



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

August 26, 2013

Kerry Leon Jackson
Farmington Citizens United
27263 Winterset Circle
Farmington Hills, Michigan 48334

Dear Mr. Jackson:

The Department of State (Department) received a formal complaint filed against Farmington Citizens United (committee) by Nancy Gross, Treasurer for Advocates for Excellence in Education, alleging that the committee violated the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* The investigation and resolution of these complaints is governed by section 15 of the Act and the corresponding administrative rules, R 169.51 *et seq.* Copies of the complaint and supporting documentation are enclosed 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 influencing 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.

Ms. Gross alleges that the committee has received contributions and made expenditures in exceeding the \$500.00 threshold and has not filed a statement of organization.

The Act further requires committees to file periodic campaign finance statements and reports. The failure to file a single campaign statement may trigger late filing fees. MCL 169.234(5), 169.235(3). In certain circumstances, multiple failures to file may constitute a misdemeanor offense. MCL 169.234(6), 169.235(5).

Ms. Gross alleges that the committee has failed to file the required campaign statements.

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. 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 will be provided to Ms. Gross, 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 penalties provided in sections 34(6) and 35(5) of the Act.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais", with a stylized flourish at the end.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Nancy Gross

**Michigan Department of State
Campaign Finance Complaint Form**

Reset Form

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.*).

Please print or type all information.

I allege that the MCFA was violated as follows:

Section 1. Complainant		
Your Name Advocates for Excellence in Education, Nancy Gross Treasurer	Daytime Telephone Number 248-521-1555	
Mailing Address 29770 Ravenscroft		
City Farmington Hills	State MI	Zip 48331

Section 2. Alleged Violator		
Name Farmington Citizens United (Kerry Leon Jackson)		
Mailing Address 27263 Winterset Circle		
City Farmington Hills	State MI	Zip 48334

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

Section(s) of the MCFA violated: Section 169.224, 169.225, 169.226, 169.234, 169.221, 169.236

Explain how those sections were violated:

Please see attached sheets

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

Please see supporting documentation on following pages

BUREAU OF ELECTIONS
MICHIGAN DEPT OF STATE

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

14 Aug -13

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:

Please see supporting documentation on following pages

Please see supporting documentation on following pages

Please see supporting documentation on following pages

Please see supporting documentation on following pages

Please see supporting documentation on following pages

Please see supporting documentation on following pages

X

Signature of Complainant

Date

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 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

Advocates for Excellence in Education v. Farmington Citizens United

STATEMENT OF FACTS: Background information

1. The August 6, 2013, Farmington Public Schools Bond Proposal is a "ballot question" as defined in the MCFA. MCL 169.202(2). The bond proposal applies to Oakland County only, requiring ballot question committees to register with the Oakland County Clerk's office. The ballot proposal is attached as Exhibit 1.
2. Farmington Citizens United (FCU) filed Articles of Incorporation with the State of Michigan Department of Regulatory Affairs on May 20, 2013, establishing the corporation as a membership-based nonprofit 501(c)(4) corporation with Membership and Contributions listed as funding sources. Kerry Leon Jackson of 27263 Winterset Circle, Farmington Hills, MI 48334, is named as the Resident Agent and Incorporator. The See Exhibit 2 attached.
3. Beginning on or near July 1, 2013, FCU made "expenditures" as defined in Section 169-206(1) of the MCFA. MCFA Section 169.206(1). Specifically, the Respondent developed and mailed large "Vote No" postcards to approximately 5,000 permanent absentee voters. Postage alone would total more than \$2,000. The colored postcard has print on both sides; machine addressed with bar codes and pre-sorted postage paid. Additionally, robocalls were made to these voters urging a "No" vote. The postcards and robocalls identified "Farmington Citizens United" as the responsible organization. Postcards listed 27263 Winterset Circle, Farmington Hills MI 48334, as the organization's address. Total cost greatly exceeded \$500, qualifying FCU as a "ballot question committee" as defined in Section 169.202(3). Postcard is attached as Exhibit 3.
4. "Contributions" as defined in Section 169.204(1) were received by Farmington Citizens United. Kerry Leon Jackson acknowledged in a July 30, 2013 Farmington-Farmington Hills Patch article that he paid for the costs the ballot question committee's use of oversized postcards, postage and robocalls. The July 30 Patch Article is included as Exhibit 4.

