



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

August 28, 2014

Mary Beth Kur
523 East Mitchell Street
Petoskey, Michigan 49770

Dear Ms. Kur:

The Department of State (Department) received a second formal complaint filed against you by Robert Taylor, alleging a violation of 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.* Copies of the complaint and supporting documentation are enclosed with this letter.

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).

Mr. Taylor alleges that you inaccurately reported or omitted contributions or expenditures related to a July 14, 2014 fundraiser for your candidate committee on your 2014 Pre-Primary campaign statement.

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.

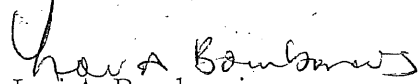
A copy of your reply will be provided to Mr. Taylor, who will have an opportunity to submit a rebuttal statement to the Department. After reviewing all of the statements and materials provided by the parties, the Department will determine whether "there may be reason to believe that a violation of [the MCFA] has occurred [.]". MCL 169.215(10). Note that the Department's

Robert Taylor
August 28, 2014
Page 2

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 dark ink, appearing to read "Lori A. Bourbonais". The signature is fluid and cursive, with the first name "Lori" being more prominent.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Robert Taylor

**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 Robert Taylor	Daytime Telephone Number 231-582-7460	
Mailing Address 2594 Eagle Island Road		
City Boyne City	State MI	Zip 49712

Section 2. Alleged Violator		
Name Mary Beth Kur		
Mailing Address 523 E. Mitchell Street		
City Petoskey	State MI	Zip 49770

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

Section(s) of the MCFA violated: **MCL 169.233(10), (11);**

Explain how those sections were violated:

The Fund Raiser Schedule, Event #2 is blatantly incorrect. Because the information is not accurate, the report violates MCL 169.233(10). Since the cost of the event was not accurately reported, the in-kind contributions is inaccurate as well as the contributions for the Pre-primary report which violates MCL 169.233(11)

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

See attached

2014 APR 12 PM 3:20

BUREAU OF ELECTIONS
MI 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

Robert H. Taylor
Signature of Complainant

8/20/2014
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:

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

STATEMENT OF VIOLATION AND EVIDENCE

Ms. Kur's pre-primary cs report states under event #2 that a fund raiser was held on July 14, 2014 at 08245 Western Avenue. The fund raiser report states that this was not a personal residence, but Ms. Kur's Facebook page states that it was held in the Kirby Home. See attached

The report is inaccurate since it states that there were no one in attendance, yet she raised \$2,200.00. Ms. Kur's Facebook site, which is attached, claims that the event was held at a residence. Comments posted from Dennis Halverson states that "It was a great evening, nice people and excellent hosts." Clearly there were people in attendance and this report is inaccurate and a violation of MCL 169.233(10)

Food [shrimp etc], beef, chocolate covered strawberries were provided. Ms. Kur's pre-primary report states she made an in-kind contribution on 7-14-14 for \$36.00 for plates and forks. Who paid for the food? Ms. Kur doesn't list the cost of the food as an in-kind expenditure from her. The hosts, the Kirby's, do not list the cost of the food as either a direct or in-kind contribution. No one is listed as contributing the food and costs for this fund raiser. This is a violation of MCL 169.233(11)

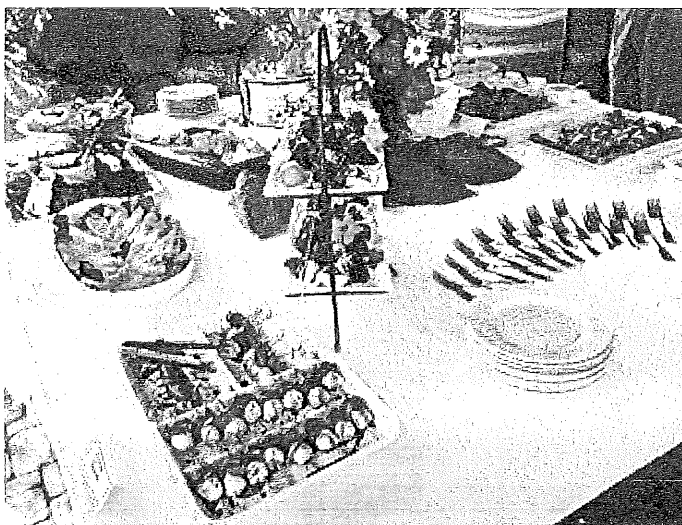
The pre-primary itemized direct contribution statement shows that \$2420 was received on July 14, 2014, the date of this fund raiser. The fund raiser report claims that \$2,200 was raised. Which is accurate? One is not accurate and a violation of MCL 169.233(11).

