, modification or reversal of the existing law be  
made as to the matters asserted in the first amended  
complaint. The claims against the City of Williams as  
couched in the first amended complaint are illusory,  
frivolous, unnecessary and not substantial.

13 All of the foregoing are more fully explained in the  
14 accompanying memorandum of points and authorities.

15 DATED this \_\_\_\_\_ day of March, 1998.

16 MARGRAVE, CELMINS, P.C.

17  
18 By \_\_\_\_\_

19 Lat J. Celmins  
Attorney for City of Williams

20  
21 **MEMORANDUM OF POINTS AND AUTHORITIES**

22 **I. PLAINTIFFS' COMPLAINT SHOULD BE DISMISSED.**

- 23 **A. THERE IS LACK OF SUBJECT MATTER JURISDICTION.**  
24 **B. THERE IS A LACK OF IN PERSONAM JURISDICTION.**

25 Arizona law is very clear that a necessary prerequisite to  
26 a claimant bringing an action against a public entity is that a

claim must first be filed under Ariz. Rev. Stat. Ann. § 12-821.01(a) within 180 days after the cause of action accrues. The precise statutory provision is set forth below:

Persons who have claims against a public entity or a public employee shall file claims with the person or persons authorized to accept service for the public entity or public employee as set forth in the Arizona rules of civil procedure within one hundred eighty days after the cause of action accrues. The claim shall contain facts sufficient to permit the public entity or public employee to understand the basis upon which liability is claimed. The claim shall also contain a specific amount for which the claim can be settled and the facts supporting that amount. Any claim which is not filed within one hundred eighty days after the cause of action accrues is barred and no action may be maintained thereon.

The notice of claim provisions set forth in the foregoing statute applies to all claims against the City of Williams as a "public entity." A "public entity" is defined in Ariz. Rev. Stat. Ann. § 12-820(5) as including any political subdivision of a State including a municipality. See also, *Central Arizona Water and Ditching Co. v. City of Tempe*, 140 Ariz. 119, 680 P.2d 829 (Ct.App. Div. 1, 1989).

Notice of claims statute requires presentation of a claim and disallowance before suit may be brought against the public entity. *Mammo v. State*, 138 Ariz. 528, 675 P.2d 1347 (1983). Indeed, fulfilling the claim requirements under the claims statute is a jurisdictional prerequisite to instituting an action against a public entity. *Dassinger v. Oden*, 124 Ariz. 551, 606 P.2d 41 (1980).

1 After reasonable inquiry by the City of Williams, no  
2 statutory claim has been presented to the City of Williams in  
3 connection with the subject matter of this lawsuit. Therefore,  
4 plaintiffs have not followed the mandatory statutory procedures for  
5 bringing a claim against the public entity and the first amended  
6 complaint as to the City of Williams must be dismissed.

7 C. FAILURE TO STATE A CLAIM.

8 The first amended complaint sounds in breach of contract,  
9 breach of implied warranty of good faith and fair dealing, failure  
10 to pay wages and conversion. No specific allegations have been made  
11 to implicate the City of Williams. Nor are there any factual  
12 allegations or legal theories set forth in the first amended  
13 complaint under which a claim could reasonably be maintained against  
14 the City of Williams. On its face, the first amended complaint  
15 fails to state a claim upon which relief can be granted. For this  
16 further reason, the first amended complaint should be dismissed.

17 D. CITY OF WILLIAMS' REQUEST FOR SANCTIONS.

18 Plaintiffs and their counsel know full well that a claim  
19 must first be asserted under Ariz. Rev. Stat. Ann. § 12-820.01 as a  
20 condition precedent to the filing of civil litigation against the  
21 City. This principle of law is well-grounded and well established  
22 under Arizona law and is beyond dispute. Moreover, the plaintiff  
23 Tony Kuc is fully familiar with the municipal legislative process.  
24 Additionally, in the past, plaintiffs' counsel, John Gliege, has  
25 filed actions against public entities and has been put on notice  
26 that the statutory provisions of Ariz. Rev. Stat. Ann. § 12-

1 820.01(a) must be followed. One such action was filed by Mr. Gliege  
2 on behalf of Opal Means against the City of Williams Municipal  
3 Development Authority in Coconino County, Case No. CV 97-0164.  
4 Plaintiffs' counsel had actual notice of the statutory prerequisites  
5 under Ariz. Rev. Stat. Ann. § 12-821.01(a). There can be no excuse  
6 for plaintiffs' "leap-frogging" well established Arizona law and  
7 needlessly entangling the City of Williams in civil litigation.

8 Having failed to follow clearly mandated Arizona law, the  
9 prerequisites to filing the first amended complaint with respect to  
10 the City of Williams have not been met. The City of Williams has  
11 been required to needlessly become entangled in the judicial process  
12 and to expend time, costs and resources without reasonable  
13 justification. Nor can it be said that the claims in the first  
14 amended complaint are warranted in any way by good faith argument  
15 for the extension, modification or reversal of existing law.  
16 Plaintiffs, and the attorney signing the pleading, have not made  
17 reasonable efforts to make sure that the matters asserted in the  
18 first amended complaint with respect to the City of Williams were  
19 valid. On the contrary, these claims are illusory, frivolous,  
20 unnecessary or insubstantial and have not made the reasonable  
21 efforts to first comply with the statutory prerequisites to filing  
22 civil litigation against the City of Williams as a public entity.  
23 The first amended complaint is fatally defective for failure of  
24 jurisdiction of person and subject matter.

25 Significantly, Mr. Tony Kuc is a mayoral candidate in the  
26 City of Williams and the current election is scheduled for Tuesday,

96043901687



1 March 10, 1998. The timing and filing of a defective first amended  
2 complaint calls into question the motivation of plaintiffs and their  
3 counsel. It can only be surmised that the motivations for filing  
4 the first amended complaint are extra judicial and may not be  
5 totally unrelated to Mr. Kuc's mayoral candidacy for the City of  
6 Williams. The judicial process should not be a pawn in a party's  
7 political aspirations.

8 Based on the foregoing, it is respectfully requested that  
9 this Court award sanctions against plaintiffs and their counsel for  
10 the full amount of reasonable expenses expended by the City of  
11 Williams plus \$1,000 including legal fees because of plaintiffs  
12 prematurely bringing a claim without following well established  
13 statutory prerequisites. A trial court has broad discretion to  
14 fashion appropriate sanctions where a violation of Rule 11 is found  
15 including an award of expenses and attorney's fees. Nor does the  
16 availability of Rule 11 operate to deprive the court of the inherent  
17 power to impose sanctions for parties or their attorneys for  
18 misconduct before the court in violation of the Rules of Practice.  
19 *Precision Components, Inc. v. Harrison, Harper, Christian and*  
20 *Dichter, P.C.*, 179 Ariz. 552, 880 P.2d 1098 (1993).

21 WHEREFORE, based on the foregoing, plaintiffs' first  
22 amended complaint as to the City of Williams should be dismissed and  
23 sanctions should be imposed for reasonable costs, attorney's fees  
24 and \$1,000 against the plaintiff, Tony Kuc and his counsel, jointly  
25 and severally.  
26  
27  
28

980043901880

DATED this 6th day of March, 1998.

MARGRAVE CELMINS, P.C.

By 

Lat J. Celmins

Attorney for City of Williams

COPY of the foregoing mailed  
this 6th day of March, 1998 to:

Clerk of the Court  
Mohave County Superior Court  
401 East Spring Street  
P.O. Box 7000  
Kingman, Arizona 86402-7000

John G. Gliege  
P.O. Box 1388  
Flagstaff, Arizona 86002

By Kathy Allison

980040701009

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

#13

Lat J. Celmins (004408)  
MARGRAVE CELMINS, P.C.  
7201 East Camelback Road, Suite 330  
Scottsdale, Arizona 85251  
(602) 994-2000  
Attorneys for Defendant, City of Williams

SUPERIOR COURT OF ARIZONA

COUNTY OF MOHAVE

TONY KUC and KATHY KUC, a marital )  
community, TOM JOHNSON and MARILYN )  
JOHNSON, a marital community, )  
LONDONDERRY REALTY, INC., an )  
Arizona corporation, )

CV 98-34

Plaintiffs,

vs.

REPLY TO PLAINTIFFS'  
RESPONSE TO MOTION TO  
DISMISS FIRST AMENDED  
COMPLAINT AS TO THE CITY OF  
WILLIAMS AND RESPONSE TO  
MOTION FOR SANCTIONS

RON HEALEY and JANE DOE HEALEY,  
his wife, MARK PLAT and JANE DOE  
PLAT, his wife, MARK IV  
DEVELOPMENT, FRED SIDLES and JANE  
DOE SIDLES, his wife, COLO-RIO  
CONSTRUCTION, CITY OF WILLIAMS,  
CAPITAL LENDERS, STOCKMANS BANK,  
FIDELITY NATIONAL TITLE, NORTH  
AMERICAN MORTGAGE,

Defendants.

Defendant City of Williams, an Arizona municipal corporation, by and through its undersigned counsel, reluctantly files its further pleading in a case where plaintiffs now readily admit that the City of Williams should never have been named as a defendant. Sanctions should be awarded against plaintiffs Tony Kuc and Kathy Kuc and their counsel because:

1. The City of Williams has needlessly and wrongfully been entangled in litigation with considerable administrative and legal expense where plaintiffs now concede that they were in error and the City of Williams should now be removed from the instant lawsuit.

