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By OGC/CELA at 1:44 pm, May 31, 2023



Nick Curcio | 16905 Birchview Drive | Nunica, MI 49448  
616.430.2201 | ncurcio@curciofirm.com

May 23, 2023

Federal Election Commission  
Office of Complaints Examination  
& Legal Administration  
Attn: Trace Keays, Paralegal  
1050 First Street, NE  
Washington, DC 2043

*Via Email*  
cela@fec.gov

**Re: Response to Complaint (MUR 8130)**

To whom it may concern,

I am writing as legal counsel to Angela Thornton and Joseph Brungardt regarding the above-referenced complaint filed by Libertarian National Committee (“LNC”) Chair Angela McArdle on April 18, 2023. Ms. Thornton and Mr. Brungardt first received a copy of the complaint by email on April 26, and shortly thereafter requested a 15-day extension of time to respond. In an email dated May 9, Trace Keays indicated that the extension request had been granted, resulting in a response deadline of May 26.

As far as we can discern, the complaint contends that Ms. Thornton and Mr. Brungardt have engaged in fraudulent misrepresentation in violation of 52 U.S.C. § 30124(b)(1). That statute provides that no person shall “fraudulently misrepresent the person as speaking, writing, or otherwise acting for or on behalf of any candidate or political party or employee or agent thereof for the purpose of soliciting contributions or donations.” The Supreme Court has held that claims of fraudulent misrepresentation, in other context, generally require proof of a “(1) false representation (2) in reference to a material fact (3) made with knowledge of its falsity

(4) and with intent to deceive (5) with action taken in reliance upon the representation.”<sup>1</sup>

Here, the fundraising activities described in Ms. McArdle’s complaint do not constitute violations of § 30124(b)(1) because both Ms. Thornton and Mr. Brungardt have legitimate claims to being officers of the Libertarian Party of Michigan (LPM). There is an ongoing governance dispute within the party in which two separate groups claim to constitute its governing board. The majority of the party’s members support the group with which Ms. Thornton and Mr. Brungardt are affiliated, as evidenced by the fact that approximately 74 members attended the group’s April 1 convention in Lansing compared to approximately 42 members in attendance at a rival convention held on the same day in Wixom.<sup>2</sup>

The circumstances resulting in the intraparty dispute are fairly complex. In the event the Commission considers those circumstances to be relevant to the complaint, Ms. Thornton and Mr. Brungardt’s position is explained in detail in the letter attached to this response as **Exhibit A**. To briefly summarize, Ms. Thornton and Mr. Brungardt are part of a board that was duly elected by the party’s membership during a candidate nominating convention in July 2022. During that same convention, Mr. Andrew Chadderdon was removed from the LPM executive committee by a supermajority of the convention delegates via a vote of no confidence. The current schism within the party is the result of Mr. Chadderdon’s illegitimate effort to reclaim control of the executive committee.

In her complaint to the Commission, Ms. McArdle suggests that Ms. Thornton and Mr. Brungardt cannot fundraise on behalf of LPM simply because she supports Mr. Chadderdon and his allies, who happen to be members of her political caucus. This is incorrect. The LNC’s bylaws expressly prohibit the LNC from interfering in state-level governance disputes, providing that the “autonomy of the affiliate and sub-affiliate parties shall not be abridged by the National Committee or any other committee of the Party.”<sup>3</sup> Accordingly, the dispute must ultimately be resolved by

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<sup>1</sup> Pence v. United States, 316 U.S. 332 (1942).

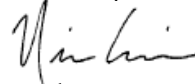
<sup>2</sup> **Exhibit B**.

<sup>3</sup> Bylaws of the Libertarian Party, art. 5, § 5.

LPM's membership, or perhaps by a reviewing state court. To that end, there is a lawsuit currently pending in a state trial court in which the dispute may ultimately be adjudicated. The suit was filed as an interpleader action by Comerica Bank in April, and it involves the ownership of funds that were held in LPM's deposit accounts.<sup>4</sup> A copy of Ms. Thornton and Mr. Brungardt's answer to the complaint is attached as **Exhibit C** to this response.

In sum, unless and until the members of LPM or a court of competent jurisdiction determine otherwise, Ms. Thornton and Mr. Brungardt have legitimate claims to being officers of LPM and do not engage in fraudulent misrepresentation by fundraising on its behalf. For these reasons, the Commission should dismiss the complaint for legal and factual inadequacy or as a matter of prosecutorial discretion under *Heckler v. Chaney*.<sup>5</sup>

Sincerely,



Nick Curcio

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<sup>4</sup> Notably, when Comerica Bank froze access to LPM's deposit accounts in March due to competing claims to party funds, the executive committee with which Ms. Thornton and Mr. Brungardt are associated began — as a temporary measure — depositing LPM funds in segregated deposit accounts held in the name of LPM's Genesee County affiliate. This fact is now reflected in an updated "Statement of Organization" that is being filed with the Commission simultaneously with the submission of this response. As soon as LPM finds a permanent banking solution, it will transfer all LPM funds to new accounts held in LPM's name and file a new updated "Statement of Organization" reflecting that fact.

<sup>5</sup> 470 U.S. 821, 831-32 (1985).



Nick Curcio | 16905 Birchview Drive | Nunica, MI 49448  
616.430.2201 | ncurcio@curciofirm.com

March 6, 2023

Eric Doster  
Doster Law Offices, PLLC  
2145 Commons Parkway  
Okemos, MI 48864

*Via Email*  
eric@ericdoster.com

**Re: Libertarian Party of Michigan**  
**Illegitimate Board Chaired by Andrew Chadderdon**

Mr. Doster,

I am writing as legal counsel for the Libertarian Party of Michigan (LPM), having been recently retained in connection with a governance dispute involving former party chair Andrew Chadderdon. I understand that you represent Mr. Chadderdon and the organization which he now falsely claims to be the LPM executive committee. This letter is intended to refute Mr. Chadderdon's illegitimate claims to party leadership and demand that he and his allies cease and desist in their efforts to delegitimize the rightfully elected officers of LPM.

As an initial matter, I would like to start by recapping the events that lead to the present situation. Early last summer, Chair Tim Yow and First Vice Chair Ben Boren resigned from the LPM executive committee, citing hostility from Mr. Chadderdon and his allies and deep concern regarding their decision to remove a denouncement of bigotry from the party platform. As a result of their resignations, Mr. Chadderdon, who was serving as second vice chair, ascended to the position of acting chair pursuant the LPM bylaws.

Members of the LPM executive committee were concerned that Mr. Chadderdon would not be able to effectively lead the party because of his poor relationship with party members and his poor performance in the role of LPM political director, which is a duty of the second vice chair. In light of these concerns, members of the LPM executive committee notified Mr. Chadderdon in mid-June that they intended to call a vote of no confidence to remove him

from the executive committee during the party's candidate nominating convention on July 9. Members also indicated their intent to nominate candidates and conduct elections to fill the vacancies on the executive committee during the convention and asked that written notices of the elections be sent to all party members.

Mr. Chadderdon openly opposed these efforts and attempted to thwart them. As part of his strategy, he declined to send notices of the elections to party members.<sup>1</sup> He also requested authorization to hire an attorney on behalf of the party who would report solely to him and would opine on the legality of the various proposed actions to take place at the convention. The executive committee denied that expenditure request, but instead authorized retaining your services for a two-hour legal consultation with the full executive committee.

The consultation was conducted via Zoom videoconference on July 5, four days before the convention. During the meeting, you fielded questions from LPM officers and offered the following legal advice:<sup>2</sup>

1. There "is no higher authority" within a political party than the party's convention, and the determinations made by convention delegates are "unassailable" from a legal perspective.<sup>3</sup>
2. When asked whether it would be permissible to elect officers to fill the vacancies on the executive committee during the convention even though the election of officers was not specifically mentioned in the call to convention, you indicated that *Robert's Rules of Order*<sup>4</sup> defers to a body's custom or practice of interpreting its bylaws. You then asked whether LPM had a custom or practice of allowing items to be added to the agenda during a convention. When an LPM officer responded in the affirmative, you indicated that it would be procedurally proper to add elections for first vice-

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<sup>1</sup> Notably, after Mr. Chadderdon and his allies refused to send notices of the elections, another member of the executive committee, Dave Canny, took it upon himself to do so. Mr. Chadderdon contends that those notices were insufficient because Mr. Canny did not have specific authorization to send them. Nevertheless, there's no dispute that all members of the party had actual notice of the proposal to fill the vacancies at the July convention.