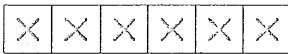
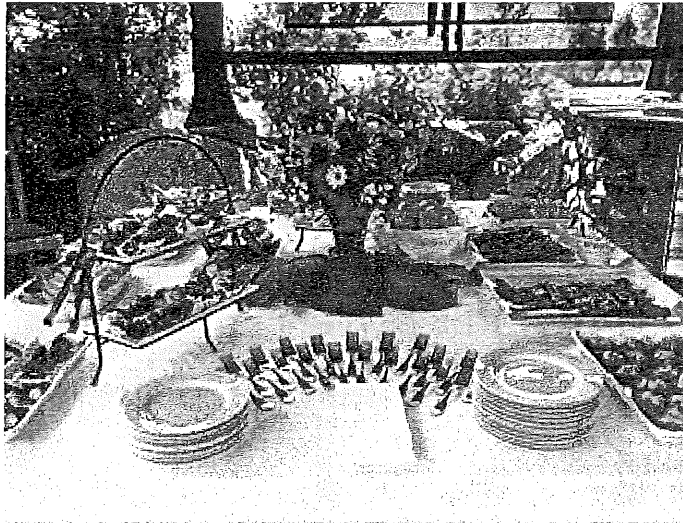


Mary Beth Kur for Judge

July 14

Thank you to Tom & Kathy Kirby for hosting a very successful event tonight at their beautiful Lake Charlevoix home. What a great evening! We are so grateful for all of the support we are receiving from all over the county. Life is good.





1 ShareLike · Comment

- Top Comments

Dennis Halverson, Mary Rose Elizabeth Johnson, Mary Hickman and 38 others like this.



- Remove

Dennis Halverson It was a great evening. Nice people and excellent hosts.

1 · July 16 at 1:31pm

Remove



- Remove

Glenda Wilhelm Beautiful table!

July 15 at 7:13pm

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Fund Raiser

- Committee Name: MARY BETH KUR FOR JUDGE
- Statement Type: PRE-PRIMARY CS
- Statement Year: 2014

Committee ID#: 516583

Committee Name: MARY BETH KUR FOR JUDGE

Event #1:

Date Event Was Held: 05/17/2014

Attendance: 200

Type of Fund Raising Activity: FUNDRAISER-DINNER

Address and Name of the place where the activity was held: VFW FUNDRAISER, P.O. BOX 753, CHARLEVOIX, MI, 49720

Private residence: No

Total Contributions of \$20.00 or less: \$2,580.00

Total Contributions of \$20.01 or more: \$1,945.00

SUBTOTAL: \$4,525.00

Other Receipts: \$0.00

Gross Receipts: \$4,525.00

Total Cost of Event: \$1,147.60

Event #2:

Date Event Was Held: 07/14/2014

Attendance: 0

Type of Fund Raising Activity: RECEPTION

**Address and Name of the
place
where the activity was
held:**

RECEPTION - KIRBY, 08245 WESTERN AVENUE,
CHARLEVOIX, MI, 49720

Private residence: No

Total Contributions of \$20.00 or less: \$0.00

Total Contributions of \$20.01 or more: \$2,200.00

SUBTOTAL: \$2,200.00

Other Receipts: \$0.00

Gross Receipts: \$2,200.00

Total Cost of Event: \$36.00

[Campaign Finance On-Line]

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

September 24, 2014

Robert Taylor
2594 Eagle Island Road
Boyer City, Michigan 49712

Dear Mr. Taylor:

The Department of State received a response to the complaint you filed against Mary Beth Kur, 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: Mary Beth Kur

Mary Beth Kur

— PLLC —

Attorney at Law

September 9, 2014

Lori A. Bourbonais
Department of State
Bureau of Elections
Richard H. Austin Bldg, 1st Floor
430 W. Allegan Street
Lansing, MI 48918

Dear Ms. Bourbonais:

This letter is written in response to the formal complaint filed on August 22, 2014 by Mr. Robert Taylor. I have attached a copy of the page that was changed in the amended report filed electronically that corrects the fact that Event #2 was located at a private residence and there were 14 individuals attending the event.

