

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**CONCILIATION
AGREEMENT**

In the Matter of the North Metro Harness Initiative;

1. A routine staff review by the Minnesota Campaign Finance and Public Disclosure Board of the Schmit for Senate committee's 2013 year-end Report of Receipts and Expenditures identified a contribution which, as reported, constitutes a violation of the Minnesota Statutes.
2. Schmit for Senate reported that, on August 22, 2013, it received a contribution from the North Metro Harness Initiative in the amount of \$250. Schmit for Senate is a principal campaign committee registered with the Board. An examination of business filings on the Secretary of State's website indicates that the North Metro Harness Initiative is a Minnesota Limited Liability Company (LLC).
3. Corporations are prohibited from making contributions to principal campaign committees under Minnesota Statutes section 211B.15, subdivision 2. An LLC constitutes a corporation for the purposes of the section 211B prohibition on corporate contributions. A corporate contribution also constitutes a contribution from an association not registered with the Board. Minnesota Statutes section 10A.27, subdivision 13 prohibits an unregistered association from making a contribution to a principal campaign committee that exceeds \$200 unless the contributor provides a written disclosure statement as required by that section. The appropriate disclosure was not provided with the North Metro Harness Initiative contribution.
4. Schmit for Senate returned the prohibited contribution to the North Metro Harness Initiative with checks dated July 7, 2014, and February 13, 2015. Copies of the checks used to return the contribution were provided to the Board on June 19, 2015. However, the contribution was not returned within the 90-day period within which a contribution may be returned to avoid a violation and is therefore deemed accepted.
5. To resolve this matter informally, and to avoid these violations in the future, the North Metro Harness Initiative agrees that it will refrain from making political contributions, other than to independent expenditure political committees, independent expenditure political funds, ballot question political committees, and ballot question political funds. The North Metro Harness Initiative will exercise care in making a distinction between the LLC and its individual owners when making political contributions.
6. North Metro Harness Initiative agrees that the Board's acceptance of this agreement constitutes the imposition of a civil penalty in the amount of \$250 against the LLC for making a contribution that was prohibited by Minnesota Statutes section 211B.15, subdivision 2 and without the disclosure required by Minnesota Statutes section 10A.27, subdivision 13. \$62.50 of

the penalty is due within 30 days of the date the agreement is signed by both parties. \$187.50 of the penalty is, by the terms of this agreement, stayed until January 1, 2017. If the North Metro Harness Initiative violates Minnesota Statutes section 211B.15, subdivision 2 or section 10A.27, subdivision 13 before January 1, 2017, the outstanding civil penalty is due immediately. If the North Metro Harness Initiative does not violate Minnesota Statutes section 211B.15, subdivision 2 or section 10A.27, subdivision 13 before January 1, 2017, the outstanding civil penalty is waived.

7. If the North Metro Harness Initiative does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

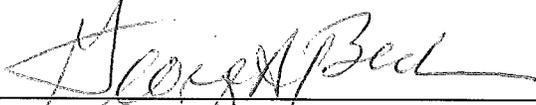

_____ Dated: 9/11/15

North Metro Harness Initiative


_____ Dated: 7/6/15

Gary Goldsmith, Executive Director
Campaign Finance and Public Disclosure Board

Agreement approved by Board at meeting of 7/6, 2015



George A. Beck, Chair
Campaign Finance and Public Disclosure Board