



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

October 16, 2014

Roy C. Hayes III
Committee to Elect Roy C
Hayes for Judge
209 Bridge Street
Charlevoix, Michigan 49720

Dear Mr. Hayes:

The Department of State (Department) received a formal complaint filed by Margo Johnson against you, alleging that you violated the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* The investigation and resolution of this complaint is governed by section 15 of the Act and the corresponding administrative rules, R 169.51 *et seq.* A copy of the complaint and supporting documentation is enclosed with this letter.

The MCFA requires filed campaign finance statements and reports to be complete and accurate. MCL 169.233, 235. A candidate 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), 235(6). A candidate who knowingly omits or underreports a contribution or expenditure may be subject to a civil fine of up to \$1,000.00, or the amount of the undisclosed contribution or expenditure, whichever is greater. MCL 169.233(11).

Ms. Johnson alleges that you omitted in-kind contributions or expenditures in regard to space used at the Dilworth Hotel and Dilworth Yacht Brokers and for graphic design services. Additionally, Ms. Johnson alleges that you failed to include fundraising schedules with your 2014 Pre-Primary campaign statement for 2 fundraisers.

The Department notes that Ms. Johnson also alleged that you late-filed your late contribution report in regard to the \$5,000.00 loan to the committee made by Kendall Hayes on July 24, 2014. The Department has assessed a late-filing fee in connection with report.

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.

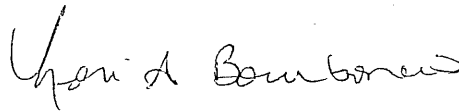
If you wish to file a written response to this complaint, you are required to do so within 15 business days of the date of this letter. Your response may include any written statement or additional documentary evidence you wish to submit. All materials must be sent to the Department of State, Bureau 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. Brown, 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 or conducting an administrative hearing.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Margo Johnson

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	Margo Johnson	
	Daytime Telephone Number 231-547-0866	
Mailing Address	12233 Meanderline Rd	
City	State	Zip
Charlevoix	MI	49720

Section 2. Alleged Violator		
Name	Roy C Hayes III/Committee to Elect Roy C Hayes for Judge	
Mailing Address	209 Bridge St	
City	State	Zip
Charlevoix	MI	49720

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

Section(s) of the MCFA violated: 169.226 Section 26 (1)(b); 169.226 Sec 26 (1)(j); 169.226 Sec 26 (1)(d); possibly 169.204 Sec 4 (3)(a)

Explain how those sections were violated:

- 1) Payment for use of Boyne City campaign headquarters facility ('Dilworth Hotel') not reported as expenditure or in-kind contribution
- 2) Payment for use of conference room for candidate 'office hours' at Dilworth Yacht Brokers in Boyne City not reported as expenditure or in-kind contribution
- 3) Payment for graphic design services not reported as expenditure or in-kind contribution; if volunteer work, exceeds \$500 max

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

'How violated' cont'd 4) Two events, at which donations were solicited, not reported as fundraisers

Evidence: 1) Facebook posts July 2 & 11, 2014, attachment A

2) Facebook posts May 6 & 9, 2014, attachment B

3) Word of mouth from designer to 2nd party that she had done work worth \$1000s, two samples, attachment C

4) Invitations to the events with 'contributions gratefully accepted' and \$50/\$75 'suggested donation', attachment C

Marg

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	Margo Johnson	Daytime Telephone Number 231-547-0866
Mailing Address	12233 Meanderline Rd	
City	State	Zip
Charlevoix	MI	49720

Section 2. Alleged Violator		
Name	Roy C Hayes III/ Committee to Elect Roy C Hayes for Judge	
Mailing Address	209 Bridge St	
City	State	Zip
Charlevoix	MI	49720

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

Section(s) of the MCFA violated: 169.232 Sec 32 (1)

Explain how those sections were violated:

5) Late Contribution Report was due on July 26; report was filed on August 4

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

5) Copies of Post-Primary Statement and Bureau of Elections list of statements filed, attachment D

maj

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

Marge Johnson
Signature of Complainant

October 8, 2014
Date

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:

Payment or in-kind contribution for use of 'Dilworth Hotel' as Boyne city headquarters was not reported in the 2014 pre-primary campaign statement

(I believe the need to report above as expenditure or in-kind contribution was brought to candidate's attention in August)

Payment or in-kind contribution for use of Dilworth Yacht Brokers conference room was not reported in the 2014 pre-primary statement

