City of Seattle

Ethics and Elections Commission

December 8, 2008

Steve Pyeatt, Director
A Deal Is A Deal
14700 – 114th Ave NE
Kirkland, WA 98034

Phil Lloyd, Treasurer
A Deal is a Deal
603 Stewart Street, #819
Seattle, WA 98101

Dear Messrs. Pyeatt and Lloyd:

The A Deal is a Deal Committee (the "Committee") failed to timely file reports of contributions and expenditures in support of Initiative 93. In light of the Committee's failure to report more than $6,000 in contributions for more than a year, I am imposing a $750 late filing penalty.

**BACKGROUND**

Initiative 93 was filed on July 26, 2007, with the goal of requiring that the City hold the Seattle Supersonics to the terms of their Key Arena lease. On August 3, 2007, the Committee filed a C-1 declaring its intent to promote the adoption of Initiative 93.

Mr. Pyeatt, one of the Committee's organizers, and Mr. BJ Phillips, the Committee's then-treasurer, met with this office's campaign auditor, Ms. Polly Grow, for training on August 6, 2007.

On September 10, 2007, the City Council passed an ordinance binding the Sonics to their lease through 2010. According to newspaper reports, the Committee suspended its signature gathering efforts when the City Council passed the ordinance.

Ms. Grow communicated with the Committee by telephone and e-mail on several occasions through the fall of 2007 and early 2008, reminding the campaign of its obligation to file reports if it was engaged in any fundraising, or had spent any money. On April 23, 2008, I sent an e-mail to the Committee myself to remind them once again of their obligation to file reports and to offer them this office's assistance in meeting their filing obligations. In my e-mail, I reminded the Committee that the last reports filed were for the period ending July 31, 2007, and that penalties for late filed reports were subject to late filing penalties of $10 per day.

Mr. Pyeatt responded the same day that the Committee had not "attempted to



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raise any funds … and ha[d] not spen[t] any money. We will not do either without reporting."

This summer, the Committee retained Phil Lloyd as its treasurer, and charged him with filing the Committee's final report. Mr. Lloyd was busy with several campaigns involved in the 2008 election and, based on the Committee's representations that it had not raised or spent any money, I directed Ms. Grow to inform Mr. Lloyd that he could file the Committee's final report after the November 2008 elections.

On December 1, 2008, Mr. Lloyd filed a final report together with two C-3s and a C-4 for August 2007 that had not previously been filed. The C-3s show that the Committee raised more than $6,000 in August 2007. The August 2007 C-4 showed more than $3,500 in campaign expenditures that month, and the final report showed more than $1,800 in expenditures in March and April of 2008. The reports show an April payment of $1,000 for consulting to NWCS – a business with which Mr. Pyeatt is affiliated – two weeks *before* Mr. Pyeatt wrote to assure me that the Committee had neither raised nor spent any money.

**PENALTIES**

The three August reports were each filed nearly one year after they were due. (I will not penalize the Committee for its failure to file reports between September and December of this year, since I told Mr. Lloyd that he could turn his attention to the Committee's reports once he had completed work for committees active in this fall's elections.) Furthermore, the Committee was required to file C-4s in March and April 2008 when it exceeded the filing threshold. Those reports were each filed approximately six months late. In total the Committee is subject to penalties in excess of $10,000.

I have decided to reduce the late-filing penalties to $750. In arriving at this fine I took into account the fact that the Committee's initiative never really got off the ground, and the fact that the Committee neither raised nor spent substantial sums of money. Against that, however, I must balance the Committee's complete disregard for the campaign disclosure law, and the inaccurate information provided to me by Mr. Pyeatt in April of this year.

**RIGHT TO APPEAL**

You may appeal this decision by submitting to this office, by 4:00 p.m., Monday December 22, 2008, a written request for appeal, pursuant to Administrative Rule 4, which provides in relevant part:

> C. An appeal of late-filing penalties shall be served at the Commission's office no later than 14 days after the date of mailing the decision of which review is sought.
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> D. A request for review shall state the grounds therefor, and shall be no longer than twelve 8-1/2" x 11" double-spaced pages in length with margins of at least 1" on every side, and no more than 12 characters per inch.

**ACTION TO TAKE**

No later than December 22, 2008, deliver to the Commission at 700 Fifth Avenue, Suite 4010, P.O. Box 94729, Seattle, WA 98124-4729, a $750 check payable to the City of Seattle, or your request for appeal.

**CONCLUSION**

A major purpose of the Seattle Elections Code is to give the public timely access to information regarding the financial backing of City campaigns. The Committee's failure to file timely and accurate reports denied the public the right to this information, and therefore I have no choice but to impose a substantial penalty.

If you have any questions, please don't hesitate to call me at 684-8577.

Very truly yours,

Wayne Barnett
Executive Director

cc: BJ Phillips (former treasurer, A Deal Is A Deal)
Seattle Ethics and Elections Commission
Doug Ellis, Public Disclosure Commission