



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

September 9, 2013

Norm DeLisle, Treasurer
Home Care First, Inc.
400 Galleria Officentre, Suite 117
Southfield, Michigan 48034

Dohn Hoyle, Treasurer
Citizens for Affordable Quality Healthcare
1325 South Washington Avenue
Lansing, Michigan 48910

Dear Messrs. DeLisle and Hoyle:

The Department of State (Department) received a formal complaint filed by Gideon D'Assandro against Citizens for Affordable Quality Home Care (CAQHC) and Home Care First, Inc. (HCFI), alleging violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* A copy of Mr. D'Assandro's complaint is provided as an enclosure with this letter.

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of organization is filed late. *Id.* Failure to file a statement of organization for more than 30 days is a misdemeanor. *Id.* By statutory definition, a committee is formed when "a person receives contributions or makes expenditures for the purpose of influences or attempting to influence the action of voters for or against the nomination or election of a candidate . . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year." MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

Mr. D'Assandro alleges that although the HCFI committee was formed on March 23, 2012, its Statement of Organization was not filed until October 30, 2012.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.234. The failure to file a single campaign statement may trigger late filing fees. MCL 169.234(3), (4). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.234(6).

Additionally, the MCFA requires filed campaign finance statements and reports to be complete and accurate. MCL 169.234. A treasurer who knowingly files an incomplete or inaccurate statement or report may be subject to a civil fine of up to \$1,000.00 or the amount of an undisclosed contribution, whichever is greater. MCL 169.234(7).

Finally, the Act prohibits a contribution “made, directly or indirectly, by any person in a name other than by which that person is identified for legal purposes.” MCL 168.241(3). A knowing violation of section 41 is a misdemeanor offense. MCL 168.241(4).

Mr. D’Assandro alleges that HCFI deliberately filed its statements and reports late to delay reporting contributions it received from various Service Employee International Union (SEIU) organizations, which it then contributed to CAQHC, in order to delay public disclosure of the true source of the contributions. Mr. D’Assandro further alleges that although CAQHC reported contributions from HCFI, those reports are incomplete or inaccurate because the money was “wrongfully reported to the public as being made by Respondent HCFI . . . when, in fact, these contributions were actually made by various SEIU organizations.”

In support of his complaint, Mr. D’Assandro provided CAQHC’s Statement of Organization, Home Care First, Inc.’s Articles of Incorporation, HCFI’s Statement of Organization, and certain campaign finance statements for both committees.


The purpose of this letter is to inform you of the Department’s examination of these matters and your right to respond to the allegations before the Department proceeds further. It is important to understand that the Department is neither making this complaint nor accepting the allegations as true.

If you wish to file a written response to this complaint, you are required to do so within 15 business days of the date of this letter. You may file one answer signed by both of you, or you may each submit your own answer. Your response may include any written statement or additional documentary evidence you wish to submit. All materials must be sent to the Department of State, Bureau of Elections, Richard H. Austin Building, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918. If you fail to submit a response, the Department will render a decision based on the evidence furnished by the complainant.

A copy of your reply or replies will be provided to Mr. D’Assandro, who will have an opportunity to submit a rebuttal statement to the Department. After reviewing all of the statements and materials provided by the parties, the Department will determine whether “there may be reason to believe that a violation of [the MCFA] has occurred [.]” MCL 169.215(10). Note that the Department’s enforcement powers include the possibility of entering a conciliation agreement, conducting an administrative hearing, or referring this matter to the Attorney General for enforcement of the criminal penalty provided in sections 24(1), 34(6), and 41(4) of the Act.

Norm DeLisle
Dohn Hoyle
September 9, 2013
Page 3

If you have any questions concerning this matter, you may contact me at (517) 241-0395.

Sincerely,

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Gideon D'Assandro

Complaint Against:

Citizens for Affordable Quality Home Care
(Former Committee ID #515805)
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650
Dohn Hoyle, Treasurer and Designated
Record Keeper

Dohn Hoyle
1325 S. Washington Avenue
Lansing, MI 48910
Telephone Number: (517) 487-5426

Home Care First, Inc.
(Former Committee ID #516286)
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650
Norm DeLisle, Treasurer

Norm DeLisle
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650

Complainant:

Gideon D'Assandro
P.O. Box 14162
Lansing, Michigan 48901
Telephone Number: (313) 312-0695

Dated: August 30, 2013

Filed pursuant to MCL 169.215(5)
and The Administrative Rules of the
Michigan Department of State

Filed with:
Michigan Department of State
Legal and Regulatory Services Administration
Richard H. Austin Building, 4th Floor
430 West Allegan Street
Lansing, Michigan 48918

