

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

ELECTIONS DIVISION OF THE SECRETARY OF STATE,

Complainant,

vs.

MONTEZUMA COUNTY REPUBLICAN CENTRAL COMMITTEE

Respondent.

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Elections Division of the Colorado Secretary of State (“Division”), and Montezuma County Republican Central Committee (“Respondent”).

Recitals

A. Respondent is a registered, county-level political party located in Montezuma County, Colorado. On July 22, 2023, Respondent accepted a contribution of \$1,473.00 from S.S. Enterprises, Inc., a domestic for-profit corporation in good standing at the time of the contribution. Respondent thereafter disclosed the contribution in its November 1, 2023 Report of contributions and Expenditures filed timely in the TRACER reporting system.

B. Article XXVIII, section 3(a) of the Colorado Constitution prohibits a political party from accepting a contribution from a corporation. Consequently, on February 28, 2024, the Division filed a Complaint and Notice of Opportunity to Review pursuant to 1-45-111.7(7) after learning of the prohibited contribution from S.S. Enterprises, Inc. in a periodic document review in TRACER.

C. The Division notified Respondent of the Complaint and Notice of Opportunity to Cure. Thereafter, Respondent timely cured its violation by returning the \$1,473.00 contribution to S.S. Enterprises, Inc. on March 17, 2024, and by recording the return in its TRACER workspace on March 22, 2024, for disclosure in the Respondent’s June 4, 2024 Report.¹

D. The Division then conducted the analysis required by 1-45-111.7(4)(e)(I), C.R.S. and determined that Respondent had not substantially complied with its legal obligations under Colorado campaign and political finance law, notwithstanding its timely cure. Thereafter on April

¹ The Division extended the initial cure deadline to March 25, 2024, at Respondent’s request.

3, 2024, the Division filed a Notice of Investigation commencing the additional review required by 1-45-111.7(4)(e)(III).

E. The Division and Respondent desire to resolve and settle this matter without expending the time and expense of continued litigation.

F. The Division has advised Respondent that the Division must file an administrative complaint with the Administrative Hearing Officer (the “Administrative Proceedings”) before this proposed Settlement Agreement can be presented to the Deputy Secretary of State for approval. The Administrative Proceedings, including the administrative complaint, shall be dismissed only if the Settlement Agreement is approved by the Deputy Secretary of State.

THEREFORE, IN CONSIDERATION OF the mutual covenants contained in this Settlement Agreement, the parties agree and covenant as follows:

Section 1. Recitals Are Part of the Agreement. The foregoing recitals are true and correct, are binding on the parties hereto, and are part of the terms of this Settlement Agreement.

Section 2. Deputy Secretary of State Approval. This Settlement Agreement and all promises contained herein are contingent upon approval of the Settlement Agreement by the Deputy Secretary of State. In the event the Deputy Secretary of State does not approve this Settlement Agreement, nothing in this Settlement Agreement shall be binding upon, or enforceable against, the Division or Respondent.

Section 3. Payment of Stipulated Penalties. Within 14 calendar days of the receipt of an invoice from the Division, **Respondent Montezuma County Republican Central Committee shall pay a stipulated penalty in the amount of \$123.65 to the Division** If Respondent fails to comply with this term or any other terms of the Settlement Agreement, the Division shall be entitled to pursue all remedies against Respondent allowed under state or federal law.

Section 4. Determination of Stipulated Penalty. The stipulated penalty of \$123.65 was determined as follows. Rule 23.3.3(c)(1) pertaining to prohibited contributions requires a fine of at least \$100 plus 10% of the prohibited activity. Ten percent of the prohibited \$1,473 contribution accepted by Respondent is \$147.30. Consequently, the base penalty under Rule 23.3.3(c)(1) is \$247.30.

