

IN THE FRANKLIN COUNTY COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

Laura Rosenberger
7449 N River Road
Springfield, Ohio 45502
Donor and Member of the
Ohio Republican Party *ex rel.*
The Ohio Republican Party
and

JoAnn Campbell
120 Ivy Hill Lane B-1
Medina, Ohio 44256
Member of the
Ohio Republican Party *ex rel.*
The Ohio Republican Party
and

Mark Bainbridge
2250 Yorkshire Road
Columbus, Ohio 43221
Donor and Member of the
Ohio Republican Party *ex rel.*
The Ohio Republican Party
and

Joe Miller
2618 Canterbury Road
Cleveland Heights, Ohio 44118
Member of the Republican Party
Ohio Republican Party *ex rel.*
The Ohio Republican Party
and

Denise Verdi
12 Owaissa Drive
Timberlake, Ohio 44095
Member of the
Ohio Republican Party *ex rel.*
The Ohio Republican Party

Case Number: _____

Judge: _____

***Complaint for** an injunction or TRO against
Defendant Robert A. Paduchik and all other
defendants who seek and attempt to
reorganize the subcommittees of the ORP
in breach of contract and in violation of ORP
bylaws by complicit defendants.

***Complaint for** Production and Recovery of
Financial Documents for a Court Ordered
Financial Audit dating back to fiscal year ended
2017 and/or as to any length the forensic audit
team may need in pursuit of information
necessary to track down impropriety and illegality.

***Complaint for** Accountability and
Transparency and to make Auditable Books and
Records of this non-profit political entity that
has not been audited in at least 12 years and is
entirely corrupted by un-auditable financial records.

***Complaint to** require the bylaws of the non-profit
ORP to be followed and to cause necessary
Management and Officer Accountability and to
investigate for the Recovery of Funds
Converted and Disgorgements of Funds of the Ohio
from of Funds of the Ohio Republican Party from
illegal transferee(s) / converters.

[Jury Demand Endorsed Hereon]

**Being filed on behalf of all
aggrieved Donors and Members
of the Ohio Republican Party *ex rel.*
The Ohio Republican Party
c/o Robert J. Gargasz, Esq.
1670 Cooper Foster Park Road
Lorain, Ohio 44053**

Plaintiffs,

vs.

**Robert A. Paduchik, Chairman of the Republican
State Central and Executive Committee of Ohio
aka "Ohio Republican Party"
211 S. Fifth Street
Columbus, Ohio 43215
and**

**Dave Johnson,
Treasurer of the Republican State Central and Executive Committee of Ohio
aka "Ohio Republican Party"
570 Highland Avenue
Salem, Ohio 44460
and**

**The Ohio Republican Party
c/o Robert A. Paduchik, Chairman
211 S. Fifth Street
Columbus, Ohio 43215**

VERIFIED COMPLAINT

Plaintiffs Laura Rosenberger, Mark Bainbridge, Denise Verdi, JoAnn Campbell, and Joe Miller (together referred to herein as "Plaintiffs"), by and through their undersigned counsel, file this Complaint against Defendants Robert A. Paduchik ("Paduchik"), Dave Johnson ("Johnson"),

Jurisdiction and Venue

1. Plaintiff Laura Rosenberger is an Ohio resident who may be served with pleadings and notices through her undersigned counsel of record.
2. Plaintiff Mark Bainbridge is an Ohio resident who may be served with pleadings and notices through his undersigned counsel of record.
3. Plaintiff Denise Verdi is an Ohio resident who may be served with pleadings and notices through her undersigned counsel of record.
4. Plaintiff JoAnn Campbell is an Ohio resident who may be served with pleadings and notices through her undersigned counsel of record.
5. Plaintiff Joe Miller is an Ohio resident who may be served with pleadings and notices through his undersigned counsel of record.
6. Paduchik is an Ohio resident who may be served with a copy of the Summons and Complaint at his place of business at 211 S. Fifth Street, Columbus, Ohio 43215.
7. Johnson is an Ohio resident who may be served with a copy of the Summons and Complaint at his residence at 570 Highland Avenue, Salem, Ohio 44460.
8. The Ohio Republican Party ("ORP"), an Ohio nonprofit corporation, may be served with a copy of the Summons and Complaint through its Chairman, Robert A. Paduchik, at 211 S. Fifth Street, Columbus, Ohio 43215.
9. This Court has personal jurisdiction over Paduchik.
10. This Court has personal jurisdiction over Johnson.
11. This Court has personal jurisdiction over ORP.
12. This Court has subject matter jurisdiction over this matter.
13. Venue is proper in this Court.

Facts

14. SCC is the controlling committee of the Ohio Republican Party.
15. SCC is governed by the Republican State Central and Executive Committee of Ohio Permanent Rules (the "Bylaws"). A true and accurate copy of the Bylaws is attached hereto as **Exhibit A.**

16. Defendant Johnson is a member of the SCC.¹
17. Paduchik is the current Chairman of the ORP. The Chairman is not a member of the SCC but a hired CEO.
18. Jane Timken was ORP Chairman prior to Paduchik from 2017 to 2021.
19. Johnson is the Treasurer of the ORP.

