



STATE OF WASHINGTON

**PUBLIC DISCLOSURE COMMISSION**

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TO: Commissioners

FROM: Philip E. Stutzman, Director of Compliance

DATE: November 24, 2014

SUBJECT: National Association of Realtors Fund, Case No. 14-009

This case involves alleged violations by the National Association of Realtors Fund (NAR Fund) for failing to timely file C-6 reports of Electioneering Communications and Independent Expenditure Political Advertising for more than \$125,000 worth of direct mail, advocacy phone calls and online advertising, and related polling and consulting expenses, supporting eight candidates for local office in the November 5, 2013 general election.

You are being provided the Notice of Administrative Charges and Report of Investigation. Staff is working with the Respondent to jointly present a Stipulation of Facts, Violations and Penalty for Commission consideration that will accurately describe the nature of the alleged violations, the relevant facts, and an appropriate penalty.



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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

In the Matter of Enforcement  
Action Against

The National Association of  
Realtors Fund

Respondent.

PDC Case No. 14-009

Notice of Administrative Charges

**I. Jurisdiction**

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17A RCW, the state campaign finance and disclosure laws; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC. These charges incorporate the Report of Investigation and all related exhibits by reference.

**II. Allegations**

2. Staff alleges that The National Association of Realtors Fund violated RCW 42.17A as follows:
  - A. RCW 42.17A.260 and RCW 42.17A.305 by failing to timely file a C-6 report of Electioneering Communications and Independent Expenditure Political Advertising disclosing \$76,400 for direct mail, advocacy phone calls and online advertising first presented to the public on October 11, 2013, supporting Kevin Wallace, a Bellevue City Council candidate, and Tim Leavitt, a candidate for Vancouver Mayor in the November 5, 2013 general election.
  - B. RCW 42.17A.305 by failing to timely file an Electioneering Communications report (C-6 report) disclosing \$48,700 for Electioneering Communications first presented to the public on October 17, 2013, for direct mail advertising and related polling and consulting expenses supporting the following candidates for the offices listed: Nancy Backus, for Mayor, City of Auburn; Dino Davis, for City Councilmember, City of

Bremerton; Don Barnes, for Port Commissioner, Port of Kennewick; Steve Hastings, for City Councilmember, City of Puyallup; John Hopkins, for City Councilmember, City of Puyallup; and Chris McNutt, for City Councilmember, City of Puyallup in the November 5, 2013 general election.

### III. Facts

3. The National Association of Realtors Fund (NAR Fund) is organized as a tax-exempt organization under Section 527 of the Internal Revenue Code. It receives all of its funding from the National Association of Realtors (NAR) and does not solicit or accept contributions from others.
4. As the sponsor of political advertising and electioneering communications, NAR Fund was required to deliver a report of Independent Expenditures (PDC form C-6) within twenty-four hours of, or on the first working day after, the date it first published, mailed, or otherwise presented Independent Expenditure political advertising to the public within 21 days of an election, valued at \$1,000 or more. NAR was required to electronically file a report of Electioneering Communications (PDC form C-6) within twenty-four hours of, or on the first working day after, the date it first broadcast, transmitted, mailed, erected, distributed, or otherwise published an Electioneering Communication within 60 days of an election.

#### **NAR Fund Failed to Timely Report \$76,400 for Electioneering Communications and Independent Expenditure Political Advertisements Concerning Two Candidates for City Offices**

5. NAR Fund spent \$76,400 for communications first presented to the public on October 11, 2013, including direct mail Electioneering Communications, and Independent Expenditure advocacy phone calls and online advertising supporting Kevin Wallace, a Bellevue City Council candidate, and Tim Leavitt, a candidate for Vancouver Mayor. NAR Fund was required to electronically file a C-6 report by October 14, 2013 for the direct mail Electioneering Communications, and was required to deliver a C-6 report by the same day for the Independent Expenditure telephone calls and online advertising.
6. NAR Fund faxed a C-6 report 16 days later on October 30, 2013, six days before the general election. The C-6 report covering the October 11, 2013 activity disclosed NAR Fund's Independent Expenditure telephone calls and online advertising 16 days late. The

report also disclosed NAR Fund's direct mail Electioneering Communications, though not electronically.

7. NAR Fund electronically re-filed this C-6 report with the PDC on November 5, 2013, the date of the general election. This electronic report disclosed NAR Fund's direct mail Electioneering Communications 22 days late.

**NAR Fund Failed to Timely Report \$48,700 for Electioneering Communications Concerning Six Additional Candidates for City Offices**

8. NAR Fund spent \$48,700 for Electioneering Communications first presented to the public on October 17, 2013, for direct mail advertising and related polling and consulting expenses supporting the following candidates for the offices listed:
  - Nancy Backus, for Mayor, City of Auburn;
  - Dino Davis, for City Councilmember, City of Bremerton;
  - Don Barnes, for Port Commissioner, Port of Kennewick;
  - Steve Hastings, for City Councilmember, City of Puyallup;
  - John Hopkins, for City Councilmember, City of Puyallup; and
  - Chris McNutt, for City Councilmember, City of Puyallup.
9. NAR Fund faxed a C-6 report disclosing \$48,700 for Electioneering Communication expenditures 12 days late on October 30, 2013. However, NAR Fund did not electronically file its C-6 report, as required, until November 5, 2013, 18 days late and on the date of the general election.

**IV. Law**

**RCW 42.17A.005(19)(a)** defines "Electioneering communication" to mean any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that: (i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name; (ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and (iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.

**RCW 42.17.005(26)** states, (26) "Independent expenditure" means an expenditure that has each of the following elements:

(a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

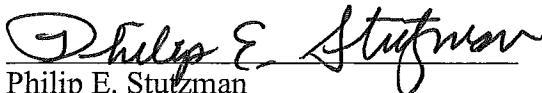
(b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of \*eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more. \* \$800 has been revised to \$950.

**RCW 42.17.260** states in part, (1) The sponsor of political advertising who, within twenty-one days of an election, publishes, mails, or otherwise presents to the public political advertising supporting or opposing a candidate or ballot proposition that qualifies as an independent expenditure with a fair market value of one thousand dollars or more shall deliver, either electronically or in written form, a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public.

**RCW 42.17A.305** requires that the sponsor of an electioneering communication shall report to the commission within twenty-four hours of, or on the first working day after, the date the electioneering communication is broadcast, transmitted, mailed, erected, distributed, or otherwise published, and include: (a) Name and address of the sponsor; (b) Source of funds for the communication, (c) Name and address of the person to whom an electioneering communication related expenditure was made; (d) A detailed description of each expenditure of more than one hundred dollars; (e) The date the expenditure was made and the date the electioneering communication was first broadcast, transmitted, mailed, erected, distributed, or otherwise published; (f) The amount of the expenditure; and (g) The name of each candidate clearly identified in the electioneering communication, the office being sought by each candidate, and the amount of the expenditure attributable to each candidate.

RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of November, 2014.



Philip E. Stutzman

Director of Compliance



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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

In RE COMPLIANCE WITH  
RCW 42.17 and RCW 42.17A

The National Association of  
Realtors Fund

Respondent.

PDC Case No. 14-009

Report of Investigation

**I.**

**Background**

- 1.1 The National Association of Realtors Fund (NAR Fund) is organized as a tax-exempt organization under Section 527 of the Internal Revenue Code. It receives all of its funding from the National Association of Realtors (NAR) and does not solicit or accept contributions from others. The NAR and NAR Fund are located in Chicago, Illinois.
- 1.2 The NAR is a trade association involving all aspects of the residential and commercial real estate industries and representing one million members nationwide which includes residential and commercial realtors who are brokers, salespeople, property managers, appraisers, and others engaged in the real estate industry. There are more than 1,400 local realtor associations/boards and 54 state and territory associations throughout the United States, including Washington State.
- 1.3 On November 7, 2013, Rebecca Lewis filed a complaint citing a November 5, 2013 article in *The Seattle Times* that reported that NAR Fund had not timely reported \$76,000 worth of expenditures for direct mail, phone calls, and online advertising first presented to voters on October 11, 2013 in support of Bellevue City Council candidate Kevin Wallace and Vancouver Mayor Tim Leavitt.

**II.**

**Allegations in Complaint**

- 2.1 The complaint alleged that NAR Fund failed to timely report electioneering communications expenditures totaling \$76,400. It alleged that NAR Fund was required to report its expenditures electronically by October 14, 2013 (the first working day after its communications were presented to the public) but instead waited until October 30,

2013, a week before the election, to file a paper report, and did not file electronically until election day on November 5, 2013. **Exhibit #1.**

- 2.2 The complainant further stated that she believed NAR Fund was in direct violation of RCW 42.17A.205 (requirement to register as an in-state political committee in Washington State); RCW 42.17A.220 (requirement to deposit contributions received by an in-state political committee); and RCW 42.17A.225 (requirement to file on-going reports of contributions and expenditures as a continuing political committee).
- 2.3 The complainant did not provide any evidence that NAR Fund is a Washington State political committee.

### III.

#### Summary of Investigative Findings

- 3.1 As a sponsor of political advertising and electioneering communications, NAR Fund was required to deliver a report of Independent Expenditures (PDC form C-6) within twenty-four hours of, or on the first working day after, the date it first published, mailed, or otherwise presented Independent Expenditure political advertising to the public within 21 days of an election, valued at \$1,000 or more. NAR was required to electronically file a report of Electioneering Communications (PDC form C-6) within twenty-four hours of, or on the first working day after, the date it first broadcast, transmitted, mailed, erected, distributed, or otherwise published an electioneering communication within 60 days of an election.
- 3.2 NAR Fund spent \$8,500 for Independent Expenditures first presented to the public on August 2, 2013 for voter identification and candidate advocacy phone calls supporting Gary Wright, a candidate for Snohomish County Council. NAR Fund was required to deliver a C-6 report by August 5, 2013. NAR Fund faxed a C-6 report one day later on August 6, 2013, the date of the primary election. The report was substantially timely. **Exhibit #2.**
- 3.3 NAR Fund spent \$76,400 for communications first presented to the public on October 11, 2013, including direct mail Electioneering Communications, and Independent Expenditure advocacy phone calls and online advertising supporting Kevin Wallace, a Bellevue City Council candidate, and Tim Leavitt, a candidate for Vancouver Mayor. NAR Fund was required to electronically file a C-6 report by October 14, 2013 for the direct mail Electioneering Communications, and was required to deliver a C-6 report by the same day for the Independent Expenditure telephone calls and online advertising. NAR Fund faxed a C-6 report 16 days later on October 30, 2013, six days before the general election. However, NAR did not electronically file its C-6 report, as required for the direct mail Electioneering Communications, until November 5, 2013, 22 days late and on the date of the general election. **Exhibit #3 and Exhibit #4.**
- 3.4 NAR Fund stated through its legal counsel that on October 8, 2013, it inadvertently included \$76,400 in Washington State Electioneering Communications and Independent Expenditure political advertising on political committee forms filed with the Office of Campaign Finance for the Government of the District of Columbia in Washington D.C., believing it was meeting its filing requirement with the State of

Washington. NAR Fund stated that this filing error was due to the inexperience of the individual tasked with reporting its expenditures concerning candidates in Washington State made during October 2013. **Exhibit #5.**

3.5 NAR Fund spent \$48,700 for Electioneering Communications first presented to the public on October 17, 2013, for direct mail advertising supporting the following candidates for the offices listed:

- Nancy Backus, for Mayor, City of Auburn;
- Dino Davis, for City Councilmember, City of Bremerton;
- Don Barnes, for Port Commissioner, Port of Kennewick;
- Steve Hastings, for City Councilmember, City of Puyallup;
- John Hopkins, for City Councilmember, City of Puyallup; and
- Chris McNutt, for City Councilmember, City of Puyallup.

NAR Fund was required to electronically file a C-6 report by October 18, 2013. NAR Fund faxed a C-6 report 12 days later on October 30, 2013, however, it did not electronically file its C-6 report, as required, until November 5, 2013, 18 days late and on the date of the general election. **Exhibit #3 and Exhibit #4.**

#### Detailed Findings

3.6 NAR Fund spent \$8,500 for Independent Expenditures first presented to the public on August 2, 2013 for voter identification and candidate advocacy phone calls supporting Gary Wright, a candidate for Snohomish County Council. NAR Fund was required to deliver a C-6 report by August 5, 2013. NAR Fund filed a faxed C-6 report on August 6, 2013. The report was substantially timely. **Exhibit #2.**

3.7 On October 30, 2013, NAR Fund filed two C-6 reports by facsimile, on paper, disclosing a total of \$125,100 in expenditures in support of eight local mayoral and city council candidates for public office in 2013. **Exhibit #3.**

3.8 On November 5, 2013, NAR filed two C-6 reports electronically disclosing the same information disclosed by facsimile on October 30, 2013, a total of \$125,100 in electioneering communications that supported eight local mayoral and city council candidates in 2013. **Exhibit #4.** The two C-6 reports disclosed the following electioneering communications:

#### Advertising Presented to the Public on October 11, 2013:

- NAR Fund made two expenditures on October 3, 2013 totaling \$76,400 for direct mail Electioneering Communications, Independent Expenditure telephone calls, online advertising, and related polling and consulting expenses that supported two candidates for local office: (1) Tim Leavitt, Mayor, City of Vancouver (\$40,000); and (2) Kevin Wallace, City Councilmember, City of Bellevue (\$36,000).