2013 AUG 30 AM 9:13
BUREAU OF ELECTIONS
MI DEPT OF STATE

COMPLAINT

Complainant, Gideon D'Assandro, whose address is P.O. Box 14162, Lansing, Michigan 48901, Telephone: (313) 312-0695, declares to the Michigan Secretary of State the following:

INTRODUCTION

The Michigan "Campaign Finance Act is a disclosure statute." *People v Weiss*, 191 Mich App 553, 562 (1992). According to the Michigan Department of State, which is the agency entrusted to enforce the Michigan Campaign Finance Act, the underlying policy of the Michigan Campaign Finance Act is in favor of public disclosure. Interpretative Statement issued to Carol Strom dated August 21, 1979. Significantly, the Michigan Campaign Finance Act emphasizes the need for effective public disclosure. Interpretative Statement issued to Gregg Nominelli dated June 11, 1999.

This Complaint illustrates knowing and willful violations that threaten the Michigan Campaign Finance Act's core function of public disclosure. In the present case, the Respondents participated in a conspiracy whereby various Service Employee International Union organizations financed a state-wide initiative in the 2012 general election, but there was no public disclosure because the Respondents falsely reported these contributions came from a pass-through entity called "Home Care First, Inc." when the evidence suggests that they knew (because Respondents formed Home Care First, Inc. and even maintained the same office address) that Home Care First, Inc. received all of its contributions from various Service Employee International Union organizations. As further evidence of this willful intent to conceal the Service Employee International Union contributions, Home Care First, Inc. (although it made \$9,360,000.00 in contributions beginning on March 23, 2012) knowingly refused to file any campaign finance reports until after the 2012 general election!

Unless severe civil and criminal penalties are imposed upon the Respondents, then the Michigan Campaign Finance Act is meaningless, and participants in the political process can willfully ignore the Michigan Campaign Finance Act since enforcement in this area of the law will have proven to be nonexistent. If the circumstances of this situation do not merit severe civil and criminal penalties, then the Michigan Campaign Finance Act is a worthless set of words.

STATEMENT OF FACTS

1. On March 19, 2012, the Board of State Canvassers approved an initiative petition form submitted for approval by Respondent Citizens for Affordable Quality Home Care (“CAQHC”). See **Exhibit 1** attached.

2. The initiative petition sponsored by Respondent CAQHC eventually appeared on the November 6, 2012 general election ballot as Proposal 12-4.

3. Proposal 12-4, as it appeared on the November 6, 2012 general election ballot, read as follows:

PROPOSAL 12-4

A PROPOSAL TO AMEND THE STATE CONSTITUTION TO ESTABLISH THE MICHIGAN QUALITY HOME CARE COUNCIL AND PROVIDE COLLECTIVE BARGAINING FOR IN-HOME CARE WORKERS

This proposal would:

- Allow in-home care workers to bargain collectively with the Michigan Quality Home Care Council (MQHCC). Continue the current exclusive representative of in-home care workers until modified in accordance with labor laws.
- Require MQHCC to provide training for in-home care workers, create a registry of workers who pass background checks, and provide financial services to patients to manage the cost of in-home care.
- Preserve patients’ rights to hire in-home care workers who are not referred from the MQHCC registry who are bargaining unit members.

- Authorize the MQHCC to set minimum compensation standards and terms and conditions of employment.

Should this proposal be approved?

YES ___

NO ___

4. If passed, the principal beneficiary of Proposal 12-4 would be the Service Employees International Union. See **Exhibit 2** attached.

5. Respondent CAQHC was formed on March 2, 2012 to support Proposal 12-4. See **Exhibit 3** attached.

6. The Articles of Incorporation of Respondent Home Care First, Inc. ("HCFI") were signed on March 1, 2012. See **Exhibit 4** attached.

7. Respondent HCFI was formed as a ballot question committee on March 23, 2012, however, the Statement of Organization for Respondent HCFI was not filed until October 30, 2012. See **Exhibit 5** attached.

8. The treasurer of Respondent HCFI was Respondent Norm DeLisle, who was also an incorporator of Respondent HCFI. See **Exhibit 4** and **Exhibit 5** attached.

9. The treasurer for Respondent CAQHC was Respondent Dohn Hoyle, who was also an incorporator of Respondent HCFI. See **Exhibit 3** and **Exhibit 4** attached.

10. The committee mailing address for Respondent HCFI, the committee mailing address for Respondent CAQHC, and the registered office address for Respondent HCFI are the same:

400 Galleria Officentre, Suite 117
Southfield, MI 48034

See **Exhibit 3**, **Exhibit 4**, and **Exhibit 5** attached.

