

SETTLEMENT AGREEMENT

The State of Vermont (the "State") and the Vermont Democratic Party ("VDP") hereby agree to resolve the campaign finance complaint filed on October 27, 2014, as follows:

WHEREAS, the Vermont Attorney General's Office received a complaint on October 27, 2014, alleging that the VDP had violated campaign finance laws by its activities in supporting Dean Corren's election for lieutenant governor in 2014 while he was receiving public moneys through Vermont campaign finance grants;

WHEREAS, the VDP now wishes to resolve this matter without litigation; and

WHEREAS, the State and the VDP agree that the following facts are true and accurate:

1. VDP is a political party formed pursuant to Title 17, Chapter 45 of the Vermont Statutes Annotated.

2. Dean Corren is an individual who was a candidate for election to the office of lieutenant governor on November 5, 2014. He qualified for public financing for his campaign and received \$180,717 in campaign finance grants from the State of Vermont.

3. As a recipient of public moneys to fund his campaign for election, Corren was prohibited by Vermont law, 17 V.S.A. § 2963(b)(1), from soliciting or receiving contributions or spending money on his campaign from other sources.

4. Under Vermont law, 17 V.S.A. § 2901(4), a contribution is defined as "a payment, distribution, advance, deposit, loan, or gift of money or anything of value, paid or promised to be paid for the purpose of influencing an election . . . or supporting or opposing one or more candidates in any election." A contribution includes "a related campaign expenditure made on the candidate's behalf," which is defined in 17 V.S.A. § 2944(a) & (b) as "any

expenditure intended to promote the election of a specific candidate” that is “intentionally facilitated by, solicited by or approved by” the candidate or the candidate’s campaign committee.

5. A political party that makes a related campaign expenditure on a candidate’s behalf must report that related expenditure on its campaign finance reports filed with the Secretary of State, pursuant to 17 V.S.A. §§ 2963(a)(3)(A), 2964.

6. On September 20, 2014, the VDP endorsed Dean Corren as the Democratic candidate for Lieutenant Governor. The VDP received guidance from the Secretary of State’s Office that the VDP endorsement of Corren presented unique legal issues. VDP officials and staff were told they needed to be extremely careful in their interactions with the Corren campaign because of the prohibition in Vermont law on contributions to publicly financed candidates.

7. In early October 2014, Dean Corren’s campaign manager Megan Brook sent an email to the VDP Chair Dottie Deans and VDP Executive Director Julia Barnes asking if the VDP could assist the Corren campaign by sending an email to the people on their mailing list in support of Dean Corren’s candidacy for election.

8. The VDP Executive Director responded by asking Corren’s campaign manager to “draft something that you would like us to send from Dottie to the list.” On October 13, 2014, Corren’s campaign manager sent the VDP Executive Director and Chair an email with the subject line: “Email message about Dean.” The email contained the draft text of a six-paragraph email message that VDP’s chair could send to the VDP mailing list. The proposed message spoke of the VDP Chair’s support for Dean Corren, explained why she supported him, and listed three specific things people could do to help elect him. A copy is attached as Exhibit A.

9. On October 23 and 24, the two exchanged further emails under the subject line “Corren Email Blast” regarding the text of the draft email message.

10. On October 24, 2014, VDP Chair Deans sent a mass email message with the subject “How you can help me help Dean Corren” to at least 16,000 people on the VDP’s mailing list. The email message included several phrases and sentences that were contained in the draft email that Corren’s campaign manager had sent to the VDP on October 13. Furthermore, the structure of the email had similarities to the draft that Corren’s campaign manager had given to the VDP. A copy is attached as Exhibit B. The value of the October 24, 2014, email blast was at least \$255.00.

11. The October 24, 2014, mass email was a related expenditure under 17 V.S.A. § 2944(b). Corren’s campaign manager intentionally facilitated and solicited the VDP to send the email message. Pursuant to § 2944(a), this related expenditure is considered a contribution to Corren, the candidate on whose behalf the expenditure was made.

