

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

**Stipulation of Facts in the Matter of the Investigation of Expenditures by the  
DFL Senate Caucus Party Unit Advocating the Election of its Candidates.**

**INTRODUCTION**

1. This stipulation sets forth, in part, the pertinent facts relevant to the investigation by the Minnesota Campaign Finance and Public Disclosure Board (the Board) into expenditures made by the Minnesota Democratic Farmer Labor (DFL) Senate Caucus Party Unit (the Senate Caucus Party Unit). This investigation arises from complaints filed with the Board by the Republican Party of Minnesota and from the Board's expansion of the investigation to include expenditures in addition to those identified in the complaints. The expenditures and candidates whose elections were the subject of those expenditures are identified in Exhibit 1, which is attached hereto and constitutes a part of the stipulated facts as if fully set forth in this Stipulation.

2. The DFL State Central Committee party unit (the Central Committee Party Unit), the Senate Caucus Party Unit, and each of the individual candidates listed on Exhibit 1 on their own behalf and on behalf of their principal campaign committees hereby stipulate and agree that this statement of facts may be assumed to be true for the purpose of resolving the Board's investigation of these matters.

**STIPULATED FACTS**

3. The expenditures that are the subject of this investigation were reported by the Central Committee Party Unit as independent expenditures for the development, production, and mailing of printed literature mailed to voters in the candidates' various districts. Each piece of literature urged voters to vote for the subject candidate or against the candidate's opponent. The pieces of literature are identified in Exhibit 1 along with the total cost for all of the subject literature. A copy of each literature piece is contained in Exhibit 2.

4. The decision to make an independent expenditure supporting each of the referenced candidates was made by the Senate Caucus Party Unit's Political Director Mike Kennedy. Mike Kennedy approved each piece of literature that is the subject of the Board's investigation.

5. Each of the subject pieces of literature was designed, produced, and distributed by a professional media company selected by Mike Kennedy and retained by the Senate Caucus Party Unit for the purpose of designing, producing, and distributing the literature. The specific media company responsible for the literature prepared for each candidate is identified on Exhibit 1.

6. Lit Happens is a political media consulting company based in Minneapolis, MN operating as a sole proprietorship of Vic Thorstenson. Lit Happens was retained by the Senate Caucus Party Unit to design, produce, and distribute communications advocating the elections of Alan Oberloh, Vicki Jensen, and Tom Saxhaug or the defeat of their opponents.

7. The Pivot Group, Inc. (Pivot) is a political media consulting company based in Arlington, VA. Pivot was retained by the Senate Caucus Party Unit to design, produce, and distribute communications advocating for the elections of Jim Carlson, Kevin Dahle, Kent Eken, Melissa Franzen, Laurie McKendry, and Matt Schmit or the defeat of their opponents.

8. Compass Media Group, Inc. (Compass) is a political media consulting company based in Chicago, IL. Compass was retained by the Senate Caucus Party Unit to design, produce, and distribute communications advocating for the election of Greg Clausen, Alice Johnson, Susan Kent, and Lyle Koenen or the defeat of their opponents.

9. The Senate Caucus Party Unit and its media consultants desired to include, in each piece of literature, quality high resolution images of the candidates alone and interacting with families, businesses owners, and various other constituencies in recognizable local venues. The Senate Caucus Party Unit and its media consultants were not able to obtain satisfactory images from publicly available sources or from their archival files. As a result, the Senate Caucus Party Unit and its media consultants decided to take photographs specifically for use in the literature pieces that are the subjects of this investigation.

10. The Senate Caucus Party Unit arranged for each of its media consultants to have professional photographers take photos of its candidates. In each case, a Senate Caucus Party Unit campaign staff who had been assigned to work in the candidate's Senate District, or who supervised the campaign staff working in the Senate Districts, or another individual acting on behalf of the Senate Caucus Party Unit, served as the intermediary between the candidate or the candidate's representative and the media consultant and its photographer to schedule photo shoots on location in Minnesota.

