

**Complaint Description**

Phillip Tavel (Mon, 28 Oct 2019 at 5:27 PM)

The mailer that my opponent sent to tens of thousands of people in District 1 (Seattle), is fraudulent and designed to hurt my candidacy. I have never had the State of Washington shut down a business of mine and the way that she portrays that in the mailer is utterly false and misleading. All of the information that I have included in this complaint and attached hereto is true and complete, to the best of my knowledge.

**What impact does the alleged violation(s) have on the public?**

The Respondent sent out a political campaign ad that states I had "12 businesses shut down by the State of Washington" and "failed businesses, stiffed contractor, unpaid fines, bounced check and tax liens." The impact of these allegations is specifically stated as "Can we trust you {phil tavel} to manage public money." She is calling into question my being trustworthy and capable of managing money and the impact is a loss of confidence in my ability to carry out the responsibilities of the position I am running for.

**List of attached evidence or contact information where evidence may be found.**

I have attached the certificates of dissolution to 9 of the LLCs I was listed as a governor or agent on, and the one LLC that Lisa Herbold had. I have also attached a more detailed description of the violated sections of the RCW and why I believe they are in fact violations. I can provide any additional information the PDC may need regarding any of these claims.

**List of potential witnesses with contact information to reach them.**

Rick Rutherford - my partner with smart source, Business IQ, smart source 1, smart source holdings 425-557-9300; Kyung Hahm was my partner with Hahm and Tavel, the Community Group, the Community Law Group and Law Partners 425-894-7373; Dan Ashman is the owner of Seattle Asian Medicine and Martial Arts 425-205-9305

**Complaint Certification:**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that information provided with this complaint is true and correct to the best of my knowledge and belief.

To the Public Disclosure Commission

Complaint regarding RCW violation by my opponent

10/28/19

From Phillip Tavel, candidate for Seattle City Council, District 1 (206-949-8680)  
[ptavel@gmail.com](mailto:ptavel@gmail.com). 10019 33<sup>rd</sup> Ave, SW Seattle WA 98146

**1. Description of the alleged violation:**

My opponent, Lisa Herbold, in our race for Seattle City Council, District 1, chose, last week to send out a fraudulent mailer to District 1 residents. The information contained in the mailer is in violation of the Revised Code of Washington's (RCW) Section on Libelous Political Advertising (42.17A.335(2)).

The relevant section of the RCWs states:

**42.17A.335 It is a violation of this chapter for a person to sponsor with actual malice a statement constituting libel or defamation per se under the following circumstances:**

*RCW 9A.040.110(12) "Malice" and "maliciously" shall import an evil intent, wish, or design to vex, annoy, or injure another person. Malice may be inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.*

The mailer that states in relevant part: "Failed Businesses, stiffed contractor, unpaid fines, bounced check, tax liens and 12 businesses shut down by the State of Washington" is clearly being sent out to voters with malice, specifically as it calls into question that voters should not trust me because of these allegations.

Lisa Herbold also had an LLC (Highland Park Hooch – UBI 603-295-842) administratively dissolved by the State of Washington in 2014. She should be aware that this action is absolutely not the same as having a business "shut down" by the State. She has actual knowledge that many businesses end because they fail to file an annual report and are then administratively dissolved – since that is exactly what happened to her idea for a business venture. Her intent is clear in her mailer to cause people to not have faith in me as a candidate for council and injure me in my attempt to run for this position. These statements were clearly made with a willful disregard for my rights.

**(1)(a) Political advertising or an electioneering communication that contains a false statement of material fact about a candidate for public office**

The mailer states: “12 businesses shut down by the state of Washington.”

This statement is completely false. Of the 12 businesses she is calling attention to: 4 of them were never a business at all, they were just LLCs filed as a first step in thinking about starting a business and nothing ever happened with them; 1 of them was just a holding company for shares of founders stock and the business was never “shut down,” in fact it still exists today; 1 of them was the law firm I was a partner in for several years and the business ended when I moved on to a different law firm; 1 of them is still an ongoing business and was never stopped or shutdown, I was just a minority partner and advisor, and it is still thriving today; the other 5 LLCs, of which I never had a hand in any day to day operations were dissolved in 2011 and my friend just rolled them into a new business that I wasn’t involved with – but they were never “shut down” either. \*{See the full list below, describing all 12 LLCs and PLLCs}

**(2) For the purposes of this section, “libel or defamation per se” means statements that tend (a) to expose a living person to hatred, contempt, ridicule, or obloquy, or to deprive him or her of the benefit of public confidence or social intercourse, or to injure him or her in his or her business or occupation, or (b) to injure any person, corporation, or association in his, her, or its business or occupation.**

The mailer states in relevant part: “Can we trust you [*phil tavel*] to manage public money?”