Jackson said he personally paid for the mailers and calls...

Alleged Violations of the Michigan Campaign Finance Act

1. **Section 169.224(1)** - *A committee shall file a statement of organization with the filing officials designated in section 36 to receive the committee's campaign statements. A statement of organization shall be filed within 10 days after a committee is formed.*

FCU organized as early as May 20, 2013 when Kerry Leon Jackson filed Articles of Incorporation. Before July 1 FCU designed and ordered the initial absentee voter mailing; registration should have occurred no later than July 10. As of August 12, 2013, a Statement of Organization has not been filed with the Oakland County Clerk.

In the Farmington-Farmington Hills Patch article (Exhibit 4), the Patch reported (using Kerry Leon Jackson as the source) FCU would file a Statement of Organization and pay late fees; thus acknowledging that FCU was in violation of MCFA.

2. **Section 169.225(1)** - *A committee supporting or opposing a candidate or the qualification, passage, or defeat of a ballot question shall file a legibly printed or typed campaign statement.*

Section 169.226 specifies the information that must be included. Because no statement has ever been filed, all requirements have been ignored.

Section 169.234 (1) - *A ballot question committee shall file a campaign statement as required by this act according to the following schedule: (a) A preelection campaign statement, the closing date of which shall be the sixteenth day before the election, shall not be filed later than the eleventh day before the election.... (c.iii) Campaign statements not later than the following dates every year: July 25 with a closing date of July 20 of that year.*

Section 169.236 (2) - *... Except as otherwise provided in this subsection, a ballot question committee supporting or opposing a ballot question to be voted upon within a single county shall file a copy of the campaign statement required under this act only with the clerk of that county.*

As of August 12, 2013, neither the July campaign statement nor the July pre-election statement has been filed with the Oakland County Clerk. It must also be pointed out that Mr. Jackson is an attorney, someone expected to know the law or make the appropriate inquiries to determine legal requirements. (He was able to follow legal requirements when filing FCU's Articles of Incorporation.) There is also reason to believe that Mr. Jackson was not the sole contributor to the ballot question committee. As cited in a July 22, 2013, Observer article, there are approximately 30 members, including Sue Bernstein Kahn, in FCU. The Articles of Incorporation defines FCU as a membership-based corporation funded by memberships and contributions. Mr. Jackson presented Public Comments at the April 30, 2013, Farmington Public Schools Board of Education meeting at which time he declared his family would suffer financial hardship with his estimated \$300-\$400 dollar annual tax payment for the proposed bond. In addition to the purchase of mailers and robocalls to absentee voters prior to the election and to most likely voters on August 6, lawn signs bearing "Paid for by Farmington Citizens

United" were purchased and placed throughout the community. There is evidence to support Mr. Jackson is purposefully concealing FCU contributors; campaign statements with supporting receipts and details will answer this question. The July 22, 2013, Observer article is included as Exhibit 5; school board meeting video – Exhibit 6; lawn sign picture Exhibit 7.

3. **Section 169.221 - (6)** *Except as provided by law, a candidate committee or a committee described in subsection (3) shall have 1 account in a financial institution in this state as an official depository for the purpose of depositing all contributions received by the committee in the form of or which are converted to money, checks, or other negotiable instruments and for the purpose of making all expenditures. The committee shall designate that financial institution as its official depository. The establishment of an account in a financial institution is not required until the committee receives a contribution or makes expenditure. Secondary depositories shall be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository. **Section 169.221 (12)** - Contributions received by a committee shall not be commingled with other funds of an agent of the committee or of any other person.*

In the July 31, 2013, Farmington Observer newspaper article, Kerry Leon Jackson acknowledges making personal contributions (as defined in Section 169.204(1)) to pay for FCU expenditures out of his own account, not a dedicated account established for the ballot question committee. The complete July 31 article is included as Exhibit 8.

Kerry Jackson, FCU president, said every dollar he's used in the effort he describes as a way to help people grasp the bond proposal and its ramifications really mean have been his and his alone, which the state can't regulate. "I'm spending my own money I don't have to report how I spend the money that I make," Jackson said. Every check written to cover expenses to oppose the bond are from his account and signed by him, he said.

