

<p>STATE OF COLORADO SECRETARY OF STATE ADMINISTRATIVE HEARING OFFICER 1700 Broadway #550 Denver, CO 80290</p> <hr/> <p>BEFORE THE SECRETARY OF STATE, COLORADO DEPARTMENT OF STATE, <i>in re</i> ED 2022-109, 2022-110, 2022-111, 2022-112, 2022-115, 2022-116, and 2022-117</p> <p>ELECTIONS DIVISION OF THE SECRETARY OF STATE,</p> <p>Complainant,</p> <p>vs.</p> <p>COLIN LARSON; COLIN FOR COLORADO; RESTORE COLORADO LEADERSHIP FUND IEC, RESTORE COLORADO LEADERSHIP FUND 527; DANIEL COLE, COLE COMMUNICATIONS, LLC; and VICTOR'S CANVASSING, LLC.</p> <p>Respondents.</p>	<p>▲ COURT USE ONLY ▲</p> <p>CASE NUMBER</p> <p>2023-_____</p>
<p>COMPLAINT</p>	

Pursuant to § 1-45-111.7, C.R.S. (2022) and Rule 24 of the Secretary’s Rules on Campaign and Political Finance, 8 CCR 1505-6, the Elections Division of the Secretary of State files this Complaint against Colin Larson, Colin for Colorado, Restore Colorado Leadership Fund IEC, Restore Colorado Leadership Fund 527, Daniel Cole, Cole Communications, LLC, and Victor’s Canvassing, LLC (collectively, “Respondents”).

BACKGROUND

1. Colorado law caps the amount a candidate or candidate committee can receive in contributions from any person.

2. Although a person may make independent expenditures in support of those candidates or committees, those expenditures must not be coordinated with the candidate. Otherwise, those expenditures are no longer “independent,” and are subject to the cap on contributions.

3. Here, Colin Larson, his candidate committee, an independent expenditure committee he controlled, and a 527 he raised money for all used Daniel Cole and his companies to provide campaign consulting services. At the same time, Cole was consulting for multiple committees that were making independent expenditures to support Larson's election to the Colorado House, and lacked firewalls to prevent the dissemination of information obtained from Larson to the committees making the independent expenditures.

4. On information and belief, these expenditures were improperly coordinated with Larson through Cole, and were not reported by Larson's candidate committee as contributions.

5. Accordingly, the Division brings this complaint for appropriate relief.

PARTIES

6. Complainant is the Elections Division ("Division") of the Colorado Secretary of State.

7. Respondents are Colin Larson; Colin for Colorado, Restore Colorado Leadership Fund IEC, Restore Colorado Leadership Fund 527, Daniel Cole, Cole Communications, LLC, and Victor's Canvassing, LLC.

JURISDICTION AND VENUE

8. The Division has jurisdiction under § 1-45-111.7.

9. The Division files this complaint with a hearing officer consistent with § 1-45-111.7(5)(a)(IV), (6).

10. This complaint is timely filed within fourteen business days of the Deputy Secretary's May 1, 2023, Order Granting in Part and Denying in Part Motion to Dismiss and Remanding for a Hearing according to § 1-45-111.7(5)(a)(IV).

11. Venue is proper before the hearing officer under § 1-45-111.7(5).

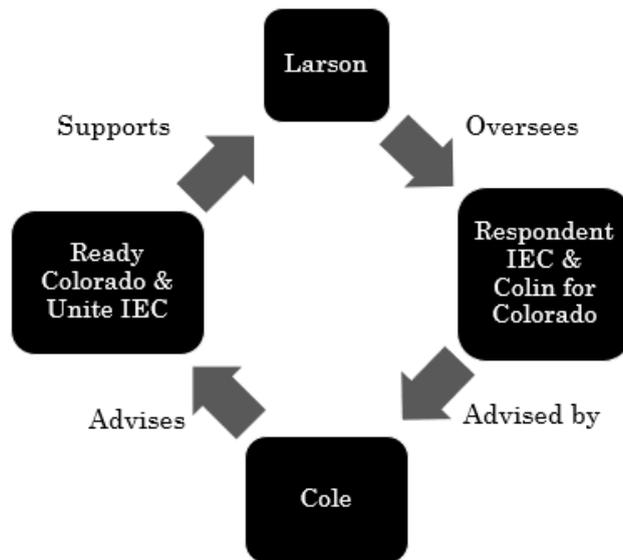
ALLEGATIONS

12. During the 2022 election cycle, Colin Larson was the state representative for House District 22. Due to redistricting, he was seeking reelection in a different district, House District 25. Colin for Colorado was the name of Larson's candidate committee, ID #: 20225043118.