11. According to the campaign finance reports filed by Respondent CAQHC, Respondent CAQHC received \$9,360,150.00 in contributions in support of Proposal 12-4. See

Exhibit 6 attached. Significantly, \$9,360,000.00 of this amount in contributions was reported as coming from Respondent HCFI. See **Exhibit 7** attached.

12. Although Respondent HCFI contributed \$9,360,000.00 to Respondent CAQHC starting on March 23, 2012 and continuously made contributions through November 5, 2012 (see **Exhibits 7** and **Exhibit 8** attached), Respondent HCFI did not file its Statement of Organization until October 30, 2012. See **Exhibit 5** attached.

13. By acknowledging committee status, Respondent HCFI necessarily admits that it solicited or received contributions for the purpose of making expenditures to Respondent CAQHC. MCL 169.203(4).

14. Respondent HCFI made its first contribution in support of Proposal 12-4 on March 23, 2012 (See **Exhibit 8** attached); however, Respondent HCFI did not publicly disclose its financial activity until it filed its first campaign finance report on November 14, 2012 - - 8 days after the November 6, 2012 general election! See **Exhibit 9** attached.

15. During its existence as a ballot question committee, Respondent HCFI raised \$9,360,000.00 from a few entities associated with the Service Employees International Union (“SEIU”). See **Exhibit 10** attached. Every penny of this \$9,360,000.00 was, in turn, transferred to Respondent CAQHC. See **Exhibit 11** attached.

16. Based on the campaign finance reports filed by Respondent HCFI and Respondent CAQHC, the actual contributors to Respondent CAQHC were the various SEIU organizations that contributed to Respondent HCFI. Respondent HCFI was merely a laundering device through which contributions were made by various SEIU organizations to Respondent CAQHC.

17. The facts of the present Complaint are similar to those set forth in *Michigan Education Association Political Action Committee v Secretary of State*, 241 Mich App 432, 444-445 (2000):

“The facts to which petitioner stipulated at the hearing showed that petitioner contributed \$20,711.54 to three PACs on July 12, 1994. The stipulated facts additionally showed that on that same day, the three PACs made a total contribution of \$20,711.54 to Miller Canfield to help retire the recount-related expenses of the five House candidates. In our opinion, this “money trail” was sufficient to support a reasonable inference, under the “substantial evidence” standard, that petitioner entered into an agreement or arrangement with the three PACs to pay the candidates’ legal bills. We agree with the following findings made by the hearing referee:

“Clearly, the documentation of the money trail evidences some sort of scheme, design, or master plan. The documents show that there was obviously a coordinated effort to move a large amount of [petitioner’s] money through the three caucus PACs, resulting in specific payments made on behalf of the five candidate committees which still had outstanding 1992 legal debts, all of which were extinguished on the same day. In other words, a reasonable inference can be drawn from the evidence that a scheme or plan existed.”

18. In the present case, the “money trail” is not difficult to follow. Respondent HCFI received contributions from various SEIU organizations, and then laundered these contributions to Respondent CAQHC. Accordingly, every contribution from Respondent HCFI to Respondent CAQHC was, in reality, a contribution from various SEIU organizations to Respondent CAQHC.

CONTRIBUTIONS WERE ILLEGALLY MADE IN THE NAME OF ANOTHER

19. According to MCL 169.241(3), a contribution shall not be made, directly or indirectly, by any person in a name other than by which that person is identified for legal purposes. In addition, MCL 169.231(1) provides that a contribution that is controlled by, or made at the direction of, another person, shall be reported by the person making the contribution. These anti-laundering provisions were directly violated here.

20. In the present case, various SEIU organizations made contributions through Respondent HCFI to Respondent CAQHC (see **Exhibit 10** attached); however, these contributions were wrongfully reported to the public as being made by Respondent HCFI (see, for example, **Exhibit 7** attached) when, in fact, these contributions were actually made by various SEIU organizations. Because the Respondents formed Respondent HCFI, shared the same address, etc., it will be difficult for the Respondents to claim that they did not know that these contributions were actually made by various SEIU organizations. Based on the “money trail,” a reasonable inference can be drawn from the evidence that such a scheme or plan existed. *Michigan Education Association Political Action Committee v Secretary of State*, 241 Mich App 432 (2000).

21. A person who knowingly violates MCL 169.241 is guilty of a misdemeanor punishable, if the person is an individual, by a fine of not more than \$1,000.00 or imprisonment for not more than 90 days, or both; if the person is other than an individual, by a fine of not more than \$10,000.00. MCL 169.241(4).

**THE STATEMENT OF ORGANIZATION FOR RESPONDENT HCFI
WAS DELIBERATELY FILED IN AN UNTIMELY MANNER**

22. According to MCL 169.224(1), a person who fails to file a Statement of Organization for more than 30 days after the Statement of Organization is required to be filed is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00.

