

Campaign Finance Complaint Form Michigan Department of State

This complaint form may be used to file a complaint alleging that someone violated the Michigan Campaign Finance Act (the MCFA, 1976 PA 388, as amended; MCL 169.201 *et seq.*). All information on the form must be provided along with an original signature and evidence. **Please print or type all information.**

I allege that the MCFA was violated as follows:

Section 1. Complainant		
Your Name James B. Rasor		Daytime Telephone Number 248-543-9000 ext 12
Mailing Address 210 E 4th Street		
City Royal Oak	State MI	Zip 48067

Section 2. Alleged Violator		
Name Citizens for a Responsible Royal Oak & Treasurer Donald Theodore		
Mailing Address 221 S Main St		
City Royal Oak	State MI	Zip 48067

Section 3. Alleged Violations (Use additional sheet if more space is needed.)

Section(s) of the MCFA violated:
See attached

Explain how those sections were violated:

Evidence that supports those allegations (attach copies of pertinent documents and other information):

Section 4. Certification (Required)

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.

X

Signature of Complainant

Date

10/25/17

Section 5. Certification without Evidence (Supplemental to Section 4)

Section 15(6) of the MCFA (MCL 169.215) requires that the signed certification found in section 4 of this form be included in every complaint. However, if, after a reasonable inquiry under the circumstances, you are unable to certify that certain factual contentions are supported by evidence, you may also make the following certification:

I certify that to the best of my knowledge, information, or belief, there are grounds to conclude that the following specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry. Those specific contentions are:

X

Signature of Complainant

Date

10/25/17

Section 15(8) of the MCFA provides that a person who files a complaint with a false certification is responsible for a civil violation of the MCFA. The person may be required to pay a civil fine of up to \$1,000.00 and some or all of the expenses incurred by the Michigan Department of State and the alleged violator as a direct result of the filing of the complaint.

Mail or deliver the completed complaint form with an **original signature and evidence** to the following address:

Michigan Department of State
Bureau of Elections
Richard H. Austin Building – 1st Floor
430 West Allegan Street
Lansing, Michigan 48918

**Campaign Finance Complaint Supplemental Filing
Michigan Department of State
James B. Rasor**

Section 3. Alleged Violations.

Sections of MCFA violated:

MCL § 169.222; Duties of committee treasurer or other designated individual
MCL § 169.241; Unlawful contribution in the name of another
MCL § 169.233(10); Inaccurate statement or report by treasurer
MCL § 169.209(2); Independent Expenditures
MCL § 169.224b(4); Independent Expenditures Contribution to candidate committee

Explain how those sections were violated:

Citizens for a Responsible Royal Oak is an Independent Expenditure Political Committee (Super PAC) that was formed on August 3, 2017 and assigned Committee ID # 518213. The committee appears to be in direct violation of several sections of the Michigan Campaign Finance Act (MCFA), including provisions with criminal penalties. This complaint shows five (5) potential violations with penalties including civil fine, misdemeanor and/or felony:

- I. False campaign finance report that reports large donations from one individual when the donations were from multiple corporations;
- II. False campaign finance report that falsely identifies corporate donors and falsely identifies a corporate donor as a family foundation;
- III. Neglect of duty by the committee's treasurer posting false donor disclosures when the MCFA places an affirmative duty on the treasurer to maintain accurate records and file accurate reports;
- IV. False identification of expenditures as "get out the vote" election day activities when they were independent expenditures that require the filing of a Schedule 2B-1 that shows which candidates are being supported or opposed; and
- V. Unlawful collaboration and coordination between the Super PAC, its donors, candidates and their committees in planning and executing a candidate rally supporting those candidates for city office, where the Super PAC paid a vendor to distribute free goods to attract voters to the rally, the candidates attended and promoted the rally with the stated purpose of conducting a campaign event, the Super PAC donor facilitated the rally by allowing it to occur on private property owned by himself; and as such the rally was not an independent expenditure as required under the MCFA.

The committee treasurer and designated record keeper is Donald Theodore. On October 10, 2017, the committee filed the October Quarterly Campaign Statement covering the reporting period of July 1, 2017 through September 30, 2017. The committee reported \$25,000 in five (5) separate direct contributions from Donald Nahat, an individual. The contributions were reported as follows:

<u>Contrib. Date</u>	<u>Contribution Amount</u>	<u>Original Filing 10/10/2017</u>
9/26/2017	\$ 8,000.00	Donald Nahat
8/15/2017	\$ 6,000.00	Donald Nahat
9/28/2017	\$ 5,000.00	Donald Nahat
9/22/2017	\$ 3,000.00	Donald Nahat
9/22/2017	\$ 3,000.00	Donald Nahat
TOTAL	\$ 25,000.00	

On October 19, 2017, the committee filed the first amended report to show that Donald Nahat was not the contributor of any of the five (5) contributions previously reported in the original October Quarterly Campaign Statement. The committee amended the identity of the contributor as follows:

<u>Contrib. Date</u>	<u>Contribution Amount</u>	<u>Original Filing 10/10/2017</u>	<u>Contributor Identity- First Amended - 10/19/2017</u>
9/26/2017	\$ 8,000.00	Donald Nahat	Shannon Investment Co.
8/15/2017	\$ 6,000.00	Donald Nahat	Huntington Real Estate Group
9/28/2017	\$ 5,000.00	Donald Nahat	Group 225
9/22/2017	\$ 3,000.00	Donald Nahat	Huntington Real Estate Group
9/22/2017	\$ 3,000.00	Donald Nahat	Little Tree Sushi Bar
TOTAL	\$ 25,000.00		

Also on October 19, 2017, the committee filed a second amended report to again change the identity of the contributor for three (3) of the contributions, and the second amended report shows the following:

<u>Contrib. Date</u>	<u>Contribution Amount</u>	<u>Original Filing 10/10/2017</u>	<u>Contributor Identity- First Amended - 10/19/2017</u>	<u>Contributor Identity- Second Amended- 10/19/2017</u>
9/26/2017	\$ 8,000.00	Donald Nahat	Shannon Investment Co.	Shannon Investment Co. LLC
8/15/2017	\$ 6,000.00	Donald Nahat	Huntington Real Estate Group	Group 225 Inc.
9/28/2017	\$ 5,000.00	Donald Nahat	Group 225	The Nash Family Foundation
9/22/2017	\$ 3,000.00	Donald Nahat	Huntington Real Estate Group	M & R Realty LLC
9/22/2017	\$ 3,000.00	Donald Nahat	Little Tree Sushi Bar	Little Tree Sushi Bar Inc.
TOTAL	\$ 25,000.00			

The Michigan Campaign Finance Act (MCFA) at MCL § 169.233(10) states as follows:

If a candidate, treasurer, or other individual designated as responsible for a committee's record keeping, report preparation, or report filing knowingly files an incomplete or inaccurate statement or report required by this section, that individual is subject to a civil fine of not more than \$1,000.00.

