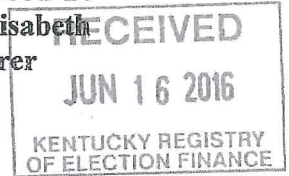


PAID

KENTUCKY REGISTRY OF ELECTION FINANCE
CASE NO. 2016-14

06-16-2016
DATE 19625528788

In re: Campaign Fund of Gatewood/Anderson Gubernatorial Slate, Gatewood B.
Gatewood (a/k/a Terrill Newman), Candidate for Governor, Elisabeth
Anderson, Candidate for Lieutenant Governor, Don Vazmina, Treasurer



CONCILIATION AGREEMENT

This Conciliation Agreement, entered by and between the Kentucky Registry of Election Finance (Registry) and Respondent Gatewood B. Gatewood (a/k/a Terrill Newman) (Gatewood), Candidate for Governor and acting Treasurer of the Gatewood/Anderson Gubernatorial Slate Campaign Fund (Gatewood/Anderson 2015), arises as a result of audit findings in a statutorily mandated audit of Gatewood/Anderson 2015 for the 2015 general election. See KRS 121.120(4)(k). The Registry's auditor discovered possible campaign finance violations in the normal course of performing his duties and notified the Registry's General Counsel.

Gatewood, in his capacity as Candidate for Governor, Elisabeth Anderson (Anderson), Candidate for Lieutenant Governor, and Don Vazmina (Vazmina), named Treasurer of Gatewood/Anderson 2015, were notified of the audit findings pursuant to KRS 121.140 and 32 KAR 2:030, Section 5, and given an opportunity to respond. Following a response filed by Gatewood on March 3, 2016, the Registry's General Counsel issued a Supplemental Staff Report and Recommendations on March 14, 2016 recommending findings against Gatewood and dismissal of the charges against Anderson and Vazmina.

Gatewood attended and appeared before the Registry at its March 23, 2016 meeting. At the meeting, the Registry approved the General Counsel's recommendations, and found probable cause to believe that Gatewood, acting for and on behalf of the Gatewood/Anderson 2015, violated KRS 121.120(6)(h), by failing to electronically report the campaign finances of

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Gatewood/Anderson 2015 during the 2015 general election; and further violated KRS 121.220(1) and (2) by failing to designate a primary campaign depository in connection with the gubernatorial slate campaign. JWN 6-12-16

NOW, THEREFORE, the Registry and Gatewood, acting for and on behalf of Gatewood/Anderson 2015, having duly entered into conciliation pursuant to KRS 121.140(2), do hereby agree as follows:

1. The Registry has jurisdiction over Gatewood and the subject matter of this administrative action. JWN 6-12-16

2. Gatewood received a reasonable opportunity to demonstrate that no action should be taken in this matter and waives the right to further hearings. JWN 6-12-16

3. For and on behalf of the Gatewood/Anderson 2015, Gatewood enters voluntarily, with full knowledge and understanding, into this Conciliation Agreement with the Registry. JWN 6-12-16

4. The pertinent facts and law in this matter are as follows:

a. Gatewood notified the Registry of his candidacy for Governor on October 20, 2015, naming Don Vazmina as Treasurer of Gatewood/Anderson 2015. JWN 6-12-16

b. Gatewood's sole Election Finance Statement, received by the Registry on December 3, 2015, reflects that Gatewood/Anderson 2015 terminated its general election campaign activities on December 3, 2015, after spending \$1,168.16 in the general election reporting period. JWN 6-12-16

c. Pursuant to KRS 121.120(4)(k), the Registry audited Gatewood/Anderson 2015. JWN 6-12-16