This statement is clearly meant to deprive me of the benefit of public confidence.

\*Here are the 12 LLCs in question and a description of what they were and what happened to them. All of these LLCs and PLLCs were subject to “Administrative Dissolution” which is what happens when you don’t file an annual report with the Secretary of State. This is a typical way for businesses, or just potential businesses to end. This has nothing to do with the State “shutting down” a business in any way at all.

(1) 2i Founders LLC – This was just a holding corporation for the founders of my video game company and the founders stock that was given to everyone. This was purely a legal entity for holding stock and keeping track of who had founders shares of stock. Interactive Imagination, the company, actually still exists in a sort of hibernation mode. It was never “shut down” by the State of Washington.

(2) Hahm and Tavel PLLC – This was my law firm for several years. I stopped being active with it in 2017, but the entity still existed for the purposes of wrapping up business. The State of Washington never took any action against the actual business.

(3) Phillip Alden Tavel PLLC – I had this Professional Limited Liability Company briefly in case I wanted to just hang out a shingle on my own and practice law under my

own name. I never actually had a law firm using that name, so I just stopped filing annual reports under that name and it was dissolved in 2006.

(4-8) Business IQ LLC – tax and bookkeeping services; SmartSource LLC – accounts payable and receivable services; SmartSource 1 LLC – a partnership with Smartsources Holding for providing accounting services; SmartSource Holding LLC – an umbrella holding entity to act as a partner with other LLCs; Smartstaff LLC – outsourced staffing services – These were all LLCs where I was a silent partner in them and they all wrapped up in 2011 and my partner just moved them into a new business for outsourced tax and accounting services. They were never shut down by anyone, other than my partner. His new business is still going today.

(9) Law Partners LLC – This company was just an idea I had with my friend for doing outsourced General Counsel work. It never got started, so there was no need to keep filing annual reports.

(10) Seattle Asian Medicine and Martial Arts – My friends, who run the company just forgot to file the annual report. As soon as they learned of that they filed the report and the business never missed an hour of operation and is still going strong today up on Lake City Way.

(11-12) The Community Group LLC and The Community Law Group PLLC – My partner and I had thought about changing our law practice to being more of an all-inclusive community practice that did loans, insurance, help with getting grants, navigating the City and the County's services, etc. We never started the business. So, it was never shut down. We just stopped filing annual reports because we decided not to do anything with it.

Regarding the other claims in the fraudulent mailer:

(1) The bounced check that the mailer references was a dispute over rent for Business IQ that was resolved and paid, but which took place without any knowledge or involvement from me.

(2) The State Tax Lien, which occurred because Business IQ forgot to pay quarterly taxes and then paid them in the next quarter also had nothing to do with me other than my being on the formation documents as a Governor.

(3) The Federal Tax Lien for Business IQ referred to in the mailer was a liability from the previous company, CPAPartner, that I was neither a Governor or Agent for and had nothing to do with me at all.

(4) The mailer states that I had unpaid fines in municipal court. Four years ago, my wife came down with an auto-immune disorder that put her in intensive care. We ended up with massive medical bills and huge unexpected costs to have to move out of our house. I forgot to renew my tabs, which led to getting several infractions. I didn't have the money to pay for them, so they went into collections. For two years my wife was nearly bed-ridden and had to have both of her hips replaced because of the illness. The tickets went into collections and they were very low on my priority list with everything

else going on. I've since paid them. They are not unpaid, and they were not unpaid at the time of the mailer being sent out.

(5) I am unsure about the "stiffed contractor" allegation. There is no evidence or mention of what that was at all, and I have personally never "stiffed a contractor."

I declare under penalty of perjury and subject to the laws of the State of Washington that everything contained herein is true and correct to the best of my knowledge.

Signed, this 28<sup>th</sup> day of October, 2019.

A handwritten signature in black ink that reads "Phillip Tavel". The signature is written in a cursive, flowing style.