Payment or in-kind contribution for graphic design services was not reported in the 2014 pre-primary statement

The fundraisers do not appear in the pre-primary statement

There has been no amended report and these items do not appear in the post-primary report

X

MJ
Signature of Complainant

10/8/14
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

Attachment A

https://www.facebook.com/roychayesforjudge

File Edit View Favorites Tools Help

Norton McAfee AntiVirus

Search Share More

Suggested Sites Facebook Netflix DRUDGE Fox News Schwab Our Money Sites

Add to favorites

Favorites Feeds History

All Things Bowling

Charter Sites

Favorites Bar

Ford Sites & Links

Genealogy

HP

Microsoft Websites

News Sites

Our SS Sites

Recipes

State of Michigan Sites, Articles

Weather

BIG TEN OFFICIAL ATHLETIC SITE

Track Congress - Links-Blogs

Political Sites, Local, State, Federal

Charlevoix CDA

Charlevoix Real Estate & Charlevoix...

Consumer Reports Expert product re...

Eagles Hatching

Lake Charlevoix Association The Gu...

Lake Michigan P.O.W.E.R. Coalition

Leelanau Peninsula Virtues Associati...

MICHIGAN STATE OFFICIAL ATHLE...

MSN Gaming Zone- Mah Jong Tiles

myGamin™

Netflix-h

NETGEAR Gateway

Northwest Michigan Council of Gov...

HRANews.com

Peter Ferrara on Healthcare Reform

Radio Station Guide

Save Our Shoreline

Social Security Online

Sudoku Solver by Andrew Stuart

The Northern Michigan Library Allia...

Turn on Suggested Sites

Roy C Hayes For Judge

Team Hayes Is coming to Boyne! Join us at the historic Dilworth Hotel Headquarters.

July 4 weekend:
7am - Water Station at 2 Mile Fun Run

9:30 am - Line up for 4th of July Parade. Morgan St @ Park Ave. Join us for the parade & wear your ... See More

LIKED BY THIS PAGE

Parks for Paws: Charlevoix

Picture This

The Lake House

English (US) · Privacy · Terms · Cookies · More

Facebook © 2014

Roy C Hayes For Judge

July 2

Roy C Hayes For Judge

July 1

Post Developer Jobs
employers simplyhired.com
Access the best tech talent
and hire your next rockstar on
Simply Hired. Post Jobs Now.

81 % Off Naked Svarovski
www.opensky.com
81 % Off Naked Svarovski
Drill Earring. Shop Now!

Vicki Vosin

Teddy Shrader

Valerie Barnes S...

Richard Joseph

Brandon Johnson

Anne Phelps

Catherine Hoffstad

Cheri Burlingame

Kris Tobin Balasz

Julie A. Christianse

Jill Cross Picha

Nancy Cawkin

Ben Creekmore

Deby Furlow

Lisa Hoyt

Kaya Beatty

https://www.facebook.com/roychayesforjudge

Roy C Hayes For Judge

File Edit View Favorites Tools Help

License Expired Identity Safe

Google Search Share More

Sign In

Huntington Online Banking Fox News - Breaking News Suggested Sites Get more Add-ons

f Roy C Hayes For Judge

Charlevoix, Michigan

http://www.RoyCHayesForJudge.com/

Suggest Edits

APPS

SIGN UP for E-NEWS Newsletter SignUp

PHOTOS

Like Comment Share 54 6 2 Shares

Roy C Hayes For Judge July 11

Looking forward to seeing you tonight in Boyne Boyne City Main Street, Community Events, & Chamber of Commerce Information! 5-7 meet the candidate at the Dilworth Hotel and then stroll the streets for the kickoff of Boyne Boyne Thunder Poker Runt — at Wolverine Dilworth Inn.