Request of Action by the Bureau of Elections

Accordingly, Advocates for Excellence in Education respectfully requests that the Bureau of Elections immediately investigate these violations and determine as a matter of law that Farmington Citizens United and Kerry Leon Jackson have violated the MCFA, and assess all appropriate penalties and fees for each violation. FCU has acknowledged they have violated the MCFA. They knowingly continue to ignore the MCFA and deserve to be fined to the full extent of the law.

Exhibits:

- Exhibit 1 – Farmington Public School Ballot Proposal
- Exhibit 2 – FCU Articles of Incorporation
- Exhibit 3 – FCU "Vote No" postcard
- Exhibit 4 – July 30, 2013 Farmington-Farmington Hills Patch.com article
- Exhibit 5 – July 22, 2013 Farmington Observer article
- Exhibit 6 – Farmington Public Schools April 30, 2013 video:
(<http://tv-10.pegcentral.com/player.php?video=0e4abad74ca9c6ae8886e9d211939e97> 2:08:50)
- Exhibit 7 – FCU "Vote No" lawn sign
- Exhibit 8 – July 31, 2013 Farmington Observer article

ELECTION

A

OAKLAND COUNTY, MICHIGAN

B

TUESDAY, AUGUST 6, 2013

Special Election
Tuesday, August 6, 2013
Oakland County, Michigan
City of Farmington Hills, Precinct 1

LOCAL SCHOOL DISTRICT

FARMINGTON PUBLIC SCHOOL
DISTRICTBOND PROPOSAL

Shall the Farmington Public School District, County of Oakland, Michigan, borrow the principal sum of not to exceed Two Hundred Twenty-Two Million Dollars (\$222,000,000) and issue its general obligation unlimited tax bonds for the purpose of defraying the cost of making the following improvements:

-remodeling, equipping, furnishing, reequipping and refurbishing School District buildings, including classroom, safety and security, technology infrastructure and operational efficiency improvements;
-acquiring and installing technology equipment in the School District;
-constructing, furnishing and equipping additions to School District buildings; and
-improving sites, including playgrounds and refurbishment of athletic fields and courts in the School District?

The estimated millage to be levied in 2013 to service this issue of bonds is 0.72 mills (\$0.72 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds of this issue is 2.62 mills (\$2.62 per \$1,000 of taxable value). The bonds may be issued in multiple series, payable in the case of each series in not to exceed 25 years from the date of issue of such series.

(Under state law, bond proceeds may not be used to pay teacher or administrator salaries, routine maintenance costs or other School District operating expenses.)

YES ☐NO ☐

SAMPLE BALLOT

A

Farmington Hills 1

B

Typ:00 Seq:0032 Spt:01

EXHIBIT 2

CSC/LCD-502 (Rev. 02/13)

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU	
Date Received	<i>fee collected \$20</i>
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	
FILED MAY 20 2013 Administrator Corporation Division	
Name	Kerry Jackson, Eagle Advocates & Advisors
Address	27263 Winterset
City	Farmington Hills, Michigan 48334
State	
ZIP Code	
EFFECTIVE DATE:	

Document will be returned to the name and address you enter above.
If left blank, document will be returned to the registered office.

71343W

ARTICLES OF INCORPORATION For use by Domestic Nonprofit Corporations (Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

Farmington Citizens United

ARTICLE II

The purpose or purposes for which the corporation is organized are:

Exclusively within the meaning of The Internal Revenue Code sec. 501 (c) (4) of 1986 as amended, This organization is formed for public education and research. To exercise the powers and duties and authority of a non profit as organized in Michigan. The corporation shall not carry on Business with the general public in a manner similar to organizations formed for profit. Further, The corporation shall not act primarily as a social club for the benefit, pleasure, or recreation of it's members. Although social functions maybe carried out if they are are incidental to the organizations primary purposes.

ARTICLE III

1. The corporation is organized upon a nonstock basis.
(Stock or Nonstock)

2. If organized on a stock basis, the total number of shares which the corporation has authority to issue is N/A. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:

(3)

ARTICLE III (cont.)

- ## ARTICLE IV

- ## ARTICLE V

[illegible]

EXHIBIT 2

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

I, (We), the incorporator(s) sign my (our) name(s) this 22 day of April, 2013



With \$220 Million to Burn . . . Why Waste it on Educating Our Students?

And now, on August 6th, the Farmington Public Schools are asking us to approve a \$222 Million bond issue . . . and not a penny goes to educate our children!

We believe that there are necessary repairs needed to our school infrastructure - which is estimated to cost about \$90 Million. So why is our Farmington Public School District requesting to spend an additional \$132 Million, with not a single penny going to educate our children?