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Phillip Tavel

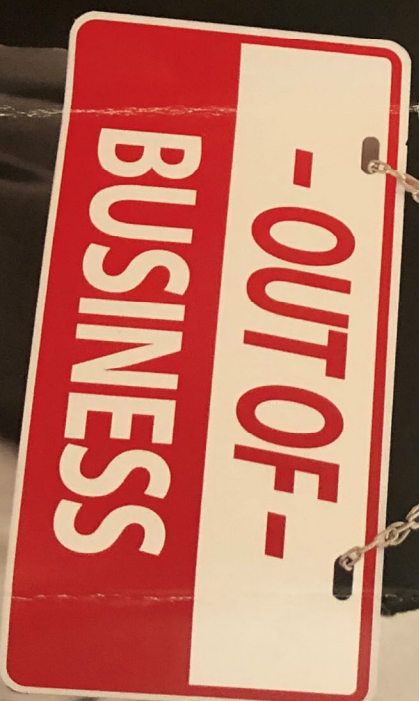


**PHIL TAVEL:** 12 businesses shut down  
by the State of Washington

# Really, Phil?

Can we trust you to manage public money?

SOURCES: Failed Businesses Washington State Secretary of State, **Sifted Contractor** King County District Court, Case #115-00376-CVCD **Unpaid Fines** Seattle Municipal Court, Cases #203515343, #203520004, #203755712 **Bounced Check** King County District Court, Case #115-00376-CVCD **Tax Liens** King County Recorder, Doc #20110130000593, **LexisNexis**, King County Superior Court, Case #11-2-16077-3-SEA



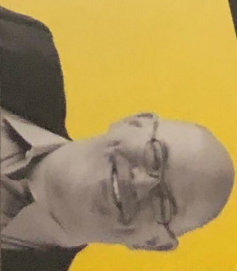


Paid for by District 1 for Lisa Herbold  
2518 S. Brandon Ct., Seattle, WA 98108  
7 UH19026

# Failed Businesses Stiffed Contractor Unpaid Fines Bounced Check Tax Liens

**Phil Tavel,**  
**don't you know**  
**any better?**

A candidate's character matters



PRSR STD  
US POSTAGE  
PAID  
CAMPAIGN MAIL

STATE OF WASHINGTON  
DEPARTMENT OF REVENUE  
COMPLIANCE  
ADMINISTRATION  
OLYMPIA, WASHINGTON  
98501-1267

BEFORE THE DEPARTMENT OF REVENUE THE  
WASHINGTON  
WARRANT FOR UNPAID TAXES

|       |                 |                        |                          |                               |               |
|-------|-----------------|------------------------|--------------------------|-------------------------------|---------------|
| NO. A | INVOICE NO. 005 | POSTING PERIOD 02-2011 | DATE OF ISSUE 04/21/2011 | DISTRICT OFFICE Seattle 4-2-2 | REGISTR 602 9 |
|-------|-----------------|------------------------|--------------------------|-------------------------------|---------------|

TON VS.  
BUSINESS IQ LLC (a limited liability company)  
BUSINESSIO

\*\*\*\*\*ECR WSH\*\*C004



6995

STATE of WASHINGTON



SECRETARY of STATE

Entity Name:

SMARTSOURCE LLC  
c/o PHILLIP TAVEL  
SMARTSOURCE  
93 S JACKSON ST #33630  
SEATTLE WA 98104

U.B.I. Number:  
602 927 712

## CERTIFICATE OF ADMINISTRATIVE DISSOLUTION

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively dissolved as of September 01, 2011.

This action was taken due to the failure of the entity to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

A handwritten signature in cursive script, reading "Sam Reed".

Sam Reed, Secretary of State



*STATE of WASHINGTON*



*SECRETARY of STATE*

Corporation Name:

21 FOUNDERS, LLC  
c/o DONALD MORRIS  
75 S MAIN STE 00  
SEATTLE WA 98104

U.B.I. Number:  
602 141 368

## **CERTIFICATE OF ADMINISTRATIVE DISSOLUTION**

In accordance with RCW 23B.14.210, the above corporation is hereby administratively  
dissolved as of November 25, 2002.

This action was taken due to the failure of the corporation to file an annual list of  
officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 753-7115

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State

*STATE of WASHINGTON*



*SECRETARY of STATE*

Entity Name:

HIGHLAND PARK HOOCH LLC  
c/o LISA HERBOLD  
7915 9TH SW  
SEATTLE WA 98106

U.B.I. Number:  
603 295 842

## **CERTIFICATE OF ADMINISTRATIVE DISSOLUTION**

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively dissolved as of August 01, 2014.

This action was taken due to the failure of the entity to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Kim Wyman, Secretary of State

*STATE of WASHINGTON*



*SECRETARY of STATE*

Entity Name:

BUSINESS IQ LLC  
c/o PHILLIP TAVEL  
SMARTSOURCE  
93 S JACKSON ST #33630  
SEATTLE WA 98104

U.B.I. Number:  
602 927 748

## **CERTIFICATE OF ADMINISTRATIVE DISSOLUTION**

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively dissolved as of September 01, 2011.