Top 10 SlowCooker Recipes 12tomatoes.com Love that Slow Cooker? Click here for the TOP 10 Slow Cooker Recipes of all time... Vicki Voisin likes this

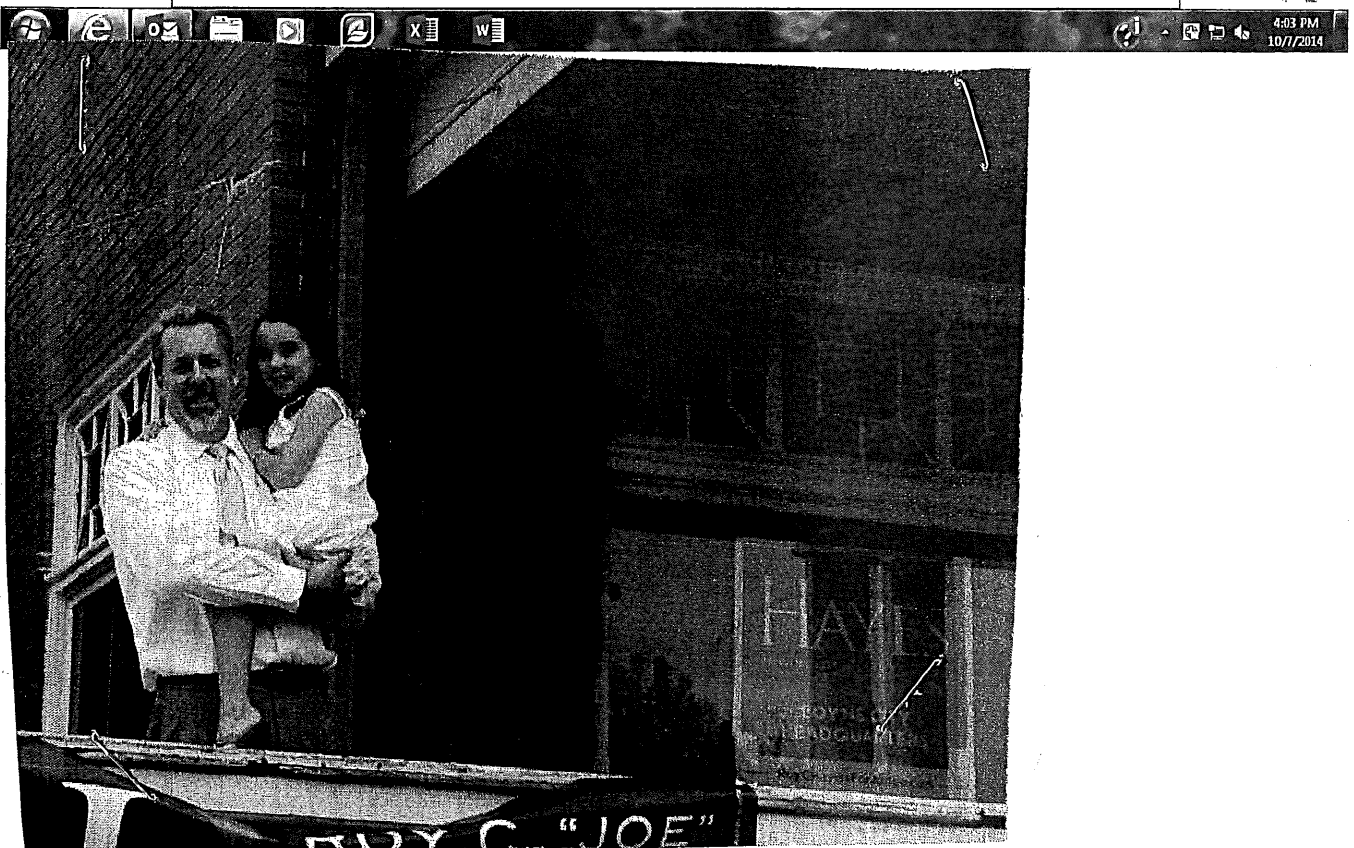
MIBUCKPOLE www.MIBUCKPOLE.com is Michigan's Virtual Buck Pole™. We are connecting MI's community of...

Like Page Triston Cole likes this page

LIKED BY THIS PAGE

Tom Zipp & The Bullpen Like

Would you like to store your password for facebook.com? Why am I seeing this? Yes Not for this site



Christopher B

https://www.facebook.com/roychayesforjudge/

File Edit View Favorites Tools Help

Norton

Search

Suggested Sites

Add to Favorites

Favorites Feeds History

ALL Things Boating

Charter Sites

Favorites Bar

Ford Sites & Links

Genealogy

HP

Microsoft Websites

News Sites

Our SS Sites

Recipes

State of Michigan Sites, Articles

Weather

BIG TEN OFFICIAL ATHLETIC SITE - ...

Track Congress - Links-Blogs

Political Sites, Local, State, Federal

Charlevoix COA

Charlevoix Real Estate & Charlevoix...

Consumer Reports Expert product re...