- NAR Fund presented the advertising to the public on October 11, 2013, and was required to deliver a C-6 report by October 14, 2013, the first working day after the ads were presented to the public. The report of Electioneering Communications was required to be filed electronically.
- NAR Fund faxed a C-6 report on October 30, 2013, six days before the general election. The report disclosed NAR Fund's Independent Expenditure telephone calls and online advertising 16 days late, and also disclosed NAR Fund's direct mail Electioneering Communications, though not electronically. NAR Fund electronically filed this C-6 report with the PDC on November 5, 2013, the date of the general election. This electronic report disclosed NAR Fund's direct mail Electioneering Communications 22 days late.

Advertising First Presented to the Public on October 17, 2013:

- NAR Fund made two expenditures totaling \$48,700 for direct mail, polling and consulting expenses that supported six candidates for local office: (1) Nancy Backus, Mayor, City of Auburn (\$11,200); (2) Dino Davis, City Councilmember, City of Bremerton (\$6,200); (3) Don Barnes, Port Commissioner, Port of Kennewick (\$8,200); (4) Steve Hastings, City Councilmember, City of Puyallup (\$7,700); (5) John Hopkins, City Councilmember, City of Puyallup (\$7,700); and (6) Chris McNutt, City Councilmember, City of Puyallup (\$7,700).
- Even though the C-6 report states that NAR Fund first presented the advertising to the public on October 28, 2013, NAR Fund confirmed that the communications represented by the expenditures shown in the C-6 report were first distributed on October 17, 2013, with subsequent distribution on October 22 and October 24, 2013. NAR Fund was required to file a C-6 report by October 18, 2013. NAR Fund filed a faxed C-6 report on October 30, 2013, however, it did not electronically file its C-6 report, as required, until November 5, 2013, 18 days late.

**Response from NAR Fund (Exhibit #5)**

- 3.9 On January 16, 2014, Mark Lamb, an attorney with the North Creek Law Firm, provided a written response on behalf of NAR Fund. **Exhibit #4.** Mr. Lamb stated the following:
- a. On November 5, 2013, Marc Gall, a member of the NAR Fund Finance staff, filed two C-6 reports on behalf of NAR Fund. Mr. Gall was new to the responsibility of preparing and filing campaign finance reports in various state and local jurisdictions in which NAR Fund was engaged in campaign activity during the 2013 election season. During the time relevant to the complaint he was also involved in assisting with the preparation of some of the approximately 250 such reports filed by NAR Fund in other states and local jurisdictions.
  - b. Mr. Gall did not receive sufficient training or information about the electioneering communication reporting requirements in Washington State prior to being assigned the responsibility of filing C-6 reports. As a result, he was not aware of the Washington State requirement to file those reports within 24 hours of, or on

the first working day after, the date the communications were first presented to the public, or the requirement to file those reports electronically.

- c. On October 8, 2013, Mr. Gall inadvertently filed information about NAR Fund's initial \$76,400 in expenditures that supported Tim Leavitt and Kevin Wallace on forms with the Office of Campaign Finance for the Government of the District of Columbia in Washington D.C., believing he was meeting NAR Fund's filing requirement with the State of Washington. On October 31, 2013, Mr. Gall corrected his filing with the Office of Campaign Finance for the Government of the District of Columbia by removing the \$76,400 in expenditures made in Washington State.
- d. NAR Fund discovered its C-6 reporting error for the \$76,400 in Electioneering Communications and Independent Expenditure political advertisements supporting Tim Leavitt and Kevin Wallace when NAR Fund staff was preparing the C-6 report for its \$48,700 in Electioneering Communication expenditures for direct mail, polling and consulting expenses that supported six additional candidates. When that oversight was discovered the correct report for expenditures totaling \$76,400 was immediately prepared and filed. Both reports were initially filed by facsimile, based on Mr. Gall's mistaken understanding that Washington State allowed C-6 reports of Electioneering Communications to be filed by fax. When NAR Fund was informed of the requirement to file C-6 Electioneering Communication reports electronically, the electronic reports were promptly prepared and filed.
- e. The C-6 report that disclosed \$48,700 in additional electioneering communications that was electronically filed on November 5, 2013 showed total expenditures of \$125,100 for the entire campaign. This report indicated that the \$48,700 in new electioneering communications were first presented or mailed on October 28, 2013 and October 24, 2013. Those communications were actually first presented to the public on October 17, 2013 with subsequent distributions on October 22 and October 28, 2013. Due to Mr. Gall's inexperience, he did not appreciate the significance of the "First Presentation" dates and unintentionally included only the latest, rather than the earliest, presentation date on the C-6 report.
- f. On October 30, 2013, NAR Fund staff prepared and filed two C-6 reports by facsimile "*...based on Mr. Gall's mistaken understanding that fax filing was permitted in Washington; when the requirement that the reports be filed electronically was called to NAR's attention the electronic reports were promptly prepared and filed.*"

### **2013 NAR Fund C-6 Filing history with the PDC**

- 3.10 On April 18, 2013, NAR timely filed one C-6 report electronically disclosing a total of \$9,500 in expenditures for Independent Expenditure advertisements of more than \$1,000 supporting an April 23, 2013 Mountlake Terrace Civic Center bond measure. The C-6 report disclosed that online advertisements and telephone calls to voters were first presented to the public on April 17, 2013.

**IV.**  
**Scope**

- 4.1 PDC staff reviewed the complaint filed by Rebecca Lewis against NAR Fund on November 7, 2013.
- 4.2 Staff reviewed the C-6 reports filed by NAR Fund.
- 4.3 Staff reviewed the January 16, 2014, response submitted by Mark Lamb on behalf of NAR Fund.

**V.**  
**Laws**

- 5.1 **RCW 42.17A.005(19)(a)** defines "Electioneering communication" to mean any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that: (i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name; (ii) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and (iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of one thousand dollars or more.
- 5.2 **RCW 42.17.005(26)** states, (26) "Independent expenditure" means an expenditure that has each of the following elements:

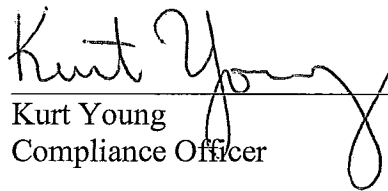
(a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of \*eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more.