<sup>2</sup> While the consultation was conducted in executive session, the delegates at the July convention voted to publicly release the resulting videorecording, which is now available on YouTube at this [link](#) (hereinafter, "Doster Video").

<sup>3</sup> Doster Video 38:00–40:05.

<sup>4</sup> Citations to *Robert's Rules* in this letter refer to the *Robert's Rules of Order, Newly Revised* (12th ed.).

chair, second vice-chair, and congressional district representatives to the agenda.<sup>5</sup> You later confirmed this at least two more times during the remainder of the meeting.<sup>6</sup>

3. When asked whether a member of executive committee could be removed from office via a vote of no confidence at the July convention if the officer was not given 14 days' prior notice of the intent to remove, you indicated that article III, section 10 of the LPM bylaws only requires 14 days' prior notice for removal votes taken during executive committee meetings, not for removal votes taken at a convention. You then reiterated: "My answer to this, if you didn't receive previous notification at a convention, I don't think that's relevant," and further indicated "I would say it would still be in order."<sup>7</sup>
4. When speaking about convention procedure, you indicated that the process for resolving disputes regarding the proper interpretation of the bylaws or *Robert's Rules* was that "the chair makes a ruling of parliamentary procedure and then the convention would have to defeat that ruling, you know, would appeal the ruling of the chair, and, as I recall, it takes a bare majority."<sup>8</sup>

In his opening comments at the convention,<sup>9</sup> Mr. Chadderdon – while claiming to be acting on your advice – made clear that he had no intention to allow votes on his removal from the executive committee or on the filling of executive committee vacancies.<sup>10</sup> Instead, he proposed a convention agenda that did not include either of those items of business. When a motion was made from the floor to approve a substitute agenda that included them, Mr. Chadderdon ruled the motion out of order on the grounds that proper notice of the intent to fill the vacancies had not been given as required by *Robert's Rules*.<sup>11</sup> This ruling was contrary to your repeated advice that the executive committee vacancies could be filled at the

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<sup>5</sup> *Id.*, 32:50–36:00.

<sup>6</sup> *Id.*, 40:15–40:27 ("Now that I know that you can craft your agenda at this late hour, that's great, because you can put in these elections."); *Id.*, 1:13:55–1:14:53.

<sup>7</sup> *Id.*, 43:26–47:10.

<sup>8</sup> *Id.*, 46:30–47:01.

<sup>9</sup> A full video of the convention is available on YouTube at this [link](#) (hereinafter, "Convention Video").

<sup>10</sup> *Id.*, Convention Video, 6:00–9:45.

<sup>11</sup> *Id.*, 16:10–23:10 (citing *Robert's Rules* §§ 47:58, 56:32).

convention because the party had a custom or practice of allowing items to be placed on the convention agenda that were not stated in the call to convention.<sup>12</sup>

As soon as Mr. Chadderdon ruled the motion out of order, a subsequent motion was made to appeal his ruling to the full assembly. Remarkably, Mr. Chadderdon ruled that motion out of order too,<sup>13</sup> disregarding your advice as to how procedural objections should be handled.<sup>14</sup> In doing so, he cited a provision of *Robert's Rules* regarding frivolous and absurd motions,<sup>15</sup> thereby implicitly indicating that no reasonable person could possibly agree with your advice regarding the proposed vacancy elections.

The delegates were outraged by Mr. Chadderdon's second ruling and responded by moving to replace him as convention chair. That motion passed by a clear majority.<sup>16</sup> Under the leadership of the replacement chair, the convention delegates proceeded to remove Mr. Chadderdon from the executive committee through a vote of no confidence and to fill the vacancies on the executive committee. The motion in support of the vote of no confidence stated, among other things, that Mr. Chadderdon had "consistently used the Bylaws and *Robert's Rules* as a weapon against those who oppose him." After discussion, a vote on the motion was called – without any procedural objection from Mr. Chadderdon or others on the floor – and was approved by over two-thirds of the delegates. Accordingly, the first vice chair ascended into the position of acting chair and a new executive committee was constituted.

Following the convention, the newly selected executive committee met and conducted its work without objection for four months. Then, in mid-November, Mr. Chadderdon sent a letter to the LPM judicial committee asking it to overturn his removal from the executive committee and to void the results of the vacancy elections conducted at the convention. In support of those requests, Mr. Chadderdon alleged procedural error based on a novel theory that the July convention was a "special meeting" for purposes of the bylaws and *Robert's Rules*

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<sup>12</sup> See footnote 4 and accompanying text.

<sup>13</sup> Convention Video, 24:35–25:50.

<sup>14</sup> Doster Video, 46:30–47:01.

<sup>15</sup> *Robert's Rules* § 39:3 ("Any main or other motion that is frivolous or absurd or contains no rational proposition is dilatory and cannot be introduced. As further examples, it is dilatory to obstruct business by appealing a ruling of the chair on a question about which there cannot possibly be two reasonable opinions.").

<sup>16</sup> Convention Video, 27:00–30:58

and that, as a result, business could only be conducted if it was specifically referenced in the written document calling the meeting.<sup>17</sup> Despite the extensive discussion of procedural issues during July 5th executive session and the July 9th convention, not a single person (including Mr. Chadderdon) had previously suggested this interpretation of the party's rules. Nevertheless, the judicial committee considered and endorsed Mr. Chadderdon's newfound theory and issued an opinion declaring that the "Executive Committee shall be reverted to its composition as of July 8th." Based on that opinion, Mr. Chadderdon now claims to have re-ascended to the position of LPM acting chair and to lead a so-called executive committee consisting of individuals he personally selected.

Contrary to Mr. Chadderdon's assertions, the judicial committee had no authority to consider the relief that he requested in his November 19 letter, much less to issue a purportedly self-executing decree that overturns the results of a convention. As spelled out in the LPM bylaws, the judicial committee is vested with the "judicial power of the party" and charged with "decid[ing] cases involving alleged violations of these bylaws or resolutions."<sup>18</sup> The committee's ruling on Mr. Chadderdon's request exceeded the scope of this jurisdictional grant in at least three ways.

First, while Mr. Chadderdon argues that any disagreement regarding the proper interpretation of the bylaws or *Robert's Rules* constitutes a "case" that the judicial committee can consider, this is a far broader interpretation than what the drafters of the bylaws intended. The bylaws provision authorizing the judicial committee to hear "cases" is similar to the provision in the U.S. Constitution authorizing federal courts to hear "cases" and "controversies." That provision has been interpreted as a limitation on the jurisdiction of the federal courts that, among other things, authorizes them to act only when a party "asserts his rights in the form prescribed by law."<sup>19</sup> Here, *Robert's Rules* prescribes the proper form of raising procedural objections by requiring that such objections first be raised in a point of order during a meeting of the body that is considering or previously considered the motion

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<sup>17</sup> Mr. Chadderdon's letter specifically cited *Robert's Rules* § 9:13, which provides "A special meeting (or called meeting) is a separate session of a society held at a time different from that of any regular meeting, and convened only to consider one or more items of business specified in the call of the meeting."

<sup>18</sup> Libertarian Party of Michigan Bylaws, art. V.

