STATE OF MINNESOTA

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

CONCILIATION

AGREEMENT

In the matter of the Citizens for Steve Kelley Committee (#13447);

Pursuant to Minnesota Statutes, section 10A.28, subdivision 3, the Campaign Finance and Public Disclosure Board and Senator Steve Kelley (hereinafter referred to as "the Candidate") hereby agree as follows:

1. During 2005, the Citizens for Steve Kelley Committee ("the Committee") accepted $2,950 in contributions from special sources. These sources include registered lobbyists from whom the Committee accepted $1,400, and political committees or political funds from which the Committee accepted $1,550. The total amount of these contributions exceeded by $760 the applicable limit on aggregate contributions from special sources, which for this candidate was $2,190. The amount of $760 in excess contributions was not returned within 60 days as required by Minnesota Statutes, section 10A.15, subdivision 3.

2. In a letter dated January 26, 2006, Lynnette Slater Crandall, treasurer, states "I undertook the duties of treasurer for the Citizens for Steve Kelley principal campaign committee … after a fundraiser held by the Committee on January 2, 2005. Unfortunately, I was not aware of the 60-day requirement for return of contributions over the limit. … It was at this time that I became aware that contributions from lobbyists and political committees and political funds received by the Committee, which had been deposited by another volunteer following the fundraiser exceeded the $2,190 aggregate limit, and that contributions in excess of

such limit should have been returned within 60 days. I then immediately embarked upon the task of returning contributions totaling $760 to certain lobbyists and political funds."

3. Board records show that this is the second calendar year in which the Committee reported acceptance of contributions that exceeded the applicable aggregate contribution limit. The Committee registered with the Board on February 26, 1996.

4. The parties agree that the Committee accepted excessive contributions from special sources resulting in an inadvertent violation of Minnesota Statutes, section 10A. 27, subdivision 11, in calendar year 2005.

5. The Candidate hereby agrees to provide the Board with copies of the letter(s) and check(s) returning $760 to political committees or political funds that contributed to his campaign in calendar year 2005. Copies of the check(s) and the accompanying letter(s) returning the excess amount must be forwarded to the Board within 30 days after the date this Conciliation Agreement is signed by the Board chair.

6. The Board imposes a civil penalty of $760, one times the amount by which the contributions exceeded the applicable limit, to be paid to the Board for deposit in the general fund of the state.

7. The Candidate hereby agrees to forward to the Board $760 by check or money order payable to the STATE OF MINNESOTA within 30 days after the date this Agreement is signed by the Board chair. It is agreed by the parties that payment of the civil penalty of $760, and this Conciliation Agreement will be a bar to any civil proceeding under Minnesota Statutes, section 10A.28, subdivisions 3 and 4.

8. It is further understood and agreed, however, that if the civil penalty of $760 is not paid within the time specified in paragraph 7 above, then the Candidate will be personally liable to pay a civil penalty, under Minnesota Statutes, sections 10A.28 and 10A.34, subdivision 1, in an amount calculated as follows:

(a) $1,520 which is two times the amount by which the contributions exceeded the statutory limit, if payment is received 31 to 60 days after the date this Agreement is signed by the Board Chair,

(b) $2,280 which is three times the amount by which the contributions exceeded the statutory limit, if payment is received 61 to 90 days after the date this Agreement is signed by the Board Chair;

(c) $3,040 which is four times the amount by which the contributions exceeded the statutory limit, if payment is received more than 91 days after the date this Agreement is signed by the Board Chair.

9. It is further understood and agreed that this Agreement is confidential until signed by the Candidate and the Board Chair; the signed Agreement then shall become a matter of public record, and the statutory requirement of confidentiality shall no longer apply. Minnesota Statutes, sections 10A.02, subdivision 11 and 10A.28, subdivision 3.

Steve Kelley

Senator Steve Kelley

Dated: March 27, 2006

Approved by the Campaign Finance and Public Disclosure Board

By Bob Milbert by Jeanne Olson

Bob Milbert, chair

Dated: 3 April 2006

Campaign Finance and Public Disclosure Board