On October 10, 2017, the treasurer filed a false statement by reporting Donald Nahat as a contributor of five (5) separate contributions totaling \$25,000.00. The Michigan Campaign Finance Act (MCFA) requires the treasurer to "keep detailed accounts, records, bills, and receipts as required to substantiate the information contained in a statement" and to "record the name and address of a person from whom a contribution is received." MCL § 169.222.

This Super PAC is attempting to influence the City of Royal Oak general municipal election with large sums of money. For a period of at least nine (9) days, the public was misled into believing that Mr. Nahat was the sole individual contributor of \$25,000.00 to this Super PAC. The falsely reported donations had an impact on the election and the discussions about the election in the community and the media. See the attached news article from the Oakland County Times entitled "\$25,000 Super PAC Spending in Royal Oak Race Includes Disgruntled Developer" dated October 20, 2017.¹ The article states: "The issue of who is funding these messages has been a hot topic on social media this week, and the Oakland County Times has done our best to sort out what is happening."

¹ Also online at <http://oaklandcounty115.com/2017/10/21/25000-super-pac-spending-in-royal-oak-race-includes-disgruntled-developer/>

Ultimately, Mr. Nahat (allegedly) did not contribute any funds to the committee, if the subsequent amendments filed by the treasurer are accurate. However, as the article points out, Mr. Nahat is a disgruntled developer that owns several properties in Royal Oak and is suing the City in Oakland County Circuit Court. The MCFA requires the treasurer to keep detailed accounts and records, and he reported in the Statement of Organization that the official depository of the committee is "Our Credit Union" in Royal Oak. This raises serious questions: how is it possible that all contributors were misidentified as local developer Donald Nahat? Or did the "real" contributors funnel the money through Donald Nahat and the committee statements were amended to reflect the "real" contributors after questions arose from the media and the public?

Indeed, the corporate entities that are alleged to have contributed to the Super PAC are closely associated with Donald Nahat. According to corporation records held by the State of Michigan, Donald Nahat is the resident agent of Group 225, Inc. and Huntington Real Estate Group. The donor Shannon Investment Co., LLC is located in a building owned by Mr. Nahat located at 306 S Troy St in Royal Oak. "M & R Realty, LLC" is not an entity registered with the State of Michigan and its principals can therefore not be identified. Further, the second amended report lists donor Nash Family Foundation at the address of 336 W 1st Street in Royal Oak, MI, and address which does not exist. This appears to be a hastily amended complaint, with untrue or inaccurate information, designed to obfuscate the fact that Donald Nahat, a disgruntled developer, is trying to buy an election with a large donation to a Super PAC that he controls.

The Oakland County Times article reports that Donald Nahat had the following response to the false filings: "I am not spending \$25k in this race. The accountant for the PAC inadvertently put my name on all the donations to the PAC." How does the accountant or treasurer inadvertently put the wrong name on \$25,000 worth of donations, and how does Donald Nahat know how this error occurred if he's not associated with the Super PAC? The treasurer is required to keep detailed accounts and records, which includes documentation of the written instruments (checks, money orders, etc.) that were used to make the donations. Either the treasurer was negligent in his duties as required by MCL § 169.222

or the treasurer knowingly and unlawfully filed an inaccurate report. If the treasurer, who is also the designated record keeper, did not maintain or review the appropriate records and accounts before filing the inaccurate report, and those omissions amount to neglect of duty.

The multiple false reports filed by the treasurer raises the possibility that contributions were funneled through third parties. MCL §§ 169.241(3)-(4) state as follows:

(3) A contribution shall not be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes.

(4) A person who knowingly violates this section 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, or, if the person is other than an individual, by a fine of not more than \$10,000.00.

The original filing on October 10, 2017 identified Donald Nahat as the contributor of \$25,000.00 through five separate donations to this committee. Given the subsequent amendments identifying corporate entities as the actual contributors, it raises the possibility that funds were first transferred to Mr. Nahat who then made a direct contribution to the committee in his name. In this case, if the parties collaborated to circumvent the reporting requirements, this could result in a fine of up to \$10,000.00 per incident given that the actual contributors were corporate entities. After a reasonable inquiry under the circumstances, it is unclear exactly why the treasurer filed inaccurate reports; however, it appears the treasurer either neglected his lawful duties or knowingly filed inaccurate reports. However, Donald Nahat cannot make \$25,000 in contributions and then direct the treasurer to change the identity of the contributors to corporate entities that are his alter-ego or entities that he is closely associated with. If the Super PAC refunded Nahat his contributions and the corporate entities replaced those donations, then the campaign finance report needs to reflect this.

The MCFA states that the records of the committee “shall be preserved for 5 years and shall be made available for inspection as authorized by the secretary of state.” MCL § 169.222. As such, the treasurer should make available bank statements, copies of checks, and other

committee records to show exactly what happened. The public was materially misled by the filings of this committee. Due to the extreme amount of money being used to influence a local election, this matter may also be referred to the Attorney General for the enforcement of any criminal penalty provided by the MCFA pursuant to authority granted by the MCFA at MCL § 169.215(10)(a).

In addition, the Second Amended October Quarterly Campaign Statement, filed on October 19, 2017, incorrectly identifies all of the committee expenditures as "Get-Out-The-Vote-Activity." Following are the improperly classified expenditures:

Date	Vendor	Purpose	Amount
09/26/2017	Strategy Works	Direct Mail	\$6,000.00
08/18/2017	Strategy Works	Robo Calls	\$5,000.00
09/27/2017	Strategy Works	Direct Mail	\$2,824.20
08/27/2017	Strategy Works	Robo Calls	\$450.00
09/08/2017	Captain Kool Ice Cream	Farmer's Market Rally	\$422.00

A get-out-the-vote activity, as defined by the MCFA, is an activity that occurs on Election Day such as busing voters to the polls, distribution of slate cards, or poll challengers. The above-referenced expenditures are independent expenditures that would require the filing of Schedule 2B-1, Itemized Independent Expenditures. As such, the committee is required to identify the candidates that it supports or opposes through the above expenditures to each respective vendor.

