

BEFORE THE
MISSOURI ETHICS COMMISSION

Filed
JUN 24 2011
Missouri Ethics
Commission

MISSOURI ETHICS COMMISSION)
)
Petitioner,)
)
v.) No. 10A129
)
TERRY STONE, Candidate)
)
and)
)
STONE FOR NKC SCHOOLS, Committee)
)
Respondents.)

CONSENT ORDER

The parties having filed a Joint Stipulation of Facts, Waiver of Hearings before the Missouri Ethics Commission, and Consent Order with Proposed Findings of Fact and Conclusions of Law (“Joint Stipulation”) with the Missouri Ethics Commission in this matter. The Missouri Ethics Commission hereby accepts as true the facts stipulated and finds that the Respondents Terry Stone and Stone for NKC Schools have violated §130.016 RSMo, §130.046, RSMo, §130.041.1(3)(a) , RSMo, and §130.041. 1(4)(d), RSMo as stated in the Joint Stipulation.

The Commission directs that all terms and orders of the Joint Stipulation be adopted herein and implemented.

a. Respondents agree that they will comply with all relevant sections of Chapter 130, RSMo.

b. It is the order of the Missouri Ethics Commission that a fee is imposed against the Respondents Terry Stone and Stone for NKC Schools in the amount of \$6,000.00 pursuant to §105.961.4(6) RSMo. However, if Respondents pay \$600.00 of

that fee within 45 days after the date of the Order, the remainder of the fee will be stayed for two years, subject to the provisions below. The fee will be paid by check or money order made payable to the Missouri Ethics Commission and sent to the Missouri Ethics Commission.

c. If Respondents Terry Stone and Stone for NKC Schools have not committed any further violations of the campaign finance disclosure laws pursuant to Chapter 130, RSMo., during the two year stay, then the Respondents will not be required to pay the remainder of the fee. If, however, either Respondent is found to have violated the campaign finance laws pursuant to Chapter 130, RSMo. 2000, during this two year stay, Respondents will be required to pay the remainder of the fee as originally imposed by the Commission. The fee will be due immediately upon final adjudication finding probable cause of such a violation.

SO ORDERED this 24th day of June, 2011.

By: _____

Jim Wright

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 STONE FOR NKC SCHOOLS, Committee)
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 Respondents.)

JOINT STIPULATION OF FACTS AND LAW AND ORDER

COMES NOW Petitioner Missouri Ethics Commission, by and through Counsel, and Respondent Terry Stone and Stone for NKC Schools, by and through Counsel, and stipulate to the following facts:

1. The Missouri Ethics Commission (“the Commission”) is an agency of the State of Missouri established pursuant to §105.955, RSMo, in part for the purpose of enforcing the provisions of Chapter 130, RSMo.
2. Respondent, Terry Stone was a successful candidate for School Board for the North Kansas City Schools in the April 6, 2010 Municipal Election.
3. Respondent, Stone for NKC Schools is a candidate committee in support of Respondent Stone.
4. Judy Ellis is the Treasurer of the Committee.
5. On March 19, 2010, a Statement of Committee Organization was filed with Petitioner by Respondents.

6. The Statement of Committee Organization reported an official fund depository at Commerce Bank, Kansas City, Missouri.

7. The official fund depository was opened on March 19, 2010 with a contribution of \$100.00 from the treasurer, Judy Ellis.

8. Respondent Stone was a signator on the official fund depository.

9. Respondents received a contribution from Committee for Progressive Clay County Gov't on March 23, 2010 in the amount of \$2,500.00.

10. Committee for Progressive Clay County Gov't is a political action committee registered with Petitioner. Respondent Stone is the Treasurer of that Committee.

11. Respondents have failed to file any campaign finance disclosure reports with petitioner.

12. Pursuant to §130.026, RSMo, the Missouri Ethics Commission and Clay County Board of election Commissioners are the appropriate officers designated to receive campaign finance reports under Chapter 130 for Respondent Committee..

13. Respondent Stone was ultimately responsible for filing campaign finance reports for Respondent Committee, pursuant to §130.041.1 and §130.058, RSMo.

14. Pursuant to §105.959, RSMo, the Commission's staff has investigated the files of the Commission and reported its findings to the Commission.