Eagles Hatching

Lake Charlevoix Association The Gu...

Lake Michigan P.O.W.E.R. Coalition

Leelanau peninsula vintners associati...

MSN Gaming Zone - Mah Jong Tiles

myGamin

Netflix-h

NETGEAR Gateway

Northwest Michigan Council of Gov...

NBA News.com

Peter Ferrara on Healthcare Reform

Radio Station Guide

Save Our Shoreline

Social Security Online

Sudoku Solver by Andrew Stuart

The Northern Michigan Liberty Affia...

Turn on Suggested Sites...

Roy C Hayes For Judge

Invite your friends to like this Page

ABOUT

Charlevoix, Michigan

http://www.RoyCHayesForJudge.com/

Suggest Edits

APPS

SIGN UP for E-NEWS Newsletter SignUp

PHOTOS

Like Comment Share

Roy C Hayes For Judge May 8

I will be in Boyne City today from 3-5pm in the conference room space at Dilworth Yacht Brokers, 120 Water St. Please stop in and say hello. I would love to chat with you about why I want to be your next Circuit Court Judge.

Like Comment Share

Roy C Hayes For Judge May 6 Edited

Joe will be keeping office hours at Dilworth Yacht Brokers at 120 Water St, Boyne City on a regular basis throughout the campaign. Please stop in and say hello this Friday, May 9, from 3pm-5pm and chat with him about why he is the best choice for Charlevoix County Circuit Court Judge.

Like Comment Share

Roy C Hayes For Judge May 5

Committee Members Ellie & Jack Sullivan - part of our great team at the "Buff Up Boyne" event this past Saturday. Thanks to everyone for all your help!

Chronicle Page

Recent 2014

Sponsored

World Vision USA worldvision.org

Aminda is smiling thanks to sponsorship! You can help a child in need today. Learn more.

Moto Leggings @ NORD's shop nordstrom.com

Check out the new trends in legwear and socks at NORDSTROM. FREE Returns. SHOP NOW

Go

Jill Cro

Tristia

Diane

Teddy

Vicki V

Brandi

John F

Cather

Valerie

Nancy

Kaye E

Julie A

Kris To

Kathie

Tom Si

Anne F

Search

You are invited

to attend a cocktail and hors d'oeuvres
reception to meet

★ ROY C. "JOE"
HAYES

Candidate for

CHARLEVOIX COUNTY CIRCUIT COURT JUDGE

Saturday, June 21, 2014
4:00 – 6:00 p.m.

Hosted by Mike and Alice Pung
7866 Boyne City Road · Charlevoix, MI

Host Committee Chairs: Emily Ewald & Barbara Yared
Host Committee: Mark Andresky, Kent Babb,
Travis Groat, Sheriff George Lasater

\$50 per person · \$75 per couple
suggested contribution

If you are unable to attend and would like to contribute,

PLEASE MAIL YOUR CHECK TO:

The Committee to Elect Roy C. Hayes, III Circuit Court Judge
c/o Sam Supernaw, Treasurer, 213 Nettleton Street, Charlevoix, MI 49720

PAYABLE TO:

Committee to Elect Roy C. Hayes, III Circuit Court Judge

PLEASE RSVP

by Tuesday, June 17th to hayes.rsvp@aim.com or (616) 437-3640

Paid for by the Committee to Elect Roy C. Hayes, III Circuit Court Judge, 213 Nettleton Street, Charlevoix, Michigan 49720

You are invited
to attend a cocktail and hors d'oeuvres
reception to meet

★ ROY C. "JOE"
HAYES

Candidate for

CHARLEVOIX COUNTY CIRCUIT COURT JUDGE

Saturday, June 21, 2014
4:00 – 6:00 p.m.

Hosted by Mike and Alice Pung
7866 Boyne City Road · Charlevoix, MI

Host Committee Chairs: Emily Ewald & Barbara Yared
Host Committee: Mark Andresky, Kent Babb,
Travis Groat, Sheriff George Lasater

\$50 per person · \$75 per couple
suggested contribution

If you are unable to attend and would like to contribute,

PLEASE MAIL YOUR CHECK TO:

The Committee to Elect Roy C. Hayes, III Circuit Court Judge
c/o Sam Supernaw, Treasurer, 213 Nettleton Street, Charlevoix, MI 49720

PAYABLE TO:

Committee to Elect Roy C. Hayes, III Circuit Court Judge

PLEASE RSVP

by Tuesday, June 17th to hayes.rsvp@aim.com or (616) 437-3640

Paid for by the Committee to Elect Roy C. Hayes, III Circuit Court Judge, 213 Nettleton Street, Charlevoix, Michigan 49720

Attachments

You are invited
to attend a cocktail and hors d'oeuvres
reception to meet

ROY C. "JOE"
HAYES

candidate for

CHARLEVOIX COUNTY CIRCUIT COURT JUDGE

Friday, July 11, 2014
5:00 – 7:00 p.m.