- 5.3 **RCW 42.17.260** states in part, (1) The sponsor of political advertising who, within twenty-one days of an election, publishes, mails, or otherwise presents to the public political advertising supporting or opposing a candidate or ballot proposition that qualifies as an independent expenditure with a fair market value of one thousand dollars or more shall deliver, either electronically or in written form, a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public.
- 5.4 **RCW 42.17A.305** requires that the sponsor of an electioneering communication shall report to the commission within twenty-four hours of, or on the first working day after, the date the electioneering communication is broadcast, transmitted, mailed, erected, distributed, or otherwise published, and include: (a) Name and address of the sponsor; (b) Source of funds for the communication, (c) Name and address of the person to whom an electioneering communication related expenditure was made; (d) A detailed description of each expenditure of more than one hundred dollars; (e) The date the expenditure was made and the date the electioneering communication was first broadcast, transmitted, mailed, erected, distributed, or otherwise published; (f) The amount of the expenditure; and (g) The name of each candidate clearly identified in the electioneering communication, the office being sought by each candidate, and the amount of the expenditure attributable to each candidate. Electioneering communications shall be reported electronically by the sponsor using software provided or approved by the commission.

Respectfully submitted this 24<sup>th</sup> day of November, 2014.

  
Kurt Young  
Compliance Officer

#### List of Exhibits

- Exhibit #1** Complaint filed November 7, 2013 by Rebecca Lewis against NAR Fund.
- Exhibit #2** One C-6 report of Independent Expenditure political advertisements totaling \$8,500, submitted by fax on August 6, 2013, and electronically on January 31, 2014, supporting one County Council candidate.
- Exhibit #3** Two C-6 reports of Electioneering Communications and Independent Expenditure political advertisements totaling \$125,100, submitted by fax on October 30, 2013, supporting two 2013 Mayoral candidates and six City Council candidates.
- Exhibit #4** Two C-6 reports of Electioneering Communications and Independent Expenditure political advertisements totaling \$125,100, submitted electronically on November 5, 2013, supporting two 2013 Mayoral candidates and six City Council candidates.
- Exhibit #5** NAR Fund response to complaint, received January 16, 2014 from Mark Lamb on behalf of NAR Fund.

RECEIVED

Office Use Only: No. \_\_\_\_\_

NOV - 7 2013



Public Disclosure Commission

**WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION  
COMPLAINT FORM**

*(See instructions on the last page.)*

**Description of Complaint**

**1. RESPONDENT:**

Identify who you are filing a complaint against and provide all contact information you have for them. Give names and titles, if any, for individuals, and the full name of any organization. Please note that the PDC does not enforce federal campaign finance laws or local ordinances.

National Association of Realtors Fund

430 N. Michigan Ave Chicago, IL, 60611-4087 Phone: 312-329-8239 Email: unknown

**2. ALLEGED VIOLATIONS:**

Explain how and when you believe the people/entities you are filing a complaint against violated RCW 42.17/RCW 42.17A or Title 390 WAC. Be as detailed as possible about dates, times, places and acts. If you can, cite which specific laws or rules you believe were violated. Attach additional pages if needed. *(Note that the*

*According to The Seattle Times Nov. 5 article titled "Ad spending for Bellevue's Wallace reported late," the National Association of Realtors Fund "filed electronic reports (Nov. 5, Election Day) for \$76,000 worth of direct mail, phone calls and online advertising first presented to voters Oct. 11 in support of Bellevue City Council candidate Kevin Wallace and Vancouver Mayor Tim Leavitt." Under public disclosure laws, the reports should have been filed electronically on Oct. 14. Instead, the Realtors waited until Oct. 30, a week before the election, to file a paper report, and did not file electronically until Election Day on Nov.5. This violation of our law could have swayed what is turning out to be a very close election, with Wallace in the lead at this point, and if so this election should be recalled.*

I am no attorney, but I believe this is in direct violation of RCW 42.17A.205, RCW 42.17A.225, and 42.17A.220 regarding campaign finance and contributions.

**Evidence and Witnesses**

2. **EVIDENCE:**

List the documents or other evidence you have that support your complaint, if any, and attach copies to this form. If you do not have copies, provide any information you have about where you believe the documents or evidence can be found and how to obtain it. Attach additional pages if needed.

The primary evidence is this Seattle Times story in which the compliance director for the PDC is quoted. The secondary evidence on the next page is the PDC report with the late dates.

**POLITICS NORTHWEST** 

The Seattle Times political team explores national, state and local politics.

November 5, 2013 at 5:45 PM

**Ad spending for Bellevue's Wallace reported late**

Posted by [Keith Ervin](#)

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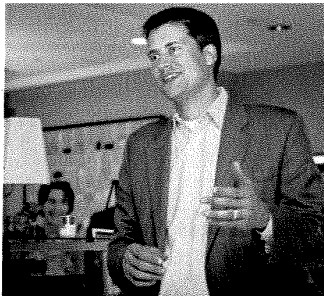
The National Association of Realtors Fund belatedly reported spending \$36,200 for political ads supporting Bellevue City Councilmember Kevin Wallace's re-election campaign.

Phil Stutzman, compliance director for the state Public Disclosure Commission, said the Realtors filed electronic reports today for \$76,000 worth of direct mail, phone calls and online advertising first presented to voters October 11 in support of Wallace and Vancouver Mayor Tim Leavitt.

Under public-disclosure laws the reports were to have been filed electronically on October 14, the first business day after they were presented.

Instead, the Realtors filed a paper report Oct. 30 and failed to file electronically until today after being contacted by PDC staff, Stutzman said. He said the PDC would investigate the reporting if it receives a complaint.

Wallace, who is running for a second term on the City Council, has reported raising \$138,938, compared to challenger Steve Kasner's \$67,689. Labor and environmental groups have largely funded \$9,701 in independent pro-Kasner ads and \$8,523 in anti-Wallace ads. Business interests including the Realtors have spent \$38,700 in favor of Wallace.



Bellevue City Council member Kevin Wallace thanks his supporters in a short speech after seeing his 51 percent lead in initial election results over challenger Steve Kasner at the Hyatt Regency Bellevue. (Lindsay Wasson / The Seattle Times)

**RECEIVED**

NOV - 7 2013

Public Disclosure Commission



OLYMPIA WA 98504-0908  
(360) 753-1111  
TOLL FREE 1-877-601-2828



11/5/2013

1/12

Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES (Occurring at any time) — \$100 or more  
 INDEPENDENT EXPENDITURE ADS (Appearing within 21 days of an election) — \$1,000 or more  
 ELECTIONEERING COMMUNICATIONS, Except Contributions (Appearing within 60 days of an election) — \$1,000 or more