COUNT I–Failure to Form Timely A Candidate Committee

15. According §130.016.7, RSMo a candidate for the NKC School Board shall be required to form a committee no later than thirty days prior to the election for which the contributions were received or expended which shall comply with all provisions of this chapter

for committees if such candidate exceeds \$1,000.00 in contributions and if a single contributor has contributed more than \$325.00.

16. According to §130.011(12), RSMo, a contribution includes:

“a payment, gift, loan, advance, deposit, or donation of money or anything of value for the purpose of supporting or opposing the nomination or election of any candidate for public office... "Contribution" includes, but is not limited to:

(a) A candidate's own money or property used in support of the person's candidacy other than expense of the candidate's food, lodging, travel, and payment of any fee necessary to the filing for public office;

17. Respondents opened an official fund depository on March 19, 2010 and exceeded \$1,000.00 in contributions on March 23, 2010 with a contribution from Committee for Progressive Clay County Gov't, a political action committee also controlled by Respondent Stone.

18. The last day to form a candidate committee for the April 6, 2010 was March 7, 2010.

19. Respondent failed to form a candidate committee within 30 days of the April 6, 2010 election.

20. There is probable cause that Respondents violated §130.016 RSMo by receiving in excess of \$1,000.00 in contributions and failing to form a candidate committee within 30 days of the April 6, 2010 Municipal election, and that Respondents did so knowingly.

COUNT II—Campaign Finance Disclosure Reports

21. According to §130.046. 1, RSMo:

The disclosure reports required by section 130.041 for all committees shall be filed at the following times and for the following periods:

(1) Not later than the eighth day before an election for the period closing on the twelfth day before the election if the committee has made any contribution or expenditure either in support or opposition to any candidate or ballot measure;

...

(3) Not later than the fifteenth day following the close of each calendar quarter.

22. According to §130.046. 5(2), RSMo:

No disclosure report needs to be filed for any reporting period if during that reporting period the committee has neither received contributions aggregating more than five hundred dollars nor made expenditure aggregating more than five hundred dollars and has not received contributions aggregating more than three hundred dollars from any single contributor and if the committee's treasurer files a statement with the appropriate officer that the committee has not exceeded the identified thresholds in the reporting period. Any contributions received or expenditures made which are not reported because this statement is filed in lieu of a disclosure report shall be included in the next disclosure report filed by the committee...

23. The 8 Day before Election Report was due March 29, 2010 for contributions and expenditures made from the period March 18, 2010 through March 25, 2010.

24. Respondents made an expenditure in the amount of \$2,350.00 in support of Respondent Stone on March 23, 2010.

25. Respondents failed to file timely an Eight day Before Election Campaign Finance Disclosure Report.

26. Respondents have failed to file timely an April or October 2010 Quarterly Disclosure Report of Limited Activity Statement.

27. There is probable cause that Respondents have violated §130.046, RSMo by failing to file an Eight Day Before Election Report, and an April and October 2010 Quarterly Disclosure Report or Limited Activity Statement, and that Respondents did so knowingly.

COUNT III - Failure to Report Contributions Received

28. According to §130.041.1(3)(a) , RSMo:

Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

(3) Receipts for the period, including:

(a) Total amount of all monetary contributions received which can be identified in the committee's records by name and address of each contributor...

29. Respondents have failed to report the following contributions which were deposited into the official fund depository:

<u>Date</u>	<u>Item</u>	<u>Contributor</u>	<u>Amount</u>	<u>Correct Report</u>
3/19/2010	6514	John E or Judy D Ellis	\$100.00	8 Day Before
3/23/2010	1004	Committee for Progressive Clay County Government	\$2,500.00	8 Day Before
3/26/2010	3433	J.W. Wood	\$25.00	8 Day Before
3/26/2010	8195	Sandra D Aust	\$100.00	8 Day Before
3/26/2010	5317	Murlin or Loretta Talbott	\$100.00	8 Day Before
3/26/2010	1056	Kathryn S Schaefer	\$50.00	8 Day Before
3/26/2010	4011	Allen W Gross Donna L Gross	\$150.00	8 Day Before
3/26/2010	3766	Carolyn Wyrick	\$100.00	8 Day Before
3/30/2010	8705	Missouri NEA-PAC	\$300.00	October Quarterly
3/30/2010	5140	Michael P McRobert	\$100.00	October Quarterly
3/30/2010	3574	Robert E Walsh Jr	\$75.00	October Quarterly
4/5/2010	2018	Charles S Broomfield	\$100.00	October Quarterly
4/5/2010	4248	Andrea Smetana	\$10.00	October Quarterly
4/9/2010	9520	Dan or Mary Lee Sturdevant	\$50.00	October Quarterly
4/9/2010	4801	James (Pete) Hall Cheryl Hall	\$50.00	October Quarterly
		Total	\$3,810.00	