13. Restore Colorado Leadership Fund 527 (“Respondent 527”) is the Colorado House GOP’s “leadership” fund, organized to raise money from donors with a stated purpose of “To educate and Inform Colorado Voters Regarding Candidates for the Colorado House of Representatives, Primarily Supporting Republicans and Opposing Democrats.” The Restore Colorado Leadership Fund IEC (“Respondent IEC”) is an independent expenditure committee that received a substantial portion of its funds in 2022 from Respondent 527. On information and belief, Larson was involved in overseeing Respondent IEC’s activities during the 2022 election cycle.

14. Daniel Cole is the owner and registered agent of both Cole Communications, LLC and Victor’s Canvassing LLC (collectively, “Cole”). During the 2022 election cycle, Cole worked for Colin for Colorado. Cole also served as a General Consultant for Respondent IEC and received payments from Respondent 527 during the 2022 election cycle.

15. Cole also provided consulting services during the 2022 election to at least two other entities that supported Larson’s election: Unite for Colorado Action IEC (“Unite IEC”) and Ready Colorado Action Fund (“Ready Colorado”).



16. On information and belief, during most of the 2022 election cycle Respondent IEC’s actions were primarily directed by Representative Hugh McKean, then the Minority Leader of the Colorado State House of Representatives. McKean passed away on October 30, 2022. His passing occurred less than two weeks before the 2022 General Election.

17. In the wake of Leader McKean’s passing, Rep. Larson took over leadership of Respondent IEC, providing high-level direction on which Colorado State House races Respondent IEC would make expenditures. Larson also raised funds for Respondent 527, and Larson worked alongside Cole in these capacities.

18. On information and belief, Larson was involved in “oversee[ing]” Respondent IEC’s activities even prior to Leader McKean’s passing.

19. During the 2022 election cycle, Unite IEC engaged in paid canvassing efforts in support or opposition to several candidates, including in support of Representative Larson. These efforts were accomplished through payments to Victor’s Canvassing, one of Cole’s companies.

20. For example, on October 12, 2022, Unite IEC reported an Independent Expenditure of \$200,000 to Victor’s Canvassing for “canvassing.” According to the report, the canvassing occurred between October 15, 2022, and November 1, 2022, and supported 19 candidates, including Larson.

1. Date Expended 10/12/2022	3. Name VICTORS CANVASSING
2. Amount \$200,000.00	4. Address 100 E. ST. VRAIN STREET, STE. 105
Electioneering Communication? Yes	5. City/State/Zip COLORADO SPRINGS CO 80903
	6. Purpose CANVASSING
	7. Type Advertising
Candidates Supported: STEPHEN VARELA, JONATHAN AMBLER, MATT SOLOMON, DAVID J BUCKLEY, SAVANNAH ELIZABETH MARIE WOLFSON, DENNIS C HISEY, DAVE DONELSON, RACHEL INEZ STOVALL, SHANA JO BLACK, TIM WALSH, WILLIAM PATTERSON, COLIN LARSON, CHRISTINA CARLINO, DAN MONTOYA, COURTNEY POTTER, KEVIN ALLEN, THOMAS KIM, PAUL D ARCHER, DAVE MICHAEL WOOLEVER	
Candidates Opposed: None specified.	

21. On June 1, 2022, Ready Colorado reported \$17,868 in independent expenditures supporting Larson. On June 9, 2022, Ready Colorado reported \$14,818 in independent expenditures supporting Larson.

22. In October 2022, Ready Colorado reported \$50,146 in independent expenditures opposing Larson’s general election opponent, Tammy Story. For both the June and October expenditures, the payee was “Axiom Strategies.”

23. Accordingly, during the 2022 election cycle, Cole performed work for the following entities:

- a. Colin for Colorado: Colin for Colorado reported on expenditure of \$726.10 to “Cole Communications” on July 1, 2022. On information and belief, this payment was for one “get out the vote” text message in support of Larson’s campaign in the 2022 Republican primary election for the House District 25.
 - b. Respondent IEC: Respondent IEC reported \$140,000 in expenditures to Victor’s Canvassing between October 26, 2022, and October 31, 2022.
 - c. Respondent 527: Respondent 527 reported \$89,276.20 in expenditures to Cole Communications during the 2022 election cycle, including \$7,000 on November 29, 2022.
 - d. Unite IEC: Unite IEC reported \$1,026,579.29 in expenditures to Victor’s Canvassing in 2022, including \$53,104.20 on November 5, 2022.
 - e. Ready Colorado: Ready Colorado reported \$80,000 in expenditures to Victor’s Canvassing on October 26, 2022.
24. Meanwhile, during the 2022 election cycle Larson:
- a. Consulted with Cole through Larson’s candidate committee;
 - b. Took over high level direction of Respondent IEC, working alongside Cole, and was involved in fundraising for Respondent 527;
 - c. Received independent expenditure support from Unite IEC and Ready Colorado, both of whom were also paying Cole.