<sup>19</sup> *Osborn v. Bank of the United States*, 22 U.S. (9 Wheat.) 738, 810 (1824).



in question.<sup>20</sup> It further provides that if the chair of the body rules the motion to be in order, the first right of appeal is to the body as a whole.<sup>21</sup> As described above, Mr. Chadderdon did not raise a point of order or otherwise formally object when the convention chair entertained motions to remove him from office or to fill the vacancies on the executive committee. Because no objection was made, there was no formal ruling on the propriety of the motion from either the convention chair or from the body as a whole. Without a formal ruling, Mr. Chadderdon did not have anything to “appeal” to the judicial committee, and the judicial committee therefore was not presented with a proper “case” over which it could exercise jurisdiction.<sup>22</sup>

Second, even if Mr. Chadderdon had followed the procedural requirements for instituting a “case,” the judicial committee would have still lacked jurisdiction over the questions presented by Mr. Chadderdon because they pertain to actions taken by the delegates at a convention. As you repeatedly emphasized during the executive session in July, there “is no higher authority” within a political party than the party’s convention, and the determinations made by convention delegates are “unassailable” from a legal perspective.<sup>23</sup> For this reason, the “judicial power” granted to the judicial committees within the Libertarian Party does not include the ability to review convention actions. As described in the attached memo from Bill Hall – who is the former legal counsel for the national party and a former member of both the state and national judicial committees<sup>24</sup> – this limitation has been long understood within the party. According to Mr. Hall, during his 40-plus years as a party member, “the attitude within both the LPM and the national LP has been that the power of the delegates in convention is supreme, and as the body selecting the judicial committee, was not subject to its decisions.” In support of that assertion, Mr. Hall notes that

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<sup>20</sup> *Robert’s Rules* § 23:3.

<sup>21</sup> *Id.*

<sup>22</sup> This interpretation not only follows from the ordinary meaning of the word “case,” but it is also crucial from the perspective of institutional design. The party could be thrown into chaos if members are allowed “appeal” previous actions months or even years after the fact on grounds that were available to and could have asserted by the member at the time the action was taken.

<sup>23</sup> Doster Video 38:00–40:05.

<sup>24</sup> With these credentials, there is no doubt that Mr. Hall is among the most qualified party members in the country to speak regarding the customs and practices of the state and national level judicial committees.

he is not aware of any previous appeal ever taken from a decision made at an LPM convention.

*Third*, the judicial committee exceeded its authority not only by opining on the questions presented by Mr. Chadderdon, but also by declaring its ruling to be self-executing. In other words, the remedy that the judicial committee announced (*i.e.*, reinstating the executive committee as it existed as of July 8) was outside the scope of the “judicial power” granted by the bylaws. This conclusion follows naturally from the fact that the judicial committee is — as its name indicates — merely a committee. Under *Robert’s Rules*, the basic function of a committee is to “report its findings or recommendations to the assembly.”<sup>25</sup> In certain circumstances, committees can exercise broader powers on behalf of the assembly, but only if authorized “on specific instructions.”<sup>26</sup>

Here, neither the LPM bylaws nor any referral from the assembly provided “specific instructions” that allow the judicial committee to issue self-executing decrees. In the absence of such instructions, the judicial committee’s proper role is to: (1) review the issue in question, (2) prepare a report explaining its recommended interpretation of the bylaws, and (3) submit the report either to the executive committee or the full membership of the party, as appropriate. This is consistent with the way judicial committee rulings have been treated in the past. According to Mr. Hall, the LPM’s judicial committee has historically understood that its rulings are not self-executing, and that instead “the delegates at the next LPM convention would be the ones to punish a recalcitrant LEC or LPM officer.” Similarly, Mr. Hall has indicated that at the national level, the national executive committee has previously declined to act on a recommendation of the national judicial committee, opting to continue with a course of conduct that the committee found to be in violation of the bylaws.

As a final point, separate and apart from the jurisdictional defects in the judicial committee’s ruling, its substantive arguments border on absurdity. As noted above, the linchpin of the committee’s ruling was that the July convention was a “special meeting” for purposes of *Robert’s Rules’* notice requirements. This is simply wrong. *Robert’s Rules* distinguishes between two primary types of meetings: regular meetings and special meetings. The term “regular meeting” refers to “the periodic business meeting of a permanent society,

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<sup>25</sup> *Robert’s Rules* § 50:4.

<sup>26</sup> *Id.*

local branch, or board, held at weekly, monthly quarterly, or similar intervals.”<sup>27</sup> The term “special meeting,” by contrast, refers to a meeting “convened only to consider one or more items of business specified in the call of the meeting.”<sup>28</sup>

As noted above, the July convention was a “candidate nominating convention” for purposes of the LPM bylaws. The bylaws specifically require that such conventions are held at regular intervals every two years on a date “after the filing deadline for candidates to appear on Michigan’s primary ballot and before the date of the primary.”<sup>29</sup> The fact that candidate nominating conventions are held at specified intervals unquestionably makes them “regular meetings” for purposes of *Robert’s Rules*. So does the party’s longstanding custom and practice of considering business at candidate nominating conventions other than merely nominating electoral candidates. The judicial committee’s ruling to the contrary defies any plausible reading of the party’s governing documents and is nothing more than a naked power grab by Mr. Chadderdon’s supporters.

For all the reasons stated above, the rightfully elected members of the executive committee have determined that the judicial committee’s ruling does not have any independent legal effect. Instead, the ruling is merely a recommendation that the members of the party may (or may not) choose to act on during the upcoming convention in Lansing on April 1. If Mr. Chadderdon believes that the ruling constitutes grounds for rescinding or reconsidering votes taken during the July convention, he is welcome to attend the convention in Lansing and introduce a motion to that effect.

Unless and until such a motion is approved by the full assembly at the Lansing convention, the actions taken at the July convention remain in full force, and the officers who were elected constitute the only legitimate LPM executive committee. As such, the rightfully elected members of the committee do not have any intention to relinquish access to the party’s bank account or to stop using the name Libertarian Party of Michigan, as you requested in your February 15 letter.<sup>30</sup> Further, the LPM executive committee demands that Mr. Chadderdon and the illegitimate board he assembled: (1) cease and desist claiming to

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<sup>27</sup> *Id.* § 9:1.

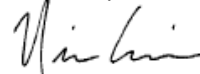
<sup>28</sup> *Id.* 9:13.

<sup>29</sup> Libertarian Party of Michigan Bylaws, art. VI, § 1.

<sup>30</sup> LPM’s right to continue using the name “Libertarian Party” is discussed more thoroughly in the attached letter to Libertarian National Committee Chair Angela McCardle.

represent LPM; (2) promptly restore access to LPM's social media and other digital accounts; and (3) cancel the so-called convention scheduled to take place in Wixom on April 1, at the same time as the legitimate convention in Lansing. If Mr. Chadderdon fails to satisfactorily respond to these requests within 14 days of the date of this letter, LPM will consider pursuing appropriate legal remedies.

Sincerely,



Nick Curcio

Attachments

Bill Hall, Memorandum on Judicial Committee Procedure  
Letter to Libertarian National Committee Chair McArdle

## JUDICIAL COMMITTEE PROCEDURE

I have been a member of the national Libertarian Party (“LP”) since 1977 and the Libertarian Party of Michigan (“LPM”) since at least 1982. I have served in several elected and appointed offices in the LPM, including service as elected chair for 4 years of the LPM’s executive committee (the “LEC”) and an elected member of the LPM’s Judicial Committee (“JC”) in 1991-92, 1995-2007, and 2009-17. I also served in elected and appointed offices at the national level of the LP from approximately 1987-2018, including 8 years on the LP national committee (“LNC”), 20 years as general counsel to the LNC and as a delegate to every biennial national convention since 1979, aside from the 1985 convention. This includes service on the national LP’s judicial committee (“NJC”), as its chair from 2010-14 and as a member from 2016-18.

I was asked to write this summary due to my extensive historical knowledge of how the judicial committees have operated at both the state and national levels.

In my experience, the LPM’s JC has always consisted of 3 members elected at convention by the delegates. Invariably, the members selected were senior statesmen (or women) who were long-time LPM members, often past LPM chairs or principal candidates for statewide office, trusted by the great majority of LPM members to be able to impartially decide any appeals taken under the LPM bylaws, and often elected by acclamation or significant majorities. There was an emphasis on choosing members considered able to render a fair decision on an issue brought before them.