1. Name and complete postal mailing address of sponsor: NATL ASSOCIATION OF REALTORS FUND 430 N. MICHIGAN CHICAGO, IL 60611		E-mail KPASCHAL@REALTORS.O Telephone 312-329-8239
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Date Made	Date First Presented/Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
10/03/13	10/11/13	ACCES 1750 K. STREET, SUITE 700 WASHINGTON, DC 20006	DIRECT MAIL, PHONE & ONLINE	76,000.00
10/03/13	10/03/13	NATIONAL ASSN OF REALTORS 430 N. MICHIGAN CHICAGO, IL 60611	POLLING AND CONSULTING EXP	400.00
Expenditures \$100 or less not itemized above				\$ 0.00
Total this report				\$ 76,400.00

Amount or Value *If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.	Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.	\$ 76,400.00
---	---	--------------

3. List of candidate(s) or ballot proposition(s) identified in the advertising.				Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose		
WALLACE, KEVIN	CITY COUNCIL MEMBER/CITY OF BELLEVUE	NON PARTISAN	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 36,200.00	\$ 36,200.00
LEAVITT, TIMOTHY	MAYOR/CITY OF VANCOUVER	NON PARTISAN	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 40,200.00	\$ 40,200.00

3. WITNESSES:

List the names and contact information, if known, of any witnesses or other persons who have knowledge of facts that support your complaint. Attach additional pages if needed.

Unknown at this time.

RECEIVED

NOV - 7 2013

Public Disclosure Commission

## Certification

### In signing this complaint:

- I have provided all information, documents and other evidence of which I am aware;
- If I become aware of additional information, documents or evidence related to my complaint, I will promptly provide it to the PDC; and,
- I am providing the PDC current information on how to contact me, and will promptly update that information if it changes.

Your name (print or type)  
Rebecca E Lewis

**RECEIVED**

NOV - 7 2013

Telephone number (including area code)  
425-746-5869

Public Disclosure Commission

E-mail address (optional)  
rebeccie@comcast.net

## Oath

### Required for complaints against elected officials or candidates for elective office:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.\*

Your signature Rebecca E Lewis

Date signed 11/7/13

Place signed (city and county)

City Bellevue

County King

## Attachments

€ Check here if you are attaching copies of documentary evidence or extra pages explaining your complaint. (copy of letter attached)

*\*RCW 9A.72.040 says that "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."*



**Washington State Public Disclosure Commission  
Instructions for Filing a Formal Complaint**

✚ **When to use the formal complaint form:**

While this form is not required, its use is recommended when you want to file formal allegations of a violation of the Public Disclosure Commission (PDC) statutes or rules. You can find the PDC statutes and rules on the PDC website at [www.pdc.wa.gov](http://www.pdc.wa.gov). If you have information or concerns about a possible violation but do not wish to file a complaint, please contact the PDC office directly.

✚ **How to submit your complaint form to the PDC:**

- Complete all sections. If you do not have some information, please write "unknown" instead of leaving a blank space.
- Attach copies of any evidence you have - we'll contact you if we need originals.
- Sign the oath if your complaint is against an elected official or a candidate for elective office.
- Mail, fax, or email your complaint and all attachments to the PDC.

✚ **If you have more questions:**

If you have more questions about filing a complaint, see the "Frequently Asked Questions about Filing a Complaint" guide available on the PDC's website at [www.pdc.wa.gov](http://www.pdc.wa.gov) under "Enforcement and Compliance." You may also contact the PDC directly.

**PDC Contact Information**

**MAILING ADDRESS:** Washington State Public Disclosure Commission  
711 Capitol Way, Room 206  
PO Box 40908  
Olympia, WA 98504-0908

**EMAIL ADDRESS:** [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov)

**PHONE:** 1-877-601-2828 (toll free)

**FAX:** (360) 753-1112

**HOURS:** Monday-Friday, 8:00 a.m. – 5:00 p.m., closed on state holidays.

**RECEIVED**

NOV - 7 2013

*Public Disclosure Commission*

FAX

RECEIVED

AUG -6 2013

Public Disclosure Commission

TO:

FAX NUMBER: (360) 753-1112

FROM: KAREN PASCHAL

FAX NUMBER:

DATE: 8/6/2013 11:51 AM

REGARDING:

PHONE NUMBER FOR FOLLOW-UP: (312) 329-8239

COMMENTS:

NATIONAL ASSOCIATION OF REALTORS

(312) 329-8239 | |



Form **C6**  
 1/12  
**RECEIVED**  
 AUG - 8 2013  
 Public Disclosure Commission

Reporting Form for: (check one) Instructions on Page 3

- INDEPENDENT EXPENDITURES (Occurring at any time) — \$100 or more
- INDEPENDENT EXPENDITURE ADS (Appearing within 21 days of an election) — \$1,000 or more
- ELECTIONEERING COMMUNICATIONS, Except Contributions (Appearing within 60 days of an election) — \$1,000 or more

1. Name and complete postal mailing address of sponsor:

NATIONAL ASSN. OF REALTORS FUND  
 430 N. MICHIGAN AVE.  
 CHICAGO, IL 60611

E-mail: kpascha@realtors.org  
 Telephone: 312-329-8239

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

Date Made	Date First Presented/Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
8/1/2013	8/2/2013	TARGET SMART COMMUNICATIONS 1750 K. ST., NW 7TH FLOOR WASHINGTON, DC 20006	VOTER IDENTIFICATION & CANDIDATE ADVOCACY PHONE CALLS	8,500.00

Expenditures \$100 or less not itemized above \$

<p><b>Amount or Value</b>          *If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.</p>	<p>Total this report \$ 8,500.00</p> <p>Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.          \$ 8,500.00</p>
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3. List of candidate(s) or ballot proposition(s) identified in the advertising.

Candidate/Proposition	Office/District/Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Gary Weiger	Snohomish County Council - DIST. 1	REPUBLICAN	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 8,500.00	\$ 8,500.00
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
Continued on attached sheet <input type="checkbox"/>				\$	\$

**Filer Name:**

4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:

- a)  An individual using only personal funds.
- b)  An individual using personal funds and/or funds received from others.
- c)  A business, union, group, association, organization, or other person using only general treasury funds.
- d)  A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e)  A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f)  A political committee filing C-5 reports. (RCW 42.17A.250)
- g)  Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

5. Sources giving in excess of \$250 for the electioneering communication:

Date Received	Source's Name, Address, City, State, Zip	For individuals, Employer's Name, City and State	Amount
			\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Sub-Total	\$
		Amount from attached pages	\$
		TOTAL FUNDS RECEIVED	\$

Continued on attached sheet

**Sponsor of Independent Expenditure or Electioneering Communication**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge.

