

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

ELECTIONS DIVISION OF THE SECRETARY OF STATE,

Complainant,

vs.

COALITION FOR RESPONSIBLE EDUCATION IN RE-2,

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Elections Division of the Colorado Secretary of State ("Division") and Coalition for Responsible Education in RE-2 ("Respondent").

Recitals

- A. Respondent is an issue committee registered with the Colorado Secretary of State.
- B. Respondent's purpose is to "recall Garfield RE-2 School Board Director Anthony May."
- C. Respondent first registered as a small scale issue committee on November 1, 2024 and thereafter began receiving contributions and making expenditures.
- D. On February 13, 2024, Respondent received an in-kind contribution from Voces Unidas Action Fund, specifically \$5,108.75 for circulating the recall petition. Of that, \$39.56 was for printing materials, \$100 was for the Petition Entity License, \$2,198.90 was for technical assistance, and \$2,770.29 was for staffing costs.
- E. Respondent misread the invoice from Voces Unidas Action Fund and believed the in-kind contribution was for \$2,770.29.
- F. Accordingly, Respondent believed it had not exceeded the aggregate contribution threshold of \$5,000 that requires a small scale issue committee to notify the Division of its change in status to an issue committee.

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G. However, by February 13, 2024, Respondent had received a total of \$8,744.78 in aggregate contributions. Respondent has not received any other contributions.

H. Additionally, Respondent had made \$1,720.97 in aggregate expenditures by February 21, 2024. Respondent has not made any other expenditures.

I. As of February 13, 2024, Respondent had received more than \$5,000 in aggregate contributions. Therefore, Respondent had 15 days from that date to notify the Division of its change in status from a small scale issue committee to an issue committee.

J. The underlying citizen Complaint was filed on July 1, 2024, alleging Respondent did not report its contributions or expenditures.

K. Respondent notified the Division of its change in status on August 13, 2024.

L. Respondent reported its contributions and expenditures on August 16, 2024.

M. Respondent did not timely notify the Division of its change in status.

N. Even so, Respondent cooperated with the Division's investigation, including by sharing its bank statements and receipts. Doing so enabled the Division to identify Respondent's total contributions and expenditures.

O. The Division will be filing a complaint with the Administrative Hearing Officer (the "Administrative Proceedings"). The Administrative Hearing Officer complaint will be dismissed if the Settlement Agreement is adopted and approved.

P. 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

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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 of Respondent's receipt of an invoice from the Division, **Respondent shall pay \$336.65** to the Division.

This penalty reflects Rule 23.3.3 of the Secretary's Rules on Campaign Finance. 8 CCR 1505-6. Specifically, Rules 23.3.3(a)(1).

For failing to register as an issue committee, Rule 23.3.3(a)(1)(C) calls for a fine of at least \$300 and at least 10 percent of the total amount of contributions and expenditures made. Here, Respondent had a total of \$10,465.75 in campaign finance activity – \$8,744.78 in contributions and \$1,720.97 in expenditures. Accordingly, the fine for failing to register as an issue committee would be \$1,346.58.

However, the Division finds mitigating circumstances here. Respondent fully cooperated with the Division's investigation, most notably by providing significant documentation to establish Respondent's contributions and expenditures. Doing so enabled the Division to understand the scope of the violation. Additionally, there was no evidence that Respondent was attempting to mislead the public or election officials. Respondent did not timely register as an issue committee because Respondent mistakenly read believed that its aggregate contributions did not exceed the \$5,000 registration and reporting threshold.

Accordingly, the Division finds that a penalty of \$336.65 – which is 25% of the applicable fine – is appropriate.

This penalty is sufficient to further the purposes of Colorado campaign finance law.

Section 3. Compliance with Colorado Campaign Finance Law

Respondent agrees 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 following the Deputy Secretary's approval of the settlement.

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Section 5. Admissions

Respondent admits that it was required to, but did not, timely register as an issue committee and report its contributions and expenditures.

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

Upon its approval by the Deputy Secretary, this Settlement Agreement shall become final agency action under the State Administrative Procedures Act, §§ 24-4-101 *et seq.*

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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

08/26/2024

DATE

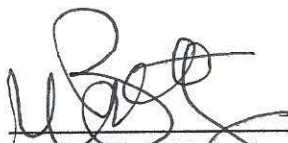


By: Alex Gentry
Campaign Finance Enforcement Analyst

COALITION FOR RESPONSIBLE EDUCATION IN RE-2

8/26/2024

DATE



By: Willow Brotzman, Registered Agent
Coalition for Responsible Education in RE-2

ADOPTED AND APPROVED BY:

September 26, 2024

DATE



By: Christopher P. Beall
Deputy Secretary of State