Contrast the current JC, where none of the 3 members served as LPM chair, only one was a long-time LPM member, all 3 were hand-picked by the Mises Caucus in a contested election, and its chair, Connor Nepomuceno also served as the LPM communications director. In that role he refused to give notice to the LPM membership of the election of officers to fill vacancies at the July 2022 convention called for by a petition of LPM members as permitted by the LPM bylaws, which failure to give “reasonable” notice was a key basis cited by the JC for its decision that the results of the July 2022 convention should be invalidated.

Appeals taken to the JC were relatively uncommon. Some years no appeals were made. Other years might yield 3 or 4 appeals. All the appeals I can recall were taken by individual LPM members disgruntled with a decision of the LPM’s executive committee (the “LEC”). For example, an LPM member might appeal the LPM secretary’s failure to provide minutes upon request, the LPM vice chair’s refusal to help the member organize a local affiliate, the LEC’s suspension of a member’s LPM membership, or the LEC’s refusal to suspend an LPM member’s membership. Until the recent appeal by Andrew Chadderdon, no one had ever appealed to the JC a decision taken by an LPM convention. I believe that past members of the JC would have concluded they had no jurisdiction to consider such an appeal, as the attitude within both the LPM and the national LP has been that the power of the delegates in convention is supreme, and as the body selecting the judicial committee, was not subject to its decisions.

The JC viewed its authority as outlined in the LPM bylaws and did not look beyond the sparse language contained in those bylaws. The current bylaws state:

## V. JUDICIAL COMMITTEE

1. The judicial power of the Party shall be vested in a Judicial Committee composed of three Party members. All of these committee members shall be elected to a two-year term at a regular convention of the Party by the attending delegates and shall take office immediately upon the close of such convention and shall serve until the final adjournment of the next regular convention. No member of the Executive Committee may be a member of the Judicial Committee.
2. The Judicial Committee shall decide cases involving alleged violations of these bylaws or resolutions.

To my knowledge, unlike the NJC, the JC has never had written procedural rules. Typically, a member appealing a decision of the LEC or an LPM officer would promptly do so, certainly within no more than 30 to 60 days of the decision giving rise to the appeal, unlike the appeal of Andrew Chadderdon made more than 4 months after the fact. The JC would promptly notify the LEC or officer whose decision was being appealed, providing a copy of the appeal, and afford them the opportunity to respond. In some instances the JC would also schedule an oral argument on the appeal, and then consult within the JC and prepare and issue an opinion, while in others the JC would simply consult and then issue a written opinion to the affected parties. Written opinions were issued promptly, no later than a week or two following receipt of all the arguments. Great deference was given to the decisions of the LEC and LPM officers, with the burden of proof placed squarely on the appellant.

While the expectation was that the JC's opinion on the appeal would be followed, it was recognized within the JC that it really had no practical way of enforcing its opinion, and the LEC or LPM officer might ignore the opinion. Ultimately, the delegates at the next LPM convention would be the ones to punish a recalcitrant LEC or LPM officer. However, I cannot recall a situation in which the JC ruled against the LEC or an LPM officer in an appeal of their actions by a member.

The national LP bylaws have provided for an elected NJC of 7 members, who may not also serve on the LNC. As noted, the national judicial committee has had rules of procedure, which per the national LP bylaws have been periodically revised. Those rules go into considerable detail as to how the NJC deliberates, notices to affected parties, opportunities for submitting arguments, and deadlines for the NJC to make a decision. In the past 10 years appeals to the NJC have been relatively common, perhaps 2 or 3 a year. Prior to that it was common to go for years without an appeal. As with the LPM, typically a person appealing a decision of the LNC would promptly do so, certainly within no more than 30 to 60 days of the decision giving rise to the appeal.

Under the current national LP bylaws and convention rules the jurisdiction of the NJC is expressly limited to hearing appeals of actions by the LNC. The NJC may not hear appeals of actions taken by delegates at a national convention, with the sole exceptions that 10% of the delegates at a national convention may appeal to the NJC during the course of the convention a challenge to platform changes or resolutions adopted at the convention. These jurisdictional limits have been in effect for at least 25 years.

As with the JC, the NJC gives great deference to the decisions of the LNC, with the burden of proof placed squarely on the appellant. As with the JC, the expectation was that the NJC's opinion on the appeal would be followed by the LNC. However, it was recognized within the NJC that it really had no practical way of enforcing its opinion, and the LNC might ignore the opinion. This has actually happened in the past. For example, in 2011 when I was chair of the NJC, the NJC ruled that the LNC had constructively disaffiliated the Oregon LP by refusing to recognize and work with its officers as the LP's Oregon affiliate, and if the LNC wished to do so, it must do so by a 2/3 vote of the LNC, as required by the LP bylaws. The LNC ignored the decision and continued its policy of not recognizing and working with the LP of Oregon's officers.

Bill Hall





Nick Curcio | 16905 Birchview Drive | Nunica, MI 49448  
616.430.2201 | ncurcio@curciofirm.com

March 6, 2023

Ms. Angela McArdle, Chair  
Libertarian National Committee  
1444 Duke Street  
Alexandria, VA 22314

**Re: Libertarian Party of Michigan**

Ms. McArdle:

I am writing as legal counsel for the Libertarian Party of Michigan (LPM) in response to your letter dated February 16, 2023, to former LPM chair Joe Brungardt. In your letter, you falsely claim that LPM's executive committee is chaired by Mr. Andrew Chadderdon and consists of individuals appointed by Mr. Chadderdon and his allies after the LPM convention in July 2022. This claim is patently false and has been debunked in a series of communications to LPM members and Mr. Chadderdon himself. In brief, Mr. Chadderdon was lawfully removed from the acting chair position at the July convention by a 2/3 vote of the delegates present. Rather than recounting the numerous errors in Mr. Chadderdon's illegitimate claim to power, I am attaching a recent letter to Mr. Chadderdon's attorney for your review and reference.

In your February 16 letter, you assert that the executive committee elected during the July 2022 convention is not affiliated with the Libertarian National Party. This claim is also false. As indicated in Federal Election Commission Advisory Opinion No. 2016-17, the national party has stated in federal filings that LPM is its chartered state-level affiliate. No action to disaffiliate LPM has been taken since that time. Instead, the national party, under your leadership, has inappropriately interfered with the governance of LPM by backing Mr. Chadderdon over the rightfully elected executive committee. Neither the LPM bylaws nor the national party bylaws provide any authority for this type of interference in state-party affairs, which is also counter to the libertarian



ideal of local self-governance.<sup>1</sup> In fact, the national party's bylaws expressly state that, unless otherwise provided, the "autonomy of the affiliate and sub-affiliate parties shall not be abridged by the National Committee or any other committee of the Party."<sup>2</sup>

Because LPM is the state-level affiliate of the Libertarian National Party, its executive board and members are entitled to use its state-level information technology (IT) systems, including the CiviCRM system and the state-level pages on michiganlp.org. The recent decision to deny LPM members access to these resources was inappropriate and lacking in any legal basis, and we therefore request that access be immediately restored.

Further, your demand that the LPM cease using the name "Libertarian Party" is similarly unjustified. As described above, LPM is the state-level affiliate of the national party and is therefore authorized to use the term "Libertarian Party" under the terms of the national-party bylaws. Even if LPM were to later disaffiliate from the national party, the national party would still have no right to force LPM to change its name. As you may know, the Libertarian Party of Michigan was founded and adopted its name in 1972, which was almost 30 years before the national party registered the trademark "Libertarian Party" in 2001. Additionally, at the time of its founding, LPM was not formally affiliated with the national party. This history shows that LPM's use of the term "Libertarian Party" does not infringe the national party's mark, but is instead used for the descriptive purpose of conveying the party's political philosophy. Under the Trademark Act, the descriptive use of a mark does not qualify as trademark infringement and does not give rise to civil liability.<sup>3</sup> Accordingly, any effort to prohibit LPM from using the term Libertarian Party would fail. This is well-recognized by intellectual property experts, which is why neither the Republican Party nor the Democratic Party have registered their party names. The Democratic Party abandoned an attempt to

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<sup>1</sup> Ludwig von Mises, "Nation, State, and Economy: Contributions to the Politics and History of Our Time," translation by Leland Yeager, of *Nation, Staat und Wirtschaft* (1919), p. 34-35 ("[T]he principle of the right of self-determination of peoples . . . follows necessarily from the principle of the rights of man.")