23. In the present case, Respondent HCFI admits that the committee was formed on March 23, 2012, which meant that the Statement of Organization was due on or before April 2, 2012; however, the Statement of Organization for Respondent HCFI was not filed until October 30, 2012. See **Exhibit 5** attached.

24. The failure to file the Statement of Organization for Respondent HCFI can hardly be deemed to be an unintentional act since the same individuals associated with Respondent

HCFI are associated with Respondent CAQHC. See **Exhibit 3**, **Exhibit 4**, and **Exhibit 5** attached. Respondent CAQHC filed its Statement of Organization. See **Exhibit 3** attached. Therefore, the Respondents were certainly aware of the Statement of Organization filing requirements.

**THE CAMPAIGN FINANCE REPORTS OF RESPONDENT HCFI
WERE DELIBERATELY WITHHELD FROM PUBLIC DISCLOSURE**

25. According to MCL 169.234(6), if a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee fails to file a statement as required for more than 7 days, that treasurer or other designated individual is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00, or imprisonment not more than 90 days, or both.

26. In the present case, Respondent HCFI and the treasurer and other individuals designated as responsible for the record keeping, report preparation, or report filing for Respondent HCFI, admitted that the committee was formed on March 23, 2012. See **Exhibit 5** attached. However, after continuously receiving and spending \$9,360,000.00 to support Proposal 12-4, these individuals waited until 8 days after the November 6, 2012 general election to file reports as required by Section 34 of the Michigan Campaign Finance Act. See **Exhibit 9** attached. The practical effect of the Respondents' actions avoided disclosure to the public that the true contributors to support Proposal 12-4 were various SEIU organizations.

**INCOMPLETE OR INACCURATE STATEMENTS
OR REPORTS WERE KNOWINGLY FILED**

27. According to MCL 169.234(7), if a treasurer or other individual designated as responsible for the record keeping, report preparation, or report filing of a ballot question committee knowingly files an incomplete or inaccurate statement or report required by Section 34 of the Michigan Campaign Finance Act, that treasurer or other designated individual is

subject to a civil fine of not more than \$1,000.00 or the amount of the undisclosed contribution, whichever is greater.

28. In the present case, Respondent CAQHC reported all contributions received by Respondent CAQHC as coming from "Home Care First, Inc." See, for example, **Exhibit 7** and **Exhibit 8** attached. However, Respondent Dohn Hoyle (the Treasurer of Respondent CAQHC) was also an incorporator of Respondent HCFI. See **Exhibit 3** and **Exhibit 4** attached. The committee mailing address for Respondent HCFI, the committee mailing address for Respondent CAQHC, and the registered office address for Respondent HCFI are all the same. See **Exhibit 3**, **Exhibit 4**, and **Exhibit 5** attached. Therefore, it defies reality to suggest that Respondent Dohn Hoyle did not knowingly file an incomplete or inaccurate statement or report required by Section 34 of the Michigan Campaign Finance Act, since Respondent Dohn Hoyle certainly must have known that the contributions falsely reported as coming from "Home Care First, Inc." were, in reality, contributions from various SEIU organizations. Accordingly, Respondent Dohn Hoyle is subject to a civil fine of \$9,360,000.00, the amount of the undisclosed contributions.

CONCLUSION

Based on the foregoing, all or some of the Respondents have violated the following provisions of the Michigan Campaign Finance Act:

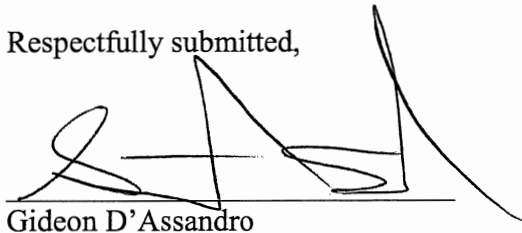
1. MCL 169.241(3);
2. MCL 169.224(1);
3. MCL 169.234(6); and
4. MCL 169.234(7).

REQUEST FOR ACTION BY THE SECRETARY OF STATE

Accordingly, the Complainant respectfully requests that the Secretary of State immediately investigate these violations and determine as a matter of law that Respondents have violated the MCFA, and assess all appropriate penalties for each violation.

I certify that to the best of my knowledge, information and belief, formed after a reasonable inquiry under the circumstances, each factual contention of this complaint is supported by evidence.

Respectfully submitted,



A handwritten signature in black ink, appearing to read 'Gideon D'Assandro', is written over a horizontal line. The signature is stylized with a large initial 'G' and a long, sweeping tail.