Dilworth Hotel · Boyne City

Hosts: Bob & Rafina Grove

CoHosts: Lois Bolan, Paul & Anne Menke,
Brian & Emily Wilmot, Wes & Donna Dilworth

Contributions gratefully accepted!

If you are unable to attend and would like to contribute,

PLEASE MAIL YOUR CHECK TO:

The Committee to Elect Roy C. Hayes, III Circuit Court Judge
c/o Sam Supernaw, Treasurer, 213 Nettleton Street, Charlevoix, MI 49720

PAYABLE TO:

Committee to Elect Roy C. Hayes, III Circuit Court Judge

Please RSVP

RSVP to (231) 675-4708 or hayesforjudge@gmail.com

*Michigan election law (MCL 169.252) allows individuals, including lawyers, to make a contribution of up to \$1,000 for a Circuit Court candidate in Charlevoix County. However, as to lawyers, Canon 7 of the Michigan Code of Judicial Conduct prohibits a judicial campaign committee from soliciting more than \$100 per lawyer. If you are a lawyer, please regard this request as informative and not a solicitation for more than \$100.

Paid for by the Committee to Elect Roy C. Hayes, III Circuit Court Judge, 213 Nettleton Street, Charlevoix, Michigan 49720

Attachment D

[Michigan.gov Home](#) | [SOS Home](#) | [Site Map](#) | [FAQ](#) | [Online Services](#) | [Forms](#) | [Contact SOS](#)

Michigan Campaign Statement Contributions

- Committee Name: CTE ROY C HAYES III CIRCUIT CO
- Statement Type: POST-PRIMARY CS
- Statement Year: 2014
- Schedule: ITEMIZED DIRECT CONTRIBUTIONS

Matches 1-35 of 35

Receiving Committee Name Committee ID-Type	Schedule Type Description	Received From Address Occupation-Employer	City State Zip	Date	Amount	Cumul
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>KENDALL HAYES</i> 11960 EVERGREEN LANE SALES-PHONE GUIDE	CHARLEVOIX MI 49720-0000	07/24/14	\$5,000.00	\$5,000.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>JAMIE HALES</i> 1046 HAPP ROAD SELF-EMPLOYED CONSULTANT-N/A	NORTHFIELD IL 60093-0000	07/31/14	\$500.00	\$500.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>KATHLEEN BEATTY</i> 1003 ST. JOHNS ROAD RETIRED-N/A	CHARLEVOIX MI 49720-0000	07/22/14	\$400.00	\$400.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>WALTER KIDD</i> 325 EAST LAKE STREET REALTOR-KIDD & LEAVY REAL ESTATE CO.	PETOSKEY MI 49770-0000	07/23/14	\$250.00	\$250.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>FRANK MULLEN</i> 707 GRAND MARAIS RETIRED-N/A	GROSSE POINTE PARK MI 48230-0000	07/24/14	\$200.00	\$200.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>DANIEL HARTMAN</i> P.O. BOX 307 ATTORNEY-HARTMAN LAW FIRM PLC	PETOSKEY MI 49770-0000	07/31/14	\$200.00	\$200.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>SANDERSON ORR</i> 6232 CARIBOU COURT RETIRED-N/A	CINCINNATI OH 45243-0000	07/31/14	\$150.00	\$150.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>CHRIS PAYNE</i> 64 HUMPHREY DRIVE	EVERGREEN CO 80439-0000	07/30/14	\$100.00	\$100.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>WILLIAM DETRICH</i> 14237 MASCHO ROAD	CHARLEVOIX MI 49720-0000	07/28/14	\$100.00	\$100.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>KEVIN KLEVORN</i> 215 SOUTH LAKE STREET	BOYNE CITY MI 49712-0000	08/08/14	\$100.00	\$100.00
<u>CTE ROY C HAYES III CIRCUIT COURT</u> 516652-CAN	DIRECT	<i>MARITA PARISH</i> 1506 HOLLY RIVER DRIVE	HOUSTON TX 77077-0000	08/20/14	\$100.00	\$100.00
				07/21/14	\$100.00	\$100.00

Documents On File:

Click on a Document to access data and images for this committee. N/A = Not applicable to this Document Type.