11. In the case of Lit Happens, the photographer was Vic Thorstenson, owner of the company, who was also the primary contact with the Senate Caucus Party Unit. In the case of Pivot and Compass, each media company hired a photographer to obtain the required photographs and the photographer and the media company's primary contact for the Senate Caucus Party Unit projects both travelled to Minnesota for each photo shoot.

12. Lit Happens either took photos during the candidate's door knocking event with the Senate Caucus Party Unit or when the candidate was in St. Paul on other business. In each case, someone acting on behalf of the Senate Caucus Party Unit contacted the candidate or a representative of the candidate to arrange for the candidate to be at a location where Vic Thorstenson would take the photographs. The candidates followed all direction, if any, provided by the photographer.

13. In the cases of those candidates about whom literature pieces were prepared by Compass and Pivot, Mike Kennedy requested, through the Senate Caucus Party Unit's Field Director, that the campaign staff who had been assigned to work in the candidate's Senate District, or who supervised the campaign staff working in the Senate Districts, work with the candidates to schedule photo shoots. The Field Director was responsible for managing and implementing the Senate Caucus Party Unit's field program, which consists primarily of voter contact efforts in the Senate Districts and for managing campaign staff who worked in the Senate Districts. Although he would confer with the Field Director regarding the 2012 campaign, Mike Kennedy did not communicate with the Field Director or other Senate Caucus Party Unit campaign staff who worked with candidates about decisions concerning whether to make independent expenditures for any particular candidate, or about the timing, substance or form of any such independent expenditure.

14. In the cases of those candidates about whom literature pieces were prepared by Compass and Pivot, Senate Caucus Party Unit campaign staff contacted the candidates or the candidates' campaign managers or other representatives to arrange schedules for the photo shoots with the photographers. Each candidate agreed to a schedule involving multiple

locations for the photo shoots and arrived at the specified starting location at the scheduled time.

15. In the cases of those candidates about whom literature pieces were prepared by Compass and Pivot, the candidates were asked to bring wardrobe changes so that different looks could be obtained in different settings. Each candidate who was asked to bring wardrobe changes did so. All candidates followed the photographers' directions regarding wardrobe changes and other matters relating to the photo shoots and fully participated in the photo shoots.

16. In most cases of those candidates about whom literature pieces were prepared by Compass and Pivot, the candidate or a member of the candidate's principal campaign committee, acting at the request of Senate Caucus Party Unit campaign staff, selected or recommended locations for the photo shoot in which the candidate would participate. In most cases, the candidate or a member of the candidate's principal campaign committee led the photographer and the media representative to the selected locations.

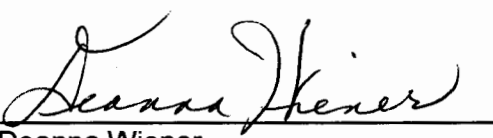
17. In most cases of those candidates about whom literature pieces were prepared by Compass and Pivot, the candidate or a member of their principal campaign committee, arranged for volunteers to participate in the photo shoots. Volunteers included campaign volunteers, relatives, friends and children. In each case where volunteers were used, they showed up at the time and location scheduled and fully participated in the photo shoot, as the candidate or the member of their principal campaign committee had requested.

18. In all cases, regardless of which media company was used, each candidate understood that the photo shoot was an activity undertaken by the Senate Caucus Party Unit in connection with the 2012 general election and was not an activity of the candidate's principal campaign committee.

19. The candidates had no involvement in decisions or discussions regarding whether the Senate Caucus Party Unit would make independent expenditures on their behalf. The candidates also did not have any involvement in decisions or discussions regarding the timing, substance, or form of independent expenditures by the Senate Caucus Party Unit. The fact that the Senate Caucus Party Unit made the expenditures which are the subject of this investigation did not affect the candidates' own campaign activities, including their plans, if any, to distribute their own campaign literature.