- d. The Registry's audit revealed that the Gatewood/Anderson 2015 had apparently violated KRS 121.120(6)(h), by failing to electronically report campaign finances during the 2015 general election; and KRS 121.220(1) and (2), by failing to designate a primary campaign depository in connection with the gubernatorial slate campaign. JNN 6-12-16
- e. KRS 121.120(6)(h) requires slates of candidates running for statewide office, beginning with elections scheduled in 2015, to electronically report all election finance reports that must be submitted to the registry under KRS Chapter 121. JNN 6-12-16
- f. KRS 121.220(1) and (2) requires a candidate to designate one (1) primary campaign depository to deposit all contributions and disburse all expenditures made in connection with the candidate's campaign. JNN 6-12-16
- g. In response to the Registry's Staff Report regarding the alleged violation of KRS 121.120(6)(h), Gatewood^{xx} admitted^{that} that he failed to file the Election Finance Statement in an electronic format, because he assumed that he would spend less than \$1,000 in the campaign, which he ended up exceeding and resulted in the requirement to file an Election Finance Statement. JNN 6-12-16
- h. In further response regarding the alleged violations of KRS 121.220(1) and (2), Gatewood further stated that he did not open a campaign account because he intended to accept no contributions and to spend \$1,000 or less of his own money. JNN 6-12-16

i. At its March 23, 2016 regular meeting, the Registry approved the General Counsel's recommendations, specifically finding that Gatewood/Anderson 2015, by and through its gubernatorial Candidate and acting Treasurer, Gatewood B. Gatewood, violated KRS 121.120(6)(h), by failing to electronically report the gubernatorial slate's campaign finances during the 2015 general election; and KRS 121.220(1) and (2), by failing to designate a primary campaign depository. *TWN 6-12-16*

j. For purposes of settlement, the Registry finds and Gatewood, for and on behalf of Gatewood/Anderson 2015, agrees that Gatewood's failure to electronically report the campaign finances of Gatewood/Anderson 2015 constitutes a violation of KRS 121.120(6)(h). Furthermore, Gatewood's failure to designate a primary campaign depository in connection with his campaign for Governor constitutes a violation of KRS 121.220(1) and (2). *TWN 6-12-16*

5. For purposes of settlement, the Registry finds and Gatewood, for and on behalf of the Gatewood-Anderson 2015, agrees the above-referenced violations occurred; however, the violations were not committed knowingly. *Thank You TWN 6-12-16*

6. Pursuant to KRS 121.140(2) and as a result of the above-cited violations, Gatewood, for and on behalf of the Gatewood/Anderson 2015, agrees to remit herewith a civil penalty for the above-referenced violations in the amount of \$100.00 by check or money order payable to the Kentucky State Treasurer. *Your Kindness Appreciated TWN 6-12-16*

7. The Registry reserves the right to review compliance with this Conciliation Agreement. If the Registry believes that Gatewood has not complied with the terms and/or

conditions of this Conciliation Agreement, the Registry may institute a civil action in Franklin Circuit Court to enforce this Conciliation Agreement pursuant to KRS 121.140(3). *TWN 6-12-16*

8. Upon execution of this Conciliation Agreement by the parties herein, payment of the assessed civil penalty, and approval of the Conciliation Agreement by the Registry, this Conciliation Agreement shall become effective and this complaint will be dismissed with "prejudice." *noted TWN 6-12-16*

9. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable. *TWN 6-12-16*

10. It is agreed and understood that the specific terms of this Conciliation Agreement are deemed confidential until executed by the parties hereto. Upon execution of this Conciliation Agreement by all parties hereto, this Conciliation Agreement shall become a matter of public record and the statutory requirement of confidentiality shall no longer apply to this Conciliation Agreement in accordance with 32 KAR 2:050 § 2. *TWN 6-12-16*

FOR THE KENTUCKY REGISTRY OF ELECTION FINANCE:



John R. Steffen, Executive Director

9/29/16

Date

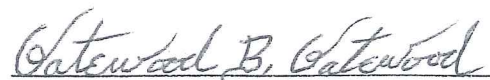


Emily Dennis, General Counsel

29 Sept 2016

Date

FOR THE GATEWOOD-ANDERSON CAMPAIGN FUND:



Gatewood B. Gatewood (a/k/a Terrill W. Newman)
(aka Terrill W. Newman)

06-12-2016

Date