**Statement
Year** **Document Type** **Statement Covers** **Statement Due** **Date Sent/Rcvd** **Doc Seq#**

2014 POST-PRIMARY CS(e) 07/21/2014 - 08/25/2014 09/04/2014 09/03/2014 392077

EMAIL CORRESPONDENCE N/A N/A 08/08/2014 390792

CORRESPONDENCE-IN N/A N/A 08/08/2014 390737

EF MANDATORY N/A N/A 08/08/2014 390569

CORRESPONDENCE-OUT N/A N/A 08/07/2014 390564

2014 LATE CONTRIBUTION REPORT(e) N/A Not Available 08/04/2014 390500

2014 PRE-PRIMARY CS(e) 02/17/2014 - 07/20/2014 07/25/2014 07/23/2014 388397

NO REPORTING WAIVER LETTER N/A N/A 02/11/2014 380017

S of O - INFORMATION N/A N/A 02/04/2014 379704

[Campaign Finance On-Line]

[Michigan.gov Home](#) | [SOS Home](#) | [Site Map](#) | [FAQ](#) | [Online Services](#) | [Forms](#) | [State Web Sites](#)
[Privacy Policy](#) | [Link Policy](#) | [Accessibility Policy](#) | [Security Policy](#)

Copyright © 2001-2008 State of Michigan

[Michigan.gov Home](#) [SOS Home](#) | [Site Map](#) | [FAQ](#) | [Online Services](#) | [Forms](#) | [Contact SOS](#)

Michigan Committee Statement of Organization

The Documents Sent & Received Listing for this committee is at the bottom of this screen.

[Jump to the documents on file](#)

Committee ID#: 516652

Type of Filing: Original

Full Name Of Committee: COMMITTEE TO ELECT ROY C HAYES III CIRCUIT COURT JUDGE

Committee Type: Candidate

Candidate Last Name: HAYES III

First Name: ROY

MI: C

County of Residence: CHARLEVOIX

Political Party: No Party Affiliation

Office Sought: Judge of Circuit Court-33rd Circuit

Date Committee Was Formed: 02/03/14

Committee Phone Number: (231) 881-0746

Committee Mail Address 209 BRIDGE ST
CHARLEVOIX, MI 49720

Committee Street Address: 209 BRIDGE ST
CHARLEVOIX, MI 49720

Treasurer Name: SAM SUPERNOW JR

Mailing Address: 213 NETTLETON ST
CHARLEVOIX, MI 49720

Phone: (231) 547-9661

Designated Recordkeeper Name: LAUREN K HAYES

Address: 11960 EVERGREEN LN
CHARLEVOIX, MI 49720

Phone: (231) 881-0746

Reporting Waiver No

Names and Addresses of depositories or intended depositories of committee funds

Official Depository CHARLEVOIX STATE BANK
111 STATE ST
CHARLEVOIX, MI 49720

Secondary Depository



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

December 1, 2014


Margo Johnson
12233 Meanderline Road
Charlevoix, Michigan 49720

Dear Ms. Johnson:

The Department of State received a response to the complaint you filed against Roy C. Hayes, III, 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, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Sincerely,


Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Roy C. Hayes, III

HAYES LAW FIRM, P.L.L.C.

Attorneys and Counselors

Roy C. Hayes, III

Admitted in Michigan and Missouri

Joey Phelps, CLAS
Legal Assistant

209 Bridge Street
Charlevoix, Michigan 49720
Telephone (231) 547-1111
Facsimile (231) 547-1112

www.charlevoixlawyers.com

November 6, 2014
Via Email (hardcopy to follow)

BUREAU OF ELECTIONS
MI DEPT OF STATE

2014 NOV 26 PM 4: 07

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
430 West Allegan, 1st Floor
Lansing, MI 48918

RE: Campaign Finance Complaint filed by Margo Johnson against The Committee to Elect Roy C. Hayes, III Circuit Court Judge

Dear Ms. Bourbonais:

This is a response to the Campaign Finance Complaint filed against my campaign committee by Margo Johnson.