<sup>2</sup> Bylaws of the Libertarian Party, art. 5, § 5.

<sup>3</sup> 15 U.S.C. § 1115(b)(4).

register its name in 1992,<sup>4</sup> and the USPTO has recognized that other similarly descriptive party names do not satisfy the standards of the Trademark Act.<sup>5</sup>

In sum, the rightfully elected officers of the Libertarian Party of Michigan ask that you immediately cease and desist any further efforts to delegitimize their positions or otherwise interfere with the affairs of the state-level party. They further demand that the recently revoked IT privileges be restored in full and that the members of Mr. Chadderdon's illegitimate board be denied access to edit the state-level pages on [www.lp.org](http://www.lp.org). If you do not satisfactorily respond to these requests within 14 days of the date of this letter, LPM will consider pursuing appropriate legal remedies.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Curcio", written over a horizontal line.

Nick Curcio

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<sup>4</sup> USPTO Serial No. 74152276.

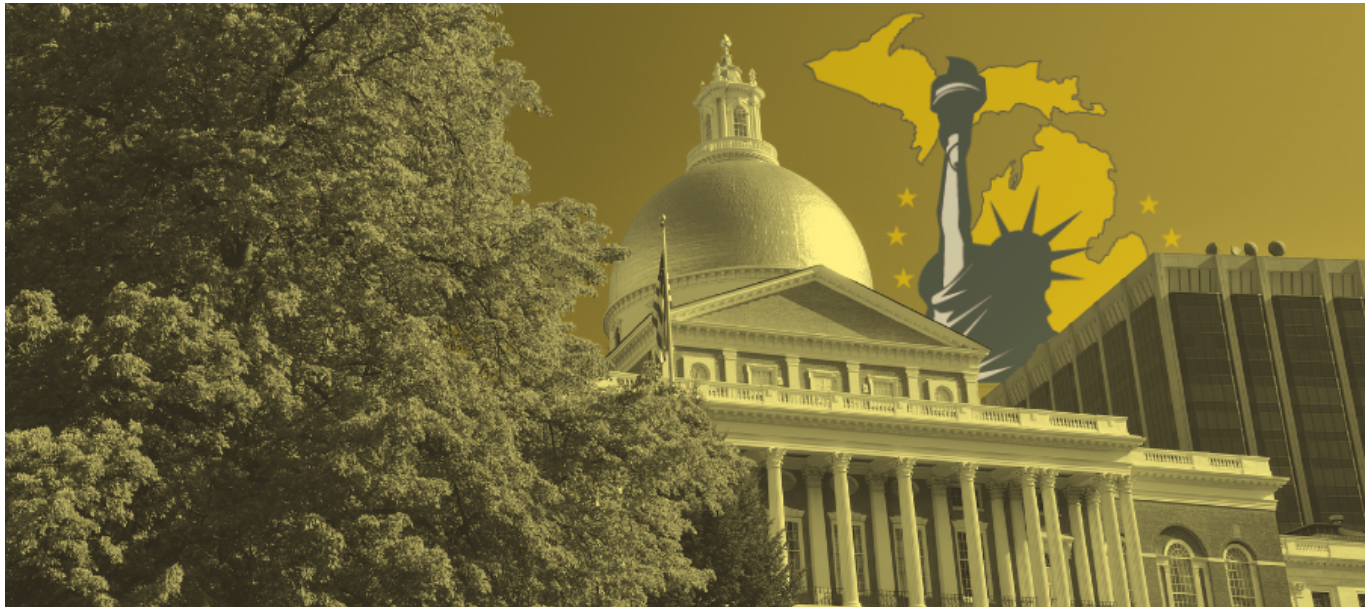
<sup>5</sup> USPTO Serial No. 77039315 (Christian Democratic-Republican Party); USPTO Reg. No. 4482846 (National Independent Party).



May 22, 2023

## Michigan LP Update Both Conventions Met, Acted!

BY GEORGE PHILLIES ON APRIL 3, 2023 2:00 PM



### Elevated from a Comment

Jim Fulner writes us:

As the only elected delegate who was seated as a delegate and attended a portion of both conventions, I can assure you that ~40 vote in favor of retaining Mr. Chadderdon while ~2 voted against. Similarly, the Lansing convention passed a resolution that indicated that while removing Chadderdon was no longer necessary, we would have voted to do so if given the opportunity, with ~70 in favor and ~4 against.

On a related note a majority of those present at the Wixom special convention, but not the 2/3 necessary, voted in favor of suspending the rules to consider a resolution indicating that they didn't approve of the actions of the Lansing Assembly but that for the sake of unity would recognize that assembly and agree to abide by its decisions. The Lansing Assembly considered a similar resolution recognizing the actions of the Wixom assembly and agreeing to abide by it, it too did not reach the 2/3 necessary by the LPM bylaws to pass resolutions but may have made a majority (voice vote ruled not to have made 2/3 threshold by the convention chair).





**George Phillies**

[More posts from George Phillies](#)

## One Comment



[Thomas L Knapp](#)

APRIL 4, 2023

The main takeaway I get from Mr. Fulmer's report:

The Libertarian National Committee's interventions into the Michigan LP's internal affairs and attempts to dictate to that party vis a vis its leadership choices and internal processes were, in addition to violations of the LNC's own bylaws, absolutely and completely unnecessary.

## Leave a Reply

Your email address will not be published. Required fields are marked \*

Comment

Name\*

Email\*

Website

Please enter an answer in digits:



**STATE OF MICHIGAN  
WASHTENAW COUNTY CIRCUIT COURT**

COMERICA BANK,

Plaintiff/Counter-Defendant,

v.

LIBERTARIAN PARTY OF MICHIGAN  
EXCECUTIVE COMMITTEE, INC.,  
JOSEPH BRUNGARDT, MICHAEL  
SALIBA and ANGELA THORNTON  
Aka ANGELA CANNY

Honorable Timothy P. Connors

Case Number 23-000557-CB

Defendants/Counter-Plaintiffs,

ANDREW CHADDERDON,

Defendant.

---

Henry Stancato (P29538)  
STANCATO TRAGGEE WELLS PLLC  
PO Box 270  
Grosse Ile, MI 48138-0270  
(248) 731-4500  
hstancato@stwlawfirm.com

*Attorney for Plaintiff/Counter-Defendant*

C. Nicholas Curcio (P75824)  
CURCIO LAW FIRM PLC  
16905 Birchview Drive  
Nunica, Michigan 49448  
(616) 430-2201  
ncurcio@curciofirm.com

*Attorney for Defendants/Counter-Plaintiffs  
Libertarian Party of Michigan Executive Committee,  
Inc., Joseph Brungardt, Michael Saliba, and Angela  
Thornton*

---

**ANSWER TO COMPLAINT**

Defendants/Counter-Plaintiffs Libertarian Party of Michigan Executive Committee, Inc. ("LPMEC"), Joseph Brungardt, Michael Saliba, and Angela Thornton answer the complaint in this matter as follows. Defendants Brungardt, Saliba, and Thornton are referred to collectively as the "Saliba Board Defendants" because they recognize Defendant Saliba as the legitimate, duly-elected chair of LPMEC's board of directors.