90043701890

1 2. Neither plaintiffs' counsel nor plaintiffs have  
2 offered any explanation why they failed to make the  
3 minimal inquiry required under Rule 11, Ariz. R. C. P. and  
4 Ariz. Rev. Stat. Ann. § 12-349(A).

5 3. There was simply no factual or legal basis for  
6 entangling the City of Williams in a private third party  
7 dispute and failure of plaintiffs and their counsel to  
8 make a good faith inquiry of the facts and law prior to  
9 the instituting the instant lawsuit against the City of  
10 Williams mandates sanctions against plaintiffs and their  
11 counsel under Rule 11, Ariz. R. Civ. P. and under Ariz.  
12 Rev. Stat. Ann. § 12-349(A). After being fully apprised  
13 of their wrongdoing, plaintiffs compound the injury to the  
14 City of Williams by requesting oral argument and further  
15 expense to be incurred for this needless and frivolous  
16 action.

17 I. SANCTIONS SHOULD BE ASSESSED.

18 The City of Williams has needlessly and wrongfully been  
19 entangled in litigation with considerable administrative and legal  
20 expense. The claims procedures of which plaintiffs' counsel is  
21 fully apprised, was simply ignored. Plaintiffs offer no explanation  
22 why they failed to follow the claims statute requirements under  
23 Ariz. Rev. Stat. Ann. § 12-821.01. Nor do plaintiffs offer any  
24 explanation why they failed to make the minimal inquiry required  
25 under Rule 11, Arizona Rules of Civil Procedure and Ariz. Rev. Stat.  
26 Ann. § 12-349(A) concerning the lawsuit claims. There was simply no  
27 factual or legal basis for needlessly entangling the City of  
28 Williams in a private third party dispute. The failure of  
plaintiffs and their counsel to make a good faith inquiry of the  
facts and the law prior to instituting the instant lawsuit against  
the City of Williams mandates sanctions against plaintiffs and their  
counsel under Rule 11, Arizona Rules of Civil Procedure and Ariz.  
Rev. Stat. Ann. § 12-349(A). What makes the assessment of sanctions



1 more compelling in this instance is that plaintiffs' counsel has  
2 been involved in past litigations with the City of Williams and has  
3 been fully apprised of the claims statutes under Ariz. Rev. Stat.  
4 Ann. § 12-821.01 as a necessary prerequisite to a judicial filing in  
5 this Court.

6 Having ignored the clear statutory provisions, having  
7 knowingly and intentionally filed their pleading in violation of  
8 these requirements and having knowingly and intentionally filed  
9 their pleading without a factual or other substantial justification,  
10 plaintiffs and their counsel should be sanctioned in the amount of  
11 \$1,000 each for their frivolous filing of the instant lawsuit. The  
12 filing of this lawsuit brought embarrassment to the City  
13 Administration and raised issues about the leadership of the City of  
14 Williams and needlessly entangled the City of Williams in a legal  
15 controversy during a political contest in which plaintiff Tony Kuo  
16 is a mayoral candidate.

17 The City of Williams has directly incurred costs in  
18 connection with this matter. The lawsuit claims against the City of  
19 Williams were so obtuse that the insurance carrier advised that the  
20 lawsuit allegations against the City were so ambiguous that even the  
21 insurance fund providing legal defense was unable to ascertain any  
22 aspect which would give rise to a coverage claim. As a result, the  
23 City of Williams had to expend its own direct funds for the defense  
24 of this frivolous lawsuit which should be reimbursed to it.

96043901892

11. RESPONSE WITH TO ORAL ARGUMENT REQUEST.

With respect to the issues to be determined by this Court, the facts and law are so clear that no oral argument is necessary or required. After being fully apprised of their wrongdoing, plaintiffs compound the injury to the City of Williams by requesting oral argument and the resulting further expense to be incurred for this needless and frivolous action. The City of Williams respectfully requests that the Court make a summary award of sanctions in favor of the City of Williams. However, should the Court determine that such argument is helpful in forming its decision, the City of Williams respectfully requests that the oral argument be undertaken telephonically rather than compelling the City of Williams and its citizens to incur further costs and expense in travel time and mileage to Scottsdale, Arizona and the City of Williams to this Court in Yavapai County, Arizona.

WHEREFORE, the City of Williams respectfully requests that sanctions in the amount of \$1,000 be assessed against plaintiffs Tony Kuc and Kathy Kuc, jointly and severally and their marital community and their counsel.

DATED this 1st day of April, 1998.

MARGRAVE CELMINS, P.C.

By [Signature]  
Law J. Celmins  
Attorney for City of Williams

COPY of the foregoing mailed  
this 1st day of April, 1998 to:

Williams Reply  
April 1, 1998

98043901893

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Clerk of the Court  
Mohave County Superior Court  
401 East Spring Street  
P.O. Box 7000  
Kingman, Arizona 86402-7000

John G. Gliege  
P.O. Box 1388  
Flagstaff, Arizona 86002

Donald F. Pietig  
Pietig & Iannone, P.C.  
2250 McCulloch Blvd., Suite L  
Lake Havasu City, AZ 86403

By Kathy Allison

980043901094

**SOURCES OF COMPENSATION**

List names and addresses of all employers and all other sources of compensation in excess of \$1,000 received during the preceding calendar year by you, your spouse or members of your household (those persons listed in 1 (a), (b) and (c) above), or received by any other person for the use or benefit of you, your spouse or members of your household. Also, describe the nature of each employer's business and the services for which compensation was received.

You Need Not List:

Income to a business listed in 1 (d), specifically those individual sources of compensation that constituted a portion of the gross income of the business from which you or members of your household derived compensation.

Local Public Officer or Member of Household	Description of Employer's Name & Address of Employer or Other Source of Compensation over \$1,000	Business and Individual's Services for Which Compensation Was Received
<u>James L Hoffman</u>	<u>Hoffman's Food Service</u>	<u>General Manager</u>
<u>Pamela Hoffman</u>	<u>Fair Properties</u>	<u>Managing General Partner</u>
<u>Pamela Hoffman</u>	<u>Red Feather Corp.</u>	<u>President</u>

98043901093

**3. INFORMATION ON CONTROLLED BUSINESS**

In Columns (1) and (2) give the name of any controlled business and describe the goods or services provided by the business.

If a single source of compensation to the controlled business amounts to more than \$10,000 and 25 percent of the gross income of the business, indicate the nature of the goods and services provided to the customer or client and a description of the business activities if that customer or client is a business in Columns (3) and (4). If there is no such major client or customer, leave Columns (3) and (4) blank.

You Need Not List:

- The identity of any customer or client.
- The amount of income from any customer or client.
- The activities of any customer or client which is not a business.

(1)

(2)

(3)

(4)

Name of Controlled Business (from Item 1 (d))

Goods or Services Provided by the Business

Goods or Services Provided to the Major Customer or Client (more than \$10,000 and 25% of Gross)

Business Activity of the Major Customer or Client, if a Business


(Use additional sheet if there is more than one such major customer or client of a controlled business.)

4. INFORMATION ON DEPENDENT BUSINESS

A "dependent business" is so-called because over half of its income is dependent on one major customer or client. A dependent business may also be a controlled business if the public officer or members of his household also own more than a fifty percent interest in the business. If a dependent business is listed as a controlled business under Item 3, it need not be listed in this item.

Describe the goods or services provided by the business, the goods or services provided to the major customer or client and the business activity if the major customer or client is a business.

You Need Not List:

- The identity of any customer or client.
- The amount of income from any customer or client.
- The activities of any customer or client which is not a business.

(1)

(2)

(3)

(4)

Name of Dependent Business (from Item 1 (d))

Goods or Services Provided by the Business

Goods or Services Provided to the Major Customer or Client (more than \$10,000 and 50% of Gross)

Business Activity of the Major Customer or Client, if a Business

<u>HEIFMAN Food Service Inc.</u>	<u>Food</u>		
<u>Fair Properties Inc.</u>	<u>Rental Properties</u>		

(Use additional sheet if there is more than one such major customer or client of a dependent business.)

9 0 0 4 3 9 0 1 8 9 6



OWNERSHIP/BENEFICIAL INTEREST IN BUSINESS OR TRUST; INVESTMENTS

List the names and addresses of all businesses and trusts in which you or members of your household had an ownership or beneficial interest of over \$1,000 at any time during the preceding calendar year, together with a description of the interest and value of the equity interest by category number. You should list stocks, partnerships, joint ventures, sole proprietorships and other equity interests. Also, list beneficial interests in trusts.

Name and Address of Business or Trust	Local Public Officer or Member of Household	Description of Interest	Value of Equity by Category #
<i>Hoffman's Food Services Inc.</i>	<i>James L. Hoffman</i>	<i>Stock</i>	<i>3</i>
<i>Fair Properties Lt.</i>	<i>Pamela Hoffman</i>	<i>Partnership</i>	<i>3</i>

5B. OFFICES OR FIDUCIARY RELATIONSHIPS IN BUSINESS OR TRUST

List the names and addresses of all businesses and trusts in which you or any member of your household held any office or had a fiduciary relationship at any time during the preceding calendar year, together with a description of the office or relationship.