12. The VDP filed a campaign finance report with the Secretary of State’s Office on or about November 3, 2014. In that filing, the VDP did not report the expenditure of any funds for the October 24, 2014, email blast. The VDP did not report the related expenditure of the mass email in its list of expenditures on its November 3, 2014, report, nor did it state the name of the candidate on whose behalf the expenditure was made or the name of the candidate who was supported by the expenditure. 17 V.S.A. § 2963(a)(3)(A). The VDP’s failure to report this related expenditure, especially when made on behalf of a publicly financed candidate, violates 17 V.S.A. § 2963.

WHEREFORE, the State and the VDP agree to settle this matter by taking the following actions:

A. The State covenants and agrees not to sue, or file a complaint or other charge (either civil or criminal) or seek any other legal or administrative enforcement action against, the VDP, its officers, directors, employees, agents, county committees, or town committees, for enforcement of any campaign finance violations related to VDP's interactions with Dean Corren in the 2013-2014 Vermont general election cycle or for VDP's sending any other e-mail to supporters that may have benefited a Democratic candidate or entities who participated in VDP's "coordinated campaign" in the 2013-2014 Vermont general election cycle.

B. VDP agrees to pay \$10,000 to the State as a civil penalty. An initial payment of \$5000 will be due within thirty (30) days of the signing of this Stipulated Settlement, and the balance will be due on July 1, 2015;

C. VDP agrees to file an amended campaign finance report, in form and substance as approved by the Attorney General's Office, with the Vermont Secretary of State disclosing the \$255.00 expenditure on October 24, 2014, and identifying it as a related expenditure within 21 days of signing this Stipulated Settlement; and

D. VDP agrees to cooperate with the Attorney General's Office in connection with the investigation of campaign finance law violations by and litigation of an enforcement action against Dean Corren, if any, arising out of the activities described herein. This includes, but is not limited to, making available VDP's current Chair, Executive Director, Ben Sarle, and Selene Hofer-Shall, and utilizing reasonable efforts to make available VDP's Executive Committee members, staff and contractors, for interviews, depositions and testimony in connection with investigation and litigation by the Attorney General's Office of campaign finance violations by Dean Corren. In addition, VDP shall provide the Attorney General's Office with access to all

documents (including electronic documents) related to its interactions with Dean Corren or the Corren campaign.

Dated in Montpelier, Vermont this 26th day of March 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: Megan J. Shafritz
Megan J. Shafritz
Eve Jacobs-Carnahan
Assistant Attorneys General
Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001
(802) 828-5527

Dated in Montpelier, Vermont this 25 day of March 2015.

VERMONT DEMOCRATIC PARTY

By: Dottie Deans
Dottie Deans, Chair
Vermont Democratic Party
P.O. Box 1220
Montpelier, VT 05601-1220

APPROVED AS TO FORM:

Joshua Diamond, Esq.

EXHIBIT A

From: Megan Brook <mbro911@gmail.com>
Date: Mon, Oct 13, 2014 at 8:41 PM
Subject: Email message about Dean
To: Julia Barnes <jbarnes@vtdemocrats.org>, DDeansVdp <ddeans@vtdemocrats.org>

Hi Dottie and Julia,

Thank you for sending a message about Dean to your email list. I have tried my best to put something together for you but don't know the style of your messages or how you usually communicate. Feel free to edit liberally. Let me know if I can help in other ways and please send me a copy when it goes out, I'm not on the Dem list. I have also attached a photo if you want a visual.

Peace, Meg

Dear Friends,

Many of you know I'm a strong supporter of Dean Corren for Lt. Governor but maybe you don't know why. Dean provides an exciting opportunity for us to address some of the most urgent issues facing Vermonters and has the skills and experience to support our Democratic Party Platform and overcome some of the greatest challenges we face.

Dean decided to enter this race because of his belief that Vermont can lead the nation and do what is right by all Vermonters through the creation of a fairly financed universal healthcare system. Maybe you don't know but Dean served 8 years in the Vermont Legislature and co-wrote the first Single Payer bill in the 1990's. For more on Dean's experience you can watch his TV ad.

Dean has openly shared his positions and ideas for stimulating the economy, supporting job growth and positioning Vermont as a leader in adapting to climate change. He has the endorsement of Senator Sanders, Congressman Welch, Governor Shumlin as well as virtually all the labor organizations, the NEA, environmental organizations, and Bill McKibben!