Signature <i>Karen Paschall</i>	Printed Name KAREN PASCHALL
Street address 430 N. MICHIGAN AVE.	
City/State/Zip CHICAGO, IL 60611	
Date Signed 8/6/2013	Place Signed (city and county) CHICAGO-COOK

\*RCWBA 72.040 provides that: (1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor.\*



Form <b>C6</b> 1/12	5074  1/31/2014
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Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — \$100 or more
- INDEPENDENT EXPENDITURE ADS** (Appearing within 21 days of an election) — \$1,000 or more
- ELECTIONEERING COMMUNICATIONS, Except Contributions** (Appearing within 60 days of an election) — \$1,000 or more

<b>1. Name and complete postal mailing address of sponsor:</b> NATL ASSOCIATION OF REALTORS FUND 430 N. MICHIGAN CHICAGO, IL 60611	E-mail <b>KPASCHAL@REALTORS.O</b> <hr/> Telephone <b>312-329-8239</b>
---	--

**2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.**

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
08/01/13	08/02/13	TARGETSMART COMMUNICATIONS 1750 K. ST., NW WASHINGTON, DC 20006	VOTER ID, CANDADV., CALLS	8,500.00
Expenditures \$100 or less not itemized above				\$ 0.00
Total this report				\$ 8,500.00
Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.				\$ 8,500.00

3. List of candidate(s) or ballot proposition(s) identified in the advertising.					Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose			
GARY, WRIGHT	COUNTY COUNCIL MEMBER/SNOHOMISH CO	REPUBLIC	<input checked="" type="checkbox"/> <input type="checkbox"/>		\$ 8,500.00	\$ 8,500.00
			<input type="checkbox"/> <input type="checkbox"/>		\$	\$
			<input type="checkbox"/> <input type="checkbox"/>		\$	\$
			<input type="checkbox"/> <input type="checkbox"/>		\$	\$

Continued on attached sheet

Filer Name:

**4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:**

- a)  An individual using only personal funds.
- b)  An individual using personal funds and/or funds received from others.
- c)  A business, union, group, association, organization, or other person using only general treasury funds.
- d)  A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e)  A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f)  A political committee filing C-5 reports. (RCW 42.17A.250)
- g)  Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

**5. Sources giving in excess of \$250 for the electioneering communication:**

Date Received	Source's Name, Address, City, State, Zip	For individuals, Employer's Name, City and State	Amount
			\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Sub-Total	\$ 0.00
	Continued on attached sheet <input type="checkbox"/>	Amount from attached pages	\$ 0.00
		<b>TOTAL FUNDS RECEIVED</b>	<b>\$ 0.00</b>

Sponsor of Independent Expenditure or Electioneering Communication		
I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge.	Signature	Printed Name <b>KAREN PASCHAL</b>
	Street address <b>430 N. MICHIGAN</b>	
	City/State/Zip <b>CHICAGO IL 60422</b>	
	Date Signed <b>01/31/14</b>	Place Signed (city and county) <b>CHICAGO COUNTY</b>
	*RCW 9A.72.040 provides that "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."	

FAX

RECEIVED

TO:

FAX NUMBER: (360) 753-1112

OCT 30 2013

FROM: KAREN PASCHAL

Public Disclosure Commission

FAX NUMBER:

DATE: 10/30/2013 6:04 PM

REGARDING:

PHONE NUMBER FOR FOLLOW-UP:

COMMENTS:

NATIONAL ASSOCIATION OF REALTORS  
430 N. MICHIGAN AVE

| |



Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — \$100 or more
- INDEPENDENT EXPENDITURE ADS** (Appearing within 21 days of an election) — \$1,000 or more
- ELECTIONEERING COMMUNICATIONS, Except Contributions** (Appearing within 60 days of an election) — \$1,000 or more

1. Name and complete postal mailing address of sponsor:

National Association of Realtors Fund  
 430 N. Michigan Ave  
 Chicago, IL 60611

E-mail

kgeschne1@realtors.org

Telephone

312-329-8239

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
10/3/2013	10/11/2013	Associated Campaign Consulting and Election Services 1750 K Street, Suite 700 Washington, DC 20006	Direct mail, phone calls, Online	76,000.00
10/3/2013	10/3/2013	National Association of Realtors 430 N. Michigan Ave Chicago, IL 60611	Polling and Consulting Expenses	400.00

Expenditures \$100 or less not itemized above \$

<p><b>Amount or Value</b></p> <p>*If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.</p>	Total this report	\$ 76,400.00
	Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.	\$ 133,600.00

3. List of candidate(s) or ballot proposition(s) identified in the advertising.

Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Kevin Wallace	Belleve City Council	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 36,000.00	\$ 36,000.00
Tim Leavitt	Vancouver Mayor	Democrat	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 40,000.00	\$ 40,000.00
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
Continued on attached sheet <input type="checkbox"/>				\$	\$



Filer Name:

Public Disclosure Commission

4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:

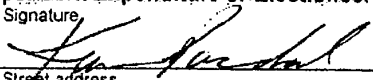
- a)  An individual using only personal funds.
- b)  An individual using personal funds and/or funds received from others.
- c)  A business, union, group, association, organization, or other person using only general treasury funds.
- d)  A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e)  A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f)  A political committee filing C-5 reports. (RCW 42.17A.250)
- g)  Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

5. Sources giving in excess of \$250 for the electioneering communication:

Date Received	Source's Name, Address, City, State, Zip	For individuals, Employer's Name, City and State	Amount
10/3/2013	National Association of Realtors 430 N. Michigan Ave Chicago, IL 60611		\$ 400.00
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Sub-Total	\$ 400.00
		Amount from attached pages	\$
		TOTAL FUNDS RECEIVED	\$ 400.00

Continued on attached sheet

<b>Sponsor of Independent Expenditure or Electioneering Communication</b>			
I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge.	Signature 	Printed Name Karen Paschal	
	Street address 430 N. Michigan Ave		
	City/State/Zip Chicago IL 60611		
	Date Signed 10/30/2013	Place Signed (city and county) Chicago, Cook	
	*RCW9A.72.040 provides that "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."		

