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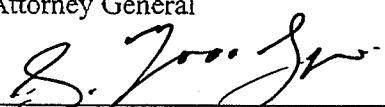
STATE OF WASHINGTON  
THURSTON COUNTY SUPERIOR COURT


STATE OF WASHINGTON,  
  
Plaintiff,  
  
v.  
  
TERESA PURCELL, individually, and  
PEOPLE FOR TERESA PURCELL, a  
candidate political committee,  
  
Defendants.

NO. 16-2-04959-34  
  
STIPULATION AND AGREED  
ORDER GRANTING LEAVE TO  
THE STATE TO FILE FOURTH  
AMENDED COMPLAINT

The parties, Plaintiff, State of Washington, and Defendants, Teresa Purcell and People for Teresa Purcell, hereby stipulate that the State may file the attached Fourth Amended Complaint of the State of Washington in these proceedings. The Fourth Amended Complaint is filed with the consent of the adverse parties, Teresa Purcell and People for Teresa Purcell, as provided in Civil Rule 15(a).

DATED this 25<sup>TH</sup> day of May, 2018.

ROBERT W. FERGUSON  
Attorney General  
  
LINDA A. DALTON, WSBA No. 15467  
Senior Assistant Attorney General  
S. TODD SIPE, WSBA No. 23203  
Assistant Attorney General  
Attorneys for Plaintiff State of Washington

PERKINS COIE LLP  
  
WILLIAM C. RAVA, WSBA No. 29948  
LAUREN STANIAR, WSBA No. 48741  
Attorneys for Defendants Teresa Purcell  
and People for Teresa Purcell

ORDER

This matter came before the Court on the parties' stipulation to allow the State to file a Fourth Amended Complaint. The Court considered the parties' agreement and the proposed Fourth Amended Complaint and having determined that no prejudice exists to either party from the granting of leave for the State to file its Fourth Amended Complaint, now, therefore, it is

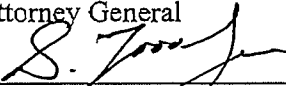
ORDERED that Plaintiff State of Washington is granted leave to file a Fourth Amended Complaint.

DONE IN OPEN COURT this \_\_\_\_\_ day of May, 2018.


\_\_\_\_\_  
JUDGE JAMES J. DIXON

PRESENTED BY:

ROBERT W. FERGUSON  
Attorney General

  
\_\_\_\_\_  
LINDA A. DALTON, WSBA No. 15467  
Senior Assistant Attorney General  
S. TODD SIPE, WSBA No. 23203  
Assistant Attorney General  
Attorneys for Plaintiff State of Washington

AND:

PERKINS COIE LLP  
 5/24/18  
\_\_\_\_\_  
William C. Rava, WSBA No. 29948  
Lauren Staniar, WSBA No. 48741  
Attorneys for Defendants Teresa Purcell  
and People for Teresa Purcell

1  EXPEDITE  
2  No Hearing Set  
3  Trial is Set

4 Date: Monday, August 20, 2018

5 Time: 8:30 a.m.

6 Judge James J. Dixon

7 **STATE OF WASHINGTON**  
8 **THURSTON COUNTY SUPERIOR COURT**

9 STATE OF WASHINGTON,

10 Plaintiff,

11 v.

12 TERESA PURCELL, individually, and  
13 PEOPLE FOR TERESA PURCELL, a  
candidate political committee,

14 Defendants.

NO. 16-2-04959-34

FOURTH AMENDED COMPLAINT  
FOR CIVIL PENALTIES AND FOR  
INJUNCTIVE RELIEF FOR  
VIOLATIONS OF RCW 42.17A

15 **I. NATURE OF ACTION**

16 Plaintiff STATE OF WASHINGTON (State) brings this action to enforce the state's  
17 campaign finance disclosure law, RCW 42.17A. The State alleges that Defendants, TERESA  
18 PURCELL, individually, and PEOPLE FOR TERESA PURCELL, a candidate political  
19 committee, violated provisions of RCW 42.17A by failing to 1) timely report debts, orders  
20 placed, or obligations incurred by Defendants, 2) timely report contributions and expenditures,  
21 and 3) report employer and occupation information for campaign contributors giving more than  
22 \$100. The State seeks relief under RCW 42.17A.750 and .765, including penalties, costs and  
23 fees, and injunctive relief.  
24  
25  
26

1 **II. PARTIES**

2 2.1 Plaintiff is the STATE OF WASHINGTON (State). Acting through the  
3 Washington State Public Disclosure Commission, Attorney General, or a local prosecuting  
4 attorney, the State enforces the state campaign finance disclosure laws contained in  
5 RCW 42.17A.