“Bond issue too broad, costly” (Detroit News) . . .

“The Farmington Public School District has a \$222 million bond proposal that looks great on paper, and a website full of information that is fashioned to convince residents to vote ‘yes.’ But a close look at the issue, scheduled for a vote Aug. 6, suggests this proposal is **NOT** right for the district.”

EXHIBIT 3 “No one is arguing the school buildings don’t need work, but realistic improvements are called for, **NOT** an investment of millions of dollars in décor upgrades that give no guarantee of improved learning.”



Vote NO for the Overspending of . . . OUR Valuable Tax Dollars!

EXHIBIT 3

On August 6th, the Farmington Public School District is asking tax payers for the single largest bond amount ever requested . . . **and not a single penny goes to educate our children!**

A recent **Detroit News** article **EXPOSED** that **ONLY 27.3% of Farmington Public High School Seniors are college ready**, and NOW our School District wants to spend a \$132 million in décor upgrades.

SEND A MESSAGE . . .

Join a majority of the parents in the Farmington Public School District, and demand that our childrens' education **MUST** come first, **NOT THE SUPERINTENDENT'S FURNITURE UPGRADES!**



Paid for by
Farmington Citizens United
27263 Winterset Circle
Farmington Hills, MI 48334



***** ECRILOT0257A**C059

T 14 P6

TO THE ROGGENKAMP FAMILY
OR CURRENT RESIDENT
22043 HARSDALE DR
FARMINGTON HILLS MI 48335-5438



Farmington-
FarmingtonHills

75°

23

EXHIBIT 4

News Alert

Water Main Break Closes Drake Road in Farmington...

[Read More »](#)

News | Schools

Flag as Inappropriate

Founder Says Farmington Citizens United Will Complete Election Filing

Kerry Jackson says he will file a Statement of Organization and pay late fees.

Posted by Joni Hubred-Golden (Editor) , July 30, 2013 at 09:03 PM

10 Comments 3 Recommend

Like 3 Tweet 0

**Vote NO for the Overspending of . . .
OUR Valuable Tax Dollars!**

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DOI: 10.1037/0893-3200.17.1.101 and 0893-3200/02/\$12.00

Detroit Moves a Step EXPOSED that ONLY IT'S at Homegovt Public: Sign Small Letters
and Exaggerate and 2% W and 10% H act as if it were a 1/2% ...

[SEND A MESSAGE](#)

4- a majority of the parents in the Farmington Public School District, and demand that our children's education MUST come first. NOT THE SUPERINTENDENT'S PERSONAL UPGRADING.



rs on this mailer sent to Farmington Public Schools residents.

A group that has distributed materials opposing an Aug. 6 Farmington Public Schools bond referendum will file its missing Statement of Organization and pay late fees, founder Kerry Jackson said Tuesday.

Popular EXHIBIT 4 Stories

- 5 Beautiful Home Landscapes in Clawson
- UPDATED: Livonia Woman Dies in Farmington Traffic Accident
- UPDATE: Farmington Schools Bond Defeated, but 'We're Not...
- Farmington
Actors, Businesses Star in 5 Hour Energy...

Bond advocates have questioned Farmington Citizen United's failure to file the appropriate elections paperwork, after a postcard and automated calls sharing information about the \$222 million bond surfaced several weeks ago.

According to an online manual for bond question committees published by the State of Michigan, "As soon as an organization or group of persons receives \$500.00 in contributions or makes independent expenditures totaling \$500.00 in a calendar year to influence voters for or against the qualification, passage or defeat of one or more ballot questions in Michigan, the organization or group of persons has 10 calendar days to form and register a Ballot Question Committee."

Jackson said he personally paid for the mailer and calls and didn't realize he needed to submit paperwork, since he was using his personal funds. He said he has spoken with elections officials.

Farmington Citizens United was not formed as a bond opposition committee, Jackson said. The intent of the group is to hold informational meetings on a number of issues, with speakers sharing viewpoints from both sides.

Related Stories



Committees Pave the Way for Farmington Schools Bond Referend...



North Farmington Teacher: Technology Pilot Resulted in Highe...



Farmington Schools Parent Opposes Bond Tax Increase



Read Up on the Aug. 6 Farmington Public Schools Bond Referen...