Dated: August 30, 2013

BUREAU OF ELECTIONS
MI DEPT OF STATE

2013 AUG 30 AM 9:43

EXHIBIT 1



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

Meeting
of the
Board of State Canvassers

March 19, 2012
State Capitol, Room 426
Lansing, Michigan

Called to order: 9:30 a.m.

Members present: Julie Matuzak – Chairperson
Norman Shinkle – Vice Chairperson
Jeffrey Timmer

Members absent: James Waters

Agenda item: Consideration of meeting minutes for approval.

Board action on agenda item: Motion to approve as submitted. Moved by Shinkle; supported by Timmer. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item: Canvass and certification of the February 28, 2012 Presidential Primary.

Board action on agenda item: Motion to certify as submitted. Moved by Timmer; supported by Shinkle. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item: Establish deadline for challenging signatures on the referendum petition filed on February 29, 2012 by Stand Up for Democracy, 1034 North Washington Avenue, Lansing, Michigan 48906.

Board action on agenda item: A motion was entered for the Board of State Canvassers to set the deadline for challenging signatures sampled from the referendum petition sponsored by Stand Up for Democracy at 5:00 p.m. on the 10th business day after copies of the signatures sampled from the petition are made available to the public approved. Moved by Shinkle; supported by Timmer. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item: Consideration of initiative petition form submitted for approval by Patrick McGilvery, 9480 Cambria Road, Reading, Michigan 49274. (Petition

proposes to amend the State Constitution to provide, "that whenever any form of government becomes destructive to these ends, it is the right of the people to alter or abolish it, and to institute new government ..."

Board action on agenda item: A motion was entered for the Board of State Canvassers to approve the initiative petition form submitted by Patrick McGilvery with the understanding that the Board's approval does not extend to 1) the substance of the proposal which appears on the petition; 2) the substance of the summary of the proposal which appears on the signature side of the petition; or 3) the manner in which the proposal language is affixed to the petition. Moved by Timmer; supported by Shinkle. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item: Consideration of initiative petition form submitted for approval by the Right to Know Michigan Committee, P.O. Box 3085, Kalamazoo, Michigan 49003. (Petition proposes to amend the State Constitution to require corporations to disclose expenditures made for lobbying and campaign purposes and provide penalties for noncompliance.)

Board action on agenda item: None. Petition withdrawn at the request of the sponsor.

Agenda item: Consideration of initiative petition form submitted for approval by Protect Our Jobs, 5859 West Saginaw Highway No. 142, Lansing, Michigan 48917-2460. (Petition proposes to amend the State Constitution to create a new constitutional right to collective bargaining.)

Board action on agenda item: A motion was entered for the Board of State Canvassers to approve the initiative petition form submitted by Protect Our Jobs with the understanding that the Board's approval does not extend to 1) the substance of the proposal which appears on the petition; 2) the substance of the summary of the proposal which appears on the signature side of the petition; or 3) the manner in which the proposal language is affixed to the petition. Moved by Timmer; supported by Shinkle. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item: Consideration of initiative petition form submitted for approval by Citizens for Affordable Quality Home Care, 400 Galleria Office Centre, Suite 117, Southfield, Michigan 48034. (Petition proposes to amend the State Constitution to establish the Michigan Quality Home Care Council, provide certain information to consumers, require training of providers, and provide limited collective bargaining rights.)

Board action on agenda item: A motion was entered for the Board of State Canvassers to approve the initiative petition form submitted by

Citizens for Affordable Quality Home Care with the understanding that the Board's approval does not extend to 1) the substance of the proposal which appears on the petition; 2) the substance of the summary of the proposal which appears on the signature side of the petition; or 3) the manner in which the proposal language is affixed to the petition. Moved by Timmer; supported by Shinkle. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

Agenda item:

Recording of the results of the county canvass for the following special elections held in conjunction with the February 28, 2012 Presidential Primary: 29th District State Representative (Partial Term Ending 1/1/2013) and 51st District State Representative (Partial Term Ending 1/1/2013). Designation of staff to act on behalf of the Board of State Canvassers in the event that a recount petition is filed with respect to these special elections.

Board action on agenda item: A motion was entered for the Board of State Canvassers to designate staff of the Bureau of Elections to act on the Board's behalf in the event that a recount petition is filed with respect to the special elections held in conjunction with the Presidential Primary. Moved by Shinkle; supported by Timmer. Ayes: Matuzak, Shinkle, Timmer. Nays: None. Motion carried.

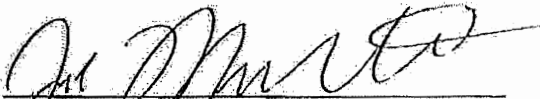
Agenda item:

Such other and further business as may be properly presented to the Board.


Board action on agenda item: None.