I believe Dean would make a great Lt. Governor but to make this happen we all need to pitch in. Please help change Vermont's leadership by doing the following three things:

1. **Commit To Vote!** It is imperative every one of you goes to the polls on November 4th or before. High Democratic turn out not only helps Dean, it helps our strong Senate and House candidates and

sends a message to National that Vermonters are active and engaged. You can vote now at your Town Office. Double the fun and bring a friend.

2. **Request a Corren Sign!** Dean's team is set up to deliver a sign to your lawn, simply email volunteer@deancorren.com with your address. If you prefer to get your own sign they can be found at all our field offices.
3. **Tell Your Neighbors!** Writing a letter to the editor or posting a note to your Front Porch Forum is a great way to spread the work about Dean and his vision for Vermont. You can visit his website for information on issues, endorsements or more. If you would like a sample letter to get you started just email volunteer@deancorren.com.

Dean has a very active and fun Facebook Page which you can like to receive updates on his activities, volunteer opportunities, press events and more.

I appreciate all the work you are doing on behalf of our candidates around the state and look forward to celebrating great victories with you on the 4th.

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Meg Brook
802/343-2604
mbro911@gmail.com

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Meg Brook
802/343-2604
mbro911@gmail.com

From: **Julia Barnes** <jbarnes@vtdemocrats.org>
Date: Fri, Oct 24, 2014 at 12:48 PM
Subject: Fwd: How you can help me help Dean Corren
To: Megan Brook <mbro911@gmail.com>

This just went out.

----- Forwarded message -----

From: **Dottie Deans, VDP Chair** <info@vtdemocrats.org>
Date: Fri, Oct 24, 2014 at 12:47 PM
Subject: How you can help me help Dean Corren
To: info@vtdemocrats.org



Dear Friends,

Many of you know I'm a strong supporter of Dean Corren for Lt. Governor but maybe you don't know why. Dean has the skills and experience to support our Vermont Democratic Party Platform and overcome some of the greatest challenges we face.

Dean has openly shared his positions and ideas for stimulating the economy, enacting health care reform, supporting job growth and positioning Vermont to be a leader in taking on climate change. In addition, he has been enthusiastically endorsed by the Vermont Democratic Party's State Committee and some of our most prominent leaders.

I believe Dean would make an excellent Lt. Governor, but to make this happen we all need to pitch in. Here are a few ways you can help.

1. **Come to a Rally!** This weekend we are joining Senator Bernie Sanders, Governor Peter Shumlin, Dean and local candidates at four GOTV rallies across the state. Come

to one nearest to you!

Saturday October 25, 9:30 am Brunch, 10:00 am Meeting Begins
Holley Hall
1 South St.
Bristol, VT

Saturday October 25, 2:00 pm, Coffee and Desserts
VT Marble Museum
52 Main St
Proctor, VT

Sunday October 26, 10:00 am Brunch, 10:30 am Meeting
Champlain Valley Union High School
69 CVU Road
Hinesburg, VT

Sunday October 26, 5:30 pm Dinner, 6:00 pm Meeting
St. Albans Historical Museum
9 Church St,
St. Albans VT

2. **Commit To VOTE!** Make a plan, vote early by visiting your town clerk's office, or vote on Tuesday, November 4th. To find your polling location, [click here](#).

3. **Tell Your Neighbors!** We are working every day to talk to voters in Vermont into getting to the polls on Election Day. [Sign up to volunteer for a shift here](#). For other ways to help, please email volunteer@deancorren.com

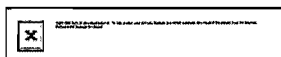
I appreciate all the work you are doing on behalf of our candidates around the state and look forward to celebrating great victories with you on the 4th. Now get out and vote for Congressman Peter Welch, Governor Peter Shumlin, Dean Corren for Lieutenant Governor, and the rest of our amazing Democratic ticket!

Warmly,

Dottie

Paid for by the Vermont Democratic Party and not authorized by any candidate or candidate's committee.
www.vtdemocrats.org

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Montpelier, VT 05601



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Julia Barnes

Executive Director
Vermont Democratic Party
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