
SETTLEMENT AGREEMENT

The State of Vermont (the "State") and the Vermont House Republican PAC hereby agree to resolve the March 23, 2016, campaign finance complaint as follows:

WHEREAS, on March 23, 2016, a complaint was filed with the Vermont Attorney General's Office alleging that the Vermont House Republican PAC had violated campaign finance laws;

WHEREAS, the State and Vermont House Republican PAC ("VHR PAC") agree that the following facts are true and accurate:

1. In January 2014, the Legislature passed a law creating a new category of political committees in Vermont called legislative leadership political committees. It defined them in 17 V.S.A. § 2901(19) as "a political committee established by or on behalf of a political party caucus within a chamber of the General Assembly." The new law required existing legislative leadership political committees to register as such by July 15, 2015.
2. From at least February 2013 onward, members of the House Republican caucus, including the caucus leadership, have been involved in the activities of VHR PAC, including making decisions regarding the content of mailings, filing campaign finance reports, and making decisions regarding the spending of VHR PAC funds.
3. Based on the above facts, VHR PAC is a legislative leadership political committee as defined by 17 V.S.A. § 2901(19). As such, VHR PAC was required to register pursuant to 17 V.S.A. § 2922(a)(2). VHR PAC violated this provision by failing to register as a legislative leadership political committee.

4. In July and October 2015, two lobbyists contacted VHR PAC to indicate that businesses employing them wished to send contributions to the political committee. Before doing so, the lobbyists wanted to confirm that VHR PAC was not a legislative leadership political committee. A representative of VHR PAC responded by indicating that it was not a legislative leadership political committee.
5. In November and December 2015, the two lobbyist employers connected to the lobbyists who had made the earlier contacts sent contributions to VHR PAC.
6. Legislative leadership political committees are prohibited from soliciting contributions from lobbyist employers, pursuant to 2 V.S.A. § 266(a)(3). VHR PAC violated this provision by soliciting and accepting two contributions from lobbyist employers in late 2015.
7. VHR PAC has now registered with the Secretary of State as a legislative leadership PAC.

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

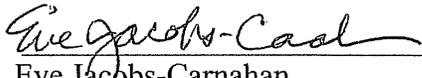
- A. The State covenants and agrees not to sue, or file a complaint or other charge (either civil or criminal) or seek any other legal or administrative enforcement action against, VHR PAC for the activities described above.
- B. VHR PAC agrees to return the two contributions mentioned above to the lobbyist employers who had made the contributions, not later than September 30, 2016, and certify to the State that it has done so.

- C. VHR PAC agrees to pay \$2,000 to the State as a civil penalty within thirty (30) days of the signing of this Stipulated Settlement.
- D. VHR PAC agrees to terminate its campaign activities and file a final report with the Secretary of State's Office pursuant to 17 V.S.A. § 2965 within thirty (30) days of the signing of this Stipulated Settlement. In the event it chooses not to terminate its activities, VHR PAC agrees to maintain its registration as a legislative leadership political committee pursuant to 17 V.S.A. § 2922(a)(2).

Dated in Montpelier, Vermont this 19th day of September 2016.

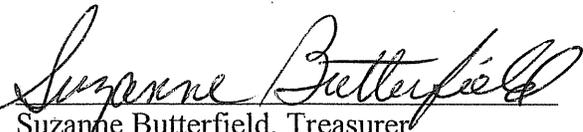
STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

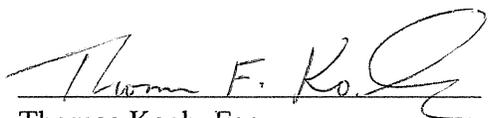
By: 
Eve Jacobs-Carnahan
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

Dated in Gaysville, Vermont this 20th day of September 2016.

VERMONT HOUSE REPUBLICAN PAC

By: 
Suzanne Butterfield, Treasurer
Gaysville, Vermont

Approved as to form:



Thomas Koch, Esq.
326 Lowery Rd.
Barre, VT 05641
Attorney for Vermont House Republican PAC