Thomas and Kathleen Kirby voluntarily provided the food and beverages which did not exceed \$1,000 per individual per year, which is allowed as an exemption from reporting by the Candidate Committee. No change has been made to the report for this item.

Mr. Taylor also makes reference to donations at the fundraiser of more than the \$2,200 as stated in the report. Additional funds were received on the same date, but were not received from individuals attending this event. No change has been made to the report for this item.

If you need anything further, please let me know.

Sincerely,



Mary Beth Kur

Enclosure

cc: Velda Kammerman

DEPT OF STATE

2014 SEP 12 P 3:21

BUREAU OF ELECTIONS

FUND RAISERS (1F) CANDIDATE COMMITTEE

• Committee ID 516583-0
 • Committee Name Mary Beth Kur for Judge
 • Document Name Amended - Pre-Election Primary

4156- -No-Change

Date of event: 05/17/2014 #Attending: 200 <=\$20: 2580.00 >\$20: 1945.00 Other: 0.00 Total Cost of Event: 1147.60

Event: Fundraiser-Dinner
 Address1: VFW Fundraiser
 Address2: P.O. Box 753
 City: Charlevoix State: MI
 Zip: 49720
 Private:

Co-sponsors

Contrib%

Expend%

4562- -Change

Date of event: 07/14/2014 #Attending: 14 <=\$20: 0.00 >\$20: 2200.00 Other: 0.00 Total Cost of Event: 36.00

Event: Reception
 Address1: Reception - Kirby
 Address2: 08245 Western Avenue
 City: Charlevoix State: MI
 Zip: 49720
 Private: X

Co-sponsors

Contrib%

Expend%



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

October 6, 2014

Mary Beth Kur
523 East Mitchell Street
Petoskey, Michigan 49770

Dear Ms. Kur:

This letter concerns the complaint that was recently filed against you by Robert Taylor, which relates to purported violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* The Department of State has received a rebuttal statement from the complainant, a copy of which is enclosed with this letter.

Section 15(10) of the MCFA, MCL 169.215(10), requires the Department to determine within 60 business days from the receipt of the rebuttal statement whether there is a reason to believe that a violation of the Act has occurred. Mr. Taylor's complaint remains under investigation at this time. At the conclusion of the review, all parties will receive written notice of the outcome of the complaint.

Sincerely,

A handwritten signature in cursive script that reads "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Robert Taylor

Lori A. Bourbonais
Department of State
Bureau of Elections
Richard H. Austin Bldg., 1st Floor
430 W. Allegan Street
Lansing, MI 48918

2014 OCT -3 PM 3:12

BUREAU OF ELECTIONS
MI DEPT OF STATE

Re: Rebuttal Statement to Ms. Kur's statement

Dear Ms. Bourbonais:

This is the second violation that Ms. Kur has committed in this election. In the first violation, she acknowledged that her billboard did not have the proper disclosure statement. In this violation, she again admits that filing was incorrect and she apparently corrected the two violations by enclosing an Amended- Pre-Election primary report. On that report, Ms. Kur corrected the number of persons attending the event and that the event was held in a private residence.

Ms. Kur states that the food and beverages are exempt from the reporting requirements since the apparent value did not exceed \$1,000.00 per individual per year. I respectfully disagree with that conclusion.

According to the MERTS Online Candidate Committee Manual, contained in the Contributions and Other Receipts, In-Kind contribution is defined as:

In-kind Contribution: In-kind contributions are goods, services and facilities donated or loaned to the committee at no cost or at a discount. An in-kind contribution could be a donation of postage stamps, paying off a debt incurred by the committee or donating professional services to the committee. The value of an in-kind contribution is the fair market value of the goods or services or the usual rental charge of the facility. If the committee receives a discount unavailable to the general public, the value of the in-kind contribution is the amount discounted.

In-Kind contributions are considered contributions for the purpose of knowing if the person donating the in-kind goods or services reaches the threshold for reporting purposes. In this case, if the value of the food and beverages were \$101, then Ms. Kur would have to list the name and address, occupation and other identifying information pursuant to the statute.