30. There is probable cause that Respondents have violated §130.041.1(3)(a) , RSMo by failing to report \$3,810.00 in contributions received into the official fund depository, and that Respondents did so knowingly.

COUNT IV– Failure to Accurately Report Expenditures

31. §130.041. 1(4)(d), RSMo provides:

§130.041. 1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

(4) Expenditures for the period, including:

...

(d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure.

32. Respondents failed to report the following expenditure which was paid from the official fund depository:

<u>Item Date</u>	<u>Item</u>	<u>Expenditure</u>	<u>Amount</u>	<u>Correct Report</u>
3/23/2010	starter check	Damar Printing	\$2,350.00	8 Day Before
		Total	\$2,350.00	

33. There is probable cause that Respondents have violated §130.041. 1(4)(d), RSMo by failing to report \$2,350.00 in expenditures paid from the official fund depository, and that Respondents did so knowingly.

II.

Based on the foregoing, the parties hereto mutually agree and stipulate that the following shall constitute the order entered by the Missouri Ethics Commission in this matter. This order will be effective immediately upon the issuance of the Consent Order of the Missouri Ethics Commission without further action by any party.

1. The parties to this Joint Stipulation understand that the Petitioner will maintain this Joint Stipulation as an open and public record of the Missouri Ethics Commission.

2. The Commission shall issue its Consent Order in the form attached hereto as Exhibit A.

a. Respondents agree that they will comply with all relevant sections of Chapter 130, RSMo.

b. It is the order of the Missouri Ethics Commission that a fee is imposed against the Respondents Terry Stone and Stone for NKC Schools in the amount of \$6,000.00 pursuant to §105.961.4(6) RSMo. However, if Respondents pay \$600.00 of that fee within 45 days after the date of the Order, the remainder of the fee will be stayed for two years, subject to the provisions below. The fee will be paid by check or money order made payable to the Missouri Ethics Commission and sent to the Missouri Ethics Commission.

c. If Respondents Terry Stone and Stone for NKC Schools have not committed any further violations of the campaign finance disclosure laws pursuant to

Chapter 130, RSMo., during the two year stay, then the Respondents will not be required to pay the remainder of the fee. If, however, either Respondent is found to have violated the campaign finance laws pursuant to Chapter 130, RSMo. 2000, during this two year stay, Respondents will be required to pay the remainder of the fee as originally imposed by the Commission. The fee will be due immediately upon final adjudication finding probable cause of such a violation.

3. The parties consent to the entry of record and approval of this Joint Stipulation and to the termination of any further proceedings before the Commission based upon the Complaint filed by the Petitioner in the above action.

4. Respondents, together with their heirs, successors and assigns, do hereby waive, release, acquit and forever discharge the Missouri Ethics Commission and its attorney of or from any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including, but not limited to, a claim for attorney's fees whatsoever which Respondents and their attorney now have or which they may hereafter have, which is based upon or arises out of the above case.

RESPONDENT

PETITIONER

By: Terry Stone Date: 6/21/11
Terry Stone Date

By: Julie A. Allen Date: 6/24/11
Julie A. Allen Date
Executive Director

ATTORNEY FOR RESPONDENT

By: Philip O. Willoughby 6/21/11
Philip O. Willoughby Date
Mo. Bar No. 44948

Gunn, Shank & Stover, P.C.
9800 NW Polo Ave., STE 100
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Telefax: (816) 454-3678

Attorney for Respondent

ATTORNEY FOR PETITIONER

By: Elizabeth L. Ziegler 6/24/11
Elizabeth L. Ziegler Date
General Counsel

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Missouri Bar No. 35493

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Attorney for Petitioner