

COMMISSIONER OF POLITICAL PRACTICES



STATE OF MONTANA

DENNIS UNSWORTH
COMMISSIONER
TELEPHONE (406) 444-2942
FAX (406) 444-1643

1205 EIGHTH AVENUE
PO BOX 202401
HELENA, MONTANA 59620-2401
www.politicalpractices.mt.gov

November 17, 2010

For more information:
Dennis Unsworth or
Mary Baker 406 444-2942

Disclosure finally achieved over 2006 ballot measures

"Montanans In Action" and the Commissioner of Political Practices signed an agreement Friday to settle a complaint the commissioner filed in August last year over campaign finance disclosure violations. The agreement includes disclosure of the source of over \$1.2 million used to finance three Montana ballot measures in 2006. A settlement payment to the state general fund of \$75,000 was made Friday as well.

Several campaign finance and practices complaints were filed over the controversial ballot measure campaign during the summer of 2006. A state district judge ordered the measures removed from the ballot prior to the election in response to a separate challenge, citing what he called a "pervasive and general pattern of fraud" by signature gatherers.

The Montanans In Action-affiliated groups filed a federal lawsuit in an unsuccessful attempt to stop the campaign investigation in 2007. The federal judge abstained from adjudicating the matter, and the commissioner released a decision in June 2009 finding numerous campaign finance and disclosure violations. A lawsuit filed by the commissioner in state district court in August last year sought disclosure and unspecified civil penalties.

"Who's behind the message is important information for voters, and the law requires that the information be disclosed," according to Commissioner of Political Practices Dennis Unsworth. He said the disclosure provided Friday supported the primary conclusion of the earlier investigation -- that Trevis Butcher, operating as "Montanans in Action," was coordinating fundraising and the laundering of substantial sums of money from national organizations to finance expenditures by the ballot issue committees. Front and center in that coordination was Americans for Limited Government and other affiliated groups financed by New York real estate developer Howard Rich.

Unsworth said only about a quarter of one percent of the campaign funding came from Montanans. He said even though anonymous campaigning has spread like weeds, disclosure law still comes down on the side of voters and their right to know who's trying to influence their vote. The law, intended to thwart corruption in the electoral process, is as important now as it has ever been, he said.

Attached: Disclosure Report
Settlement Agreement

-end-

**BEFORE THE COMMISSIONER OF
POLITICAL PRACTICES
STATE OF MONTANA**

In the Matter of the Complaints Against)	
Montanans in Action, Yes CI-97)	SETTLEMENT AGREEMENT
Stop Overspending Montana, Citizens)	AND
Right to Recall Montana, Yes I-154)	RELEASE OF ALL CLAIMS
Protect Our Homes Montana, and)	
Trevis Butcher)	

1. **Parties.** This Settlement Agreement and Release of All Claims (Settlement Agreement) is entered into by Dennis Unsworth, Commissioner of Political Practices (Commissioner) and the following persons and entities: Montanans in Action (MIA), Yes CI-97 Stop Overspending Montana (Yes CI-97), Yes CI-98 Citizens Right to Recall Montana (Yes CI-98), Yes I-154 Protect Our Homes Montana (Yes I-154), and Trevis Butcher.

2. **Description of Claims.** On June 26, 2009, the Commissioner issued a Summary of Facts and Statement of Findings in the above-captioned matter concluding that MIA and others failed to comply with certain campaign practices and campaign finance reporting and disclosure laws and administrative regulations. The Commissioner's decision will be referred to herein as the "June 26, 2009 decision." The Commissioner referred the matter to the County Attorneys for Fergus and Lewis and Clark Counties. After each of the County Attorneys waived their right to pursue the matter, the Commissioner filed a lawsuit seeking a civil penalty, in a case entitled: Dennis Unsworth, Commissioner of Political Practices v. Montanans in Action, et al., First Judicial District Court, Lewis and Clark County, Cause No. BDV 2009-694. The lawsuit was filed on August 4, 2009, but has not yet been served. The Commissioner also referred the June 26, 2009 decision to the Montana Attorney General, the Cascade County Attorney, the U.S. Attorney for the State of Montana, and the Internal Revenue Service. Prior to the issuance of the June 26, 2009 decision, MIA, Yes CI-97, Yes CI-98, Yes I-154, and Trevis Butcher filed a federal lawsuit against the Commissioner claiming violation of their constitutional rights, in a case entitled: Montanans in Action, et al. v.

