

SETTLEMENT AGREEMENT

The State of Vermont (the "State") and Vermont Leads, Inc. hereby agree to resolve the September 12, 2014, campaign finance complaint as follows:

WHEREAS, on September 12, 2014, a complaint was filed with the Vermont Attorney General's Office alleging that Vermont Leads had violated campaign finance laws in 2014;

WHEREAS, the State and Vermont Leads, Inc. ("Vermont Leads") agree that the following facts are true and accurate:

1. Vermont Leads accepted a contribution in excess of \$4,000 from a single source in March 2014. On July 29, 2014, Vermont Leads announced that it was endorsing ten candidates for election to the Vermont Legislature who supported passage of legislation creating a single-payer health care system.

2. Vermont Leads made direct expenditures in support of candidates for Vermont office on August 4, 2014. By the end of the election cycle, it had made expenditures of more than \$7,000, most of which were direct contributions to candidates.

3. Vermont Leads met the definition of a political committee at least as early as August 4, 2014, by which time it had received contributions and made expenditures greater than \$1,000 in any two-year general election cycle. Accordingly, it was required to register as a political committee no later than August 14, 2014, ten days after qualifying as a committee, pursuant to 17 V.S.A. § 2922(a)(1). Vermont Leads failed to register in violation this provision.

4. The Attorney General's Office notified Vermont Leads on September 19, 2014, of a complaint about its campaign finance activities. Shortly thereafter, Vermont Leads took steps to bring itself into compliance with the legal provisions of Vermont's campaign finance law. It filed a registration statement with the Secretary of State's Office, registering as a political

committee on October 1, 2014. It opened a separate bank account for its political committee funds.

5. Political committees are prohibited from accepting contributions in excess of \$4,000 from a single source, as specified in 17 V.S.A. § 2941(a)(4). Because of Vermont Leads' August 2014 expenditures in support of candidates, the contribution it received in March 2014 violated this provision. In September and October 2014, Vermont Leads received individual contributions in amounts less than \$4,000 sufficient to fund the expenditures that it made in the 2014 general election cycle.

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

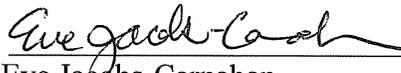
A. The State covenants and agrees not to sue, or file a complaint or other charge (either civil or criminal) or seek any other legal or administrative enforcement action against, Vermont Leads, its directors, officers, employees, and agents for violations of Vermont's campaign finance statutes based on any activity conducted on behalf of Vermont Leads in the 2012 and 2014 Vermont general election cycles.

B. Vermont Leads agrees to pay \$2000 to the State as a civil penalty, \$1,500 of which to be paid within thirty (30) days of the signing of this Stipulated Settlement, and the remaining \$500 to be paid by December 31, 2016.

Dated in Montpelier, Vermont this 11th day of ~~June~~ ^{July} 2016.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

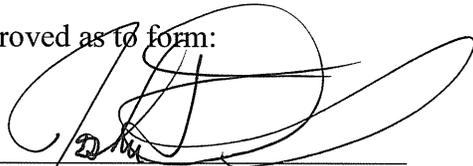
By: 
Eve Jacobs-Carnahan
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001
(802) 828-3176

Dated in Montpelier, Vermont this 28 day of June 2016.

VERMONT LEADS, INC.

By: 
Peter Sterling, Treasurer

Approved as to form:



Joshua Diamond, Esq.
Diamond & Robinson, P.C.
P.O. Box 1460
Montpelier, VT 05601-1460

Attorney for Vermont Leads, Inc.

SETTLEMENT AGREEMENT

The State of Vermont (the "State") and Vermont Leads PAC hereby agree to resolve the September 12, 2014, campaign finance complaint as follows:

WHEREAS, on September 12, 2014, a complaint was filed with the Vermont Attorney General's Office alleging that Vermont Leads PAC had violated campaign finance laws in 2012 and 2014;

WHEREAS, the State and Vermont Leads PAC agree that the following facts are true and accurate:

1. Vermont Leads PAC was an independent expenditure-only political committee that advocated in support of candidates who supported legislation to create a single-payer health care system in Vermont. It was established by Vermont Leads, Inc., a non-profit entity, in October 2012.

2. After the general election in 2012, Vermont Leads PAC filed a "final" campaign finance report with the Vermont Secretary of State indicating that it had closed out its activities and ceased operations on December 11, 2012, by transferring \$27,896 to "VT Leads." It further stated that it was carrying over zero surplus to the next general election campaign cycle.

3. Despite filing a report in 2012 indicating that Vermont Leads PAC had ceased its operations, the PAC spent approximately \$500 on an advertisement in the Brattleboro Reformer in August 2014 in support of a candidate for the Vermont Senate.

4. On September 2, 2014, Vermont Leads PAC filed a campaign finance report with the Secretary of State showing it received no contributions in the 2014 general election cycle. The report also indicated that it had carried over \$11,172 from the previous campaign cycle.

This September 2014 disclosure contradicted the December 2012 final report filed by Vermont Leads PAC.

5. On September 19, 2014, the Attorney General's Office notified Vermont Leads PAC that it had received a complaint about its activities and reports. On September 26, 2014, Vermont Leads PAC filed a number of amended campaign finance reports as well as several missing reports.

6. The newly filed reports included the following:

- a. Amended report for November 2012
- b. Amended report for December 2012
- c. Report for July 2013, not previously filed
- d. Report for March 2014, not previously filed
- e. Report for July 2014, not previously filed

7. The filing of these reports corrected inaccurate statement made in prior reports. These inaccurate statements included the statement in December 2012 that Vermont Leads PAC was closing out its operations and not carrying over any funds to the 2014 campaign. This inaccurate statement had remained in place for nearly two years until the campaign finance complaint was brought to the attention of Vermont Leads PAC.

8. Vermont Leads PAC had an obligation under by 17 V.S.A. § 2811 and 17 V.S.A. § 2964 to file accurate and timely campaign finance reports. Its failure to do so was violation of those provisions of Vermont's campaign finance law.

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

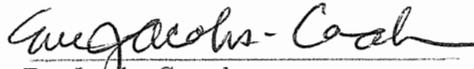
A. The State covenants and agrees not to sue, or file a complaint or other charge (either civil or criminal) or seek any other legal or administrative enforcement against, Vermont Leads PAC, its employees, or agents for violations of Vermont's campaign finance statutes based on any activity conducted by or on behalf of Vermont Leads PAC in the 2012 and 2014 Vermont general election cycles.

B. Vermont Leads PAC agrees to pay \$1,000 to the State as a civil penalty within thirty (30) days of the signing of this Stipulated Settlement.

Dated in Montpelier, Vermont this 28th day of June 2016.

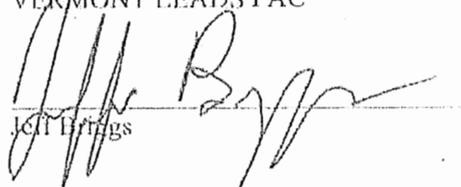
STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: 
Eve Jacobs-Carnahan
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001
(802) 828-3176

Dated in Montpelier, Vermont this 28 day of June 2016.

VERMONT LEADS PAC

By: 
Jeff Briggs

Approved as to form:



Ian P. Carleton, Esq.
Sheehy, Furlong & Behm
P.O. Box 66
Burlington, VT 05402
Attorney for Vermont Leads PAC