6 2.2 Defendant TERESA PURCELL (Purcell) was a 2016 candidate for the state  
7 House of Representatives (19th Legislative District) during the relevant time periods. As such,  
8 she was expected to comply with the provisions of RCW 42.17A.

9 2.3 Defendant PEOPLE FOR TERESA PURCELL (Campaign) is a political  
10 committee registered by Defendant Purcell as her candidate committee on April 29, 2016. As  
11 such, the Campaign was expected to comply with the provisions of RCW 42.17A.

12 **III. JURISDICTION AND VENUE**

13 3.1 This Court has subject matter jurisdiction over the present case, in accordance  
14 with RCW 42.17A. The Attorney General has authority to bring this action pursuant to  
15 RCW 42.17A.765.

16 3.2 This Court has personal jurisdiction over Defendants, a resident of the State of  
17 Washington and a political committee registered and reporting in the State of Washington,  
18 respectively. Additionally, some or all of the acts complained of here took place in Thurston  
19 County in the State of Washington.

20 3.3 Venue is proper in this Court pursuant to RCW 4.12.020(1).

21 **IV. FACTUAL ALLEGATIONS**

22 4.1 RCW 42.17A declares as a matter of public policy “[t]hat political campaign  
23 and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is  
24 to be avoided.” RCW 42.17A.001(1). Further the statute provides that the provisions of the law  
25 “shall be liberally construed to promote complete disclosure of all information respecting the  
26 financing of political campaigns. . . .”

1 4.2 Washington's campaign finance law requires a campaign to timely report  
2 contributions received. The information required to be disclosed includes the name and address  
3 of the source of contributions that exceed \$25 in the aggregate, and the employer and  
4 occupation of any individual contributor giving more than \$100 in the aggregate. RCW  
5 42.17A.240; WAC 390-16-037. Contribution disclosures are reported on a Public Disclosure  
6 Commission form "C-3" which is called the "Cash Receipt Monetary Contributions" form.

7 4.3 Washington's campaign finance law also requires a campaign to timely report  
8 expenditures of a candidate's campaign including any debts incurred by the campaign.  
9 RCW 42.17A.235, .240(8); RCW 42.17A.005(20). The PDC form to report expenditures is  
10 called a "Summary, Full Report Receipts and Expenditures" and is a form "C-4." An  
11 expenditure is defined to include "a *promise to pay*, . . . . For the purposes of this chapter,  
12 agreements to make expenditures, contracts, and promises to pay may be reported as estimated  
13 obligations until actual payment is made." RCW 42.17A.005(20). Thus, a campaign is required  
14 to report debts incurred.

15 Citizen Action Notices

16 4.4 On or about April 18, 2016, Defendant Purcell registered and paid for a web  
17 domain name called "peopleforPurcell.com." On April 29, 2016, Defendant Purcell filed a  
18 Candidate Registration form C-1, registering her candidate committee (Defendant People for  
19 Teresa Purcell).

20 4.5 On or about October 14, 2016, the Attorney General's Office and prosecuting  
21 attorney for Cowlitz County received a citizen action notice (First Notice) submitted pursuant  
22 to RCW 42.17A.765 from complainant Glen Morgan. Mr. Morgan alleged multiple violations  
23 of the state campaign finance disclosure laws by Defendants.

24 4.6 Defendants were provided a copy of the First Notice and responded.

25 4.7 On or about May 3, 2017, the Attorney General's Office and prosecuting  
26 attorney for Cowlitz County received a second citizen action notice (Second Notice) from the

1 same complainant alleging additional violations of the state campaign finance disclosure law  
2 by Defendants.

3 4.8 Defendants were provided a copy of the Second Notice and responded.

4 4.9 On or about September 8, 2017, the Attorney General's Office and prosecuting  
5 attorney for Cowlitz County received a third citizen action notice (Third Notice) from the same  
6 complainant alleging additional violations of the state campaign finance disclosure law by  
7 Defendants.

8 4.10. Defendants were provided a copy of the Third Notice and responded.

9 4.11 On or about February 7, 2018, the Attorney General's Office and prosecuting  
10 attorney for Cowlitz County received a fourth citizen action notice (Fourth Notice) from the  
11 same complainant alleging additional violations of the state campaign finance disclosure law  
12 by Defendants.

13 4.12 Defendants were provided a copy of the Fourth Notice and responded.

14 4.13 On April 28, 2018, the Attorney General's Office and prosecuting attorney for  
15 Cowlitz County received a fifth citizen action notice (Fifth Notice) from the same complainant  
16 alleging additional violations of the state campaign finance disclosure law by Defendants.