## JURISDICTION, PARTIES AND VENUE

1. This action constitutes a business or commercial dispute within the meaning of MCL 600.8031(c)(iii) because LPMEC is a nonprofit organization, and the claims arise out of that party's organizational structure, governance, or finances.

**Answer:** Admitted.

2. This is an action for interpleader relief under MCR 3.603 or, alternatively, for declaratory relief under MCR 2.605.

**Answer:** Admitted.

3. Comerica Bank, as stakeholder, seeks to interplead \$38,233.30 belonging, on information and belief, its former deposit customer, Libertarian Party of Michigan Executive Committee, Inc. ("LPMEC"). Comerica seeks this relief because a dispute among the individual defendants concerning which of them is legally authorized to take receipt of funds and instruments belonging to the corporate defendant leaves Comerica open to the risk of multiple liability.

**Answer:** Admitted as to the allegations in the first sentence of paragraph 3. With respect to the second sentence, LPMEC and the Saliba Board Defendants neither admit nor deny the allegations, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

4. Comerica Bank is a Texas corporation qualified to conduct banking operations in Michigan that operates several banking branches in Washtenaw County.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 4, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

5. LPMEC is a Michigan non-profit corporation with a registered office in Oakland County, Michigan.

**Answer:** Admitted.

6. Joseph “Joe” Brungardt is an individual who resides, on information and belief, in Macomb County, Michigan.

**Answer:** LPMEC and the Saliba Board Defendants deny the allegations in paragraph 6 as untrue.

7. Andrew Chadderdon is an individual who resides, on information and belief, in Wayne County, Michigan.

**Answer:** Admitted.

8. Michael “Mike” Saliba is an individual who resides, on information and belief, in Macomb County, Michigan.

**Answer:** Admitted.

9. Angela Thornton, also known as Angela Canny, is an individual who resides, on information and belief, in Genesee County, Michigan.

**Answer:** Admitted.

10. Venue is properly laid in Washtenaw County because the cause of action arose, in part, at a Comerica branch in Washtenaw County as described below.

**Answer:** LPMEC and the Saliba Board Defendants do not contest that venue is appropriate in Washtenaw County.

#### FACTUAL ALLEGATIONS

11. Before March 22, 2023, LPMEC was a deposit customer of Comerica Bank with respect to five deposit accounts.

**Answer:** LPMEC and the Saliba Board Defendants admit that LPMC was a deposit customer of Comerica Bank. LPMEC and the Saliba Board Defendants neither admit nor deny the remaining allegations contained in paragraph 11, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

12. On or about February 13, 2023, Joe Brungardt was the sole signer of record for LPMEC deposit account xxx6457. At that time, Comerica's books and records reflected that Joe Brungardt was the LPMEC president.

**Answer:** Admitted with respect to the allegations in the first sentence of paragraph 12. LPMEC and the Saliba Board Defendants neither admit nor deny the remaining allegations contained in paragraph 12, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

13. On that date, Joe Brungardt signed documentation at Comerica branch 68 adding Mike Saliba and Angela Thornton as additional signers on account xxxx6457.

**Answer:** Admitted that Joe Brungardt signed documentation at the Comerica branch located at 35795 S Gratiot Ave., Clinton Township, MI 48035, on or about February 13, 2023. LPMEC and the Saliba Board Defendants neither admit nor deny the remaining allegations



contained in paragraph 13, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

14. On or about February 22, 2023, Andrew Chadderdon appeared at a different Comerica branch (219) in Washtenaw County asserting that he, rather than Mr. Brungardt, was the duly elected LPMEC president and seeking to substitute himself in place of the signers of record on account xxxx6457.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 14, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

15. Comerica staff informed Mr. Chadderdon that it would not process his request without certification by the LPMEC treasurer as to his status as president.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 15, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

16. At that time, publicly available information through the State of Michigan Department of Licensing and Regulatory Affairs Corporations Online Filing System (“LARA”) indicated that the LPMEC treasurer was Joseph Ziemba.

**Answer:** LPMEC and the Saliba Board Defendants deny this allegation as untrue.

17. On or about February 23, 2023, Joseph Ziemba certified to Comerica that Andrew Chadderdon was the LPMEC president. This certification was consistent with the publicly available information through LARA at the time which identified Mr. Chadderdon as LPMEC president.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 17, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

18. Accordingly, Comerica processed Mr. Chadderdon's request to be substituted as signer for LPMEC on all five of that corporation's deposit accounts as well as a change of address for the deposit customer. Then Mr. Chadderdon closed two existing deposit accounts to open two new successor deposit accounts in the name of LPMEC.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 18, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

19. On or about March 9, 2023, Mike Saliba appeared at Comerica branch 68 to complain about having been removed as an account signer for LPMEC.

**Answer:** Admitted to the extent that branch 68 is the branch located at 35795 S Gratiot Ave, Clinton Township, MI 48035. By way of further answer, on or about February 24, 2023, Mr. Saliba informed Ms. Jacquelynn Doppke, the relationship manager at Comerica's Clinton Township branch, that Mr. Chadderdon was attempting to take over control of LPMEC and therefore posed a threat to the security of LPMEC's deposit accounts. Ms. Doppke assured Mr. Saliba that the authorized signers on the account could not be changed without their express consent. When Mr. Saliba returned to the Clinton Township branch on March 9, he spoke with Ms. Doppke again and questioned why Comerica had taken actions contrary to her prior assurances.

20. On the same date, an attorney named Nick Curcio transmitted a letter purporting to act as attorney for LPMEC and asserting on behalf of LPMEC that Andrew Chadderdon was not a LPMEC officer and that some of the LARA filings for LPMEC were fraudulent.

**Answer:** Admitted that on March 9, undersigned counsel (attorney Nick Curcio) sent a letter by email to Ms. Doppke on behalf of LPMEC explaining that Mr. Chadderdon had been removed from the LPMEC board of directors by a two-thirds supermajority vote at the Libertarian Party of Michigan's July 2022 convention. The letter included a copy of the minutes of the convention and asked the bank to transfer signing authority back to Mr. Saliba, Mr. Brungardt, and Ms. Thornton, or alternatively to freeze the accounts in order to prevent Mr. Chadderdon from making unauthorized expenditures or withdrawals. LPMEC and the Saliba Board Defendants deny as untrue the allegation that the March 9 letter referenced LPMEC's LARA filings.

21. On March 10, 2023, Mike Saliba returned to Comerica branch 68 with newly filed LARA documentation that contradicted, in large part, the previously filed LARA materials that Comerica reviewed when processing Andrew Chadderdon's claim to be LPMEC president.

**Answer:** Admitted except to the extent that the allegation implies that the documentation Mr. Saliba presented only partially contradicted Mr. Chadderdon's claim to be the chair of the LMPEC board. In actuality, the documentation showed that Mr. Saliba was the chair of the LPMEC board and therefore completely contradicted Mr. Chadderdon's claim.

22. In reaction to this controversy, Comerica unsuccessfully attempted to reach Daniel Ziemba to determine whether he, in his capacity as LPEMC secretary, would certify the materials

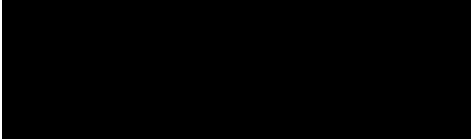
now being presented by Nick Curcio as proof that LPEMC had removed Andrew Chadderdon as president.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 22, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

23. When this effort proved unsuccessful, Comerica decided to exercise its contractual right to terminate its deposit relationship with LPEMC.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 23, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

24. To execute its decision terminating the deposit relationship with LPEMC, Comerica issued cashier's checks as follows representing the closing balances for each of the four deposit accounts with positive balances (Account xxx9283 was at zero balance at this time):

<b>Account No</b>	<b>Cashier's Check No</b>	<b>Amount</b>
		\$21,839.69
		7,476.75
		7,989.47
		927.39
	<b>Total:</b>	<b>\$38,233.30</b>

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 24, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

25. On or about March 22, 2023, Comerica mailed the cashier's checks to 30005 Malvern St. Westland, Michigan which was the address of record on Comerica's books at that time

for LPEMC. On information and belief, this is an address at which Andrew Chadderdon receives mail.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 25, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

26. On information and belief, defendants Brungardt, Saliba and Thornton contest whether delivery of the cashier's checks to the address provided by Chadderdon constitutes payment by Comerica of its debt to LPEMC.