According to the 2012 MEMO in PDF form regarding in-kind contributions put out by the Michigan Secretary of State, states:

In- Kind Contributions

A contribution of goods or services (not money)

Reported on Schedule 1 1-IK (Select to see Form)

Value of goods or services counts towards contributions limits for the election cycle
(accumulates with direct contributions)

Value reported must reflect usual and normal market value (the value of special discounts would count as an in-kind contribution)

In-kind contributions must be disclosed regardless of the amount

Also, according to the 2014 Candidate MEMO put out by the Elections Bureau/Secretary of State, In-kind contributions must even be reported if they happen during the Late Contribution Reporting period. The memo states:

A Late Contribution Report must be received by this office within 48 hours after the committee's receipt of the contribution. **This includes contributions received by the candidate; both direct and in-kind.** A Late Contribution Report must contain the date and amount of the contribution along with the contributor's name, street address, occupation, employer and principal place of business.

If you take the logic of Ms. Kur, if she were to receive this type of in-kind of contribution during the Late Contribution Reporting Period and the fair market value of the in-kind donation was \$750, she would claim that she did not have to report that in-kind contribution since it was below the \$1,000.00 threshold. Obviously this is incorrect. The fair market value of the in-kind contribution would dictate if it is over the threshold for triggering the late contribution report and likewise would trigger if the value was over \$100, it would trigger the normal reporting requirements.

Lastly, MCLA 169.226 states in pertinent part:

169.226 Campaign statement of committee other than political party committee; contents; report; list of expenditures; bundled contribution.

Sec. 26.

(1) A campaign statement of a committee, other than a political party committee, required by this act shall contain all of the following information:

(a) The filing committee's name, address, and telephone number, and the full name, residential and business addresses, and telephone numbers of the committee treasurer or other individual designated as responsible for the committee's record keeping, report preparation, or report filing.

(b) Under the heading "receipts", the total amount of contributions received during the period covered by the campaign statement; under the heading "expenditures", the total amount of expenditures made during the period covered by the campaign statement; and the cumulative amount of those totals. Forgiveness of a loan shall not be included in the totals. Payment of a loan by a third party shall be recorded and reported as an in-kind contribution by the third party.

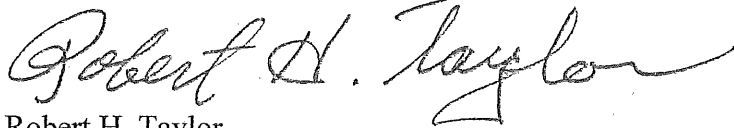
In-kind contributions or expenditures shall be listed at fair market value and shall be reported as both contributions and expenditures. A contribution or expenditure that is by other than completed and accepted payment, gift, or other transfer, that is clearly not legally enforceable, and that is expressly withdrawn or rejected and returned before a campaign

statement closing date need not be included in the campaign statement and if included may, in a later or amended statement, be shown as a deduction, but the committee shall keep adequate records of each instance.

The purpose of this law is to have transparency in the reporting of all contribution, expenditures, fundraisers etc. when a person chooses to run for office. Ms. Kur has violated this law with her billboard and again with the failure to accurately report her contributions and expenditures. She attempted to "correct" the latest violation but she did not follow the law and list this in-kind contribution as the law mandates. She is an attorney and has run for office before. She is presumed to know the law.

This office must hold her accountable to the law and require that she accurately and finally submit a correct pre-primary report reflecting the fair market value of the food and beverages for this event, who paid the food and beverages and any other requirements of the law. I ask that this office issue its ruling on the previous acknowledged violation and this acknowledged violation forthwith.

Sincerely,

A handwritten signature in cursive script that reads "Robert H. Taylor". The signature is fluid and extends across the width of the page.

Robert H. Taylor
02594 Eagle Island Road
Boyne City, MI 49712

9/30/2014

Mary Beth Kur
for
Circuit Judge

October 21, 2014

Lori A. Bourbonais, Bureau of Elections
Michigan Department of State
Richard H. Austin Building, 1st Floor
430 W. Allegan
Lansing, MI 48918

BUREAU OF ELECTIONS
2014 OCT 24 P 2:57
DEPT OF STATE

Re: Your correspondence dated October 6, 2014

Dear Ms. Bourbonais:

I am writing to reply to the claims made by Robert Taylor in his rebuttal that was received in your office on October 3, 2014. Simply stated, I would point to the following statutory authority:

Section 169.204 (3) Contribution does not include any of the following

Section 169.204 (3) b says food and beverages, not to exceed \$1,000 in value during a calendar year, that are donated by an individual and for which reimbursement is not given.