17 4.14 Defendants were provided a copy of the Fifth Notice. The allegations in the  
18 Fifth Notice were generated by reports filed by Defendants in response to the State's Third  
19 Amended Complaint and its allegations.

20 Failure to Report Debts, Orders Placed, and Obligations

21 4.15 During the course of their campaign, Defendants purchased services to promote  
22 Defendant Purcell's election to the state representative position. These services included video  
23 and film creation, written political advertising, cable advertising, digital ads, radio spots, and  
24 yard signs. These services were used during both the primary and general election time frames  
25 for the campaign.  
26

1 4.16 Defendants should have disclosed as debts the value of any services that were  
2 contracted for by Defendants in one month but not paid for until a later month. On information  
3 and belief, these debts were reported late.

4 4.17 During the course of the campaign, Defendants failed to timely or properly  
5 disclose on their Summary, Full Report Receipts and Expenditures form C-4, all debts, orders  
6 placed, or obligations incurred by the campaign. Rather, Defendants only reported  
7 expenditures once an invoice for services was provided and paid. Defendants admit not timely  
8 reporting certain debts, orders placed, or obligations. Disclosure would have been required on  
9 the report for the period the debt or obligation was incurred or when the order was placed, and  
10 payment not yet rendered.

11 Failure to Report Contributions and Expenditures

12 4.18 Based on information and belief, during the course of the campaign, Defendants  
13 failed to timely disclose all contributions they received as required on C-3 reports. The late  
14 reported contributions included monetary contributions and in-kind contributions for  
15 photography and a political advertisement.

16 4.19 Based on information and belief, during the course of the campaign, Defendants  
17 failed to timely and properly disclose all expenditures made by the campaign as required on C-  
18 4 reports. Defendants both failed to timely report certain expenditures, over-reported the value  
19 of certain expenditures, and under-reported the value of other expenditures.

20 Failure to Report Contributor Employer and Occupation Information

21 4.20 On or about May 10, 2016, Defendants began disclosing receipt of contributions  
22 on the PDC form C-3. During the course of the campaign, Defendants failed to identify the  
23 employer and occupation information for certain contributors for whom such a disclosure  
24 obligation existed because the contributor gave more than \$100 to Defendants' campaign.  
25 Defendants admitted to failing to provide employer and occupation information on 36  
26 contributors and included the information on the response. They did not amend any of

1 Defendants' form C-3 contribution disclosure reports to provide the required information as  
2 required by law. In total, Defendants failed to properly and timely report employer and  
3 occupation information for 42 contributors.

#### 4 V. CLAIMS

5 The State re-alleges and incorporates by reference all the factual allegations contained  
6 in the preceding paragraphs, and based on those allegations, makes the following claims:

7 5.1 First Claim: The State reasserts the factual allegations made above and further  
8 asserts that Defendants in violation of RCW 42.17A.235 and .240 failed to timely and properly  
9 report debts, orders placed, and obligations as those debts and obligations were incurred by  
10 Defendants.

11 5.2 Second Claim: The State reasserts the factual allegations made above and  
12 further asserts that Defendants, in violation of RCW 42.17A.235, failed to timely disclose  
13 contributions they received.

14 5.3 Third Claim: The State reasserts the factual allegations made above and further  
15 asserts that Defendants, in violation of RCW 42.17A.235, failed to timely, fully, and accurately  
16 disclose expenditures they made.

17 5.4 Fourth Claim: The State reasserts the factual allegations made above and further  
18 asserts that Defendants in violation of RCW 42.17A.235 and .240 failed to properly and timely  
19 report the required employer and occupation for those contributors providing more than \$100  
20 in contributions to Defendants.

21 5.5 Fifth Claim: The State reasserts the factual allegations made above and further  
22 asserts that the actions of Defendants stated in the above claims were negligent and/or  
23 intentional.

#### 24 VI. REQUEST FOR RELIEF

25 WHEREFORE, the State requests the following relief as provided by statute:  
26





**PROOF OF SERVICE**

1 I certify that, pursuant to the agreement of the parties' electronic service agreement, I  
2 served the State's Fourth Amended Complaint today on:

3 William C. Rava  
4 Lauren Staniar  
5 Counsel for Defendants  
6 Perkins Coie  
7 *WRava@perkinscoie.com*  
*LStaniar@perkinscoie.com*  
*TBrandon@perkinscoie.com*

8 I certify under penalty of perjury under the laws of the state of Washington that the  
9 foregoing is true and correct.

10 DATED this 25th day of May, 2018, at Olympia, Washington.

11  
12 \_\_\_\_\_  
13 S. TODD SIPE