**Answer:** Admitted.

27. As of this date, none of the cashier's checks had been presented to Comerica for payment.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations contained in paragraph 27, having insufficient knowledge or information upon which to form a belief, and therefore leave Comerica to its proofs.

#### COUNT I INTERPLEADER

28. As a matter of law, a deposit relationship between a bank and its depositor is a debtor creditor relationship in which the bank is indebted to its depositor for the amount of the deposit balance.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 28 because they are statements of law to which no answer is required.

29. Comerica does not contest that it is indebted to LPEMC in the amount of \$38,233.30.

**Answer:** LPMEC and the Saliba Board Defendants admit that Comerica acknowledges that it owes \$38,233.30, but contend that Comerica actually owes more than that amount for the reasons described in the counter-complaint below.

30. Termination of Comerica's deposit relationship with LPMEC requires, therefore, that Comerica discharge its debt by payment of this deposit balance to LPMEC.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 30 because they are statements of law to which no answer is required.

31. The competing, mutually exclusive claims by the individual defendants make it impossible for Comerica to identify which of them is authorized to endorse and negotiate instruments payable to the order of LPMEC.

**Answer:** Denied as untrue. LPMEC and the Saliba Board Defendants submitted sufficient documentation to Comerica to establish that Mr. Chadderdon was removed from the LPMEC board of directors and is not currently an officer. Further, regardless of whether Mr. Chadderdon is an officer of LPMEC, Comerica failed to follow proper procedures when it transferred authorized signer authority to Mr. Chadderdon and thereby violated the terms of the *Business and Personal Deposit Account Contract* between Comerica and LPMEC. Upon information and belief, the version of that contract dated September 1, 2022, applies to the dispute in this case and is attached as **Exhibit A** to this complaint (the "Deposit Contract"). This breach of contract is described in further detail in the counter-complaint below.

32. If Comerica unilaterally refuses to honor the any of the cashier's checks, then Comerica incurs the risk of liability for expenses, interest and consequential damages under UCC 3-411; MCL 440.3411(2).

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 32 because they are statements of law to which no answer is required.

33. Comerica, on the other hand, has no independent means for assessing the reliability of representations of the individual defendants who challenge Mr. Chadderdon's authority to take possession of the cashier's checks on behalf of LPMEC.

**Answer:** Denied as untrue. LPMEC and the Saliba Board Defendants submitted sufficient documentation to Comerica to establish that Mr. Chadderdon was removed from the LPMEC board of directors and is not currently an officer. Further, regardless of whether Mr. Chadderdon is an officer of LPMEC, Comerica failed to follow proper procedures when it transferred authorized signer authority to Mr. Chadderdon and thereby violated the terms of the Deposit Contract between Comerica and LPMEC. This breach of contract is described in further detail in the counter-complaint below.

34. There is no mechanism available, therefore, for LPMEC to make a facially valid declaration of loss and claim under UCC 3-312; MCL 440.3312.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 34 because they are statements of law to which no answer is required.

35. Without judicial relief, Comerica is unable to protect itself from the risk of multiple liability.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 35 because they are statements of law to which no answer is required.

36. Accordingly, Comerica seeks interpleader relief under MCR 3.603 and proposes to interplead an amount equal to LPMEC's aggregate closing deposit balance less whatever amount this Court may award under MCR 3.603(E) as reimbursement for stakeholder expenses and fees.

**Answer:** LPMEC and the Saliba Board Defendants admit that paragraph 36 describes the relief Comerica seeks, but denies that payment of the closing deposit balance of \$38,233.30 would sufficiently cover Comerica's debt to LPMEC. LPMEC and the Saliba Board Defendants further contend that it would be inappropriate to reimburse Comerica's expenses and fees from the interpleaded funds because Comerica created or exacerbated the present controversy by breaching the terms of its Deposit Contract with LPMEC.

37. In order to preserve the possibility for complete relief while this court considers the merits of the individual defendants' competing claims, an order restraining negotiation and payment on the cashier's checks is appropriate under UCC 3-602; MCL 440.3602(5)(a).

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 37 because they are statements of law to which no answer is required.

## COUNT II DECLARATORY RELIEF

38. Alternatively, Comerica seeks declaratory relief under MCR 2.605.

**Answer:** Admitted.

39. Comerica has become involuntarily entangled in an actual controversy among the individual defendants concerning which of them is authorized to function as an LPMEC officer.

**Answer:** Denied as untrue. Comerica entangled itself in the LPMEC governance dispute by transferring authorized signer authority to Mr. Chadderdon in violation of the terms of the Deposit Contract.



40. This court otherwise has jurisdiction over this dispute on the basis of its power to grant interpleader and other equitable relief.

**Answer:** LPMEC and the Saliba Board Defendants neither admit nor deny the allegations in Paragraph 40 because they are statements of law to which no answer is required.

41. Comerica seeks a declaratory judgment that identifies who is entitled to take custody LPMEC's deposit balance from Comerica Bank.

**Answer:** LPMEC and the Saliba Board Defendants admit that paragraph 41 describes the relief that Comerica seeks and further answer that any such declaratory judgment should place the funds under the control of the individuals who were authorized signers on the account prior to the erroneous transfer of authority to Mr. Chadderdon (i.e., Mr. Saliba, Mr. Brungardt, and Ms. Thornton).

WHEREFORE, LPMEC and the Saliba Board Defendants ask for the following relief:

A. Interpleader Claim – Count I:

1. An order enjoining Comerica from paying, and Mr. Chadderdon from endorsing or negotiating, the cashier's checks issued by Comerica payable to the order of LPMEC. (Check Nos 001684794, 001684795, 001684796 and 001684797).

2. On order denying Comerica's request for reimbursement of actual costs under MCR 3.603(E) or, in the alternative, an order directing that such costs be paid solely by Mr. Chadderdon and not from the interplead funds.

3. An order requiring Comerica to deposit with the Clerk of this Court in an amount equal to the total account balances in all LPMEC deposit accounts on the date that Comerica wrongfully transferred authorized signer authority to Mr. Chadderdon in violation of the Deposit

Contract.

4. An order awarding the interplead funds to LPMEC, payable in a form as directed by LPMEC Chair Michael Saliba, awarding LPMEC its attorney's fees and costs, and granting such other equitable relief as the Court deems just.

B. Declaratory Judgment Claim – Count 2:

1. An order declaring that Comerica Bank is indebted to LPMEC in an amount equal to the total account balances in all LPMEC deposit accounts on the date that Comerica wrongfully transferred authorized signer authority to Mr. Chadderdon in violation of the Deposit Contract. The order should further direct Comerica to pay such amount to LPMEC in a form as directed by LPMEC Chair Michael Saliba.

Respectfully submitted,

**CURCIO LAW FIRM PLC**

Dated: May 10, 2023

By: /s/ C. Nicholas Curcio  
C. Nicholas Curcio (P75824)  
CURCIO LAW FIRM PLC  
16905 Birchview Drive  
Nunica, Michigan 49448  
(616) 430-2201

#### **AFFIRMATIVE DEFENSES**

LPMEC and the Saliba Board Defendants assert the following affirmative defenses:

1. Comerica's claim to an award of actual costs under MCR 3.603(E) is barred by the doctrine of unclean hands because Comerica wrongfully transferred authorized signer authority to Mr. Chadderdon in violation of the terms of the Deposit Contract.

2. LPMEC and the Saliba Board Defendants reserve the right to submit additional and/or supplemental affirmative defenses to this action which may become known during the course of investigation, discovery, or trial in this matter.