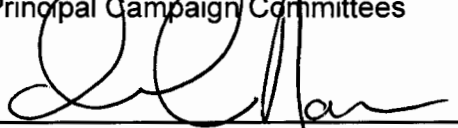
Dated: December 17, 2013

Campaign Finance and Public Disclosure Board

By:   
Deanna Wiener  
Chair

Dated: December 17, 2013

Respondents Minnesota DFL, Minnesota DFL Senate Caucus, and Individual Candidates and their Principal Campaign Committees

By:   
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**ATTORNEYS FOR RESPONDENTS**

**EXHIBIT 1****Alan Oberloh (Lit Happens)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
Oberloh Bio Piece	553	10/5/2012	7,611.12
Subtotal			7,611.12

**Vicki Jensen (Lit Happens)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
Jensen Bio Piece	551	9/20/2012	8,800.00
Subtotal			8,800.00

**Tom Saxhaug (Lit Happens)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
Saxhaug Bio Piece	552	10/4/2012	6,200.48
Subtotal			6,200.48

**Jim Carlson (Pivot)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
CRL12-001	1005	9/13/2012	10,111.92
CRL12-002	1007	9/13/2012	10,292.49
CRL12-003	1007	9/13/2012	10,292.49
Aug. Photo Shoot			1,220.33
Subtotal			31,917.23

**Kevin Dahle (Pivot)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
KDL12_003	1007	9/13/2012	9,112.02
KDL12_004	1069	9/23/2012	9,112.02
Aug. Photo Shoot			1,220.33
Subtotal			19,444.37

**Kent Eken (Pivot)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
EKE12_001	1006	9/13/2012	9,400.16
EKE12_003	1007	9/13/2012	9,568.02
EKE12_004	1069	9/23/2012	9,568.02
Sept. Photo Shoot			2,463.78
Subtotal			30,999.98

**Melisa Franzen (Pivot)**

<b>Piece</b>	<b>Inv. #</b>	<b>Inv. Date</b>	<b>Amount</b>
MFZ12_001	1005	9/13/2012	11,024.00
MFZ12_002	1007	9/13/2012	10,816.00
MFZ12_003	1007	9/13/2012	10,816.00
Aug. Photo Shoot			1,220.33
Subtotal			33,876.33

**McKendry (Pivot)**

Piece	Inv. #	Inv. Date	Amount
MKY12_001	1005	9/13/2012	10,132.64
MKY12_002	1007	9/13/2012	10,313.58
MKY12_003	1007	9/13/2012	10,313.58
MKY12_004	1069	9/23/2012	10,313.58
Aug. Photo Shoot			1,220.33
Subtotal			42,293.71

**Matt Schmit (Pivot)**

Piece	Inv. #	Inv. Date	Amount
MSH12_001	1006	9/13/2012	10,055.36
MSH12_002	1007	9/13/2012	10,234.92
MSH12_003	1007	9/13/2012	10,234.92
MSH12_004	1069	9/23/2012	10,234.92
Sept. Photo Shoot			2,463.78
Subtotal			43,223.90

**Greg Clausen (Compass)**

Piece	Inv. #	Inv. Date	Amount
Priority	12-1129	9/27/2012	7,103.18
Time to Teach	12-1130	9/27/2012	6,787.16
Upgrade	12-1162	10/9/2013	5,863.81
Subtotal			19,754.15

**Alice Johnson (Compass)**

Piece	Inv. #	Inv. Date	Amount
Kids/Corps	12-1169	10/9/2012	7,085.21
Fewer	12-1171	10/9/2012	6,022.33
Slid	12-1136	9/27/2012	6,763.11
Unlock	12-1137	9/27/2012	7,303.11
Dirty Word	12-1135	9/27/2012	7,423.11
Subtotal			34,596.87

**Susan Kent (Compass)**

Piece	Inv. #	Inv. Date	Amount
Crime	12-1161	10/9/2012	6,480.12
Hit	12-1159	10/9/2012	6,580.12
Subtotal			13,060.24

**Lyle Koenen (Compass)**

Piece	Inv. #	Inv. Date	Amount
Build	12-1125	9/27/2012	7,636.27
Gear	12-1126	9/27/2012	7,636.27
Land	12-1127	9/27/2012	8,296.27
Subtotal			23,568.81

**TOTAL            315,347.19**