For example, please see the attached direct mail pieces that were paid for by the Super PAC and sent to voters. The first mailer is entitled "3 reasons to vote in the Royal Oak city elections" and advocates a vote for: Mike Skinner for Mayor, and Kim Gibbs, Rick Karlowksi, and Randy LeVasseur for City Commission. The second mailer is entitled "It's Time for a Clean Sweep at City Hall" and this piece advocates a vote for the same candidates. These are clearly independent expenditures and not "get out the vote" activities, and it shows this how woefully non-compliant this Super PAC is with the MCFA. The attempt to classify these expenditures as "get out the vote" Election Day activities in order to avoid the required

disclosures of which candidates are supported or opposed undermines the entire purpose of the very minimal regulations that apply to independent committees under the MCFA.

Finally, there is abundant evidence of unlawful felonious coordination between this Super PAC and candidate committees. Super PACs are authorized to make independent expenditures only, and are prohibited from coordinating with candidates and candidate committees. Here, this PAC unlawfully coordinated with candidate committees. As referenced above, the committee disclosed a "get out the vote" expenditure on 9/8/2017 entitled "Save the Farmer's Market Rally" where the committee spent \$422.00 on an ice cream truck vendor. However, the expenditure was actually a coordinated campaign event with candidate committees. Facebook posts and photos from the event show that it was a candidate "meet and greet" event where the same candidates that were supported by the committee in the mailers were in attendance. See the attached Facebook posts with photos showing the following:

- Facebook post from user Candace Isaacson, an administrator of a local political group on Facebook dated September 8, 2017 that advertises a "meet the candidates" event for "tomorrow, Saturday, from 10 am to 1 pm at the private lot south of the Farmers Market." The post advertises that voters can "shop at the market and stop by to meet and ask questions. And have an ice cream (free). Look for the balloons!" The Super PAC was paying for free ice cream and only the candidates supported by the PAC showed up to meet and greet voter and supporters of the candidates knew this in advance. This is a clear case of coordination between a Super PAC and the candidates it supports and there is photographic evidence.
- Facebook post from user Geoffrey Vasquez dated September 9, 2017 with a photo of City Commission candidate Kim Gibbs greeting voters with the ice cream truck paid for by the committee in the background. Also in the background of this photo is a table with candidate materials surrounded by balloons that promote "Mike Skinner 4 Mayor"
- Facebook post from user Geoffrey Vazquez dated September 9, 2017 that has a photo of City Commission candidates Randy LeVasseur and Rick Karlowksi and Mayoral Candidate Mike Skinner at the "Ice cream social" at the Farmer's market. It mentions that they were joined by City Commission candidate Kim Gibbs.
- Facebook post from user "Rick Karlowksi for Royal Oak City Commission" dated September 19, 2017. This post shared a post from user Geoffrey Vazquez and thanked Mr. Vazquez for his support, but more importantly showed that this was a coordinated event with three other candidates with the hash tags at the end of the post and a campaign event for the candidates, not merely an ice cream social.

- Facebook post from user “Kim Gibbs for Royal Oak City Commission” dated October 7, 2017 that shows candidate Gibbs campaigning at the site of the ice cream truck paid for by the committee with a table showing campaign materials and balloons that was set up for the event. This, again, clearly shows coordination between the candidate committees and the Super PAC that was paying for the free ice cream to attract voters to the event.

This candidate “meet and greet” event funded by the Super PAC was held on private property owned by Donald Nahat, the same local disgruntled developer. The Oakland County Times article referenced above and attached to this complaint further describes this property and rally as follows:

Candidates (were) in front of an ice cream truck that was paid for by the PAC at a rally hosted on the lot that is owned by Nahat where he is hoping to build his office building. The Sept. 9 rally was held to “Save the Farmers Market,” which has never been slated for removal yet remains a message shared by those opposed to the Civic Center, and also was promoted as a way to meet the candidates. *Oakland County Times*, October 20, 2017.

The MCFA at MCL § 169.209(2) allows PACs to make Independent expenditures, subject to important restrictions. An expenditure is only “independent” when it: ***“is not made in cooperation, consultation, or concert with, or at the request or suggestion of, a ballot question committee or a candidate, a candidate committee or its agents, or a political party committee or its agents, and if the expenditure is not a contribution to a committee.”*** (Emphasis added). Here, this expenditure was certainly made in cooperation, consultation, or concert with a candidate, a candidate committee or its agents. The evidence shows a clear case of coordination between the Super PAC and candidates Mike Skinner for Mayor, Kim Gibbs for City Commission, Rick Karlowski for City Commission, and Randy LeVessauer for City Commission. Moreover, the MCFA at MCL § 169.224b(4) states, in relevant part that “an independent expenditure committee shall not make a contribution to a candidate committee.” The in-kind donation of the property, the food truck vendor, and the free goods is certainly a contribution to the candidates and their committees. The legislature declared that coordination is a major crime and defined the penalty at MCL § 169.224b(5). It is unclear whether the coordination has continued after this event.

In conclusion, I respectfully request an investigation of the Super PAC, its treasurer, other individuals that are associated with the Super PAC, and the candidates and their committees that coordinated activities with the Super PAC.

Evidence that supports those allegations:

See attached documents that are referenced in this complaint.

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\$25,000 Super PAC Spending in Royal Oak Race Includes Disgruntled Developer



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\$25,000 Super PAC Spending in Royal Oak Race Includes Disgruntled Developer

(Crystal A. Proxmire, Oct. 20, 2017)

Royal Oak, MI – Voters in Royal Oak may have noticed an increase in campaign literature and robo calls this election season thanks to a Super PAC funded in part by a developer who is currently suing the city. The Super PAC, a Political Action Committee, advertises that “It’s time for a clean-sweep in city hall,” and “The Mayor and City Commission are auctioning off your city to the special interests. They should be going... going... gone!”