Adjourned:

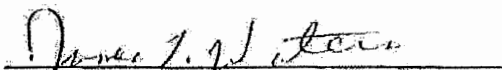
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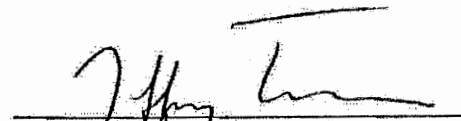
Chairperson



Vice-Chairperson



Member



Member

4-3-2012
Date

EXHIBIT 2

Union's role in home care heart of Proposal 4 controversy

By Dawson Bell, Detroit Free Press Lansing Bureau Filed Under Local News Politics Jennifer Granholm Rick Snyder Warren
October 14, 2012 |

freep.com

If the only thing you know about Proposal 4 is what you've seen on TV commercials, you might be surprised to learn that *anyone* thinks it's a bad idea.

Who could possibly oppose the notion that frail elderly people should be able to stay in their own homes and receive compassionate, quality care from workers who've had background checks?

Answer: A significant number of people, including some either receiving or providing in-home care. They say they believe the proposed constitutional amendment has nothing to do with the quality of care and everything to do with perpetuating the means by which the Service Employees International Union claims \$6 million-\$8 million a year in dues from workers caring for patients on government assistance.

In their view, Proposal 4 is the prime example of how special interests have corrupted the Michigan ballot proposal process to serve their own ends.

"This is the most cynical, the most deceptive ... of all the ballot proposals," said Matt Resch, a Lansing-based strategist with the business coalition opposed to several pro-union measures on the ballot. "It's just a joke."

So what would Proposal 4 do? It would:

- Create a Michigan Quality Home Care Council.
- Require the home care council to screen home care workers and maintain a registry of them, and provide job training for workers and financial training for patients.
- Codify in the state constitution workers' right to retain their status (since 2006) as public employee members of SEIU Healthcare Michigan.

That last arrangement, though only a small portion of the amendment's language and entirely unmentioned in the pro-Proposal 4 ad campaign, accounts for 100% of the controversy surrounding it.

In fact, Proposal 4 could best be described as a final showdown in a battle that has raged at the state Capitol over the home care union issue for nearly a decade. It began in 2004, when the administration of former Gov. Jennifer Granholm authorized the creation of a quality home care council at the SEIU's urging. The SEIU was making the same push with Democratic governors in several other states, as well.

The Michigan home care council designated home health care workers caring for patients receiving Medicare or Medicaid as public employees and recognized SEIU as their bargaining unit.

SEIU, after an election in which fewer than 1 in 5 home care workers participated, was certified as the bargaining agent for all of about 43,000 workers, many of whom are caring for family members.

SEIU and the quality care council signed a contract in 2006, and the state began to deduct 2.75% in union dues from aid payments.

Opponents -- led by the Mackinac Center for Public Policy, a free-market think tank -- have argued from the beginning that the whole thing is a scam. Home health care workers aren't public employees, they said; they work for their patients.

The notion that SEIU and the home care council have anything resembling a labor-management relationship is laughable, said Mackinac Center attorney Patrick Wright. And neither has the authority to set wages and working conditions for home care workers; that's left to the discretion of the Legislature and the patients or their guardians.

When Granholm was replaced by Gov. Rick Snyder, and Republicans assumed control of both chambers of the Legislature in 2010, efforts quickly got under way to terminate the arrangement. Funding for the council was cut off; the dues deduction was scheduled for termination. Both survive for now, thanks to financial and legal efforts by SEIU. But without passage of Proposal 4, they will expire soon.

Dohn Hoyle, a Lansing-based disability-rights activist and spokesman for Proposal 4, said that would be a tragedy. The home care council, registry, screening and training are all valuable for people seeking care for themselves or loved ones, Hoyle said. And the union was instrumental in pushing for them, he said.

Further, Hoyle said, SEIU played a key role in applying pressure to the Legislature that resulted in significant pay increases for home care workers over the last five years.

Hoyle blames opposition to Proposal 4 on "ideology that is so anti-union, they're willing to throw disabled people under the bus."

Opponents of the proposal say there is nothing compassionate about changing the state constitution to preserve the right to skim \$6 million a year from funds used to care for disabled people.

Resch, the strategist, called it "fundamentally dishonest" for Proposal 4's backers to claim it is needed to preserve a right that is not in jeopardy -- the right to home health care -- while not mentioning the real reason for the ballot proposal: that the SEIU lost a political fight in Lansing.

Except for paying most of the bill -- about \$1.9 million to collect petition signatures and nearly \$3 million in TV advertising so far -- SEIU has stayed out of the ballot proposal campaign. Hoyle said the coalition of disability-rights and senior citizens groups backing Proposal 4 is broad but couldn't afford to mount a statewide campaign without the union's help.