EXHIBIT 5

New local grassroots group calls school bond proposal 'excessive'

*Written by Aileen Wingblad Staff Writer
Jul. 22, 2013 |*

hometownlife.com

Kerry Jackson of Farmington Hills says plenty of people assume he established the Farmington branch of Citizens United to drum up opposition to Farmington Public Schools' \$222 million bond proposal, which is on the Aug. 6 special election ballot.

A common assumption — and an incorrect one, he said.

Truth is, Jackson explained, he started thinking about launching a Citizens United group several months ago — long before the bond issue was announced.

"Citizens United groups are all over the country, civic organizations formed by people who have issues with things not being addressed at a local level," said Jackson, Farmington Citizens United president. "The bond issue just happened to fall into our laps, but it absolutely was not why Farmington Citizens United was formed."

Rallying point

Yet once Jackson got FCU going, incorporated it about three months ago and registered it with the state of Michigan, he said, the bond proposal had made its way into the local forefront and his group had its first rallying point: urging taxpayers to vote no on a request which FCU believes is excessive and unrealistic.

Mailings and phone calls to residents are among FCU's efforts on the bond issue.

Jackson, father of two and president of the Farmington African American Parent Network, said he's an extremely active parent who is a staunch supporter of the district's student body. And he has no argument with maintaining school buildings or paying for necessary improvements. But \$222 million is simply too much to ask for now, particularly when the economy has not yet recovered and many people are still hurting financially, he said.

Float a lesser proposal — perhaps \$90 million — before taxpayers, Jackson said, and he'd "stand on the top of the tallest building in town" to promote it.

"I'm not saying don't improve schools, I'm not saying neglect the schools. But \$222 million is not fiscally responsible. It's stupid. And don't ask me to support something that's stupid," he said.

Fellow FCU member Sue Kahn agreed. "I have a huge problem when you're talking about \$222 million," she said, adding that FCU isn't about turning down any bond issue. "That couldn't be further from the truth. If they came in with a \$90 million (proposal) for repairs, enhancing security and (adding some) new technology, I'd be the first one behind it," she said. "They just need to be more reasonable."

EXHIBIT 5

Kahn is the wife of school board member Murray Kahn who cast the only no vote in late April against presenting the \$222 million bond issue to voters, calling it "an ill-conceived plan from the beginning."

Recently, FPS Superintendent Sue Zurvalec said FCU seemed to be a mystery group, operating secretly. "We wonder who these people are, are they even residents? They should come forward," she said.

Jackson chuckled at the implication that FCU's 30-some members are operating clandestinely. He said the bond issue has taken up a substantial amount of time that otherwise might be spent promoting the group, but he does plan to develop a FCU website in the not-too-distant future. And he encourages anyone interested in contacting him or finding out more about the group to call him at 313-658-3700. He has also his address, 27263 Winterset Circle, as FCU's location.

Once the Aug. 6 election is over, Jackson said plans call for FCU to broaden its scope by arranging for public forums once or twice a month which will feature speakers from opposing sides of issues to offer information to concerned citizens that otherwise isn't readily available.

"FCU will be here well after the election," he said.

EXHIBIT 7

Vote "NO"

August 6th

Too Much!

Too Expensive!

No Focus on Teaching Kids

EXHIBIT 8

FPS bond supporters claim opposition violating campaign law

Written by Aileen Wingblad Staff Writer
Jul. 31

[hometownlife.com](http://www.hometownlife.com)

A group supporting Farmington Public Schools \$222 million bond proposal is accusing an opponent group of violating state campaign laws — yet its president insists he's done nothing illegal.

Chris Greig, executive director of the Farmington/Farmington Hills Education Foundation, maintains Farmington Citizens United, Inc. — the opposing group — is breaking the law because it failed to register as a Ballot Question Committee, required by the Michigan Campaign Finance

Act of 1976.

The Act states that two or more individuals who receive or spend \$500 or more to influence voters on a ballot question must register as a committee and file disclosure reports. By not doing so, Greig said, FCU isn't operating in the open manner dictated by the law.

Greig said plans are moving forward to file a complaint which will launch an investigation into FCU, and possibly result in a fine.

"When people break the law, it's not sending a good message to our community or our kids," she said.

Advocates for Excellence in Education — a group supporting the bond proposal — "spent a considerable amount of resources to follow Michigan campaign laws. It's the right thing to do," Greig said.