The issue of who is funding these messages has been a hot topic on social media this week, and the Oakland County Times has done our best to sort out what is happening.



According to online campaign finance reports, developer Donald Nahat was, up until Oct. 19, listed as the sole contributor of \$25,000 to a Super PAC called “Citizens for a Responsible Royal Oak” that has been funding campaign literature and robo-calls in support of candidates that are running with a main premise of stopping the Civic Center development, which is being done in partnership with the Boji Group.

Nahat is a developer that owns several properties in Downtown Royal Oak including the one that houses Lockhart’s BBQ and



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an office building at Third Street and Troy that used to house The Daily Tribune. In Feb. 2017 Nahat proposed an office building in the same area as the Civic Center project, but on his own land, and asked for a tax break [according to the Oakland Press](#). He told Oakland County Times that he is still marketing that project through Colliers International.

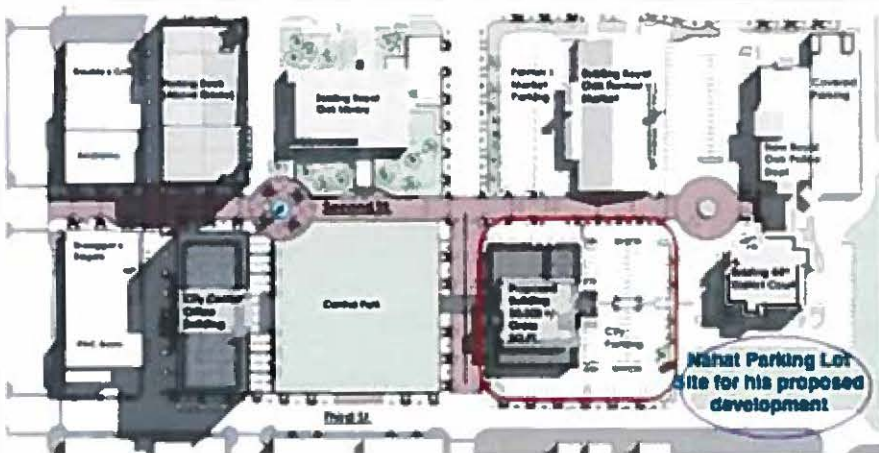
He is also part of a lawsuit against the City trying to stop the Civic Center project, which is adjacent to property that he is hoping to develop. In a July 2017 article about the lawsuit [he was critical of the City](#) giving tax breaks to a developer.

The PAC money has funded robo calls and multiple mailings that accuse incumbents of being beholden to developers and not being responsible to tax payers because of the incentives used in the civic center development.

Super PAC spending is legal under campaign finance laws thanks to a Federal ruling that gives corporations freedom to spend money in elections over and above what individual citizens are permitted.

The PAC is encouraging people to vote for Mike Skinner for Mayor and Commission Candidates Randy LeVasseur who is running for a two year partial term and Kim Gibbs and Richard Karlowski who are running for four year terms. Each of those candidates has been vocally opposed to the Civic Center development which is at the center of the lawsuit.

News of the PAC spending in the local Mayor and City



Commission race spread quickly on social media this week, and on Oct. 19 the campaign finance report for the PAC was amended to remove Nahat's name and replace it with other donors.

When asked about the filings, Nahat said "I am not spending \$25 k in this race. The accountant for the PAC inadvertently put my name on all the donations to the PAC."

Among the newly listed donors is at least one business in the same building as Nahat's firm Huntington Real Estate Group.

PACs are independent campaigns which are prohibited by law from coordinating with candidates.

What name do you want to use?



For a one-time gift in any amount use the button below:



#### NOAA WEATHER

Pontiac, Oakland County International Airport, MI

Last Updated on Oct 23 2017, 4:53 pm EDT

Weather by NOAA

Current Conditions: Rain Fog/Mist



Temp: 61°F

Wind: SE at 12mph

Humidity: 100%

Windchill: 59°F

Your 5-Day Forecast at a Glance

Get Email Updates!



In a Facebook discussion with former City Commissioner Jim Rasor, when asked about the funding, LeVasseur's campaign page said "Hi Jim. I haven't received any PAC money. Sorry to

disappoint you."

However, a picture taken from Gibb's Facebook page, shows LeVasseur and the other candidates in front of an ice cream truck that was paid for by the PAC at a rally hosted on the lot that is owned by Nahat where he is hoping to build his office building. The Sept. 9 rally was held to "Save the Farmers Market," which [has never been slated for removal](#) yet remains a message shared by those opposed to the Civic Center, and also was promoted as a way to meet the candidates.

LeVasseur told Oakland County Times "I oppose the civic center development because giving \$5.5 million of taxpayer funds to a private developer, and spending over \$2,000 per household on government facilities, is bad for our city. Those funds should be used to benefit people in our neighborhoods, not just a handful of special interests downtown. I'm happy to have support from lots of people in the community, but my focus is on the residents."

When asked if he was concerned that a Super PAC was investing so much in the race, he replied "I'm not a fan of it. Unfortunately money is a big part of politics. It doesn't surprise me, though, that our election this year is getting a lot of attention. The current commission's actions have been very divisive."

Gibbs responded with a similar sentiment about the Civic Center and about the incumbents. In regards to the PAC funding she said "I don't like it, but the reality is I'm an underdog in this race. The incumbents have powerful friends who are willing to spend boat loads on their campaigns. At most, this just helps level the playing field. Serving the residents truly is what matters for me."

Karlowski clarified that his concerns over the Civic Center project have to do with the process and specifics of the plan such as the choice of developer. "It is a false argument to lump everything under the guise of a "Civic Center Development" as if opposition to one thing is opposition to all. I am not opposed to the need for a new police station or city hall," he said. He criticized the Boji Group as well as the fact that tax incentives are coming from the City and not from the DDA. His response included many criticisms of the project, which are also described in his prior candidate interview with Oakland County Times.

When asked about Nahat's funding of campaign materials on his behalf, Karlowski said "As for Mr. Nahat's 'development interests' I have no idea what those are, and as stated above, they have no impact on my position regarding the Boji office building. Further, I have not gotten any cash or in-kind contributions from Mr. Nahat."

