

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

ELECTIONS DIVISION OF THE SECRETARY OF STATE,

Complainant,

vs.

CITIZENS FOR DISTRICT 49 KIDS,

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Elections Division of the Colorado Secretary of State (“Division”) and Citizens for District 49 Kids (“Respondent” or “Committee”).

Recitals

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

B. The Committee was formed to “support El Paso County [School] District 49’s ballot measure” in the November 2023 election.

C. During the course of the campaign, the Committee spent \$2,417.99 to distribute 200 yard signs and \$3,784.97 to send 10,693 mailers to residents of El Paso County School District 49, asking them to support the ballot issue or question.

D. These communications included the disclaimer: “Paid for by Citizens for District 49 Kids” but failed to identify a natural person as the registered agent.

E. The Committee cooperated with the Division’s investigation, including by sharing receipts and invoices that enabled the Division to identify the scope of the Committee’s total spending and the violation at issue.

F. Nothing in the Division’s investigation suggested an intent to mislead the electorate. Rather, the Committee intended the “Paid for by Citizens for District 49 Kids” in its disclaimers to be a way of recognizing the donors to the Committee.

Settlement Agreement
Elections Division v. Citizens for District 49 Kids

G. 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.

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 of the Committee’s receipt of an invoice from the Division, **the Committee shall pay \$248** 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(d).

As to the mailers, the Committee did not mitigate its violations in full prior to the election. Therefore, the rule calls for a penalty of 10% of the cost of the mailers, including the cost to distribute. Here, the Committee spent \$3,784.97 on mailers without a compliant disclaimer statement, which would suggest a penalty of approximately \$378.50.

As to the yard signs, the Committee did mitigate its violations prior to the election – by adding a sticker that said “Registered Agent: Lauren Stuart”. Therefore, the rule calls for a penalty of 5% of the cost of the yard signs. Here, the Committee spent \$2,417.99 on yard signs without a compliant disclaimer statement, which would suggest a penalty of approximately \$120.90.

In total, a penalty of \$499.40 would be suggested under Rule 23.3.3(d).

However, the Division finds mitigating circumstances here. First, all of the noncompliant communications included a disclaimer, the disclaimer only lacked the Committee’s registered agent. As it has in prior cases, the Division considers this to be a significant mitigating factor.

Settlement Agreement
Elections Division v. Citizens for District 49 Kids

Finally, the Committee fully cooperated with the Division's investigation, most notably by providing significant documentation regarding its overall spending. 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 or election officials.

Accordingly, the Division finds that a penalty of approximately 4% of the cost of the communications – the postcards and yard signs – is sufficient to further the purposes of Colorado campaign finance law. That comes out to a total of \$248.

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 the Committee for the payment provided for in Section 2 of this Agreement.

Section 5. Admissions

Respondent admits that it did not include compliant disclaimer statements on all of its electioneering communications.

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.

Settlement Agreement
Elections Division v. Citizens for District 49 Kids

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.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Settlement Agreement
Elections Division v. Citizens for District 49 Kids

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

01/31/2024
DATE


By: Alex Gentry
Campaign Finance Enforcement Analyst

CITIZENS FOR DISTRICT 49 KIDS

1/31/24
DATE


By: Lauren Stuart
Registered Agent

ADOPTED AND APPROVED BY:

February 1, 2024
DATE


By: Christopher P. Beall
Deputy Secretary of State