SEIU officials did not return a call seeking comment last week and have seldom commented on the controversy or the ballot proposal.

But some of the union's home health care members have spoken up.

Robert Haynes, a 59-year-old retired Detroit police officer from Macomb Township, and his wife care for two severely disabled adult children. He has been outspoken in his opposition to SEIU. Haynes said he never heard anything about the union-certification election; the first notice he got was when dues started coming out of the family's check.

He said SEIU offices in Detroit never responded to his repeated requests for information and relief.

"We're not home health care providers," Haynes said, "We don't work for the state. We're parents of disabled children.

"I'm not anti-union," he added. "I'm still a member of the (Detroit Police Officers) retirees association. I'm just feeling that we don't belong in this union.

"They say they got us more money," Haynes continued, "Show us, how? Who did you negotiate with?"

Hoyle said Haynes is "an idiot" recruited by the Mackinac Center. (Haynes said he has contacted the center for advice.)

The vast majority of SEIU home health care workers support the union, Hoyle said.

One is Robert Flair, 60, of Warren. Flair, who cares for a 30-year-old severely mentally impaired son, said he voted for certification and supports the union 100%.

"I'm not in this program to make money. I do it because he's my son," Flair said.

But if and when he can no longer care for his son, Flair said, it "will be nice to know... that we can hire somebody who has passed criminal background checks ... (and) has had some training."

Flair said he also credits SEIU with boosting Medicaid payments.

"I've seen the benefits. There's a real difference between pre-union and now."

Contact Dawson Bell: 517-372-8661 or dbell@freepress.com

EXHIBIT 3



MICHIGAN DEPARTMENT OF STATE
BUREAU OF ELECTIONS

353699

ORIGINAL OR AMENDED

STATEMENT OF ORGANIZATION FORM FOR BALLOT QUESTION COMMITTEES

1. Committee ID #: 515805-0

2. Type of Filing:
 Original
 Amendment to Items: _____ Eff. Date: _____

3. Date Committee was Formed: 03/02/12

4. Full Name of Committee:
Citizens for Affordable Quality Home Care

5. Acronym or Abbreviation (if any):

6. Complete Committee Mailing Address (May be PO Box):
**400 Galleria Officentre, Suite 117
 Southfield, MI 48034**

7. Complete Committee Street Address (May not be PO Box):

Committee Phone #: (248) 354-9650
 Committee Fax #: (248) 354-9656
 Committee E-mail Address: _____
 Committee Website Address: _____

8. Treasurer Name and Complete Address:
**John Hoyle
 1325 South Washington Avenue
 Lansing, Michigan 48910**

Phone #: (517) 487-5426
 E-mail Address: choyle@aromi.org

9. Designated Record Keeper Name and Complete Address:
(Same as Treasurer)

Phone #: _____
 E-mail Address: _____

10. REPORTING WAIVER REQUEST: If the committee does not expect to receive or expend in excess of \$1,000 in an election and checks this box; the filing requirement of pre, post and annual campaign statements is waived. The Reporting Waiver will be automatically lost if the committee exceeds the \$1,000 threshold.

11. Name and Address of Depositories or Intended Depositories of committee funds.

a. Official Depository
**Chase Bank
 611 Woodward Avenue
 Detroit, MI 48226**

b. Secondary Depository

12. Complete if Committee is being registered to support or oppose a specific ballot proposal: Support or Oppose

Description: Constitutional Amendment for Affordable Quality Home Care

If not a statewide proposal, list the county, city, township, village or school district involved. If multi-county, list the county where the greatest number of voters eligible to vote on the proposal reside:

Statewide
 County: _____
 Multi County: _____
 Local: _____

13. ELECTRONIC FILING: This item applies to committees that file with the Michigan Department of State Bureau of Elections only and does not apply to Ballot Question Committees that file with the County Clerk's office.

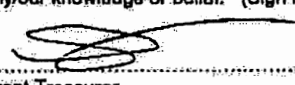
The Campaign Finance Act requires any committee that files with the Secretary of State and spends or receives \$20,000 in the preceding calendar year OR expects to spend or receive \$20,000 in the current calendar year to file campaign statements electronically. MERTS Plus software is provided to you free of charge to assist you in meeting this requirement.

Committee spent or received or expects to spend or receive in excess of \$20,000 and is required to file electronically.

** OR **

Committee did not spend or receive or does not expect to spend or receive in excess of \$20,000 and would like to file electronically voluntarily.