This action was taken due to the failure of the entity to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State



Secretary of State  
*Kim Wyman*

Washington Secretary of State  
Corporations and Charities Division  
801 Capitol Way South  
PO Box 40234  
Olympia, WA 98504-0234  
(360) 725-0377  
[corps@sos.wa.gov](mailto:corps@sos.wa.gov)

04/03/2019

HAHM & TAVEL, PLLC  
KYUNG HAHM  
330 S 106TH ST  
SEATTLE WA 98168-1333

### ADMINISTRATIVE DISSOLUTION

Dear Sir/Madam,

UBI #: 602 780 004  
Entity Name: HAHM & TAVEL, PLLC

The above listed entity has not filed its annual report that was due on 11/30/2018. As a result, the entity is no longer in active status.

In accordance with RCW23.95.605-610, the above entity is hereby administratively dissolved as of: 04/03/2019.

This action was taken due to failure of the entity to file a required report within the time set forth by law.

Under RCW 23.95.615, a domestic entity that is administratively dissolved may apply for reinstatement no later than five (5) years after the effective date of administrative dissolution noted above. RCW 23.95.615 identifies the requirements for an application for reinstatement.

You can access the Washington Secretary of State, Corporations and Charities Filing System (CCFS) online to reactivate your entity using the following website <https://www.sos.wa.gov/corps>.

Sincerely,

Washington Secretary of State  
Corporations and Charities Division  
[corps@sos.wa.gov](mailto:corps@sos.wa.gov)

Note: If your documents were recently submitted, please disregard this notice. If you have any questions concerning this matter please contact our office at the address or phone number shown above.



*STATE of WASHINGTON*



*SECRETARY of STATE*

Entity Name:

THE COMMUNITY GROUP LLC  
c/o KYUNG HAHM  
14205 SE 36TH ST STE 100  
BELLEVUE WA 98006

U.B.I. Number:  
603 380 099

## **CERTIFICATE OF ADMINISTRATIVE DISSOLUTION**

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively  
dissolved as of June 01, 2015.

This action was taken due to the failure of the entity to file an annual list of  
officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Kim Wyman, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

Corporation Name:

LAWPARTNER PLLC  
c/o KYUNG HAHM  
5288 E COLLINS RD  
PORT ORCHARD WA 98366

U.B.I. Number:  
602 772 542

## CERTIFICATE OF ADMINISTRATIVE DISSOLUTION

In accordance with RCW 23B.14.210, the above corporation is hereby administratively  
dissolved as of February 02, 2009.

This action was taken due to the failure of the corporation to file an annual list of  
officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 753-7115

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

Entity Name:

SMARTSOURCE 1 LLC  
c/o PHILLIP TAVEL  
SMARTSOURCE  
93 S JACKSON ST #33630  
SEATTLE WA 98104

U.B.I. Number:  
602 927 717

## CERTIFICATE OF ADMINISTRATIVE DISSOLUTION

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively dissolved as of September 01, 2011.

This action was taken due to the failure of the entity to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State

*STATE of WASHINGTON*



*SECRETARY of STATE*

Corporation Name:

PHILLIP ALDEN TAVEL, PLLC  
c/o PHILLIP TAVEL  
3131 ELLIOTT AVENUE SUITE 710  
SEATTLE WA 98121

U.B.I. Number:  
602 512 899

## **CERTIFICATE OF ADMINISTRATIVE DISSOLUTION**

In accordance with RCW 23B.14.210, the above corporation is hereby administratively  
dissolved as of November 01, 2006.

This action was taken due to the failure of the corporation to file an annual list of  
officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 753-7115

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State



STATE of WASHINGTON



SECRETARY of STATE

Entity Name:

SMARTSOURCE HOLDING LLC  
c/o PHILLIP TAVEL  
SMARTSOURCE  
93 S JACKSON ST #33630  
SEATTLE WA 98104

U.B.I. Number:  
602 927 685

## CERTIFICATE OF ADMINISTRATIVE DISSOLUTION

In accordance with the Revised Code of Washington (RCW) the above entity is hereby administratively dissolved as of September 01, 2011.

This action was taken due to the failure of the entity to file an annual list of officers/license renewal within the time set forth by law.

A copy of this certificate is on file in this office:

Corporations Division  
Office of the Secretary of State  
PO Box 40234  
Olympia, Washington 98504-0234  
(360) 725-0377

*Given under my hand and the seal of the State  
of Washington at Olympia, the State Capital.*

Sam Reed, Secretary of State