The "Dilworth Hotel" is a vacant building located downtown Boyne City owned by Tall Pines Investments, LLC (Robert Grove). The building is in the beginning stage of a multi-year restoration project. The owner of the building placed "Hayes for Judge" campaign signs on the property throughout the campaign. There were signs placed in several of the windows, which stated "Boyne City Headquarters." However, the building remained locked by the owner throughout the campaign, and it was only used for campaign purposes on three occasions. There were three two-hour "meet the candidate functions" held at the vacant hotel, two in July and one in October. The price of \$600, \$200 per event was agreed to by both parties and paid to the building's owner on October 24, 2014. This is reflected in the pre-general campaign statement.

Dilworth Yacht Brokers is a Boyne City business operated by Wesley Dilworth. Mr. Dilworth offered the use of a vacant room in the back of his office located at 120 Water Street for campaign "office hours." It was stated in a campaign committee Facebook post that I would be keeping regular office hours there on Friday afternoons. However, I only used Mr. Dilworth's office for this purpose on one occasion for about 1 1/2 hours in the month of May 2014. One person stopped in to talk to me for about ten minutes on this one occasion. Amended campaign statements will be filed next week indicating a \$100 in-kind contribution from Mr. Wesley Dilworth for the use of the room in his office on this one occasion.

Ms. Carrie Wakulat has been a personal friend for more than thirty years. She volunteered her personal services assisting the committee with graphic design work on campaign materials. Ms. Wakulat provided this assistance without any understanding or agreement that compensation would be received for the time and services she donated. Ms. Wakulat has never billed the committee for any of her assistance.

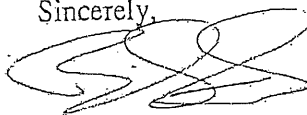
A "meet the candidate" reception was held at the Dilworth Hotel on Friday, July 11, 2014. The invitation, which was circulated by email and posted on the campaign Facebook page, stated "Contributions gratefully accepted!" This event was viewed by the committee as a "meet and greet" and not a fundraiser, so fundraising schedules were not submitted. All food and beverages at the event were donated voluntarily by individuals with the understanding that they would not be repaid by the committee. The cumulative costs of the food and beverages was less than the \$1000 annual limit per individual. All financial contributions received around the time of this event were reported as normal contributions to the committee. Amended campaign statements will be submitted with detailed fundraising schedules for this event next week.

A "meet the candidate" reception was held at the Charlevoix home of Mike and Alice Pung on June 21, 2014. The invitation for the event indicated a "suggested contribution" of \$50 per person - \$75 per couple. Mr. and Mrs. Pung voluntarily donated all the food and beverages at the event with the understanding that they would not be repaid by the committee. The cumulative costs of the food and beverages was less than the \$1000 annual limit per individual. All financial contributions received around the time of this event were reported as normal contributions to the committee. The costs of printing and mailing invitations were reported as normal campaign committee expenses. Amended campaign statements will be submitted with detailed fundraising schedules for this event next week.

It is my understanding that the committee treasurer has requested a waiver of the late filing fee for the late filed late contribution report regarding the \$5,000 loan to the committee made by my wife, Kendall Hayes. It is further my understanding that the committee initially did not believe that a late contribution report was required from loans from immediate family members of the candidate, because the form does not provide the option to report a loan. As soon as this error was discovered the late contribution report was filed.

Please let me know whether you need any additional information regarding any of the matters subject of this complaint. I can assure you that to the extent mistakes were made, they were honest mistakes. Neither I nor anybody on my committee knowingly filed incomplete or inaccurate statements or knowingly omitted or underreported contributions or expenditures.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy C. Hayes, III". The signature is stylized with large, sweeping loops and is positioned above the printed name.

Roy C. Hayes, III



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

April 20, 2015

The Honorable Roy C. Hayes III
Committee to Elect Roy C Hayes
For Judge
209 Bridge Street
Charlevoix, Michigan 49720

Dear Judge Hayes:

The Department of State (Department) has completed its investigation of the complaint filed against you by Margo Johnson, which alleged that you violated section 33 of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.233, by omitting certain expenditures from campaign statements and for failing to file fundraising reports. This letter concerns the disposition of Ms. Johnson's complaint, which was filed on October 9, 2014. You filed an answer on November 26, 2014. Ms. Johnson did not file a rebuttal statement with the Department.