Respectfully submitted,

**CURCIO LAW FIRM PLC**

Dated: May 10, 2023

By: /s/ C. Nicholas Curcio  
 C. Nicholas Curcio (P75824)  
 CURCIO LAW FIRM PLC  
 16905 Birchview Drive  
 Nunica, Michigan 49448  
 (616) 430-2201

### **COUNTER-COMPLAINT**

Defendants/Counter-Plaintiffs LPMEC, Joseph Brungardt, Michael Saliba, and Angela Thornton state as their counter-complaint against Comerica Bank as follows:

#### **JURISDICTION, PARTIES AND VENUE**

1. This action constitutes a business or commercial dispute within the meaning of MCL 600.8031(c)(iii) because it arises out of a commercial transaction.
2. Comerica Bank is a Texas corporation that conducts banking operations in various locations in Michigan, including locations in Washtenaw County.
3. LPMEC is a Michigan non-profit corporation with a registered office in Oakland County, Michigan.
4. Joseph Brungardt is an individual who resides in Oakland County, Michigan.
5. Michael Saliba is an individual who resides in Macomb County, Michigan.
6. Angela Thornton is an individual who resides in Genesee County, Michigan.

7. Venue is properly in this Court because the cause of action arose, in part, at a Comerica branch in Washtenaw County.

#### FACTUAL ALLEGATIONS

8. LPMEC has historically been a deposit customer of Comerica Bank.

9. LPMEC has historically held funds in a number of separate deposit accounts in order to keep different types of funds segregated from each other as required by campaign-finance reporting laws.

10. On or about February 13, 2023, Joseph Brungardt was the sole authorized signer for LPMEC's deposit accounts.

11. On or about February 13, 2023, Joseph Brungardt signed documentation at the Comerica branch located at 35795 S Gratiot Ave., Clinton Township, MI 48035, in order to add Michael Saliba and Angela Thornton as additional authorized signers on LPMEC's deposit accounts.

12. Upon information and belief, Comerica approved Mr. Brungardt's request to have Mr. Saliba and Ms. Thornton added as authorized signers.

13. Upon information and belief, as a result of that approval, Mr. Brungardt, Mr. Saliba, and Ms. Thornton were the only persons designated in the "Account Registration" section of the signature card(s) for LPMEC's deposit accounts as the legal owners and authorized signers for the accounts.

14. On or about February 24, 2023, Mr. Saliba informed Ms. Jacquelynn Doppke, the relationship manager at Comerica's Clinton Township branch, that Defendant Andrew

Chadderdon was attempting to take over control of LPMEC and therefore posed a threat to the security of LPMEC's deposit accounts.

15. Ms. Doppke verbally assured Mr. Saliba that the authorized signers on the deposit accounts could not be changed without their express consent.

16. Upon information and belief, at all times pertinent to this counter-complaint, LPMEC's relationship with Comerica Bank with respect to its various deposit accounts was governed by the *Business and Personal Deposit Account Contract* dated September 1, 2022, which is attached as **Exhibit A** (the "Deposit Contract").

17. Section 1.48 of the Deposit Contract provides that the term "Owner" is synonymous with the terms "you" and "your" and refers to "any of the persons or entities who are designated in the Account Registration section of the Signature Card for the Account as a legal owner of the Account."

18. Section 1.14 of the Deposit Contract similarly indicates that the term "Authorized Signer" refers to "the person(s) authorized and designated by you on the Signature Card to conduct specified Account business (including withdrawals, transfers, wire orders, etc.) including the Owner(s); and, if a Business Account, as authorized in your Declaration and Agreement for Opening and Maintaining Deposit Account(s) or other resolution/ authorization acceptable to us."

19. Section 2.07 of the Deposit Contract addresses changes in account ownership and authorized signer status, providing in its entirety as follows:

You agree to notify us immediately in writing of any change in your name, address, business capacity, or the Authorized Signers on your Account. We may require documentation evidencing this change and a new Signature Card before any change in ownership or Authorized Signers becomes effective. If the Authorized

Signers, including convenience signers, on your Account change, we may continue to honor items and instructions given earlier by any previously Authorized Signers until we receive specific notice from you in writing not to do so (Note: A new or updated Signature Card, by itself, does not constitute notice to terminate any preexisting payment or transfer plan). In some instances we may require you to close your Account or provide us with stop payment orders to prevent transactions from occurring. There may be a delay in implementing a change in the Authorized Signers on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

20. By its plain language, the first sentence of Section 2.07 indicates that a change regarding the authorized signers on an account can only be made upon the request of an individual listed on the signature card for the account.

21. This interpretation of Section 2.07 is consistent with the verbal assurances given to Mr. Saliba on or about February 24, 2023, by Comerica branch relationship manager Jacquelynn Doppke.

22. Nevertheless, sometime in early March 2023, Comerica granted a request made by Mr. Chadderdon to make himself the sole authorized signer for LPMEC's deposit accounts and thereby revoke all access and authority previously granted to Mr. Brungardt, Mr. Saliba, and Ms. Thornton.

23. Upon information and belief, at the time Comerica granted Mr. Chadderdon's request, Mr. Chadderdon was not listed on the signature card(s) for LPMEC's deposit accounts as either an owner or an authorized signer.

24. Neither Mr. Brungardt, Mr. Saliba, nor Ms. Thornton requested or consented to Mr. Chadderdon being made an authorized signer for LPMEC's deposit accounts, nor did they consent to the revocation of the access and authority that had previously been granted to them.

25. Upon information and belief, the total fund balance in LPMEC's deposit accounts on the date Comerica granted Mr. Chadderdon's request to be made the sole authorized signer exceeded \$38,233.30, which is the amount Comerica seeks to interplead in Count I of its complaint in this matter.

26. Accordingly, but for Comerica's wrongful decision to grant Mr. Chadderdon's request without the consent (and over the objection) of Mr. Brungardt, Mr. Saliba, and Ms. Thornton, the balance of the accounts as of the time Comerica terminated them in mid-March would have exceeded \$38,233.30.

27. Upon information and belief, any expenditures that were made from LPMEC's deposit accounts between the time when Comerica designated Mr. Chadderdon as the sole authorized signer on the accounts and the time when Comerica terminated the accounts were not authorized by the duly-elected LPMEC board of directors (*i.e.*, the board chaired by Mr. Saliba) and were therefore not authorized by LPMEC.

#### COUNT I BREACH OF CONTRACT

28. The Deposit Contract is a binding and enforceable contract between Comerica and LPMEC.

29. Comerica breached the Deposit Contract by granting Mr. Chadderdon's request to make himself the sole authorized signer for LPMEC's deposit accounts and thereby revoke all access and authority previously granted to Mr. Brungardt, Mr. Saliba, and Ms. Thornton.

30. As a direct and proximate result of Comerica's breach of the Deposit Contract, the Defendants/Counter-Plaintiffs have suffered damages in the amount of the total account balance for LPMEC's deposit accounts as of the date when Comerica granted Mr. Chadderdon's request to

become the sole authorized signer on the accounts, plus fees and expenses, including but not limited to attorneys' fees and costs in this action, which the Defendants/Counter-Plaintiffs have incurred and continue to incur in connection with Comerica's breach.

WHEREFORE, the Defendants/Counter-Plaintiffs respectfully request that this Court enter judgment in their favor against Comerica in the amount of the total account balance for LPMEC's deposit accounts as of the date when Comerica granted Mr. Chadderdon's request to become the sole authorized signer on the accounts, plus fees and expenses, including but not limited to attorneys' fees and costs in this action, which Defendants/Counter-Plaintiffs have incurred and continue to incur in enforcing their rights under the Deposit Contract, and grant Defendants/Counter-Plaintiffs all other just and proper relief.

Respectfully submitted,

**CURCIO LAW FIRM PLC**

Dated: May 10, 2023

By: /s/ C. Nicholas Curcio  
 C. Nicholas Curcio (P75824)  
 CURCIO LAW FIRM PLC  
 16905 Birchview Drive  
 Nunica, Michigan 49448  
 (616) 430-2201