However, Kerry Jackson, FCU president, said every dollar

he's used in the effort he describes as a way to help people grasp the bond proposal and its ramifications really mean have been his and his alone, which the state can't regulate.

"I'm spending my own money

. I don't have to report how I spend the money that I make," Jackson said. Every check written to cover expenses to oppose the bond are from his account and signed by him, he said.

Should a complaint from Greig or elsewhere launch an investigation by the state, Jackson said he's confident the conclusion will be a positive one. But if he's wrong and ends up with a fine, it's certainly something he can deal

with, Jackson said.

FCU obtained nonprofit corporation status on May 20, 2013, according to the Department of Licensing and Regulatory Affairs. Jackson said he's also looking into establishing FCU as a Political Action Committee and recently contacted the Secretary of State to get information on the process.

Besides FCU's alleged campaign law violation, Greig also accuses the group of making false statements on FCU postcards urging a no vote on the bond proposal, which were mailed to absentee voter addresses throughout the FPS district. These include statements claiming the bond money won't be used for

education, as well as substandard results in the classroom.

EXHIBIT 8

"The misrepresentation is out of this world," she said.

Jackson, who believes the bond proposal is excessive and a poorly developed plan, maintains that FCU's goal is to present information that otherwise people might not have access to.

"We want people to know the issues," he said. "It's one of the many problems that show Farmington and Farmington Hills officials are out of touch with the electorate."

The \$222 million bond proposal to upgrade buildings and technology

throughout the district will be put before voters Aug. 6 at a special election.



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

February 28, 2014

Kerry Leon Jackson
Farmington Citizens United
27263 Winterset Circle
Farmington Hills, Michigan 48334

SECOND NOTICE

Dear Mr. Jackson:

By correspondence dated August 26, 2013, the Department of State (Department) advised you of its intention to investigate a complaint filed against you by Nancy Gross, Treasurer for Excellence in Education, concerning alleged violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 et seq. A copy of the Department's notice is enclosed with this letter.

The notice informed you that, pursuant to section 15(5) of the MCFA, MCL 169.215(5), the Department is reviewing whether you failed to comply with the requirements of the Act. You were provided an opportunity to respond to these allegations within 15 business days of your receipt of the notice but to date, no response has been filed on your behalf.

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 influencing or attempting to influence the action of voters for or against . . . the qualification, passage, or defeat of a ballot question . . . 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.

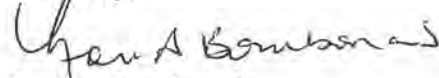
The Act further requires committees to file periodic campaign finance statements and reports. The failure to file a single campaign statement may trigger late filing fees. MCL 169.234(5), 169.235(3). In certain circumstances, multiple failures to file may constitute a misdemeanor offense. MCL 169.234(6), 169.235(5).

Ms. Gross alleges that the committee has received contributions and made expenditures in exceeding the \$500.00 threshold and has not filed a statement of organization. Ms. Gross further alleges that the committee has failed to file the required campaign statements.

By this letter, the Department is providing you a final opportunity to submit a written response to the enclosed notice. Your response may include any documentary evidence you wish to submit, and must be received by the Department on or before **March 21, 2014**. All materials must be sent to the Bureau of Elections, Michigan Department of State, Richard H. Austin Building, 430 West Allegan Street, Lansing, Michigan 48918.

Failure to submit a written response to this second notice will leave the Department no alternative but to make its determination based solely on the documentation furnished by Ms. Gross.

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Nancy Gross



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

April 25, 2014

Kerry Jackson
Farmington Citizens United
27263 Winterset Circle
Farmington Hills, Michigan 48334

Dear Mr. Jackson:

The Department of State (Department) has completed its preliminary investigation of the campaign finance complaint filed against Farmington Citizens United (FCU) by Nancy Gross, Treasurer of Advocates for Excellence in Education, concerning alleged violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.*

Ms. Gross filed her complaint alleging that FCU made expenditures as defined by the Act greater than \$500.00 in regard to a ballot question and failed to form a committee and file the required campaign finance statements. The Department gave notice of the complaint to you on August 26, 2013. You acknowledged to the Department via voicemail message that you did receive the complaint and that you would be filing a written answer. No answer was received by the Department. The Department gave you second notice of the complaint via certified mail on February 28, 2014. The return receipt card was signed on March 6, 2014. You again contacted the Department via telephone and indicated that you would file a written response to the complaint by April 4, 2014. No written response has been received by the Department.