**FAX**

**RECEIVED**

**OCT 30 2013**

**TO:**

FAX NUMBER: (360) 753-1112

**Public Disclosure Commission**

**FROM: KAREN PASCHAL**

FAX NUMBER:

**DATE: 10/30/2013 5:39 PM**

REGARDING:

PHONE NUMBER FOR FOLLOW-UP: (312) 329-8239

**COMMENTS:**

**NATIONAL ASSOCIATION OF REALTORS**  
430 N. MICHIGAN AVE  
(312) 329-8239 | |



Form  
**C6**  
 1/12

**RECEIVED**

OCT 30 2013

Public Disclosure Commission

Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — \$100 or more
- INDEPENDENT EXPENDITURE ADS** (Appearing within 21 days of an election) — \$1,000 or more
- ELECTIONEERING COMMUNICATIONS, Except Contributions** (Appearing within 60 days of an election) — \$1,000 or more

1. Name and complete postal mailing address of sponsor:

National Association of Realtors  
 430 N. Michigan Ave.  
 Chicago, IL 60611

E-mail: kgoschale@realtors.org  
 Telephone: 312-329-8239

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
10/24/2013	10/28/2013	GILPIN Group P.O. Box 11563 Bainbridge Island, WA 98110	Direct Mail	47,500.00
10/24/2013	10/24/2013	National Association of REALTORS 430 N. Michigan Ave. Chicago, IL 60611	Polling and Consulting Expenses	1,200.00

Expenditures \$100 or less not itemized above \$

*If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.	Total this report	\$ 48,700.00
	Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.	\$ 57,200.00

3. List of candidate(s) or ballot proposition(s) identified in the advertising.

Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Nancy Beckus	Auburn City Mayor	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 11,000.00	\$ 11,000.00
Dino Davis	Bremerton City Council	Democrat	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 6,000.00	\$ 6,000.00
Don Barnes	Kennewick Port	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 8,000.00	\$ 8,000.00
Steve Hastings	Puyallup City Council District 2	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 7,500.00	\$ 7,500.00
John Hopkins	Puyallup City Council District 2	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 7,500.00	\$ 7,500.00
Continued on attached sheet <input checked="" type="checkbox"/>				\$	\$



Form  
**C6**  
 1/12

**RECEIVED**

OCT 30 2013

Public Disclosure Commission

Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — \$100 or more
- INDEPENDENT EXPENDITURE ADS** (Appearing within 21 days of an election) — \$1,000 or more
- ELECTIONEERING COMMUNICATIONS, Except Contributions** (Appearing within 60 days of an election) — \$1,000 or more

1. Name and complete postal mailing address of sponsor:

E-mail

Telephone

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
Expenditures \$100 or less not itemized above				\$
Total this report				\$
<p style="text-align: center;">Amount or Value</p> <p>*If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.</p>			<p>Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.</p>	
				\$

3. List of candidate(s) or ballot proposition(s) identified in the advertising.

Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
Chris McNutt	Puyallup City Council Dist 2	Republican	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 7,500.00	\$ 7,500.00
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
Continued on attached sheet <input type="checkbox"/>				\$	\$

OCT 30 2013

Public Disclosure Commission

C-6 Page 2

Filer Name:

4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:

- a)  An individual using only personal funds.
- b)  An individual using personal funds and/or funds received from others.
- c)  A business, union, group, association, organization, or other person using only general treasury funds.
- d)  A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e)  A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f)  A political committee filing C-5 reports. (RCW 42.17A.250)
- g)  Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

5. Sources giving in excess of \$250 for the electioneering communication:

Date Received	Source's Name, Address, City, State, Zip	For individuals, Employer's Name, City and State	Amount
10/24/2013	National Association of Realtors 430 N. Michigan Ave. Chicago, IL 60611		\$ 48,700.00
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Occupation	\$
		Sub-Total	\$ 48,700.00
		Amount from attached pages	\$
		TOTAL FUNDS RECEIVED	\$ 48,700.00

Continued on attached sheet

Sponsor of Independent Expenditure or Electioneering Communication

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge.

Signature: *[Handwritten Signature]* Printed Name: **KARON PASCHAK**

Street address: **430 N. MICHIGAN**

City/State/Zip: **CHICAGO, IL 60611**

Date Signed: **10/30/2013** Place Signed (city and county): **CHICAGO, IL (COOK)**

\*RCW 9A.72.040 provides that "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."



Reporting Form for: (check one)

Instructions on Page 3

- INDEPENDENT EXPENDITURES** (Occurring at any time) — \$100 or more  
 **INDEPENDENT EXPENDITURE ADS** (Appearing within 21 days of an election) — \$1,000 or more  
 **ELECTIONEERING COMMUNICATIONS, Except Contributions** (Appearing within 60 days of an election) — \$1,000 or more

**1. Name and complete postal mailing address of sponsor:**

NATL ASSOCIATION OF REALTORS FUND  
 430 N. MICHIGAN  
 CHICAGO, IL 60611

E-mail: KPASCHAL@REALTORS.O  
 Telephone: 312-329-8239

**2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.**

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
10/24/13	10/28/13	GILPIN GROUP P. O. BOX 11563 BAINBRIDGE ISLAND, WA	DIRECT MAIL	47,500.00
10/24/13	10/24/13	NATIONAL ASSN OF REALTORS 430 N. MICHIGAN AVE. CHICAGO, IL 60611	POLLING AND CONSULTING	1,200.00
Expenditures \$100 or less not itemized above				\$ 0.00

<b>Amount or Value</b>	Total this report	\$ 48,700.00
*If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.	Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.	\$ 125,100.00

**3. List of candidate(s) or ballot proposition(s) identified in the advertising.**

Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
WACKUS, NANCY	MAYOR/Select a Jurisdiction	REPUBLIC	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 11,200.00	\$ 11,200.00
AVIS, DINO	CITY COUNCIL MEMBER/CITY OF BREMERTON	DEMOCRAT	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 6,200.00	\$ 6,200.00
BARNES, DON	PORT COMMISSIONER/PORT OF KENNEWICK	REPUBLIC	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 8,200.00	\$ 8,200.00
HASTINGS, STEVEN	CITY COUNCIL MEMBER/CITY OF PUYALLUP	REPUBLIC	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 7,700.00	\$ 7,700.00

Continued on attached sheet

**Filer Name:**

**4. If reporting an Electioneering Communication, it is necessary to disclose information concerning the source of funding for the communication. Select the description that applies:**

- a)  An individual using only personal funds.
- b)  An individual using personal funds and/or funds received from others.
- c)  A business, union, group, association, organization, or other person using only general treasury funds.
- d)  A business, union, group, association, organization, or other person using general treasury funds and/or funds received from others.
- e)  A political committee filing C-3 and C-4 reports. (RCW 42.17A.205 - .240)
- f)  A political committee filing C-5 reports. (RCW 42.17A.250)
- g)  Other

If (b), (d), (f), or (g) applies, complete section 5 below. If (e) applies, also complete section 5 if the committee received funds that were requested or designated for the communication.