Regardless of any financial interest, you should list all businesses and trusts of which you or any member of your household is president, treasurer, secretary or trustee, etc. (Refer to the definition of "Business".)

Name and Address of Business or Trust	Local Public Officer or Member of Household	Description of Office or Relationship
<i>Hoffman's Food Services Inc.</i>	<i>James L. Hoffman</i>	<i>President</i>
<i>Red Feather Corp.</i>		<i>President</i>
<i>Fair Properties Lt.</i>	<i>Pamela Hoffman</i>	<i>Managing General Partner</i>

9 0 0 4 3 9 0 1 8 9 7

REAL PROPERTY OWNERSHIP IN CITY/TOWN OF

List all real property interests and real property improvements located in the City/Town of Williams, including location and approximate size in which you, any member of your household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value, by category, of the equity in any such property.

If you or any member of your household or a controlled or dependent business acquired or divested any such interest during the preceding calendar year, disclose the transaction made and date that it occurred. If the controlled or dependent business is in the business of dealing in real property or improvements, disclosure need not include individual parcels or transactions, but the aggregate value of all such parcels.

You Need Not List:

- Your primary residence.
- Property used for personal recreation by you.
- Individual parcels and transactions, if a controlled or dependent business is a dealer in real property.\*

Location and Approximate Size of Realty in City/Town	Local Public Officer or Member of Household or Business from Items 3 or 4	Value of Equity by Category	Date Acquired or #Divested
<u>525 W. Bill Williams Ave</u>	<u>James L. Hoffman</u>	<u>3</u>	<u>Sept. 1971</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Business dealers in real property---state only name of controlled or dependent business and aggregate value of equity interests, by category number, of all parcels held during the year.

Name of Controlled or Dependent Business Dealer in Real Property	Aggregate Value of Equity Interests by Category #
<u>Red Feather Corp.</u>	<u>3</u>
<u>Fain Properties Lt</u>	<u>3</u>
_____	_____
_____	_____

98043901696

DEBTS; EXCEPTIONS

List names and addresses of creditors for all debts in excess of \$1,000 owed by you or members of your household either in your own names or in the names of any other persons at any time during the preceding calendar year.

List names and addresses of creditors to whom a controlled or dependent business owed a debt of more than \$10,000 which was also more than 30 percent of the total business indebtedness at any time during the preceding calendar year.

If the debt was incurred or discharged during the year, list whether it was incurred or discharged and the date.

You Need Not List:

- Debts resulting from the ordinary conduct of a business other than a controlled or dependent business.
- Credit card transactions.
- Debts on residences or recreational property exempt from disclosure.
- Retail installment contracts.
- Debts on motor vehicles not used for commercial purposes.
- Debts secured by cash values on life insurance.
- Debts owed to relatives.
- Any amounts.

PERSONAL DEBTS OVER \$1,000

Name and Address of Creditor (or Person to Whom Payments Are Made)	Date Local Public Officer or Member of Household Owing the Debt	Incurred and/or Discharged
<i>None</i>		

BUSINESS DEBTS OVER \$10,000 AND 30%

Name and Address of Creditor (or Person to Whom Payments Are Made)	Date Local Public Officer or Member of Household Owing the Debt	Incurred and/or Discharged
<i>Stockmen's Bank</i>	<i>comp.</i>	<i>current</i>

190043901899

DEBTORS

List the name of the debtor for each debt in excess of \$1,000 owed at any time during the preceding calendar year to you and members of your household or to any other person for the use or benefit of the aforementioned persons.

List the name of the debtor for each debt exceeding \$10,000 owed to a controlled or dependent business which was also more than 30 percent of the total indebtedness to the business at any time during the preceding calendar year.

Give the amount of each debt by category number.

If the debt was incurred or discharged during the year, list whether it was incurred or discharged and the date.

**You Need Not List:**

Those debts owed to you or members of your household resulting from the ordinary conduct of a business other than a controlled or dependent business.

DEBTS OVER \$1,000 OWED TO YOU PERSONALLY

Name of Debtor	Local Public Officer or Member of Household to Whom Debt is Owed	Amount by Category #	Date Incurred and/or Discharged
<i>None</i>			

DEBTS OVER \$10,000 AND 30% OWED TO YOUR BUSINESS

Name of Debtor	Name of Controlled or Dependent Business to Whom the Debt is Owed (Business from Item 3 or 4)	Amount by Category #	Date Incurred and/or Discharged
<i>None</i>			

9  
6  
6  
4  
3  
9  
0  
1  
9  
0  
0

**GIFTS**

List each source of any gift or accumulated gifts in excess of \$500 in value received during the preceding calendar year by you, members of your household or by any other person for the use or benefit of the aforementioned persons.

**You Need Not List:**

- Gifts received by will.
- Gifts received by intestate succession.
- Gifts received from intervivos (living) trusts established by a spouse or ancestor.
- Gifts received from testamentary trusts established by a spouse or ancestor.
- Gifts received from any other member of the household or relatives to the second degree of consanguinity. (Parents, grandparents, siblings, children and grandchildren of the recipient.)
- Political campaign contributions if publicly reported as political campaign contributions
- Amounts

Name of Donor of Gifts over \$500	Local Public Officer or Member of Household---Recipient
None	

**10. BUSINESS LICENSES**

List all business licenses issued, by the City/Town of Williams or by any other governmental agency which requires for its issuance the consideration of the application for such license by the \_\_\_\_\_ council of the \_\_\_\_\_ of \_\_\_\_\_, to, held by or in which you or any member of your household had an interest at any time during the preceding calendar year.

Type of License	Name in Which License is Issued	Local Public Officer or Member of Household Holding Interest, if Not Issued in Own Name	Type of Business	Location of Business
Sales Tax	McPherson's Food Service	James L. Horner	Retail Food	Williams

9 8 7 6 5 4 3 2 1 0 1



**LOCAL GOVERNMENT BONDS**

List all bonds, together with their value, issued by the City/Town of \_\_\_\_\_, any industrial development authority of such city or town or any nonprofit corporation organized or authorized by such city or town held at any time during the preceding calendar year by you or any member of your household, which bonds issued by a single entity had a value in excess of \$1,000.

If the bonds were acquired or divested during the year, list whether they were acquired or divested and the date.

Bonds Over \$1,000	Issuing Agency	Local Public Officer or Member of Household	Value by Category #	Date Acquired and/or Divested
<i>None</i>				

**VERIFICATION**

I do solemnly swear that the foregoing Financial Disclosure Statement filed herewith is in all things true and correct and fully shows all information required to be reported by me pursuant to Resolution No. \_\_\_\_\_.

*James L. Hoffman*  
 \_\_\_\_\_  
 Signature of Affiant

SUBSCRIBED and sworn to before me by James L. Hoffman  
 this 10th day of January, 1998.

*Eleanor Addison*  
 \_\_\_\_\_  
 Notary Public

My Commission Expires:  
03-08-00



OFFICIAL SEAL  
**ELEANOR ADDISON**  
 NOTARY PUBLIC - STATE OF ARIZONA  
 COCONINO COUNTY  
 My commission expires: 03/08/00

98040701902

CITY/TOWN OF Williams

FOR OFFICE USE ONLY

NOMINATION PAPER  
AFFIDAVIT OF QUALIFICATION  
CAMPAIGN FINANCE LAWS STATEMENT  
[A.R.S. §§ 16-311, 16-905 (J) (5)]

You are hereby notified that I, the undersigned, a qualified elector, am a candidate for the office of Mayor at the Primary Election to be held on the 10 day of March, 1998, and if not elected at the primary, at the General Election to be held on the \_\_\_ day of \_\_\_\_\_, 19\_\_\_ if necessary.

I will have been a citizen of the United States for 58 years next preceding my election and will have been a citizen of Arizona for 58 years next preceding my election and will meet the age requirement for the office I seek. I have resided in the City/Town of Williams for 34 years before my election.

I do solemnly swear (or affirm) that as to these and all other qualifications, I am qualified at the time of filing to hold the office that I seek, having fulfilled the constitutional and statutory requirements for holding said office.

Residence address 620 W. Meade Williams 86046  
(Number and street) (City or town) (ZIP)

Post office address Same  
(Number and street) (City or town) (ZIP)

Print or type your name on the following line in the exact manner you wish it to appear on the ballot, last name first. A.R.S. § 16-311(G).

HOFFMAN Jim

James H. Hoffman  
Candidate Signature

Subscribed and sworn to (affirmed) before me this 11 day of January, 1998.

OFFICIAL SEAL  
ELEANOR ADDISON  
NOTARY PUBLIC - STATE OF ARIZONA  
COCONINO COUNTY  
My commission expires: 03-08-00  
My Commission Expires: \_\_\_\_\_

Eleanor Addison  
Notary Public

03-08-00

I have read all applicable laws relating to campaign financing and reporting.

