

**STATE OF COLORADO  
IN THE OFFICE OF THE SECRETARY OF STATE**

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ELECTIONS DIVISION OF THE SECRETARY OF STATE,

Complainant,

vs.

COLORADO RURAL VOTERS

Respondent.

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**SETTLEMENT AGREEMENT**

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This Settlement Agreement is entered into between the Elections Division of the Colorado Secretary of State (“Division”) and Colorado Rural Voters (“Respondent” or “Committee”).

**Recitals**

A. The Committee is an independent expenditure committee registered with the Colorado Secretary of State.

B. The Committee’s stated purpose is “engaging people on the Western Slope in the election process.”

C. During the course of 2022, the Committee:

1. Raised \$43,646.96 in donations from 40 donors;
2. Made five expenditures worth a total of \$35,690.76; and,
3. Failed to accurately report the donations, expenditures, and the Committee’s beginning and ending balances across 17 disclosure reports.

D. The Committee cooperated with the Division’s investigation, including by identifying the previously unreported donations and expenditures, which enabled the Division to identify the scope of the Committee’s total donations and expenditures.

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E. The Committee also attempted to cure its reporting violations once it was given notice of the complaint filed against it. The Committee amended its disclosure reports to fully disclose all of the Committee's donations, expenditures, and beginning and ending balances for each applicable reporting period. The Committee has also developed new procedures to timely and accurately report donations and expenditures, as evidenced by their internal compliance manual the Committee provided to the Division. This manual indicates multiple staff are now responsible for reviewing and approving the timely and accurate reporting of the Committee's donations and expenditures.

F. Nothing in the Division's investigation suggested an intent to mislead the electorate. Rather, the Committee explained that staff responsible for reporting donations and expenditures encountered a personal hardship during the reporting periods.

G. The Division will be filing a complaint with the Administrative Hearing Officer (the "Administrative Proceedings") but will dismiss that complaint if this settlement agreement is adopted and approved.

H. The Division and Respondent desire to resolve this matter without the expense of continued litigation. Therefore, in consideration of the mutual covenants contained in this Agreement, the parties agree and covenant as follows:

Agreement

Section 1. Deputy Secretary of State Approval

This Settlement Agreement and all promises contained within are contingent upon approval of the Deputy Secretary of State, which approval will be demonstrated by the Deputy Secretary's signature to this agreement. In the event the Deputy Secretary does not approve this Settlement Agreement, neither the Recitals above nor the promises below shall be binding upon, or enforceable against, either the Division or Respondent.

Section 2. Payment of Stipulated Penalty

Within 14 days from when the Division sends the invoice, **the Committee shall pay \$5,800** to the Division.

This penalty reflects Rule 23.3.3 of the Secretary's Rules on Campaign Finance, 8 CCR 1505-6.

Specifically, Rule 23.3.3(b)(1) calls for a penalty of \$100 per report and 5% of the activity not accurately reported. Here, the Committee failed to accurately report \$79,337.72 of campaign finance activity on 17 disclosure reports, which would suggest a penalty of \$5,666.89.

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The Division finds certain aggravating circumstances here. The unreported donations were 69% of the Committee's total donations for 2022 and the unreported expenditures were 87% of the Committee's total expenditures for 2022. This activity went unreported throughout 2022, including during the 2022 primary and general elections.

However, the Division also finds mitigating circumstances here.

First, the Committee's staff member charged with reporting duties encountered a personal hardship that led to the inaccurate reporting.

Moreover, the Committee has now developed new procedures to ensure the Committee complies with Colorado campaign finance laws. Specifically, the Committee has provided the Division with a compliance manual that indicates multiple staff now are responsible for reporting donations and expenditures. By creating multiple "checks and balances", the Committee ensures it will report its donations and expenditure timely and accurately.