**5. Sources giving in excess of \$250 for the electioneering communication:**

Date Received	Source's Name, Address, City, State, Zip	For individuals, Employer's Name, City and State	Amount
			\$
		Occupation	
			\$
		Occupation	
			\$
		Occupation	
			\$
		Occupation	
			\$
		Occupation	
			\$
		Occupation	
		Sub-Total	\$ 0.00
	Continued on attached sheet <input type="checkbox"/>	Amount from attached pages	\$ 0.00
		<b>TOTAL FUNDS RECEIVED</b>	<b>\$ 0.00</b>

Sponsor of Independent Expenditure or Electioneering Communication		
I certify (or declare) under penalty of perjury under the laws of the State of Washington that this expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or an agent of a candidate nor does it otherwise constitute a contribution under RCW 42.17A.005. I further certify that the above information is true, complete, and correct to the best of my knowledge.	Signature	Printed Name <b>KAREN PASCHAL</b>
	Street address <b>430 N. MICHIGAN</b>	
	City/State/Zip <b>CHICAGO IL 60611</b>	
	Date Signed <b>11/05/13</b>	Place Signed (city and county) <b>CHICAGO COOK</b>
	*RCW 9A.72.040 provides that "(1) A person is guilty of false swearing if he makes a false statement, which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."	







Reporting Form for: (check one)

Instructions on Page 3

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1. Name and complete postal mailing address of sponsor:

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 CHICAGO, IL 60611

E-mail: KPASCHAL@REALTORS.O  
 Telephone: 312-329-8239

2. Itemize expenditures of more than \$100 associated with the independent expenditure or electioneering communication.

Date Made	Date First Presented/ Mailed	Name and Address of Vendor or Recipient	Description of Expenditure (e.g., direct mail or newspaper, TV or radio ad)	Amount or Value (*See Below)
.0/03/13	10/11/13	ACCES 1750 K. STREET, SUITE 700 WASHINGTON, DC 20006	DIRECT MAIL, PHONE & ONLINE	76,000.00
.0/03/13	10/03/13	NATIONAL ASSN OF REALTORS 430 N. MICHIGAN CHICAGO, IL 60611	POLLING AND CONSULTING EXP	400.00
Expenditures \$100 or less not itemized above				\$ 0.00

<b>Amount or Value</b>	Total this report	\$ 76,400.00
*If no reasonable estimate can be made of value, describe activity, services, property or right furnished precisely and attach copy of item produced or distributed.	Total independent expenditures and electioneering communications made during this election campaign. Include amounts shown in this report and previously submitted C-6 reports.	\$ 76,400.00

3. List of candidate(s) or ballot proposition(s) identified in the advertising.

Candidate/Proposition	Office/District/ Proposition No.	Party	Check Support or Oppose	Show portion of current expense attributable to each candidate or proposition	Show total C-6 expenses related to each candidate/ proposition during election campaign
WALLACE, KEVIN	CITY COUNCIL MEMBER/CITY OF BELLEVUE	NON PARTISAN	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 36,200.00	\$ 36,200.00
BEAVITT, TIMOTHY	MAYOR/CITY OF VANCOUVER	NON PARTISAN	<input checked="" type="checkbox"/> <input type="checkbox"/>	\$ 40,200.00	\$ 40,200.00
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$
			<input type="checkbox"/> <input type="checkbox"/>	\$	\$

Continued on attached sheet



**THE NORTH CREEK LAW FIRM**  
A PROFESSIONAL CORPORATION

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Mark C. Lamb  
[mark@northcreeklaw.com](mailto:mark@northcreeklaw.com)

January 16, 2014

***VIA ELECTRONIC EMAIL & US MAIL***

Mr. Phillip Stutzman  
Director of Compliance  
Public Disclosure Commission  
711 Capitol Way Room 206  
P.O. Box 719  
Olympia, WA 98507-0719

Re: **PDC Complaint - Case No. 14-009**

Dear Phil,

Please consider this letter the response of my client, the National Association of Realtors Fund ("NAR") to the above referenced complaint. The following response addresses the complaint filed by Rebecca Lewis (the "Complainant") as well as additional issues raised in your letter of December 11, 2013.

**The National Association of Realtors Fund is not a Political Committee**

As you correctly observed in your letter, the Complainant alleged (but provided no evidence) that NAR is a political committee as that term is defined in RCW Chapter 42.17A. NAR is not a political committee as defined by this statute. Because of the absence of evidence, and the necessarily invasive nature of defending such an allegation, NAR will not address this issue further unless asked to do so by PDC staff.

**Independent Expenditure Filings**

The two C6 reports filed with the PDC dated November 5, 2013 were prepared and filed by Marc Gall, a member of the NAR Finance staff. Mr. Gall was quite new to the responsibility of preparing and filing campaign finance reports in various state and local jurisdictions in which NAR was engaged in campaign activity. During the period of time relevant to the complaint he was also involved in assisting with the preparation of some of the approximately 250 such reports filed by NAR in other state or local jurisdictions. Unfortunately, Mr. Gall did not receive

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Tel: (425) 368-4238 • Fax: (425) 489-2824

January 16, 2014

sufficient training or information about the electioneering communication reporting requirements in Washington State prior to being assigned the responsibility for C6 reports. As a result, he was not aware of the requirement in our state to file those reports within 24 hours of the commencement of the communication, or the requirement to file those reports electronically.

With respect to the C6 report dated November 5, 2013 concerning the communications in support of Kevin Wallace and Timothy Leavitt in the amount of \$76,400, the information regarding those expenditures was inadvertently filed with the similar campaign finance reporting agency in Washington, DC, rather than Washington State.<sup>1</sup> This error was discovered when the C6 report also dated 11/5 (reporting October 24, 2013 communications in the amount of \$125,100) was being prepared with respect to communications in support of six other candidates. When that oversight was discovered the correct report was immediately prepared and filed at the same time. Both reports were filed via fax initially based on Mr. Gall's mistaken understanding that fax filing was permitted in Washington; when the requirement that the reports be filed electronically was called to NAR's attention the electronic reports were promptly prepared and filed.

Finally, the C6 report of communications in the amount of \$125,100 indicates "Date First Presented/Mailed" of 10/28 and 10/24. In fact the communications represented by the expenditures shown in that report were first distributed on 10/17 with subsequent distribution on 10/22 and 10/28. Also due to Mr. Gall's inexperience he did not appreciate the significance of the "First Presentation" dates and unintentionally included only the latest, rather than the earliest, such date in this C6 report.

NAR takes very seriously the requirements of RCW 42.17A and deeply regrets the unintentional errors in reporting that occurred during the 2013 election cycle. My client has endeavored to make sure all staff members responsible for filings are familiar with the requirements of the laws and regulations of our state. They have retained local counsel to advise them in this matter and to help prevent any reporting issues in the future. I trust this letter is responsive to your request of December 11, 2013 to Ralph Holmen to provide a response to the complaint filed by Ms. Lewis. If you require additional information or clarification please don't hesitate to contact me directly at this office.

Sincerely,

THE NORTH CREEK LAW FIRM



Mark C. Lamb

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<sup>1</sup> At the request of Tony Perkins I have attached copies of the reports erroneously filed with the Government of the District of Columbia Office of Campaign Finance as well as the subsequent filing amending and correcting the report.