James H. Hoffman  
Candidate Signature

93043201903



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

May 14, 1998

Mr. Tony Kuc  
892 N. Wells Fargo Drive  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. Kuc:

This letter acknowledges receipt on May 11, 1998, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondent(s) will be notified of this complaint within five business days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. We have numbered this matter MUR 4744. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

In your complaint, you ask that we request documents from the United States Postal Service in Williams, Arizona, and provide this information to you. Regrettably, we cannot do so under our governing statute. At this stage of the matter, we must rely upon you as the complainant to provide us with any and all documentation you believe supports the allegations in your complaint. Should you obtain any further documents or information, please feel free to forward them to our office. Any submissions containing new allegations must be notarized and sworn to in the same manner as the original complaint.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Enclosure  
Procedures

90043901904



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

May 14, 1998

The Honorable James L. Hoffman  
Mayor of Williams  
620 W. Meade  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. Hoffman:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4744. Please refer to this number in all future correspondence.

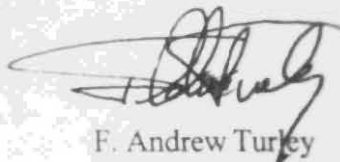
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

96043901905

If you have any questions, please contact Alva E. Smith at (202) 694-1650. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

98043901906





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

May 14, 1998

Mr. Brian James  
1001 W. Route 66  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. James:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4744. Please refer to this number in all future correspondence.

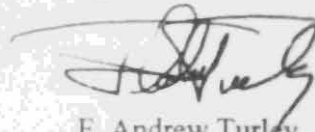
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

90040701201

If you have any questions, please contact Alva E. Smith at (202) 694-1650. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

98043901903

Brian James  
PO Box 487  
Williams, AZ 86046

May 20th, 1998

Federal Elections Commission  
Washington DC 20463

Dear Sirs,

MUR 4744

I am in receipt of your letter concerning the complaint made by Mr Kuc.

Firstly, let me say that I, like Mr Hoffman, am fully aware that I am not allowed to make a contribution to any political campaign. I did **not** make any contribution to the campaign of Mr Hoffman or any other candidate in these elections.

I did allow Mr Hoffman's committee to use my bulk mail permit number as this allowed his committee to:-

1. Avoid having to stick on some 800 stamps.
2. To obtain a better postal rate from the post office.

The letters were delivered to the post office by me, as it was my permit they were using and I therefore paid the bill at the time. But I was re-imbursed by Mr McNabb for Mr Hoffman's re-election committee.

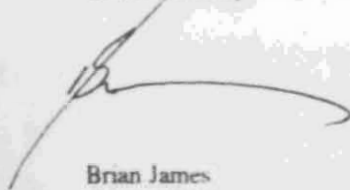
I am attaching a copy of the original receipt from the post office and I have also obtained a copy of the receipt I issued to Mr McNabb, where I was re-imbursed. Mr McNabb still holds the original of this receipt.

As you can see, I was repaid the full amount I paid out and therefore did not make any contribution, as hinted by Mr Kuc.

I trust this clears any question on this matter.

If you have any further questions, please contact me.

Yours sincerely



Brian James

9 3 4 3 7 0 1 2 1 0

\*\*\*\* U.S. POSTAL SERVICE \*\*\*\*  
WILLIAMS AZ 86046  
039472 35.00  
CONITES # 03  
03-06-98 15:10:13

FORM 3544 - RCPT FOR MONEY

RECEIPT # 030003  
PH/SSN 19  
AMOUNT: \$ 168.04

00000168\*DOLLARS\*00\*CENTS


AIC 052 PMT EMP AIDL PST

NAME: CLAS HERTI  
ADDR: BX

\*\*\* THANK YOU \*\*\*

CREDIT CARD 168.04

Received from John McNabb  
for the Committee to elect  
Jim Hoffman, the sum of  
\$168 24 to cover the cost  
of mailing election Flyers.

  
3/9/88

98043701911



Federal Election Commission  
F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket  
Washington, DC 20463

RE: MUR 4744

Dear F. Andrew Turley,

More information has come forward to prove the allegations to case MUR 4744.

First, on Monday May 4, 1998, Brian James went on the local radio station, KYET - 1180 AM. He stated publicly that he could contribute to whom ever he wanted and it was his right to do so. He also admitted that the bulk rate permit No. 19 was his and that Jim Hoffman did mail his Campaign flyers through him.

Second, on Thursday May 14, 1998, Brian James again went on the local radio station KYET - 1180 AM. This time he stated that he did mail the flyers for Jim Hoffman with his Knowledge but that Mr. Hoffman paid him back and it was like a temporary loan.

It doesn't matter under the law if it was a loan, campaign contribution, in-kind-services/goods or partial in-kind-services/goods. It is still campaign contribution by a non U.S. citizen.

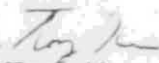
Many people in this small community of Williams heard both radio shows and would be willing to give formal statements if necessary.

As you may have figured out there is much more going on besides this allegation. Other laws in the community are being broken repeatedly by our politicians and because they are well politically connected and because we are an out post from the major metropolitan area they get away with breaking Arizona & local laws. We need you to take this allegation to the fullest extent. If you want to see the other state allegations, we can send them to you.

The registered voters list for our area has many improprieties including, past residents, past city officials, dead people and county voters that should not vote in the city and people who don't live in the city but are using their business address to vote in the city. I also have sent this to the State of Arizona.

Please have your investigative agency take care of this.

Sincerely,

  
Tony Kuc

892 N. Wells Fargo Drive  
Williams, Arizona 86046

1988040701712



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 1, 1998

Mr. Tony Kuc  
892 N. Wells Fargo Drive  
Williams, AZ 86046

3  
v

RE: MUR 4744

Dear Mr. Kuc:

This letter acknowledges receipt on May 27, 1998, of the supplement to the complaint you filed on May 11, 1998. The respondent(s) will be sent copies of the supplement. You will be notified as soon as the Federal Election Commission takes final action on your complaint.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley", written over a horizontal line.

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

98046901913



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 1, 1998

The Honorable James L. Hoffman  
Mayor of Williams  
620 W. Meade  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. Hoffman:

On May 14, 1998, you were notified that the Federal Election Commission received a complaint from alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On May 27, 1998, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Enclosure

98043901914



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 1, 1998

Mr. Brian James  
1001 W. Route 66  
Williams, AZ. 86046

RE: MUR 4744

Dear Mr. James:

On May 14, 1998, you were notified that the Federal Election Commission received a complaint from alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On May 27, 1998, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Enclosure

**Brian & Kath James**  
**360 Golden Meadows Trail**  
**PO Box 0487**  
**Williams, AZ 86046**

JUN 11 1998

June 5th, 1998

Federal Election Commission  
Washington, DC 20463

Dear Sirs,

MUR 4744

I am in receipt of your letter dated June 1st, 1998 and the copy of Mr Kuc's undated letter that you received on May 27th, 1997.

Firstly, let me repeat that I am fully aware that I am unable to make a contribution to any election committee and I have not made any contribution or loan to anyone.

With regard to Mr Kuc's comments in his first paragraph, concerning May 4th, 1998. These are the same comments made by him in his previous letter and already answered by me. Let me say that my appearance as a guest on KYET on this date, was to try to increase volunteerism in Williams, following an initiative instigated by Col. Colin Powell. I was not prepared for an un-named caller, who I later learnt was Mrs Kuc, calling and making false and unfounded accusations about me, other members of the community and the organization of the election.

With regard to Mr Kuc's statement about my being on the radio again on May 14th - this is another completely false statement. After the attack from Mrs Kuc on May 4th, I did not appear on KYET as a guest or a caller again and still have not. I spoke to Bob Hardy, Manager of KYET, yesterday and he is willing to confirm that I have not been on the radio at all, since May 4th, 1998.

The payment for mailing these flyers was not a loan. As the permit was mine, I needed to make the payment to the post office. The amount of the payment was not known until late on the afternoon of the mailing, as per the time on the receipt. I was paid back on the next working day.

Yours sincerely



Brian James

9604070110



June 10, 1998

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE CLERK

JUN 13 1 07 PM '98

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 4744

Dear Mr. Turley:

I am in receipt of your letter regarding a complaint that I may have violated the Federal Election Campaign Act of 1971, as amended. After reviewing my response, documentation and details of events, you should find no reason to believe that the complaint sets forth a possible violation.

This matter was also filed with the Attorney General's Office, and the County Attorney's office among others. The County Attorney has referred this matter to the City Attorney for investigation. This investigation is proceeding through them also.

I James L. Hoffman, under oath, do hereby respond to the complaint of Tony Kuc as follows:

- 1) I did not receive contributions from a non-U.S. Citizen. Two people desire to help my campaign for Mayor. They decided to prepare and give out a flier. Unbeknownst to me, they mailed the flier. The moment they discovered they must be a campaign committee to do such a thing, they filed as a Political Committee named Committee to Elect Jim Hoffman.
- 2) I did not exceed the \$500 threshold limitation during the Primary Campaign. Then for the General Election, I joined with a councilperson to run as a team. We filed as a Political Committee named Hoffman-Edes Re-election Committee.
- 3) I did not require a statement of organization filing as I had filed the \$500 threshold statement and did not exceed that.
- 4) I did not require a political committee as of 4-20-98 because I had filed the \$500 threshold statement and did not exceed that limit.
- 5) I kept track of the ads I ran, and did not do the flier myself. Therefore I did not exceed that campaign limit of \$500.
- 6) Five council members chose to run an ad to support my candidacy for Mayor in the Primary Election. They each participated in the cost, and listed their name in the ad as paid for by each. I had nothing to do with that expenditure. I don't recall the handing out of the flier at the Senior Center. That action would have been done separately by another.
- 7) Five councilmembers paid for an ad separately. I cannot account for their actions. Everyone was under the impression that you must show who pays for any advertisement on that advertisement. Each person was listed.
- 8) Three people ran an ad in support of my candidacy. They also put their name at the bottom of the ad. This was a separate action not authorized, or paid for, by me.