25. During the 2022 election cycle, the relationship between these entities caused administrative problems.

26. On October 26, 2022, Axiom Strategies sent Respondent IEC an invoice, which included a line item of \$8,882 for mailers supporting Larson. Katie Kennedy, Respondent IEC’s Registered Agent, paid the invoice.

27. The next day, Tyler Sandberg, on information and belief a consultant with Respondent IEC, emailed Axiom and Kennedy to indicate that the invoice was “incorrect,” because “it lists a mailer – Larson G03 – that is supposed to be charged to Ready Colorado Action Fund IEC, not Restore Colorado Leadership Fund (RCLF).”

28. Sandberg continued: “That’s an issue because Rep. Larson oversees RCLF and thus the IE cannot be spending on his race.”

29. On information and belief, the “IE” Sandberg is referencing is Respondent IEC.

30. This email was sent three days before Leader McKean’s passing.

31. This email demonstrates the high level of interconnectedness between the various Cole entities, as even their registered agents confused their identities.

32. On information and belief, Axiom responded to Sandberg’s note by crediting Respondent IEC’s account, and invoicing Ready Colorado. Kennedy also updated Respondent IEC’s TRACER filings to reflect the credit applied.

33. Taken together, the interconnectedness of these entities, combined with the circumstances surrounding the Axiom mailer, suggest that Ready Colorado’s and Unite IEC’s expenditures in support of Larson during the 2022 election cycle were coordinated with Larson through the use of a common consultant, Cole.

34. Through his work for Larson’s candidate committee, and alongside Larson on behalf of Respondent IEC, on information and belief Cole obtained material, nonpublic information about Larson’s campaign plans, projects, activities, and needs.

35. Meanwhile, Cole provided services to Ready Colorado and Unite IEC, both of whom made substantial expenditures in support of Larson’s candidacy.

36. And, on information and belief, Cole employed no written policies to ensure that non-public information was not transmitted between the various entities he worked on behalf of.

COLORADO CAMPAIGN FINANCE LAW

37. Colorado law requires all candidate committees to “report to the appropriate officer their contributions received, including the name and address of each person who has contributed twenty dollars or more; [and] expenditures made[.]” § 1-45-108(1)(a)(I), C.R.S. (2022).

38. Under Colorado law, candidate committees are prohibited from receiving contributions in excess of the legal limit. For state house races in 2022, that limit was \$200 for the primary and general elections, for a total of \$400. Colo. Const. art. XXVIII, § 3.

39. Expenditures that are not controlled by or coordinated with any candidate or an agent of a candidate are “independent expenditures,” and are not considered contributions to the candidate they support. However, “[e]xpenditures that are controlled by or coordinated with a candidate or candidate’s agent are deemed to be both contributions by the maker of the expenditures, and expenditures by the candidate committee.” Colo. Const. art. XXVIII, § 2 (9).

40. “Any expenditure or spending on a covered communication that is controlled by or coordinated with a candidate or candidate's agent or a political party is considered both a contribution by the maker of the expenditure or spending, and an expenditure by the candidate committee.” § 1-45-108(8)(a), C.R.S. (2022).

41. “Expenditures or spending are coordinated with a candidate committee . . . if:

- a. A person makes an expenditure or engages in spending at the request, suggestion, or direction of, in consultation with, or under the control of that candidate committee or political party; or
- b. An independent expenditure or electioneering communication is created, produced, or distributed:
 - i. After one or more substantial discussion(s) between the candidate or political party and the person making the expenditure or engaging in the spending,
 1. In which the person making the expenditure or engaging in the spending received non-public information about the candidate or political party's plans, projects, activities, or needs; and
 2. The information is material to the creation, production, or dissemination of an independent expenditure or electioneering communication; or

- ii. By a common consultant who provides, or has provided during the election cycle, professional services to the candidate committee or political party as well as to the person making the expenditure or engaging in the spending; and
 - 1. In which the person making the expenditure or engaging in the spending received non-public information about the candidate or political party's plans, projects, activities, or needs; and
 - 2. The information is material to the creation, production, or dissemination of an independent expenditure or electioneering communication.