Skinner said "I have nothing to do with the PAC and have only heard that Mr. Nahat is one of many people who has contributed to the pack. I believe that they must have made a mistake in filing the paperwork. I would contact Mr. Nahat." His campaign, which is separate from the PAC, has been funded with the majority "from



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citizens with a few business owners chipping in. No more than \$1000 in any case."

Donations to individual candidate campaigns are limited to \$1,000. But to PACs, donations are unlimited.

A letter dated Aug. 11, 2017 from Michigan Department of State, Bureau of Elections to Citizens for a Responsible Royal Oak explains how PACs work.

"The U.S. Supreme Court decision issued on January 21, 2010 (Citizens United v Federal Election Commission) directly impacts the Michigan Campaign Finance Act... the prohibition

against contributions from these organizations to candidates and committees remains in effect. With the decision, corporations, unions and domestic dependent sovereigns may use their treasury funds for independent expenditures on behalf of state or local candidates. There is no limitation on the amount of money that can be spent nor is there any restriction on the time frame for independent expenditures. ... "Independent expenditure" means an expenditure by a person if the expenditure is not made at the direction of, or under the control of, another person and if the expenditure is not a contribution to a committee."

Each candidate in the Royal Oak Mayor's Race and Commissioners Race, apart from David Poulton, has done interviews with Oakland County Times. In the interviews they shared their views on the Civic Center project and other priorities for the city. For more on each candidate, view their

videos by clicking on the pictures below.



Hazel Park

Highland Twp.

Holly

Huntington Woods

Jobs

Keego Harbor

Lake Angelus

Lake Orion/Orion Twp

Lathrup Village

Madison Hts.

Milford

Music and Art

Northville

Novi

Oak Park

Oakland Township

Orchard Lake

Oxford

Pleasant Ridge

Pontiac

Reporter Food

Resources

Rochester/Rochester Hills

Rose Township

Royal Oak

Royal Oak Township

South Lyon

Southfield

Springfield Twp/Davisburg

Sylvan Lake

Troy

Uncategorized

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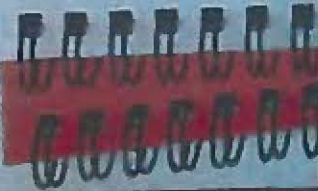
# 3 reasons to vote in the Royal Oak city elections

EITHER BY ABSENTEE BALLOT,  
OR AT THE POLLS ON NOVEMBER 7

Print the code  
on the back of the  
envelope and  
bring it to the  
polls on Nov. 7  
or to the  
election office  
on Nov. 10.

Print the code  
on the back of the  
envelope and  
bring it to the  
polls on Nov. 7  
or to the  
election office  
on Nov. 10.

ROYAL OAK MI 48067-1737





# 3 reasons to vote in the Royal Oak city elections

## 1. CITY HALL DOESN'T LISTEN — BUT WE CAN MAKE THEM!

The City Hall gang doesn't listen to taxpayers anymore. They only listen to the developers and big contributors who are selling out the city we all love. Taxes keep going up, spending goes up more, the politicians complain there's not enough money — and taxes go up again. Nobody listens to us — they just send us the bill.

## 2. TAXPAYERS ARE GETTING RIPPED OFF.

The City Hall gang sold off a valuable piece of property for just a buck, and handed a developer millions to build a new office building, in a no-bid backroom deal that should make every taxpayer ill. Royal Oak politicians make the Washington crowd look lazy when it comes to wasting your money.

## 3. CHANGE IS ON THE WAY.



Mike Skinner  
for Mayor



Kim Gibbs



Rick Karlowski  
for City Commission



Randy LeVasseur

A new team, with a new attitude for Royal Oak, with taxpayers in charge, and elected officials who listen — for a change.

Mike, Kim, Rick and Randy will end the no-bid contracts and back-room dealing, put Royal Oak city government on a diet, and preserve what's best about the city we love.

**THAT'S 3 GOOD REASONS TO VOTE  
IN THE ROYAL OAK CITY ELECTIONS.**



# IT'S TIME FOR A CLEAN SWEEP AT ROYAL OAK CITY HALL

The Mayor and your City Commission "sold" a valuable piece of taxpayer-owned property for just a single dollar. They handed more than \$5 million of your tax dollars to a developer to build a new office building. Then they raised your property taxes, on the pretext that there's not enough money for our police. It's time for a clean sweep!

"The City Hall politicians are selling off everything we love about Royal Oak, sticking deals with the IRS without hearing from what we say. I'm ready for a change. The team of Mike Skinner as Mayor and Kim Gibbs, Rick Karlofski and Randy Levasseur will get us all and won't make any mistakes."

Edward Harrison  
Mayor, Police Officer  
City Commissioner



"I'm fed up with the no-bid contracts and insider deals at City Hall. We can't afford it anymore. With the current housing crisis, they're on their way to bankrupting downtown. I'm up for Mayor Skinner as Mayor and Kim Gibbs, Rick Karlofski and Randy Levasseur will get us all and won't make any mistakes."

John Chabrowski  
South Gate Police Officer  
City Commissioner



"This might be our last chance for change. Everything we all love about Royal Oak is being either taxed away or paved over. Worst of all, no one listens to us anymore. But Mike Skinner, Kim Gibbs, Rick Karlofski and Randy Levasseur WILL. Vote on November 7, or vote by absentee ballot before then, and let's make a clean sweep at City Hall."

Carol O'Donnell Harrison  
Commissioner, Royal Oak  
November 7, 2011



MAKE  
CITY HALL  
LISTEN:

MIKE SKINNER  
FOR MAYOR

KIM GIBBS  
RICK KARLOWSKI  
RANDY LEVASSEUR  
FOR CITY  
COMMISSIONER





**Geoffrey Vasquez**

September 9 · 🌐

City Commission candidates Randy LaVasseur (green shirt) and Rick Karlowski (plaid shirt) are seen with Mayoral Candidate Mike Skinner (hat) are seen at an ice cream social at the Farmer's Market. They were joined by City Commission candidate Kim Gibbs. These 4 candidates are all committed to saving the surface parking lot at the Market.







**Geoffrey Vasquez**

September 9

There was a constant stream of supporters at the ice cream social, meeting candidates and enjoying free ice cream and other treats, City Commission candidate Kim Gibbs (red sweater) is seen here talking to supporters.