Finally, the Committee fully cooperated with the Division's investigation. The Committee amended its disclosure reports to fully report all donations received and expenditures made in 2022. Not only did this enable the Division to understand the scope of the violation, but it also demonstrates that the Committee lacked any intent to mislead the electorate.

Accordingly, the Division finds that a penalty of **\$5,800** – an additional \$133.11 which is approximately 2% above the Rule 23.3.3(b)(1) penalty – is sufficient to further the purposes of Colorado campaign finance law.

Section 3. Compliance with Colorado Campaign Finance Law

Respondent agrees to comply with Colorado law relating to reporting requirements and to otherwise comply with Colorado Campaign Finance Law, including Article XXVIII of the Colorado Constitution, the Fair Campaign Practices Act, §§ 1-45-101, *et seq.*, and the rules of the Secretary of State concerning campaign and political finance.

Section 4. Dismissal of Administrative Proceedings

The Division will move to dismiss the Administrative Proceedings with prejudice within 7 days of when the Secretary of State sends a receipt to the Committee for the payment provided for in Section 2 of this Agreement.

Section 5. Admissions

Respondent admits that it did not timely and accurately report its donations, expenditures, and beginning and ending balances across 17 disclosure reports. Respondent maintains that its conduct was unintentional.



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Section 6. Release and Covenant Not to Sue

Respondent, for itself, its agents, assigns, representatives, attorneys, and subrogees, releases and forever discharges the Division, the Secretary of State, and the State of Colorado, and all of their former, current, and successor officers, employees, agents, and attorneys, from any and all claims, actions, causes of action, debts, demands, liabilities, losses, injuries, and/or damages arising from or relating to the Administrative Proceedings. Respondent further expressly agrees and covenants that it will not sue or assert any cause of action, at law or in equity and whether before a court of law or an administrative agency, against the Division, the Secretary of State, or the State of Colorado, or any of their former, current, and successor officers, employees, agents, and attorneys, for any claim arising from or related to the Administrative Proceedings.

Section 7. Waiver of Appeal Rights

Respondent expressly waives any right for further administrative or judicial review of any matter related to the Administrative Proceedings or this Agreement, including but not limited to any rights provided by §§ 24-4-105 and -106, C.R.S. (2022).

Section 8. Public Records

Respondent understands and agrees that this Agreement may be made available to the public on the Secretary of State's TRACER Campaign Finance system, and may also be made available to members of the public who serve a valid request under the Colorado Open Records Act, § 24-72-101, *et seq.*, C.R.S. (2021).

Section 9. Full and Complete Agreement

This Agreement, including any attachments referenced in the Agreement, constitutes the full and complete agreement of the parties and shall supersede any and all prior understandings, whether written or oral.

Section 10. Final Agency Action

This Settlement Agreement shall become final agency action under the State Administrative Procedures Act, §§ 24-4-101 *et seq.*, upon completion of all terms of compliance contained herein, including but not limited to dismissal of the Administrative Proceedings.

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Section 11. Warranties

Respondent and the Division expressly warrant that they have carefully and completely read the terms of this Agreement. The parties expressly warrant that they have had the opportunity to consult with legal counsel before executing this Agreement, that they fully understand the terms of this Agreement, and that they enter into this Agreement knowingly and voluntarily, and without coercion, duress or undue influence. Each of the parties warrants that, in executing this Agreement, the parties have not relied upon any promise, warranty, or representation made by any other party, except as such promises, warranties, or representations are expressly stated in this Agreement. Finally, each of the signatories below warrants that they have authority to enter into the Agreement on behalf of the named parties.

**ELECTIONS DIVISION OF THE SECRETARY OF STATE**

09/12/2023

DATE



By: Alex Gentry  
Campaign Finance Enforcement Analyst

**COLORADO RURAL VOTERS**

DATE

9/12/23



By: Leah Berry  
Registered Agent

**ADOPTED AND APPROVED BY:**

September 25, 20223

DATE



By: Christopher P. Beall  
Deputy Secretary of State