93043701211

In regards to the statement that I should know the law, I am aware of the Campaign Finance Law, and received a copy of the statute, as did each candidate. I cannot speak for other individuals who chose to run a newspaper ad in support of my candidacy.

I would like to point out that although Mr. Kuc cites a portion of the law regarding failure to file, he himself failed to file a financial document and was assessed a penalty until filed.

The Hotels and Restaurant marquis and banners were done outside of my General Election committee or myself. These were merely citizens expressing their opinions. I would like you to note that many, many businesses in town had posters of Tony Kuc for Mayor and Sandy Jensen for Mayor.

As per the mention of Mr. Kuc's lawsuit against the city, this is a separate thing altogether. It appears that he is combining his effort to run for Mayor to a frivolous lawsuit naming the city.

Mr. Kuc also made allegations against the County Attorney's office. These are not based upon facts but upon angry speculations, as the city officials have done no wrongdoing, and were found innocent of charges and allegations.

Thank you for the opportunity to speak on my behalf in this situation. Please forgive the delay in response. I had to get with the city clerk to get the necessary documentation.

Sincerely,

*James L. Hoffman*  
James L. Hoffman  
Mayor

Sworn to before me, Frances Mendoza notary public, this 10<sup>th</sup> day of June, 1998 by James L. Hoffman.

*Frances Mendoza*  
Notary Public

My Commission Expires: 10/10/98



290043701713

**POLITICAL COMMITTEE\***  
**STATEMENT OF ORGANIZATION\***  
 Titles 16 & 19, Arizona Revised Statutes

\* Definitions, statutory references and important information on reverse.

Initial Registration     Out of State Committee     Amended Statement

ID# **98-001**

NAME OF POLITICAL COMMITTEE <i>Hoffman - Edes Re-election Committee</i>		DATE <i>4/24/98</i>	
ADDRESS (NUMBER & STREET) <i>620 W Meade</i>		CITY <i>Williams</i>	STATE ZIP <i>AZ 86046</i>
MAILING ADDRESS (if different from above)		CITY	STATE ZIP
COMMITTEE TELEPHONE # <i>635-2083</i> <i>635-4963</i>		COMMITTEE FAX # (if any)	

DOES THE POLITICAL COMMITTEE HAVE A SPONSORING ORGANIZATION?     YES     NO  
 If yes, please provide the following information:

NAME OF SPONSORING ORGANIZATION	TYPE OF ORGANIZATION
ADDRESS OF SPONSORING ORGANIZATION	RELATIONSHIP TO POLITICAL COMMITTEE

900409017

TYPE OF POLITICAL COMMITTEE - Please check only one box:

- CANDIDATE'S CAMPAIGN COMMITTEE
- SEPARATE SEGREGATED FUND ESTABLISHED BY A CORPORATION OR LABOR ORGANIZATION
- COMMITTEE IN SUPPORT OF OR OPPOSITION TO THE QUALIFICATION, PASSAGE OR DEFEAT OF A BALLOT ISSUE
- COMMITTEE ORGANIZED TO CIRCULATE OR OPPOSE A RECALL PETITION OR TO INFLUENCE THE RESULT OF A RECALL ELECTION
- POLITICAL PARTY (only state or county committees of an organization that meets the requirements for recognition as a political party -see A.R.S. § 16-801, 16-804, 16-821 and 16-825)
- COMMITTEE ORGANIZED FOR THE PURPOSE OF MAKING INDEPENDENT EXPENDITURES
- COMMITTEE ORGANIZED IN SUPPORT OF OR OPPOSITION TO ONE OR MORE CANDIDATES
- POLITICAL ORGANIZATION (an organization that is formally affiliated with and recognized by a political party including a district committee that is organized pursuant to A.R.S. § 16-823)
- EXPLORATORY COMMITTEE
- OTHER TYPE OF COMMITTEE (please describe) \_\_\_\_\_

EACH POLITICAL COMMITTEE SHALL HAVE A CHAIRMAN AND TREASURER. THE POSITION OF CHAIRMAN AND TREASURER OF A SINGLE POLITICAL COMMITTEE MAY NOT BE HELD BY THE SAME INDIVIDUAL, EXCEPT THAT A CANDIDATE MAY BE CHAIRMAN AND TREASURER OF HIS OWN CAMPAIGN COMMITTEE. A.R.S. § 16-902(A).

NAME OF COMMITTEE CHAIRMAN <i>James L Hoffman</i>	CHAIRMAN'S TELEPHONE # <i>635-2083</i>
CHAIRMAN'S ADDRESS <i>620 W Meade</i>	CITY STATE ZIP <i>Williams AZ 86046</i>
CHAIRMAN'S OCCUPATION <i>Restaurant Owner</i>	CHAIRMAN'S EMPLOYER <i>Self</i>

NAME OF COMMITTEE TREASURER <i>Ken Edes</i>	TREASURER'S TELEPHONE # <i>635-4963</i>
TREASURER'S ADDRESS <i>883 Quarterhorse Rd.</i>	CITY STATE ZIP <i>Williams AZ 86046</i>
TREASURER'S OCCUPATION <i>Pastor</i>	TREASURER'S EMPLOYER <i>Canyon Chapel</i>

EACH POLITICAL COMMITTEE SHALL MAINTAIN AT LEAST ONE ACCOUNT AT A QUALIFIED FINANCIAL INSTITUTION. A.R.S. § 16-902(C). LIST THE NAMES OF ALL FINANCIAL INSTITUTIONS WITH WHICH THE COMMITTEE MAINTAINS ACCOUNTS OR SAFETY DEPOSIT BOXES. (Account numbers do not need to be listed)

1. Wells Fargo Bank
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

FOR A CANDIDATE'S CAMPAIGN COMMITTEE, PROVIDE THE FOLLOWING INFORMATION:

NAME OF CANDIDATE	PARTY AFFILIATION	OFFICE SOUGHT	COUNTY OF RESIDENCE
<u>Jim Hoffman</u> <u>Ken Eds</u>		<u>Mayor</u> <u>City Council</u>	<u>Cochise</u> "
CANDIDATE'S ADDRESS	CITY	STATE	ZIP
<u>620 W. Main St.</u> <u>883 Guenter House</u>	<u>Williams</u>	<u>AZ</u>	<u>85604</u> "

CANDIDATE'S STATEMENT: I authorize the above-named political committee as my political committee to receive contributions and make expenditures on my behalf.

Date: 4/24/98 Candidate's signature: [Signature]

CHAIRMAN'S AND TREASURER'S STATEMENT: We, the undersigned, have examined the information contained in this statement of organization and, to the best of our knowledge and belief, it is true, correct and complete.

Date: 4/24/98 Chairman's signature: [Signature]

Date: 4/24/98 Treasurer's signature: [Signature]

**DEFINITION OF POLITICAL COMMITTEE - A.R.S. § 16-901(15)**

"Political committee" means a candidate or any association or combination of persons that is organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town, district or precinct in this state, that engages in political activity in behalf of or against a candidate for election or political activity in behalf of or against a candidate for election or retention or in support of or opposition to an initiative, referendum or recall or any other measure or proposition and, in the case of a candidate, that receives contributions or makes expenditures of more than two hundred fifty dollars in connection therewith, notwithstanding that the association or combination of persons may be a part of a larger association, combination of persons or sponsoring organization not primarily organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town or precinct in this state. Examples of types of political committees are listed on the front of this form.

**NOTE FOR INDIVIDUALS INVOLVED IN POLITICAL ACTIVITIES:**

An individual, acting alone, is not a political committee under Arizona law and need not file a statement of organization. If any additional person or persons join the effort (as defined above in A.R.S. § 16-901(15)) begun by an individual, the association of persons has become a "political committee" under Arizona law, and must file a statement of organization within ten days. A.R.S. § 16-902.01(A).

**NOTE FOR THOSE INVOLVED IN INITIATIVE, REFERENDUM AND RECALL EFFORTS:**

Before circulating initiative, referendum or recall petitions, a political committee must file its statement of organization with the appropriate filing office. Signatures obtained on petitions prior to the filing of the statement of organization are void and shall not be counted in determining the legal sufficiency of the petition. A.R.S. §§ 19-114(B) and 19-202(C). Even though an individual, acting alone, may begin the initiative, referendum or recall effort, as soon as other persons join the effort, the association of persons must register as a political committee. The statement of organization must be filed regardless of whether the committee intends to accept contributions or make expenditures.