**Rick Karlowski for Royal Oak City Commission** shared  
Geoffrey Vasquez's post.

September 19 · 🌐

Thank you to [Geoffrey Vasquez](#) for the support! Here are your candidates working hard on a Saturday afternoon, meeting with our citizens, discussing issues and working towards solutions! [#votekarlowski](#) [#voteskinner](#) [#votekimgibbs](#) [#votelavasseur](#) [#royaloak](#) [#savethefarmersmarket](#)







**Kim Gibbs for Royal Oak City Commission**



October 7 at 9:00am · 🌐

I will listen to YOUR concerns! Vote Kim Gibbs for Royal Oak City Commission on November 7. #votekimgibbs



Like



Comment



Share





**Kim Gibbs for Royal Oak City Commission**

September 19 · 🌐

Working hard to win your vote! [#votekimgibbs](#) [#royaloak](#)  
[#savethefarmersmarket](#)



Like



Comment



Share



63

Chronological ▾

[View 5 more comments](#)



**Lawrence Jun Kluge** If you are not an incumbent Kim you've got my vote!  
The current City Commission and Mayor have shown a wanton disregard for  
the alternative viewpoints of many residents and business owners... It will  
be hard to defeat the money machine which is supporting the current  
governance, but I wish you well!

Like · Reply · 3 · September 29 at 9:05pm



**Kim Gibbs for Royal Oak City Commission** Thank you Lawrence!  
Message me you address and I'll drop a yard sign for you!



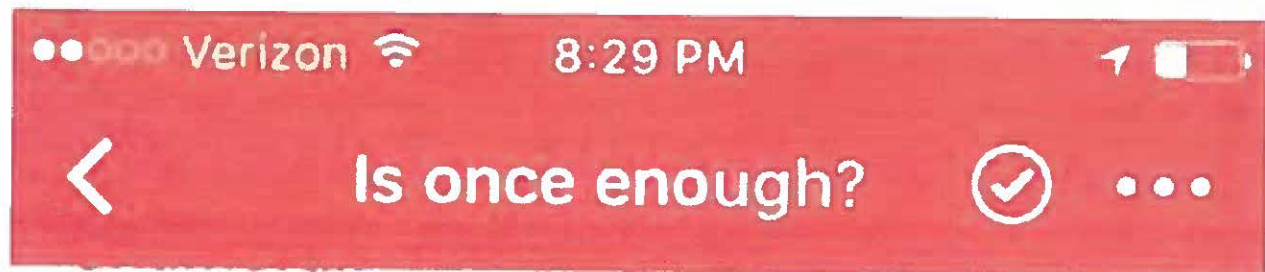


Candace Isaacson

Admin · September 8



Meet the candidates.



But there is a replacement of a kind.  
Tomorrow, Saturday, at the Farmers  
Market!

MEET THE CANDIDATES!

THEY WILL BE IN THE PRIVATE LOT  
SOUTH OF THE FARMERS MARKET  
FROM TEN UNTIL ONE. (10AM TO  
1PM)

SHOP AT THE MARKET AND STOP BY  
TO MEET AND ASK QUESTIONS.  
AND HAVE AN ICE CREAM (FREE)



to once enough

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SOUTH OF THE FARMERS MARKET  
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1PM)

SHOP AT THE MARKET AND STOP BY  
TO MEET AND ASK QUESTIONS.  
AND HAVE AN ICE CREAM (FREE)

LOOK FOR THE BALLOONS!!!



## Bourbonais, Lori (MDOS)

---

**From:** Don Theodore <don.theodore@trilliumteam.com>  
**Sent:** Wednesday, January 03, 2018 9:04 PM  
**To:** Bourbonais, Lori (MDOS)  
**Subject:** RE: Request for a Time Extension  
**Attachments:** Response to the Bureau of Elections.jpg

Good evening . . .

Attached please find my response to the complaint filed by James Rasor. I will mail you the original tomorrow. Please let me know if you need any additional information or actions.

---

**From:** Bourbonais, Lori (MDOS) [bourbonaisl@michigan.gov]  
**Sent:** Friday, December 08, 2017 8:54 AM  
**To:** Don Theodore  
**Subject:** RE: Request for a Time Extension

Mr. Theodore,

The Department acknowledges your request for an extension of time to file an answer to the campaign finance complaint filed by James Rasor against Citizens for a Responsible Royal Oak. The Department understands that you did not receive the Department's November 16, 2017 notice letter until December 4, 2017, and it finds that there is good cause to grant a 15-business day extension pursuant to MCL 169.215(5). The answer is now due January 8, 2017.

Sincerely,

Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State

---

**From:** Don Theodore [mailto:don.theodore@trilliumteam.com]  
**Sent:** Friday, December 08, 2017 8:49 AM  
**To:** Bourbonais, Lori (MDOS)  
**Subject:** FW: Request for a Time Extension

---

**From:** Don Theodore  
**Sent:** Thursday, December 07, 2017 11:57 AM  
**To:** [bourbonaisl@mich.gov](mailto:bourbonaisl@mich.gov)  
**Subject:** Request for a Time Extension

Greetings . . .

Please consider this email as a written request for additional response time to the letter you sent me dated November 16, 2017.

I did not receive this letter until December 4, 2017 which used up most of the 15 business days you allowed for a response.

Please let me know if I can have more time to prepare an appropriate response.

January 3, 2018

Lori A. Bourbonnais  
Department of State / Bureau of Elections  
Richard H. Austin Building  
430 W. Allegan, 1<sup>st</sup> Floor  
Lansing, Michigan 48918

Dear Ms. Bourbonnais

Please accept this letter as a written response to the complaint filed by James Razor, outlined in your letter to me dated November 16, 2017. This complaint was issued against the Citizens for a Responsible Royal Oak.

This is a new committee and I am new to campaign financing. I believe that all Campaign finance laws have been complied with by Citizens for a Responsible Royal Oak. If there was a mistake, it was not done knowingly, or intentionally. I would never try to violate the MCFA. If there is an expenditure that was incorrectly reported I will modify it or take the appropriate correction action. Perhaps I am unfamiliar with all the nuances of the Michigan Campaign Finance Act (MCFA).