Dennis Unsworth, U.S. District Court, Billings Division, Cause No. CV-06-155—BLG-RFC. On February 6, 2008 the Court issued an Order staying the case pending resolution of the constitutional claims in state court.

3. **Disclosure.** MIA will provide to the office of the Commissioner full disclosure of the amounts and sources of funds received and used to support the three 2006 ballot issues referenced in the June 26, 2009 decision, identifying each specific source of funding. The disclosure provided by MIA must be verified by copies of actual wire transfers, bank statements, and other documentation as necessary. Sufficient information must be provided by MIA to enable the office of the Commissioner to determine that full disclosure of contributions and expenditures has been made as required by Montana law. MIA shall provide the required disclosure information described above, including copies of wire transfers, bank statements, and other supporting documentation, to the office of the Commissioner. The office of the Commissioner will review the information and may request additional information necessary to ensure that full disclosure has been made. Once the office of the Commissioner has determined that full disclosure has been made by MIA, the Commissioner will prepare a written summary of the contributions and expenditures by date, and append the summary to the Settlement Agreement as Exhibit A. A copy of Exhibit A will be provided to counsel for MIA and counsel for the other persons and entities referred to in this Settlement Agreement. Within ten (10) calendar days following their receipt of a copy of Exhibit A, or earlier if agreed by the parties, the payment referred to in Paragraph 4 below will be made to the Commissioner. The Settlement Agreement, including Exhibit A, will be available for public inspection when it has been placed in the Commissioner's official files as set forth in Paragraph 10.

4. **Settlement Amount.** To avoid costly and lengthy litigation, following execution of this Settlement Agreement by the parties and full compliance with the disclosure requirements described in Paragraph 3, above, SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) will be paid to the Commissioner as settlement in consideration for release of all claims and potential claims against all parties named in Paragraph 1, as well release of all claims and potential claims against other entities, organizations, officers, employees, agents, and individuals listed and described in Paragraph 9 below. Payment

shall be in the form of a check or multiple checks made out to "Commissioner of Political Practices" and mailed or delivered to the office of the Commissioner's legal counsel, James M. Scheier, at: Agency Legal Services Bureau, 1712 9th Avenue, P.O. Box 201440, Helena, MT 59620-1440, or by wire transfer.

5. **Payment Methods.** The Commissioner agrees that a check or multiple checks, or a wire transfer in the total amount of \$75,000 from a person or entity other than the parties listed in Paragraph 1 fully satisfies the payment obligation of all parties under this Settlement Agreement. The parties to this Settlement Agreement understand and agree that a delivery method must be utilized that will ensure that the payment or payments reach the office of the Commissioner's legal counsel no later than ten (10) calendar days following their receipt of Exhibit A as referenced in Paragraph 3.

6. **Dismissal of Lawsuits.** Following receipt and deposit by the Commissioner of the payment referred to in Paragraph 4, above, MIA and the other Plaintiffs and the Commissioner will enter a Stipulation for Dismissal With Prejudice in Montanans in Action, et al. v. Dennis Unsworth, U.S. District Court, Billings Division, Cause No. CV-06-155—BLG-RFC. In addition, the Commissioner will file a Notice of Voluntary Dismissal With Prejudice, pursuant to Rule 41(a) of the Montana Rules of Civil Procedure, in Dennis Unsworth, Commissioner of Political Practices v. Montanans in Action, et al., First Judicial District Court, Lewis and Clark County, Cause No. BDV 2009-694, or obtain an Order of Dismissal With Prejudice from the District Court.

7. **Notice of Settlement.** Following the occurrence of the events described in Paragraphs 3 through 6, above, including issuance of any necessary orders dismissing the two respective lawsuits identified in Paragraph 6, the Commissioner will provide notice of the terms of this Settlement Agreement, and of compliance with the terms of this Settlement Agreement, to the following persons referenced on pages 104 and 105 of the June 26, 2009 decision:

Fergus County Attorney
Lewis and Clark County Attorney
Cascade County Attorney
Montana Attorney General

United States Attorney for the State of Montana

Internal Revenue Service

8. **No admission of Liability.** It is understood and agreed that the payment of the settlement amount and compliance with the other conditions of this Settlement Agreement is accepted as consideration for full satisfaction and compromise of disputed claims, and that neither the payment of the settlement amount nor the compliance with any other conditions required by this Settlement Agreement, nor the negotiations for settlement, shall be considered as an admission of any liability or wrongdoing by any of the parties or their officers, directors, employees, or agents; or by any of the other entities, organizations, officers, employees, agents, or individuals listed and described in Paragraph 9 below as additional released parties or entities.