The Department notes that Ms. Johnson also alleged that your committee late-filed a late contribution report, but as the Department noted in its October 16, 2014 Notice of Complaint letter, the Department had already assessed a late-filing fee for this report. The fee was paid by your committee on November 13, 2014.

In support of her complaint, Ms. Johnson provided a screenshot of a Roy C Hayes for Judge Facebook page which states "Team Hayes is coming to Boyne! Join us at the historic Dilworth Hotel Headquarters [,]" a screenshot from the same Facebook account which states "meet the candidate at the Dilworth Hotel [,]" a screenshot from the same Facebook account which states "Joe will be keeping office hours at Dilworth Yacht Brokers . . . on a regular basis throughout the campaign [,]" and copies of two different fundraiser flyers.

The MCFA requires candidate committees to file complete and accurate campaign finance statements and reports. MCL 169.233. A candidate 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). A candidate who knowingly omits or underreports a contribution or expenditure may be subject to a civil fine of up to \$1,000.00, or the amount of the undisclosed contribution or expenditure, whichever is greater. MCL 169.233(11).

In her complaint, Ms. Johnson alleged that the committee omitted in-kind contributions or expenditures in regard to space used at the Dilworth Hotel and Dilworth Yacht Brokers.

In your answer, you explained that the Dilworth Hotel is a vacant building undergoing restoration. You stated that "the building remained locked by the owner throughout the

campaign, and it was only used for campaign purposes on three occasions.” You indicated that the committee and the owner agreed on the price of \$600.00 for the use of the space, which the committee paid on October 24, 2014. This expenditure is accurately reflected on your committee’s 2014 Pre-General statement. You further explained that the operator of Dilworth Yacht Brokers “offered the use of a vacant room in the back of his office.” You also stated that although the Facebook post indicated you would be keeping regular office hours there, you only used the office for campaign purposes for about 1 ½ hours on one occasion. Your committee filed an amended 2014 Pre-Primary statement which reflects a \$100.00 in-kind contribution from Mr. Dilworth for the use of the room on one occasion.

Ms. Johnson further alleged that the committee omitted in-kind contributions or expenditures related to graphic design services.

The Act expressly excludes from the definition of “contribution:”

Volunteer personal services provided without compensation, or payments of costs incurred of less than \$500.00 in a calendar year by an individual for personal travel expenses if the costs are voluntarily incurred without any understanding or agreement that the costs shall be, directly or indirectly, repaid. MCL 169.204(3)(a).

You asserted that Carrie Wakulat is a personal friend who “volunteered her personal services assisting the committee with graphic design work on campaign materials.” You further asserted that “Ms. Wakulat provided this assistance without any understanding or agreement that compensation would be received for the time and services she donated” and the committee never received a bill for any of her assistance. No evidence has been provided to the contrary. Because Ms. Wakulat’s volunteer services are excluded from the definition of “contribution” in the Act, you were not required to report the services as an in-kind contribution. Therefore, this portion of Ms. Johnson’s complaint is dismissed.

Finally, Ms. Johnson alleged that the committee held two fundraisers, but did not file a fundraiser schedule for either.

You stated that your committee viewed the June 21, 2014 and July 11, 2014 events held by your committee as “meet and greets,” not “fundraisers,” and that while the committee properly disclosed all contributions and expenditures associated with the events, the committee was not aware that it was also required to file fundraising schedules in connection with these two events. However, once the issue was brought the committee’s attention, the committee filed an amended 2014 Pre-Primary campaign statement which included fundraiser schedules for both events.

When the above-mentioned omissions were brought to your attention, amended campaign statements were promptly filed, addressing the transactions.

Because these alleged violations were quickly corrected and the Department is satisfied that proper disclosure has now been made, in accordance with the Department’s authority to informally resolve complaints through corrective action, MCL 169.215(10), the Department now issues this warning letter.

The Department is advising you that section 33 requires you to timely file complete and accurate campaign finance statements and reports which disclose all contributions and expenditures made during the reporting period. Please be advised that this notice has served to remind you of your obligation under the Act to file complete and accurate statements, and may be used in future proceedings as evidence that tends to establish a knowing violation of the Act. A candidate who knowingly files an incomplete or inaccurate statement or knowingly omits or underreports a contribution or expenditure may be subject to civil fines of up to \$1,000.00 or the amount of the undisclosed contribution(s) or expenditure(s), whichever is greater. MCL 169.233(10), (11).

The Department now considers the complaint resolved and this matter closed.

Sincerely,

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

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Margo Johnson