**WHERE TO FILE: A.R.S. § 16-916(A)**

**Secretary of State's Office** - political committees supporting or opposing candidates for state offices and members of the legislature, for justices of the supreme court, for judges of the court of appeals, including recall of any of those officeholders, and for a statewide initiative or referendum or any measure or proposition appearing on a state general election ballot

**County Elections Office** - political committees supporting or opposing candidates for county offices, including recall of any of those officeholders, school district governing board members or ballot questions, judges of the superior court seeking retention, special taxing districts and a county initiative or referendum of any measure of proposition appearing on a county election ballot

**City or Town Clerk's Office** - political committees supporting or opposing candidates for city or town offices, including recall of any of those officeholders, and for a city or town initiative or referendum or any measure or proposition appearing on a city or town election ballot

**STATUTORY REFERENCES:**

POLITICAL COMMITTEE DEFINITION	16-901(15)	OUT OF STATE POLITICAL COMMITTEE	16-902.02
ORGANIZATION OF POLITICAL COMMITTEE	16-902	CANDIDATE'S CAMPAIGN COMMITTEE	16-903
FINANCIAL INSTITUTION REQUIREMENT	16-902	TREASURER'S DUTIES	16-904
REGISTRATION OF POLITICAL COMMITTEE	16-902.01	TERMINATION OF POLITICAL COMMITTEE	16-914
DEADLINE FOR REGISTRATION	16-902.01	INITIATIVE AND REFERENDUM COMMITTEE	16-914
AMENDMENTS TO REGISTRATION	16-902.01	RECALL COMMITTEE	19-202

Revised 6/97

POLITICAL COMMITTEE\*  
STATEMENT OF ORGANIZATION\*  
Titles 16 & 19, Arizona Revised Statutes

48003

is, statutory  
ces and important  
ation on reverse.

Initial Registration     Out of State Committee     Amended Statement

ID# 48-003

NAME OF POLITICAL COMMITTEE		DATE	
Committee To Elect Jim Hoffman			
ADDRESS (NUMBER & STREET)	CITY	STATE	ZIP
P.O. Box 367	Williams	AZ	86046
MAILING ADDRESS (if different from above)	CITY	STATE	ZIP
COMMITTEE TELEPHONE #	COMMITTEE FAX # (if any)		
520 635-2458			

DOES THE POLITICAL COMMITTEE HAVE A SPONSORING ORGANIZATION?     YES     NO  
If yes, please provide the following information:

NAME OF SPONSORING ORGANIZATION	TYPE OF ORGANIZATION
ADDRESS OF SPONSORING ORGANIZATION	RELATIONSHIP TO POLITICAL COMMITTEE

TYPE OF POLITICAL COMMITTEE - Please check only one box:

- CANDIDATE'S CAMPAIGN COMMITTEE
- SEPARATE SEGREGATED FUND ESTABLISHED BY A CORPORATION OR LABOR ORGANIZATION
- COMMITTEE IN SUPPORT OF OR OPPOSITION TO THE QUALIFICATION, PASSAGE OR DEFEAT OF A BALLOT ISSUE
- COMMITTEE ORGANIZED TO CIRCULATE OR OPPOSE A RECALL PETITION OR TO INFLUENCE THE RESULT OF A RECALL ELECTION
- POLITICAL PARTY (only state or county committees of an organization that meets the requirements for recognition as a political party -see A.R.S. § 16-801, 16-804, 16-821 and 16-825)
- COMMITTEE ORGANIZED FOR THE PURPOSE OF MAKING INDEPENDENT EXPENDITURES
- COMMITTEE ORGANIZED IN SUPPORT OF OR OPPOSITION TO ONE OR MORE CANDIDATES
- POLITICAL ORGANIZATION (an organization that is formally affiliated with and recognized by a political party including a district committee that is organized pursuant to A.R.S. § 16-823)
- EXPLORATORY COMMITTEE
- OTHER TYPE OF COMMITTEE (please describe) \_\_\_\_\_

EACH POLITICAL COMMITTEE SHALL HAVE A CHAIRMAN AND TREASURER. THE POSITION OF CHAIRMAN AND TREASURER OF A SINGLE POLITICAL COMMITTEE MAY NOT BE HELD BY THE SAME INDIVIDUAL, EXCEPT THAT A CANDIDATE MAY BE CHAIRMAN AND TREASURER OF HIS OWN CAMPAIGN COMMITTEE. A.R.S. § 16-902(A).

NAME OF COMMITTEE CHAIRMAN	CHAIRMAN'S TELEPHONE #
John Mc Nabh	520 635-2458
CHAIRMAN'S ADDRESS	CITY                      STATE                      ZIP
P.O. Box 367	Williams                      AZ                      86046
CHAIRMAN'S OCCUPATION	CHAIRMAN'S EMPLOYER
Golf course Assis. Pro.	Udeman GOLF
NAME OF COMMITTEE TREASURER	TREASURER'S TELEPHONE #
Greg Hoffman	520 635-4590
TREASURER'S ADDRESS	CITY                      STATE                      ZIP
P.O. Box 37	Williams                      AZ                      86046
TREASURER'S OCCUPATION	TREASURER'S EMPLOYER
Restaurant manager	Hoffman's Food Service Inc.

98643901921



EACH POLITICAL COMMITTEE SHALL MAINTAIN AT LEAST ONE ACCOUNT AT A QUALIFIED FINANCIAL INSTITUTION A.R.S. § 16-902(C). LIST THE NAMES OF ALL FINANCIAL INSTITUTIONS WITH WHICH THE COMMITTEE MAINTAINS ACCOUNTS OR SAFETY DEPOSIT BOXES. (Account numbers do not need to be listed.)

1. N/A 2. \_\_\_\_\_  
 3. \_\_\_\_\_ 4. \_\_\_\_\_

FOR A CANDIDATE'S CAMPAIGN COMMITTEE, PROVIDE THE FOLLOWING INFORMATION:

NAME OF CANDIDATE	PARTY AFFILIATION	OFFICE SOUGHT	COUNTY OF RESIDENCE
CANDIDATE'S ADDRESS	CITY	STATE	ZIP

CANDIDATE'S STATEMENT: I authorize the above-named political committee as my political committee to receive contributions and make expenditures on my behalf.

Date: \_\_\_\_\_ Candidate's signature: \_\_\_\_\_

CHAIRMAN'S AND TREASURER'S STATEMENT: We, the undersigned, have examined the information contained in this statement of organization and, to the best of our knowledge and belief, it is true, correct and complete.

Date: 5-18-98 Chairman's signature: John McHale

Date: 5-18-98 Treasurer's signature: Mary Hoffman

DEFINITION OF POLITICAL COMMITTEE: A.R.S. § 16-901(15)

"Political committee" means a candidate or any association or combination of persons that is organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town, district or precinct in this state, that engages in political activity in behalf of or against a candidate for election or political activity in behalf of or against a candidate for election or retention or in support of or opposition to an initiative, referendum or recall or any other measure or proposition and, in the case of a candidate, that receives contributions or makes expenditures of more than two hundred fifty dollars in connection therewith, notwithstanding that the association or combination of persons may be a part of a larger association, combination of persons or sponsoring organization not primarily organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town or precinct in this state. Examples of types of political committees are listed on the front of this form.

NOTE FOR INDIVIDUALS INVOLVED IN POLITICAL ACTIVITIES:

An individual, acting alone, is not a political committee under Arizona law and need not file a statement of organization. If any additional person or persons join the effort (as defined above in A.R.S. § 16-901(15)) begun by an individual, the association of persons has become a "political committee" under Arizona law, and must file a statement of organization within ten days. A.R.S. § 16-902.01(A).

NOTE FOR THOSE INVOLVED IN INITIATIVE, REFERENDUM AND RECALL EFFORTS:

Before circulating initiative, referendum or recall petitions, a political committee must file its statement of organization with the appropriate filing office. Signatures obtained on petitions prior to the filing of the statement of organization are void and shall not be counted in determining the legal sufficiency of the petition. A.R.S. §§ 19-114(B) and 19-202(C). Even though an individual, acting alone, may begin the initiative, referendum or recall effort, as soon as other persons join the effort, the association of persons must register as a political committee. The statement of organization must be filed regardless of whether the committee intends to accept contributions or make expenditures.

WHERE TO FILE: A.R.S. § 16-915(A)

Secretary of State's Office - political committees supporting or opposing candidates for state offices and members of the legislature, for justices of the supreme court, for judges of the court of appeals, including recall of any of those officeholders, and for a statewide initiative or referendum or any measure or proposition appearing on a state general election ballot

County Elections Office - political committees supporting or opposing candidates for county offices, including recall of any of those officeholders, school district governing board members or ballot questions, judges of the superior court seeking retention, special taxing districts and a county initiative or referendum of any measure of proposition appearing on a county election ballot

City or Town Clerk's Office - political committees supporting or opposing candidates for city or town offices, including recall of any of those officeholders, and for a city or town initiative or referendum or any measure or proposition appearing on a city or town election ballot

STATUTORY REFERENCES:

POLITICAL COMMITTEE DEFINITION	16-901(15)	OUT OF STATE POLITICAL COMMITTEE	16-902.02
ORGANIZATION OF POLITICAL COMMITTEE	16-902	CANDIDATE'S CAMPAIGN COMMITTEE	16-903
FINANCIAL INSTITUTION REQUIREMENT	16-902	TREASURER'S DUTIES	16-904
REGISTRATION OF POLITICAL COMMITTEE	16-902.01	TERMINATION OF POLITICAL COMMITTEE	16-914
DEADLINE FOR REGISTRATION	16-902.01	INITIATIVE AND REFERENDUM COMMITTEE	19-114
AMENDMENTS TO REGISTRATION	16-902.01	RECALL COMMITTEE	19-202

Revised 5/97

93043901925

**POLITICAL COMMITTEE**  
**CITY/TOWN OF \_\_\_\_\_**  
**CAMPAIGN FINANCE REPORT**  
**(March/May Regular Election)**

FOR OFFICE USE ONLY

1. Committee To Elect Jim Hoffman  
Full Name of Committee  
PO Box 367  
Address  
Williams AZ 635-2458  
City ZIP Code Phone Number

2. \_\_\_\_\_ 3. \_\_\_\_\_  
Sponsoring Organization or Candidate and Office

ID# 98-003

4. **REPORTING PERIOD** **FILING DEADLINE\***  
(Please check appropriate box)
- Pre-Primary Election Report - For Period of  
 January 1, 1997 thru February 18, 1998 ..... February 26, 1998
  - Post-Primary Election Report - For Period of  
 February 19, 1998 thru March 30, 1998 ..... April 9, 1998
  - Pre-General Election Report - For Period of  
 March 31, 1998 thru April 29, 1998 ..... May 7, 1998
  - Post-General Election Report - For Period of  
 April 30, 1998 thru June 8, 1998 ..... June 18, 1998
  - January 31, Report - For Period of  
 June 9, 1998 thru December 31, 1998 ..... January 31, 1999

\* Reports may be mailed by certified mail three days in advance of any deadline.