9. **Mutual Release.** In consideration of the mutual release of all claims and the mutual agreements in this Settlement Agreement, the Commissioner fully and forever releases and discharges all parties listed in Paragraph 1, including their officers, directors, employees, and agents named or referred to in the June 26, 2009 decision or revealed in the investigation upon which the decision is based from any and all actions, claims, causes of action, demands, rights, damages, and costs, or other expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of, connected with, or based wholly or in part on the described claims in the June 26, 2009 decision. In addition, based on the same consideration described above the Commissioner fully and forever releases and discharges all other entities, organizations, officers, employees, agents, or individuals named as defendants in Dennis Unsworth, Commissioner of Political Practices v. Montanans in Action, et al., First Judicial District Court, Lewis and Clark County, Cause No. BDV 2009-694, or named as potential subjects of a civil action in the "Conclusion" section on page 104 of the June 26, 2009 decision, or revealed in the investigation upon which the decision is based from any and all actions, claims, causes of action, demands, rights, damages, and costs, or other expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of, connected with, or based wholly or in part on the described claims in the June 26, 2009 decision. This portion of the release applies without limitation to Don Crabbe, Robert Snyder, Russell Bradley, Roald Torgerson.

Americans for Limited Government (ALG), Americans for Limited Government Foundation (ALGF), Howard Rich, John Tillman, William "Bill" Wilson, Paul Jacob, and any John Doe defendants who coordinated activities with MIA and the related ballot issue committees. In consideration of the mutual release of all claims and mutual agreements in this Settlement Agreement, all parties, entities, individuals, and their officers, directors, employees, and agents described in this paragraph fully and forever release and discharge the Commissioner and the State of Montana, their officers and employees, and their agents from any and all actions, claims, causes of action, demands, rights, damages, and costs, or other expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of, connected with, or based wholly or in part on the described claims, or on the Commissioner's investigation and decision-making as set forth in the June 26, 2009 decision.

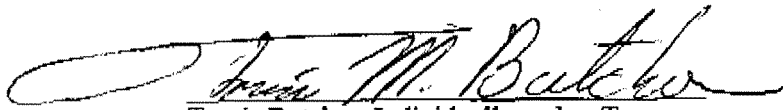
10. **Full and Complete Settlement.** It is understood and agreed that following full compliance with all the terms and conditions set forth herein, this Settlement Agreement, including Exhibit A (see Paragraph 3) will be placed in the Commissioner's official files on this matter and will be available for public inspection. It is further understood and agreed that following full compliance with all of its terms and conditions this Settlement Agreement constitutes a full and complete settlement of all violations alleged in the June 26, 2009 decision, regardless of whether a person or entity named in the June 26, 2009 decision contributed to the payment of the settlement amount described in Paragraph 4.

11. **Attorney Fees and Costs.** The Commissioner, the parties listed in Paragraph 1, and all other released entities, organizations, officers, employees, agents, and/or individuals referenced in Paragraph 9, shall pay their respective costs and attorney fees incurred in this matter.

12. **Effective Date of Settlement Agreement.** This Settlement Agreement is effective on the date that it has been signed by all persons listed below, and all parties to the Settlement Agreement and any other entities, organizations, officers, employees, agents, or individuals affected by this Settlement Agreement must thereafter comply in full with their respective obligations and duties required by the terms and conditions of this Settlement Agreement.

13. **Governing Law and Venue.** This Settlement Agreement shall be construed, interpreted, and enforced in accordance with the laws of the State of Montana. Any action to enforce the terms of this Settlement Agreement shall be brought in the District Court of the First Judicial District in and for the County of Lewis and Clark.

