

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

ELECTIONS DIVISION OF THE SECRETARY OF STATE,

Complainant,

vs.

PATRICIA STOINSKI

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Elections Division of the Colorado Secretary of State (“Division”) and Patricia Stoinski (“Respondent”).

Recitals

- A. During the fall of 2022, Respondent spent \$1,790 of her own money to publish five newspaper ads supporting candidates in the 2022 election.
- B. Respondent did not coordinate her expenditures with anyone.
- C. Respondent did not register as an independent expenditure committee or report her expenditures.
- D. The newspaper ads were electioneering communications.
- E. The newspaper ads included the disclaimer: “Paid for by Pat Stoinski”. However, the disclaimer was covered with other graphics, making it difficult to read. Additionally, the disclaimer did not include a registered agent. Moreover, the ads did not include any statement that the communication was not authorized by any candidate.
- F. Respondent cooperated with the Division’s investigation by providing timely and responsive information about her activities, including invoices and detailed information regarding her expenditures. Doing so enabled the Division to identify the cost of each ad and the scope of Respondent’s total spending.

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G. Nothing in the Division's investigation suggested an intent to mislead the electorate. Rather, Respondent intended the "Paid for by Pat Stoinski" as a way of recognizing the sole person responsible for the newspaper ads.

H. The Division will be filing a complaint with the Administrative Hearing Officer (the "Administrative Proceedings") but will dismiss that complaint upon approval of this settlement agreement.

I. 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 an invoice to Respondent, **Respondent shall pay \$175** to the Division.

This penalty reflects Rule 23.3.3 of the Secretary's Rules on Campaign Finance. 8 CCR 1505-6. There are two aspects of Rule 23.3.3 relevant to this matter.

First, Respondent was required but failed to register as an independent expenditure committee. Under Rule 23.3.3(a)(1)(B), Respondent is subject to a fine of "at least \$300." Second, Respondent's electioneering communications included non-compliant disclaimers. Under Rule 23.3.3(d)(1), Respondent is subject to a penalty of 10% of the cost of the communication because there was no attempt to mitigate the violation prior to the election. Respondent spent a total of \$1,790 on electioneering communications without compliant disclaimer statements, which would suggest a penalty of approximately \$179.

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However, the Division finds mitigating circumstances here. First, Respondent self-funded her campaign finance activities and, prior to the 2022 election, had never placed advertisements asking voters to support candidates. Next, all of the noncompliant newspaper ads included a disclaimer, although it was difficult to read and did not include a registered agent or a statement that the communications were not authorized by a candidate. As it has in prior cases, the Division considers this to be a significant mitigating factor.

Finally, the Respondent fully cooperated with the Division's investigation, most notably by providing significant documentation. Not only did this enable the Division to understand the scope of the violation, but it also demonstrates that Respondent lacked any intent to mislead the electorate.

Accordingly, the Division finds that a penalty of **\$175** – 50% of the registration penalty and approximately 2% of the cost of the communications – is sufficient to further the purposes of Colorado campaign finance law.

Within 14 days of the Deputy's approval of this Agreement, Respondent also agrees to **register as an independent expenditure committee and disclose her expenditures.**

Section 3. Compliance with Colorado Campaign Finance Law

Respondent agrees to comply with Colorado law relating to disclaimer statements 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 Respondent for the payment provided for in Section 2 of this Agreement.

Section 5. Admissions

Respondent admits that she did not register as an independent expenditure committee and did not include compliant disclaimer statements her electioneering communications.

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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

09/28/2023
DATE


By: Alex Gentry
Campaign Finance Enforcement Analyst

PATRICIA STOINSKI

9/27/23
DATE


By: Patricia Stoinski

ADOPTED AND APPROVED BY:

September 30, 2023
DATE


By: Christopher P. Beall
Deputy Secretary of State