9064320143

SUMMARY		Column A This Period	Column B Campaign To Date
5. (a) Surplus from Previous Campaign			0
(b) Cash on Hand at Beginning of this Reporting Period		324.40	
(c) Total Receipts (from corresponding columns on Detailed Summary Page, Line 8)		324.40	324.40
(d) Subtotal [add Lines 5(b) and 5(c) for Column A and add 5(a) and 5(c) for Column B]		324.40	324.40
6. Total Disbursements (from corresponding columns on Detailed Summary Page, Line 18)		324.40	324.40
7. Cash on Hand at Close of Reporting Period [Subtract Line 6 from Line 5(d) - Column A must equal Column B]		0	0



CONTRIBUTIONS more than \$25 - from INDIVIDUALS\*

SCHEDULE A

2. ID#

Committee Name \_\_\_\_\_

3 Report covering period from \_\_\_\_\_ thru \_\_\_\_\_

CONTRIBUTIONS		DATE RECEIVED	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TOTAL THIS CAMPAIGN TO DATE
NAME, ADDRESS, OCCUPATION AND EMPLOYER OF CONTRIBUTOR				
4a	LAST: <i>McWabb</i> FIRST: <i>John</i> MI: _____ STREET ADDRESS: <i>PO box 367</i> CITY: <i>Williams</i> STATE: <i>AZ</i> ZIP: <i>86046</i> OCCUPATION: <i>ACT GOLF pro</i> EMPLOYER: <i>Udeman Golf</i>		<i>168.00</i>	
b	LAST: <i>Hoffman</i> FIRST: <i>Greg</i> MI: <i>R</i> STREET ADDRESS: <i>PO box 37</i> CITY: <i>Williams</i> STATE: <i>AZ</i> ZIP: <i>86046</i> OCCUPATION: <i>Restaurant Manager</i> EMPLOYER: <i>HOFFMAN'S Food Services</i>		<i>156.40</i>	
c	LAST: _____ FIRST: _____ MI: _____ STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP: _____ OCCUPATION: _____ EMPLOYER: _____			
d	LAST: _____ FIRST: _____ MI: _____ STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP: _____ OCCUPATION: _____ EMPLOYER: _____			
e	LAST: _____ FIRST: _____ MI: _____ STREET ADDRESS: _____ CITY: _____ STATE: _____ ZIP: _____ OCCUPATION: _____ EMPLOYER: _____			

90046201420

5. ENTER TOTAL ONLY IF LAST PAGE OF SCHEDULE A [If last page of Schedule A, transfer total to Detailed Summary Page Line 4(a), Column A]

*324.40*

\*If contributions of \$25 or less are listed with contributor's name, address, occupation and employer on Schedule A, do not include them on Schedule A-1.

EXPENDITURES FOR OPERATING EXPENSES\*

SCHEDULE E

CUMULATIVE  
 TOTAL THIS  
 CAMPAIGN

2. ID#

1. Committee Name Committee TO Elect Jim Hoffman  
 3. Report covering period from \_\_\_\_\_ thru \_\_\_\_\_

EXPENDITURES		DATE EXPENDITURE MADE	AMOUNT OF THE EXPENDITURE
NAME AND ADDRESS TO WHOM EXPENDITURE (DISBURSEMENT) WAS MADE			
4a	NAME, ADDRESS, CITY, STATE, AND ZIP <u>Brian James</u> <u>PO box 487 Williams AZ 80046</u>	<u>3-9-98</u>	<u>168.00</u>
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED <u>Postage</u>		
b	NAME, ADDRESS, CITY, STATE, AND ZIP <u>Coconino County Flagstaff, AZ 86001</u> <u>Elations</u>	<u>3-6-98</u>	<u>156.40</u>
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED <u>mailing labels &amp; list</u>		
c	NAME, ADDRESS, CITY, STATE, AND ZIP		
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED		
d	NAME, ADDRESS, CITY, STATE, AND ZIP		
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED		
e	NAME, ADDRESS, CITY, STATE, AND ZIP		
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED		
f	NAME, ADDRESS, CITY, STATE, AND ZIP		
	DESCRIPTION OF ITEMS OR SERVICES PURCHASED		

0  
 1  
 2  
 3  
 4  
 5  
 6  
 7  
 8  
 9

5. ENTER TOTAL ONLY IF LAST PAGE OF SCHEDULE D [If last page of Schedule D, transfer total to Detail Summary Page Line 9, Column A]

\* Expenditures, other than a contract, promise or agreement to make an expenditure resulting in credit

324.40



STATE OF ARIZONA  
POLITICAL COMMITTEE  
TERMINATION STATEMENT

FOR OFFICE USE ONLY

1. Committee To Elect Jim Hoffman  
Full Name of Committee  
PO Box 307  
Address  
Williams 86046 635-2458  
City ZIP Code Phone Number

2. \_\_\_\_\_  
Sponsoring Organization or Candidate and Office Fax Number

3. ID # 98-003

This is to certify that all contributions received and all expenditures made on behalf of the political committee indicated above have been reported as required by A.R.S. §16-913. We further certify that the political committee will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations and that any surplus monies have been disposed of pursuant to A.R.S. §16-915.01.

Please mark the appropriate statement below to indicate which campaign finance report states the disposition of any surplus monies.

- The disposition of any surplus monies was previously reported on \_\_\_\_\_
- The disposition of any surplus monies is reported on the attached campaign finance report.

We John McNeill & Greg Hoffman being duly sworn depose (affirm) and say, under penalty of perjury, that this statement of termination pursuant to A.R.S. §16-914 is complete, true and correct.

John McNeill Signature of Chairman  
Greg Hoffman Signature of Treasurer

STATE OF ARIZONA )  
COUNTY OF COCCHINO ) ss

Subscribed and sworn to (affirmed) before me this 22<sup>nd</sup> day of MAY, 19 98.

Yolanda B. Corona  
Notary Public

My commission expires: October 10, 1998



190043201927

STATE OF ARIZONA

FOR OFFICE USE ONLY

CANDIDATE  
\$500 THRESHOLD EXCEPTION STATEMENT  
[A.R.S. §16-903(A)]

1. James W. Hoffman  
Name of Candidate

620 W. Meade  
Address

Williams AZ 86046 635-2083  
City ZIP Code Phone Number

2. Mayor  
Office Fax Number

3. \_\_\_\_\_  
Party Affiliation

4. ID # \_\_\_\_\_

This is to certify that I have not received contributions of more than five hundred dollars or made more than five hundred dollars in expenditures and I do not intend to receive or expend more than five hundred dollars for the 19\_\_\_\_ election. I further certify that if I receive contributions or more than five hundred dollars or if I make more than five hundred dollars in expenditures for my campaign, I will designate a political committee pursuant to A.R.S. § 16-903.

I, James W. Hoffman, being duly sworn depose (affirm) and say that this exception statement is complete, true and correct.

James W. Hoffman  
Signature

STATE OF Arizona  
COUNTY OF Cocconino SS

Subscribed and sworn to (affirmed) before me this 4th day of January, 1998.

Eleanor Addison  
NOTARY PUBLIC - STATE OF ARIZONA  
COCONINO COUNTY  
03/08/00

My commission expires: 03-08-00

NOTE: Candidates for state offices and members of the legislature file with the Election Division, Office of the Secretary of State, 1700 West Washington, 7<sup>th</sup> Floor, Phoenix, Arizona 85007.

Candidates for county offices file with the county's officer in charge of elections.

Candidates for city or town offices file with the city or town clerk.

BEFORE THE FEDERAL ELECTION COMMISSION

OCT 21 3 46 AM '98

In the Matter of

)  
) CASE CLOSURES UNDER  
) ENFORCEMENT PRIORITY  
)

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases that, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating for each case.