14. This Settlement Agreement and Release of All Claims consists of 10 pages, including signature pages.



Trevis Butcher, Individually and as Treasurer,
Officer, or Agent of MIA, Yes CI-97,
Yes CI-98, and Yes I-154

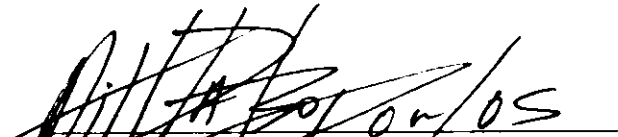
11/12/2010
Date

Chris J. Gallus

Chris J. Gallus, Legal Counsel for Trevis
Butcher, MIA, Yes CI-97, Yes CI-98, and
Yes I-154, and John Does

12. Nov. 2010

Date


Bill Datsopoulos, Legal Counsel for ALG,
ALGF, Howard Rich, John Tillman,
William "Bill" Wilson, Paul Jacob, and
John Does

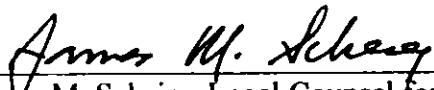
Nov. 12th 2010
Date



Dennis Unsworth, Commissioner of
Political Practices

Nov 12, 2010

Date



James M. Scheier, Legal Counsel for
Commissioner of Political Practices

Nov. 12, 2010

Date

SCHEDULE A

Summary of Deposits into MIA Account

Date	Amount \$	Donor
1/11/06	100	T. Butcher
1/25/06	700	BNP T. Butcher's Ranch
3/08/06	20,000	The Democracy Fund 73 Spring St Suite 408 NY, NY 10012
4/7/06	25,000	America at its Best Box 1678 Kalispell, MT 49903
4/20/06	15,000	The Democracy Fund 73 Spring St Suite 408 NY, NY 10012
4/24/06	2,000	SOS for Pig
5/04/06	650,000	Americans for Limited Government 240 Waukegan Rd., Glenview, MI 60025
5/17/06	75,000	America at its Best Box 1678 Kalispell, MT 49903
5/23/06	100,000	America at its Best Box 1678 Kalispell, MT 49903
5/31/06	200	General Donors
6/05/06	10	Individual MT Donation Check
6/08/06	6,000	"Telephone Transfer Credit" \$6,000 Telephone Transfer Debit 6/08
6/08/06	100,000	America at its Best Box 1678 Kalispell, MT 49903

6/08/06	150,000	The Democracy Fund 73 Spring St Suite 408 NY, NY 10012
6/15/06	100,000	America at its Best Box 1678 Kalispell, MT 49903
7/06/06	40,000	America at its Best Box 1678 Kalispell, MT 49903
7/10/06	25,000	US Term Limits
7/11/06	37,000	America at its Best Box 1678 Kalispell, MT 49903
8/11/06	10,000	Liberty Oil 511 16 th St. Suite 300 Denver, CO 80202
8/16/06	10,000	Liberty Oil 511 16 th St. Suite 300 Denver, CO 80202
8/23/06	10,000	Telephone Transfer Credit \$10,000 Telephone Transfer Debit 8/24
8/26/06	115,000	America at its Best Box 1678 Kalispell, MT 49903
9/14/06	50,000	America at its Best Box 1678 Kalispell, MT 49903
9/19/06	100,000	Colorado at its Best 49 S Lookout Mtn Golden, Colo
9/21/06	2,267.55	General Donors Deposit DDA : \$85 Cash, \$2,267.55 Check(s).

9/27/06	75,000	America at its Best Box 1678 Kalispell, MT 49903
9/28/06	398	General Donors
10/4/06	50,000	America at its Best Box 1678 Kalispell, MT 49903
10/4/06	254	General Donors
10/4/06	20	DDA Credit
10/10/06	15,000	America at its Best Box 1678 Kalispell, MT 49903
10/11/06	127	DDA Credit
10/18/06	218	DDA Credit
10/24/06	60,000	America at its Best Box 1678 Kalispell, MT 49903
10/25/06	1,047	Transfer to DDA
12/6/06	659.38	General Donors \$22 Cash, \$637.38 Check(s)
12/26/06	9,600	Transfer from Political Committees (\$3,200 Each) [SOS, CRTR, & POH]
12/29/06	212	General Donors \$27 Cash. Checks. \$50 (3), \$25 (1), \$10(1).
1/08/07	7,000	America At Its Best Box 1678 Kalispell, MT 59903