14. Verification: I/We certify that all reasonable diligence was used in the preparation of the above statement and that the contents are true, accurate and complete to the best of my/our knowledge or belief. If filing electronically, we further agree that the signatures below shall serve as the signatures that verify the accuracy and completeness of each statement filed electronically by the committee. I/We certify that all reasonable diligence will be used in the preparation of each statement electronically filed by this committee and that the contents of each statement will be true, accurate and complete to the best of my/our knowledge or belief. (Sign Name and Date below)



Current Treasurer _____ (Date) 3/16/12

Designated Record Keeper _____ (Date) _____
 (Required only if filing electronically)



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

MEMORANDUM

TO: New Committees
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: **NEW COMMITTEE ID# AND INFORMATIONAL PACKET**

We have just received the committee's Statement of Organization. The Identification Number shown on the enclosed date stamped copy of the Statement of Organization has been assigned to your committee. Please enter the Identification Number on ALL filings and correspondence with this office.

Also enclosed are a Campaign Finance "Dates to Remember" card and other publications to assist you with your filing requirements under the Michigan Campaign Finance Act (MCFA). Additional publications are available on the Internet. See section below for details.

PUBLICATIONS ON THE INTERNET

The Michigan Department of State's Bureau of Elections (the Bureau) has conveniently located all of the campaign finance disclosure forms and publications on the Internet. The campaign finance disclosure forms and publications are easy to access, print and download. Book mark this page for easy access throughout the campaign. Just go to: www.Michigan.gov/elections and select:

**"Campaign Finance Disclosure"
"Forms and Filing Materials"**

After you reach the "Forms and Filing Materials" page, click on your committee type to access the forms and publications you need:

**Candidate Committee
Independent/Political PAC Committee
Ballot Question Committee
Political Party Committee**

COMMUNICATIONS SENT BY THE BUREAU

Be sure to keep the mailing address up-to-date and provide the Bureau with an email address. Communications sent by the Bureau will be sent to the committees mailing address and any email addresses provided on the Statement of Organization. We urge you to review your committee's Statement of Organization before you file a Campaign Statement. If any information on the Statement of Organization has changed, be sure to file an appropriate amendment to the form no later than the due date of the Campaign Statement. All committees are encouraged to file an amended Statement of Organization as soon as a change of information takes place including committees that maintain a reporting waiver. An amended Statement of Organization cannot be filed electronically.

Committees are responsible for notifying the Bureau when the committee's mailing address or email address changes. *Failure to receive correspondence from the Bureau is not a defense for failing to file a required Statement in a timely manner.*

ELECTRONIC FILING REQUIRMENTS

Committees registered with the Bureau are required to file their campaign finance reports electronically if the committee spends or receives \$20,000.00 in the calendar year. All contributions and expenditures count towards this threshold. This includes direct monetary contribution and in-kind contributions of goods or services. For Candidate Committees it also includes contributions from the candidate and family members.

To assist you with the electronic disclosure requirement, a cost-free software program has been developed for use by your committee. Details concerning the software program are provided below. All committees that file with the Bureau are encouraged to file electronically even if the committee does not expect to meet the \$20,000.00 receipt/expenditure threshold explained above.

Software Training: Committee members charged with filing the campaign statements are encouraged to take an on-line training course or sign up for MERTS training in Lansing.

- To take the on-line training, log onto www.mertsplus.com and click on "ONLINE Training". Training consists of a Power Point presentation that average one-hour.
- To sign up for training in Lansing, log on to www.mertsplus.com and click on "Lansing Training". Training consists of a Power Point presentation given in Lansing that averages two hours.

After completing the training, committees are given an opportunity to download the software and obtain a password to file via the Internet. A password to file via the Internet can be obtained at www.mertsplus.com. Simply click on "Get a Password". Once the password has been issued, it does not expire and can be used for all of the Committee filings including Late Contribution Reports and other immediate disclosure reporting.

MERTS Help Desk staff is available Monday – Friday, 8:00 a.m. to 5:00 p.m. to assist with any questions you may have. A phone message can be left at: 703-749-4642. Note messages are automatically forwarded via email to staff. Questions can also be submitted via email through www.mertsplus.com or directly at mertstechsupport@egov.com.

DISSOLVING A COMMITTEE

Committees of unsuccessful candidates or committees that no longer participate in Michigan elections are encouraged to dissolve. A dissolved committee has no further filing obligations. Please refer to Appendix W of the Manual for additional details on dissolving the committee. A committee that is not dissolved is required to file campaign statements and will continue to receive communications from the Bureau.

Questions? Please do not hesitate to contact this office if you have any questions.

Michigan Department of State
Bureau of Elections
P.O. Box 20126
Lansing, Michigan 48901-0726
Phone: 517-373-2540
Email: Disclosure@Michigan.gov
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