The PAC paid for ice cream for children at an event intended to inform residents of actions under consideration by the City Council that could lead to the closing of the Royal Oak Farmers Market. Thousands of patrons supported the save the Farmers Market effort and it was an election issue. The event was held close to the market by supporters of the Market (not by the PAC) on a day that the market was open and busy. The informal group of Market supporters intended to provide information to citizens, and parents attending the Market with their children, who could then express their opinions to the City Council or get out and vote in November. It was a family oriented event and children who were with their parents were given free Ice cream.

The event was publicized by word of mouth at the Market and on social media by many of the market supporters. The PAC did not publicize the event or coordinate with any political candidates. The candidates would not have known who was paying for the ice cream. Apparently, candidates who supported saving the Market heard of the event and conducted activities there.

After reviewing the expense classifications on the MERTS PAC system I chose the "get-out-the-vote" option. This appeared to be the best fit. If there is a better way to record this expenditure let me know and I will modify the report.

I assure you that there was no intent to violate the MCFA. If I accidentally did, let me know.

Sincerely,

A handwritten signature in black ink that reads "Donald Theodore". The signature is written in a cursive, flowing style.

Donald Theodore, Treasurer  
Citizens for a Responsible Royal Oak



January 3, 2018

Lori A. Bourbonnais  
Department of State / Bureau of Elections  
Richard H. Austin Building  
430 W. Allegan, 1<sup>st</sup> Floor  
Lansing, Michigan 48918

RECEIVED/FILED  
MICHIGAN DEPT OF STATE  
2018 JAN 22 AM 10:39  
ELECTIONS/GREAT

Dear Ms. Bourbonnais

Please accept this letter as a written response to the complaint filed by James Razor, outlined in your letter to me dated November 16, 2017. This complaint was issued against the Citizens for a Responsible Royal Oak.

This is a new committee and I am new to campaign financing. I believe that all Campaign finance laws have been complied with by Citizens for a Responsible Royal Oak. If there was a mistake, it was not done knowingly, or intentionally. I would never try to violate the MCFA. If there is an expenditure that was incorrectly reported I will modify it or take the appropriate correction action. Perhaps I am unfamiliar with all the nuances of the Michigan Campaign Finance Act (MCFA).

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After reviewing the expense classifications on the MERTS PAC system I chose the "get-out-the-vote" option. This appeared to be the best fit. If there is a better way to record this expenditure let me know and I will modify the report.

I assure you that there was no intent to violate the MCFA. If I accidentally did, let me know.

Sincerely,



Donald Theodore, Treasurer  
Citizens for a Responsible Royal Oak



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

January 17, 2018

James B. Rasor  
210 E 4<sup>th</sup> Street  
Royal Oak, MI 48067

Dear Mr. Carter:

The Department of State received a response to the complaint you filed against Citizens for a Responsible Royal Oak and Treasurer Donald Theodore, which concerns an alleged violation of the Michigan Campaign Finance Act (MCFA), 1976 P.A. 388, MCL 169.201 *et seq.* A copy of the response is provided as an enclosure with this letter.

If you elect to file a rebuttal statement, you are required to send it within 10 business days of the date of this letter to the Bureau of Elections, Richard H. Austin Building, 1<sup>st</sup> Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Sincerely,

David Foster  
Bureau of Elections  
Michigan Department of State

c: Donald Theodore

Thank you for your consideration.

Donald Theodore  
810-444-5969





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

June 20, 2018

Donald Theodore  
Citizens for a Responsible Royal Oak  
221 South Main Street  
Royal Oak, Michigan 48067

Dear Mr. Theodore:

The Department of State (Department) received a formal complaint filed by James Rasor against the Citizens for a Responsible Royal Oak independent expenditure committee (Committee), alleging a violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* This letter concerns the initial determination of Mr. Rasor's complaint.

Mr. Rasor filed his complaint with the Department on November 1, 2017. The Department initially dismissed all claims other than allegations that: (1) the Committee improperly collaborated and/or coordinated with candidates to plan and execute a political rally for such candidates; and (2) campaign financing statements filed by the Committee improperly identified this event.

Mr. Rasor's complaint alleges that the Committee hosted an event on September 8, 2017 entitled "Save the Farmer's Market Rally" where the committee hosted a "meet and greet" of local candidates. Mr. Rasor alleges that the Committee unlawfully coordinated with candidate committees in planning this event. Mr. Rasor submitted evidence showing that prior to this event, the Committee sent out flyers supporting candidates for election to City Commission and/or City Hall where these same candidates were in attendance at the event. Mr. Rasor also submitted posts and photos from Facebook users either while attending the event or marketing it prior to. Included in this, was a post that encouraged voters to stop by the event for free ice cream and to meet the individual candidates running for office.

On December 7, 2017, you emailed the Department seeking an extension of time to file an answer to the complaint. The Department found that there was good cause to grant a 15-business day extension under MCL 169.215(5). On January 3, 2018, you filed an answer to the complaint. In your answer, you indicated that the Committee did host an event in which it paid for ice cream for children. You indicated that the event was intended to inform residents of actions being considered by the Royal Oak City Council which could lead to the Royal Oak Farmers Market closing down. You indicated that the event was all publicized by word of mouth

by market supporters and that the Committee did not coordinate with any candidate or candidate committee.

In Michigan, the MCFA prohibits an independent expenditure committee from making a contribution to a candidate committee. MCL 169.224b. The words “contribution” and “expenditure” are terms of art that are generally defined to include a payment or transfer of anything of ascertainable monetary value made for the purpose of influencing or made in assistance of the nomination or election of a candidate. MCL 169.204(1), 169.206(1). A knowing violation is a felony punishable by up to 3 years in prison, a fine up to \$5,000.00, or both. MCL 169.224b(5).

The MCFA also requires filed campaign finance statements and reports to be complete and accurate. MCL 169.233. 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. MCL 169.233(10).

The evidence provided to the Department supports a conclusion that a contribution was made to the candidates at the event held on September 8, 2017 and that the committee improperly filed committee expenditure reports reflecting this. Specifically, the day of the event, Candace Isaacson posted on Facebook what appears to be an email advertising for a “MEET THE CANDIDATES” event. The post informs voters that the candidates will “BE IN THE PRIVATE LOT SOUTH OF THE FARMERS MARKET” and it encourages voters to stop by to meet the candidates “AND HAVE AN ICE CREAM (FREE).” This posting is sufficient evidence to support a conclusion that the committee coordinated with the candidates in some capacity.