8 CCR 1505-6, Rule 21.

42. Candidate committees and independent expenditure committees may employ common consultants without triggering this definition of “coordination” if “the consultant places effective barriers (i.e., firewalls) to the transmission of non-public information between” the candidate committee and the independent expenditure committee. 8 CCR 1505-6, Rule 21.1.4(a).

43. These barriers must be set forth in a “written policy that is distributed to all affected agents, employees, board members, directors, officers, and consultants.” 8 CCR 1505-6, Rule 21.1.4(b).

44. Colorado defines “Political Committees” as “any person, other than a natural person, or any group of two or more persons, including natural persons that have accepted or made contributions or expenditures in excess of \$200 to support or oppose the nomination or election of one or more candidates.” Colo. Const. art. XXVIII, § 2(12)(a).

45. An independent expenditure made by a committee that improperly coordinates with a candidate becomes a contribution to that candidate, Colo. Const. art. XXVIII, § 2(9), requiring the committee to register as a Political Committee.

46. Political Committees cannot make contributions in excess of \$400 per election cycle to any state house candidate. Colo. Const. art. XXVIII § 3(1)(b).

CLAIM ONE
Failure to Report Contributions and Expenditures
Colin Larson and Colin for Colorado
(§ 1-45-108(1)(a)(I), C.R.S.)

47. All preceding allegations are incorporated.

48. During the 2022 election cycle, Respondent Colin for Colorado made expenditures, and received contributions, from Ready Colorado and Unite IEC that were reported as independent expenditures.

49. On information and belief, Colin for Colorado coordinated with those entities through a common consultant, Cole.

50. Colin for Colorado neither reported those expenditures as expenditures, or as contributions from Ready Colorado and Unite IEC.

51. The Division is entitled to relief under Article XXVIII of the Colorado Constitution and the Fair Campaign Practices Act, § 1-45-101 et seq.

CLAIM TWO
Receipt of Excessive Contribution
Colin Larson and Colin for Colorado
(Colo. Const. art. XXVIII, § 3)

52. All preceding allegations are incorporated.

53. During the 2022 election cycle, Respondent Colin for Colorado received contributions from Ready Colorado and Unite IEC far in excess of \$400.

54. On information and belief, Colin for Colorado coordinated with those entities through a common consultant, Cole.

55. The Division is entitled to relief under Article XXVIII of the Colorado Constitution and the Fair Campaign Practices Act, § 1-45-101 et seq.

CLAIMS NOT PURSUED BY THE DIVISION

56. The initial campaign finance complaints also included allegations against Respondent IEC, Respondent 527, and Cole and his business entities.

57. Although those entities were involved in the coordination alleged in this Complaint, coordination itself is not a campaign finance violation. Rather, it leads to violations of other underlying obligations on candidate committees and other entities.

58. Based on its investigation, the Division is unable to identify a violation of a legal obligation imposed upon Respondent 527 or Cole by Colorado campaign finance law at this time.

59. Moreover, based on available information, the Division understands that Respondent IEC was not involved in the development of the Axiom mailer supporting Larson that Respondent IEC initially paid Axiom for. However, as information becomes available to the Division, the Division reserves the right to amend its complaint to add new claims and allegations, including related to the development and payment for that mailer.

60. Accordingly, at this time the Division is not pursuing claims against Respondent IEC, Respondent 527, or Cole and his business entities.

Respectfully submitted this 19th day of May, 2023.

PHILIP J. WEISER
Attorney General

/s/ Peter G. Baumann

PETER G. BAUMANN*
Assistant Attorney General, No. 51620
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 6th Floor
Denver, Colorado 80203
Telephone: 720-508-6152
Fax: 720-508-6041
peter.baumann@coag.gov
*Counsel of Record

CERTIFICATE OF SERVICE

This is to certify that I will cause the within filing to be served by mail this 19th day of May, 2023, addressed as follows:

Colin Larson & Colin for Colorado
c/o counsel, Suzanne Taheri
6501 E. Belleview Ave.
Suite 375
Denver, CO 80111
st@westglp.com

Restore Colorado Leadership Fund IEC
2318 Curtis St.
Denver, CO 80205
katie@strategiccompliancellc.com

Restore Colorado Leadership Fund 527
2318 Curtis St.
Denver, CO 80205
katie@strategiccompliancellc.com

Daniel Cole, Cole Communications, Victor's Canvassing
c/o counsel, Suzanne Taheri
6501 E. Belleview Ave.
Suite 375
Denver, CO 80111
st@westglp.com

Respondents

Marcie Little
326 N. Institute St.
Colorado Springs, CO 80903
marcielittleCO@proton.me
Third-Party Complainant

/s/ Xan Serocki