Therefore there is nothing to report as all of the above apply to the fundraiser Mr. Taylor erroneously complained about.

Sincerely,



Mary Beth Kur



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

January 5, 2015

Mary Beth Kur
523 East Mitchell Street
Petoskey, Michigan 49770

Dear Ms. Kur:

The Department of State (Department) has completed its investigation of the complaint filed against you by Robert Taylor, which alleged that you violated section 33 of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.233, by inaccurately reporting or omitting contributions or expenditures related to your July 14, 2014 fundraiser on your 2014 Pre-Primary campaign statement. This letter concerns the disposition of Mr. Taylor's complaint, which was filed on August 22, 2014. You filed an answer on September 12, 2014, and Mr. Taylor filed a rebuttal statement on October 3, 2014.

In support of his complaint, Mr. Taylor provided the Fundraiser Schedule from your 2014 Pre-Primary Statement which indicates that your July 14, 2014 fundraiser was not held at a private residence, 0 people attended, \$2,200.00 in contributions were received, and the total cost of the event was \$36.00. Mr. Taylor also provided a printout of a July 14, 2014 post from your candidate Facebook page which states, "Thank you to Tom & Kathy Kirby for hosting a very successful event tonight at their beautiful Lake Charlevoix home." The post includes pictures of food.

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 his complaint, Mr. Taylor alleged that you held a fundraiser on July 14, 2014 and filed an incorrect Fundraiser Schedule with your 2014 Pre-Primary campaign statement by incorrectly reporting that the event was not held at a private residence and that 0 people attended the event. Mr. Taylor further alleged that you inaccurately reported on the Fundraiser Schedule the amount of contributions received at the event and failed to report expenditures for food for the event.

In your answer, admit that your Original 2014 Pre-Primary Fundraiser Schedule is inaccurate, but that you amended your 2014 Pre-Primary campaign statement Fundraiser Schedule to reflect that the July 14, 2014 event was held at a private residence and 14 people attended. You provided a printout of a screen shot of a MERTS report which shows these changes were made. However, it does not appear that the Department received an Amended 2014 Pre-Primary Statement from

you with an updated Fundraiser Schedule. **By January 14, 2015, please file an Amended 2014 Pre-Primary Statement with the Department, which reflects that the 2014 fundraising event was held at a private residence and 14 people attended.**

You further explained that your 2014 Pre-Primary report accurately reflected \$2,200.00 in contributions received at the July 14, 2014 fundraising event, and that no expenditure for food was reported because "Thomas and Kathleen Kirby voluntarily provided the food and beverages which did not exceed \$1,000.00 per individual per year [,]" making the contribution exempt from the reporting requirement.

The Act expressly excludes from the definition of "contribution" food and beverages donated by an individual for which reimbursement is not given when the value does not exceed \$1,000.00 in a calendar year. MCL 169.204(3)(b). You asserted that Thomas and Kathleen Kirby donated the food and beverages for the July 14, 2014 fundraiser and that the cost did not exceed \$1,000.00 each. No evidence has been provided to the contrary. Mr. Taylor contends that the cost for the food and beverage should have been reported as an in-kind contribution. However, the MCFA defines an "in-kind contribution" as "a *contribution* . . . other than money." MCL 169.209(3). Because donated food and beverages under the \$1,000.00 in a calendar year threshold are excluded from the definition of "contribution" in the Act, you were not required to report the food and beverages donated by Mr. and Mrs. Kirby as in-kind contributions on your 2014 Pre-Primary Statement. Therefore, this portion of Mr. Taylor's complaint is dismissed.

In your answer you also asserted that your Fundraiser Schedule accurately reflected the amount of contributions received at the July 14, 2014 fundraiser. You stated that additional funds were received on the same date as the fundraiser, but those additional funds were not received from individuals attending the fundraising event. This is not an unusual occurrence. Absent any evidence to the contrary, the Department takes you at your word, and this portion of Mr. Taylor's complaint is also dismissed.

If the Department receives your Amended 2014 Pre-Primary Statement by January 14, 2015 and that statement accurately reflects the location of your July 14, 2014 fundraiser and the number of people in attendance at that fundraiser, no further enforcement action will be taken.

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Robert Taylor