Because you have not submitted a written response to Ms. Gross's complaint, the Department has no alternative but to make a determination regarding the complaint based solely on the documentation furnished by Ms. Gross.

The registration and reporting requirements of the MCFA apply to any "committee," which is defined as "a person¹ who receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against . . . the qualification, passage, or defeat of a ballot question, 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).

Under the Act, a committee is required to file a statement of organization within 10 days of its formation. MCL 169.224(1). The failure to timely file a statement of organization may result in the assessment of late filing fees or, in extreme circumstances, the filing of misdemeanor charges. *Id.* The failure to file a single campaign statement may trigger late filing fees. MCL

¹ The word "person" is defined as "a business, individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting jointly." MCL 169.211(1).

169.234(5). In certain circumstances, the failure to file a campaign statement may constitute a misdemeanor offense. MCL 169.234(6).

Ms. Gross alleged that FCU "developed and mailed large 'Vote No' postcards to approximately 5,000 permanent absentee voters." Ms. Gross contends that postage alone for these postcards put FCU over the \$500.00 threshold requiring FCU to form a ballot question committee. As evidence, Ms. Gross provided FCU's Articles of Incorporation, which list you as its sole incorporator; a copy of a large mailer which states "ON AUG 6th BE EDUCATED, VOTE NO!" and that the mailer was paid for by FCU; several newspaper articles in which you appear to confirm that either FCU or yourself paid for the mailers and perhaps other materials related to the August 6, 2013 Farmington Public Schools bond election; and a copy of a picture of a sign which states "Vote 'NO' August 6th [.]". However, the copy of the picture of the sign is not clear enough for the Department to determine if there is a paid-for-by statement on the sign or what the writing at the bottom of the sign says.

Based on the unrefuted evidence furnished by Ms. Gross, the Department has determined that FCU reached the \$500.00 threshold to trigger the MCFA registration and reporting requirements and was required to file with the Oakland County Clerk² a statement of organization and periodic campaign finance statements that completely and accurately disclose the sources, dates, and amounts of all contributions and expenditures. The Department believes that FCU was required to file, at a minimum, 2013 pre-election and post-election campaign statements for the August 6, 2013 election. MCL 169.234(1).

In addition, FCU owes late-filing fees in the amount of \$2,300.00 (\$300.00 for the statement of organization and \$1,000.00 each for the pre- and post-election campaign statements) to the Oakland County Clerk.

Based on the foregoing, the Department finds that there may be reason to believe that FCU violated the MCFA. MCL 169.215(10). Having made this determination, the Department is required by law to attempt to resolve this matter informally. *Id.*

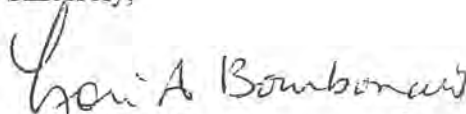
Please file a statement of organization and pre-election and post-election campaign statements with the Oakland County Clerk, pay \$2,300.00 in late-filing fees to the Oakland County Clerk, and provide copies of the filed statements and proof of payment of the late-filing fees to the Department, by May 13, 2014. Once the Oakland County Clerk has received and reviewed these statements, a determination will be made by the Oakland County Clerk if FCU owes any further statements or other late filing fees.

After its review of your filed statements, the Department will then determine if further enforcement action is necessary, which may include a civil fine.

² A ballot question committee supporting or opposing a ballot question to be voted upon in a single county files its statement of organization and campaign statements with that county clerk. MCL 169.236(2).

Please be advised that if the Department is unable to resolve this complaint informally, it is required by MCL 169.215(10)-(11) to refer the matter to the Attorney General with a request that he prosecute FCU, Mr. Jackson, or both for the misdemeanor offenses of failing to file a Statement of Organization for more than 30 days and failure campaign statements for more than 7 days, or commence an administrative hearing to enforce the civil penalties provided by law. "If after a hearing the secretary of state determines that a violation of this act has occurred, the secretary of state may issue an order requiring the person to pay a civil fine equal to triple the amount of the improper contribution or expenditure plus not more than \$1,000.00 for each violation." MCL 169.215(11).

Sincerely,

A handwritten signature in dark ink, appearing to read "Lori A. Bourbonais". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Lisa Brown, Oakland County Clerk