There are mitigating factors. Respondent timely cured the violation by returning the contribution to S.S. Enterprises, Inc. on March 17, 2024, just over three weeks after the Complaint was filed and several days before the end of the extended cure period. As part of the cure, Respondent also recorded the returned contribution in its TRACER workspace for disclosure in Respondent’s June 4, 2024 Report. Additionally, Respondent cooperated fully with the review and investigation of the Complaint, including responding quickly and fully to the Division’s written requests for information. Accordingly, the Division determined that a 50% reduction of the base penalty is appropriate, resulting in the stipulated penalty of \$123.65.

Section 5. Dismissal of Administrative Proceedings. The Division will move to dismiss the Administrative Proceedings with prejudice after the Secretary of State approves this Settlement Agreement.

Section 6. Admissions. Respondent admits that as a political party it violated Colorado campaign and political finance law by accepting a prohibited contribution from a corporation.

Section 7. Release and Covenant Not to Sue. Respondent, for itself and its respective agents, assigns, representatives, attorneys and subrogees, releases and forever discharges the Division, the Secretary of State, 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 Complaint filed on February 28, 2024, the Division's initial review and investigation of the Complaint, and the Administrative Proceedings. Respondent further expressly agrees and covenants that it will not sue or assert any claim or cause of action at law or in equity in or before a court of law, administrative agency or any other forum, against the Division, the Secretary of State, the State of Colorado, or any of their former, current, and successor officers, employees, agents, and attorneys, for any claim arising from or relating to the Complaint filed on February 28, 2024, the Division's initial review and investigation of the Complaint or the Administrative Proceedings.

Section 8. 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 Settlement Agreement, including but not limited to any rights provided by §§ 24-4-105, C.R.S., and 24-4-106, C.R.S.

Section 9. Public Records. Respondent understands and agrees that this Settlement Agreement will be made available to the public on the Secretary of State's TRACER Campaign Finance reporting system and may also be made available to members of the public who serve a request under the Colorado Open Records Act, Part 2, § 24-72-200.1, *et seq.*, C.R.S.

Section 10. Full and Complete Agreement. This Settlement Agreement constitutes the full and complete agreement of the parties and shall supersede any and all prior agreements and understandings, whether written or oral.

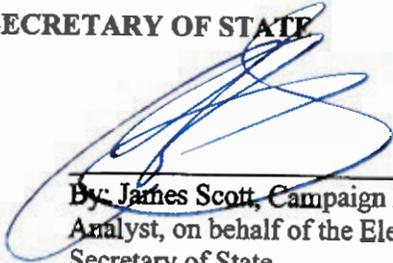
Section 11. Final Agency Action. Upon its approval by the Deputy Secretary of State, this Settlement Agreement shall become final agency action under the State Administrative Procedure Act, §§ 24-4-101 *et seq.*

Section 12. Warranties. Respondent and the Division expressly warrant that they have carefully and completely read the terms of this Settlement Agreement. Respondent and the Division expressly warrant that each has had an adequate opportunity to consult with legal counsel before executing this Settlement Agreement, that each fully understands the terms of this Settlement Agreement, and that each enter into this Settlement Agreement knowingly and voluntarily, and without coercion, duress or undue influence. Respondent and the Division warrant

that in signing this Settlement Agreement, neither has relied upon any promise, warranty, or representation made by anyone, including but not limited to Respondent or the Division, except as to those promises, warranties, or representations that are expressly stated in this Settlement Agreement.

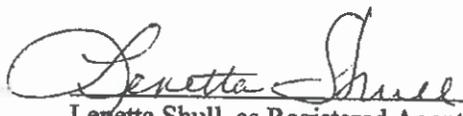
ELECTIONS DIVISION OF THE SECRETARY OF STATE

4/10/2024
DATE


By: James Scott, Campaign Finance Enforcement Analyst, on behalf of the Elections Division of the Secretary of State

MONTEZUMA COUNTY REPUBLICAN CENTRAL COMMITTEE

4/8/24
DATE


Lenetta Shull, as Registered Agent and the Chair of Montezuma County Republican Central Committee

ADOPTED AND APPROVED BY:

May 9, 2024
DATE


By: Christopher P. Beall
Deputy Secretary of State