Moreover, pictures posted after the event and candidate mailings before the event, support this conclusion. Pictures posted Facebook by Kim Gibbs specifically show the meet and greet event where the ice cream truck is clearly visible behind balloons and other campaign materials. Similarly, Geoffrey Vasquez posted the day after the event, “There was a constant stream of supports at the ice cream social meeting candidates and enjoying free ice cream and other treats . . .” Additionally, issue mailers sent on behalf of the committee prior to the event went out to voters supporting the candidates that attended the event. Notably, this evidence, taken in isolation, does not demonstrate coordination. However, when taken in the totality of the circumstances bolsters the finding that there is sufficient evidence to find that a violation of sections 224b and 233 of the MCFA has occurred.

Upon making this determination, the Department is required by law to attempt to resolve the matter informally. The Act requires the Department to “endeavor to correct the violation or prevent a further violation by using informal methods [.]” if it finds that there may be reason to believe that a violation has occurred, and if the Department is unable to correct or prevent additional violations, it must ask the Attorney General to prosecute if a crime has been committed. MCL 169.215(10)(a). The objective of an informal resolution is “to correct the violation or prevent a further violation [.]” *Id.*

Based on the above, the Department offers to resolve this matter through execution of the enclosed conciliation agreement, which requires you to pay a civil fine to the State of Michigan

Donald Theodore  
June 20, 2018  
Page 3

in the amount of \$422.00. This amount represents the cost of the ice cream truck as represented by your October 2017 quarterly statement.

**If you wish to enter into the conciliation agreement, please return the original signed document to P.O. Box 20126, Lansing, Michigan 48901-0726, along with payment in full of the \$422.00 fine, on or before July 13, 2018. Payment must be made by check or money order payable to the State of Michigan; please include the notation, "Conciliation Agreement, Attn: Bureau of Elections" on your check or money order. A copy of the conciliation agreement signed by the Secretary of State's authorized representative will be returned to you promptly.**

Please be advised that if the Department is unable to resolve the matter through informal methods, the Department must refer the matter to the Attorney General for enforcement of the criminal penalty provided in MCL 169.224b(5). MCL 169.215(10)(a).

Sincerely,



Adam L.S. Fracassi  
Bureau of Elections  
Michigan Department of State

c: Jim Rasor





MDOS 5708099-1 07/10/2018  
MISE NY \$422.00

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

In the Matter of:

James B. Rasor  
210 East 4<sup>th</sup> Street  
Royal Oak, Michigan 48067

v.

518213

Citizens for a Responsible Royal Oak & Treasurer Donald Theodore  
221 South Main Street  
Royal Oak, Michigan 48067

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CONCILIATION AGREEMENT

Pursuant to MCL §169.215(10) of the Michigan Campaign Finance Act (the Act), MCL §169.201 *et seq.*, the Secretary of State and Donald Theodore on behalf of Citizens for a Responsible Royal Oak (Respondents) hereby enter into a conciliation agreement with respect to certain acts, omissions, methods, or practices prohibited by the Act.

The Secretary of State alleges that there may be reason to believe that Respondents violated MCL §169.224b and MCL §233 by making improper expenditures by planning and executing a political rally in coordination with candidates and failing to properly disclose such events.

Therefore, Respondents, without admitting any issue of law or fact, except as stated herein, hereby voluntarily enter into this conciliation agreement and assure the Secretary of State that they will comply with the Act and the Rules promulgated to implement the Act.

By executing this conciliation agreement, Respondents certify that a civil fine in the amount of \$422.00 has been paid to the State of Michigan.

The Secretary of State and Respondents further agree that this agreement is in effect and enforceable for four years from the date it is signed by the Secretary of State or her duly authorized representative.

The Secretary of State and Respondents further agree that this agreement, unless violated, shall constitute a complete bar to any further action by the Secretary of State with respect to the alleged violation that resulted in the execution of this agreement.

The Secretary of State and Respondents further agree that the complaint and investigation that resulted in this agreement are disposed of and will not be the basis for further proceedings, except pursuant to this agreement.

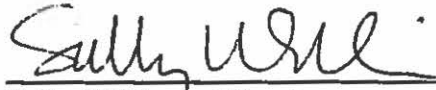
The Secretary of State and Respondents further agree that this agreement will not prevent the Secretary of State from taking action for violations of this agreement.

The Secretary of State and Respondents further agree that Respondents' performance under this agreement shall be given due consideration in any subsequent proceedings.

The Secretary of State and Respondents further agree that this agreement, when signed, shall become a part of the permanent public records of the Department of State.

The Secretary of State and Respondents finally agree that the signatories below are authorized to enter into and bind the parties to this agreement, and have done so by signing this agreement on the date below.

**RUTH JOHNSON  
SECRETARY OF STATE**



Sally Williams, Director  
Bureau of Elections

Date: 7/17/18

**RESPONDENTS**



Donald Theodore

Date: July 6, 2018





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

July 17, 2018

Citizens for a Responsible Royal Oak  
Donald Theodore  
221 South Main Street  
Royal Oak, Michigan 48067

Dear Mr. Theodore:

Enclosed is a signed copy of the conciliation agreement entered into in response to the complaint filed by James Rasor, which concerned alleged violations of the Michigan Campaign Finance Act (MCFA), 1976 P.A. 388, MCL 169.201 *et seq.* The Department considers this matter closed and resolved.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam Fracassi".

Adam Fracassi  
Bureau of Elections  
Michigan Department of State



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

July 17, 2018

James B. Rasor  
210 East 4<sup>th</sup> Street  
Royal Oak, Michigan 48067

Dear Mr. Rasor:

The Department of State has concluded its investigation of the complaint that you filed against Citizens for a Responsible Royal Oak and Donald Theodore, which concerned an alleged violation of the Michigan Campaign Finance Act (MCFA), 1976 P.A. 388, MCL 169.201 *et seq.* A copy of the final resolution is provided as an enclosure with this letter. The Department considers this matter closed.

Sincerely,

A handwritten signature in blue ink, reading "Adam Fracassi".

Adam Fracassi  
Bureau of Elections  
Michigan Department of State