Closing

cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 17 cases that do

9  
0  
0  
4  
3  
9  
0  
1  
2  
2  
7

not warrant further action relative to other pending matters.<sup>1</sup> The attachments to this report contain a factual summary of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

#### B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS also provides us with the means to identify those cases which

remain unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

---

<sup>1</sup> These cases are: Pre-MUR 365 (*Friends of Marjorie Margolies-Mezvinsky, et al*); MUR 4729 (*Friends of Melinda Katz*); MUR 4730 (*The Capital Times*); MUR 4731 (*Randall Terry Live*); MUR 4732 (*Juneau Democratic District Committee*); MUR 4733 (*Families and Taxpayers for Bob Kilbanks*); MUR 4734 (*Dennis Newinski for Congress*); MUR 4738 (*Friends of Corrine Brown*); MUR 4739 (*Direct Voice/DMAPAC*); MUR 4744 (*Mayor James Hoffman*); MUR 4745 (*Congressional Accountability Project*); MUR 4746 (*Phillip Cyre*); MUR 4747 (*NAWGA-PAC & FOODVIP PAC*); MUR 4765 (*Gary Miller*); MUR 4767 (*Committee to Elect Glenn Reese To Congress*); MUR 4778 (*Rick Hill for Congress*); and MUR 4784 (*Verticchio for Congress*).

98043701930

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We recommend that these cases be closed.<sup>4</sup>

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective October 29, 1998. Closing these cases as of this date will allow CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

---

<sup>4</sup> The cases recommended for closure are: Pre-MUR 345 (*Simon Fireman*); MUR 4630 (*Kentucky State Democratic Central Committee*); MUR 4662 (*Democratic Congressional Campaign Cmte*); RAD 97L-08 (*Thomas for Congress*); RAD 97L-11 (*Eggleston for Congress*); RAD 97L-12 (*Massachusetts Democratic Party*); RAD 97L-13 (*McMains for Senate*); RAD 97L-20 (*Republican Party of Arkansas*); and RAD 97NF-24 (*NC Committee Against Extremism*).

96043901931



### III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective October 29, 1998, and approve the appropriate letters in the following matters:

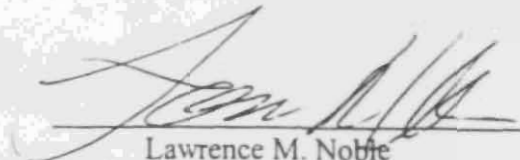
RAD 97L-08	RAD 97L-13	Pre-MUR 345
RAD 97L-11	RAD 97L-20	Pre-MUR 365
RAD 97L-12	RAD 97NF-24	

B. Take no action, close the file effective October 29, 1998, and approve the appropriate letters in the following matters:

MUR 4630	MUR 4732	MUR 4745
	MUR 4733	MUR 4746
MUR 4662	MUR 4734	MUR 4747
MUR 4729	MUR 4738	MUR 4765
MUR 4730	MUR 4739	MUR 4767
MUR 4731	MUR 4744	MUR 4778
		MUR 4784

10/20/98

Date



Lawrence M. Noble  
General Counsel

9  
3  
0  
4  
0  
2  
0  
1  
7  
3  
4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Case Closures Under )  
Enforcement Priority. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 27, 1998, the Commission took the following actions with respect to the General Counsel's October 20, 1998 report on Case Closures under Enforcement Priority:

I. Decided by a vote of 4-0 to:

- A. Decline to open a MUR, close the file effective October 29, 1998, and approve the appropriate letters in the following matters, as recommended in the General Counsel's Report dated October 20, 1998:

1. RAD 97L-08	5. RAD 97L-20
2. RAD 97L-11	6. RAD 97NF-24
3. RAD 97L-12	7. Pre-MUR 345
4. RAD 97L-13	8. Pre-MUR 365

- B. Take no action, close the file effective October 29, 1998, and approve the appropriate letters in the following matters, as recommended in the General Counsel's Report dated October 20, 1998:

1. MUR 4630	7. MUR 4733
2. MUR 4662	8. MUR 4734
3. MUR 4729	9. MUR 4738
4. MUR 4730	10. MUR 4739
5. MUR 4731	11. MUR 4744
6. MUR 4732	12. MUR 4745

(continued)

93040901933

Federal Election Commission  
Certification for Case Closure Under  
Enforcement Priority  
October 27, 1998

Page 2

- |              |              |
|--------------|--------------|
| 13. MUR 4746 | 16. MUR 4767 |
| 14. MUR 4747 | 17. MUR 4778 |
| 15. MUR 4765 | 18. MUR 4784 |

Commissioners Elliott, Mason, McDonald,  
and Thomas voted affirmatively for the  
decision; Commissioners Sandstrom and Wold  
did not cast a vote.

Attest:

10/27/98  
Date

*Marjorie W. Emmons*  
Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Wed., Oct. 21, 1998 9:46 a.m.  
Circulated to the Commission: Wed., Oct. 21, 1998 11:00 a.m.  
Deadline for vote: Mon., Oct. 26, 1998 4:00 p.m.

lrd

98043901934



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 2, 1998

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Tony Kuc  
892 N. Wells Fargo Drive  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. Kuc:

On May 11, 1998, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

90640701703

MUR 4744  
MAYOR JAMES HOFFMAN

Tony Kuc, candidate for mayor in Williams, Arizona, alleges that his opponent, incumbent mayor James Hoffman, accepted contributions from a foreign national, Brian James. According to the complaint, Mr. James contributed to Mayor Hoffman's campaign by allowing use of his bulk mailing permit to mail 800 fliers for the Mayor at a cost of 19 cents per envelope. Mr. Kuc supplemented his complaint by alleging that, on May 4, 1998, Mr. James stated on a local radio station that he could contribute to whomever he chose and admitted that the Mayor mailed his fliers through him. Even though Mr. James stated on a subsequent radio broadcast that the Mayor reimbursed him, Mr. Kuc maintains that the transaction amounts to an in-kind contribution.

Brian James, in response to the complaint, states that he is aware that he cannot contribute to U.S. political campaigns. He admitted allowing Mayor Hoffman's committee to use his bulk mail permit number, but maintains that Mayor Hoffman's committee reimbursed him \$168.04 for this service.

In his response, Mayor James Hoffman denies that he received contributions from a foreign national, or that the flier was mailed with his knowledge.

This matter involved a limited amount of money and is less significant relative to other matters pending before the Commission.

9 6 0 4 3 7 U 1 7 3 6





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 2, 1998

Mr. Brian James  
1001 W. Route 66  
Williams, AZ. 86046

RE: MUR 4744

Dear Mr. James:

On May 14, 1998, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Tarley", is written over a horizontal line.

F. Andrew Tarley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

MUR 4744  
MAYOR JAMES HOFFMAN

Tony Kuc, candidate for mayor in Williams, Arizona, alleges that his opponent, incumbent mayor James Hoffman, accepted contributions from a foreign national, Brian James. According to the complaint, Mr. James contributed to Mayor Hoffman's campaign by allowing use of his bulk mailing permit to mail 800 fliers for the Mayor at a cost of 19 cents per envelope. Mr. Kuc supplemented his complaint by alleging that, on May 4, 1998, Mr. James stated on a local radio station that he could contribute to whomever he chose and admitted that the Mayor mailed his fliers through him. Even though Mr. James stated on a subsequent radio broadcast that the Mayor reimbursed him, Mr. Kuc maintains that the transaction amounts to an in-kind contribution.

Brian James, in response to the complaint, states that he is aware that he cannot contribute to U.S. political campaigns. He admitted allowing Mayor Hoffman's committee to use his bulk mail permit number, but maintains that Mayor Hoffman's committee reimbursed him \$168.04 for this service.

In his response, Mayor James Hoffman denies that he received contributions from a foreign national, or that the flier was mailed with his knowledge.

This matter involved a limited amount of money and is less significant relative to other matters pending before the Commission.

9  
0  
0  
4  
3  
7  
0  
1  
9  
3  
0



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 2, 1998

The Honorable James L. Hoffman  
Mayor of Williams  
620 W. Meade  
Williams, AZ 86046

RE: MUR 4744

Dear Mr. Hoffman:

On May 14, 1998, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

90043201937

MUR 4744  
MAYOR JAMES HOFFMAN

Tony Kuc, candidate for mayor in Williams, Arizona, alleges that his opponent, incumbent mayor James Hoffman, accepted contributions from a foreign national, Brian James. According to the complaint, Mr. James contributed to Mayor Hoffman's campaign by allowing use of his bulk mailing permit to mail 800 fliers for the Mayor at a cost of 19 cents per envelope. Mr. Kuc supplemented his complaint by alleging that, on May 4, 1998, Mr. James stated on a local radio station that he could contribute to whomever he chose and admitted that the Mayor mailed his fliers through him. Even though Mr. James stated on a subsequent radio broadcast that the Mayor reimbursed him, Mr. Kuc maintains that the transaction amounts to an in-kind contribution.

Brian James, in response to the complaint, states that he is aware that he cannot contribute to U.S. political campaigns. He admitted allowing Mayor Hoffman's committee to use his bulk mail permit number, but maintains that Mayor Hoffman's committee reimbursed him \$168.04 for this service.

In his response, Mayor James Hoffman denies that he received contributions from a foreign national, or that the flier was mailed with his knowledge.

This matter involved a limited amount of money and is less significant relative to other matters pending before the Commission.

9 0 0 4 3 2 0 1 9 4 0



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4744

DATE FILMED 12/2/98 CAMERA NO. 3

CAMERAMAN EES

98043901941