SCC Committees and Paduchik's improper reorganization and removal of Plaintiffs

20. In accordance with the Bylaws, the SCC has several Standing Committees: (a) Audit, (b) Budget Oversight, (c) Fiscal Review, (d) Policy, (e) Chairman and Vice Chairman Review, and (f) State Convention Arrangements (together referred to as the "Standing Committees"). Bylaws Article IV, Section 1.
21. The Bylaws provide that "[t]he members of the Standing Committees shall be selected by the Chairman following the first meeting of the Committee following the election of its members." Bylaws Article IV, Section 2.
22. Thus, in accordance with the Bylaws, the members of the Standing Committees were selected in or around September, October, and November 2020.

¹ The SCC has other members in addition to the Plaintiffs and Johnson.

23. The Bylaws do not provide express or implied authority for removing any members from their positions on any of the Standing Committees (or other subcommittees).
24. The only potential way members could be removed from Standing Committees or other SCC subcommittees would be at a properly called SCC meeting, with a quorum present, whereby a majority of the members present and voting make a personnel decision to remove a member from a Standing Committee. *See* Bylaws Article V.
25. Per the Bylaws, the Fiscal Review Committee "shall consider and approve the budget, pass upon recommendations to the Chairman as to staff salaries, authorize expenditures and arrange for the collection of funds." Bylaws Article IV, Section 4.
26. In 2020, in accordance with the Bylaws, Plaintiffs Denise Verdi and Mark Bainbridge were appointed to the Fiscal Review Committee.
27. Per the Bylaws, the Audit Committee "shall have authority to employ a certified public accountant, and shall make an annual report to the [SCC]." Bylaws Article IV, Section 6.
28. In 2020, in accordance with the Bylaws, Plaintiff Laura Rosenberger was appointed to the Audit Committee.
29. In 2020, in accordance with the Bylaws, Plaintiff Mark Bainbridge was appointed to the Permanent Rules and Revisions Committee.
30. In 2020, in accordance with the Bylaws, Plaintiff JoAnn Campbell was appointed to the Endorsement Policy Review Committee.
31. In 2020, in accordance with the Bylaws, Plaintiffs Joe Miller was appointed to the County Chairs Committee.
32. In or around May 5, 2021, after becoming aware of potential financial improprieties, potential inaccurate financial reporting, the lack of an official audit for SCC over more than a

decade, and unauthorized support of unendorsed candidates. Plaintiffs voiced their concerns to Paduchik, Johnson, and other members of the SCC.

33. For example, Plaintiffs have discovered that significant funds have gone missing from ORP financial statements without adequate explanation, including but not limited to (a) \$1.7 million that disappeared in 2017, (b) \$437,000 that disappeared in 2019, (c) \$638,000 in Accounts Receivable that were established in 2017 and 2018 and then written off in 2021 without adequate explanation and without the authorization of the Fiscal Review Committee, and (d) \$271,000 that disappeared in 2021 (together referred to herein as the "Missing Funds").

34. Upon information and belief, the Missing Funds, totaling over \$3 million, may have been improperly misappropriated, misreported, and/or otherwise improperly expended by Paduchik and/or former Chairman Jane Timken.

35. Based on the aforementioned discoveries, Plaintiffs also believe ORP's financial statements from 2017 to date may be materially misstated and need audited.

36. Plaintiffs further objected to Johnson's poor records and the fact that he has never provided a statement of fact and/or signature verifying that ORP's financial statements since 2017 are true and accurate. *See* Bylaws Article III, Section 4.²

37. As a result of Plaintiffs voicing their concerns, in or around October 18, 2021, Paduchik improperly, without authority, and in violation of the Bylaws reorganized the aforementioned committees and removed Plaintiffs from their positions on SCC's various committees.

² Bylaws Article III, Section 4 ("The Treasurer shall be responsible for all funds belonging to the Committee, and keep *proper* books of account on all monies received and paid out as to the Federal and State Campaign Accounts. The Treasurer shall file all appropriate financial reports, as required by law. Treasurer shall not pay out monies except by check countersigned by the Chairman or Vice Chairman, or the designee of either of them. The Treasurer shall render proper accounting to the Committee at each meeting thereof and shall be fully accountable to the Committee for all acts and doings as Treasurer. . . .") (emphasis added).

38. Per the Bylaws, Paduchik should not have reorganized the membership in SCC's committees until after the 2022 primary election and after the new SCC members elected in that primary are installed.

39. Specifically, Paduchik removed (a) Plaintiffs Denise Verdi and Mark Bainbridge from the Fiscal Review Committee, (b) Plaintiff Laura Rosenberger from the Audit Committee, (c) Plaintiff Mark Bainbridge from the Permanent Rules and Revisions Committee, (d) Plaintiff JoAnn Campbell from the Endorsement Policy Review Committee, and (e) Plaintiff Joe Miller from the County Chairs Committee.

40. No meeting of the SCC was ever called or held to remove Plaintiffs from the aforementioned committees.

41. The Bylaws also provide that "[t]he Audit Committee, Budget Oversight Committee, Fiscal Review Committee, and the Chairman and Vice Chairman Review Committee shall elect their own chairman." Bylaws Article IV, Section 3.

42. In his unauthorized reorganization attempts, Paduchik named the chairs of each of the aforementioned subcommittees, in direct violation of Article IV, Section 3 of the Bylaws.

43. Paduchik further violated this Bylaws provision by appointing himself chairman of the Fiscal Review Committee. *See* Bylaws Article IV, Section 3.

44. In addition to Paduchik's unauthorized reorganization, Paduchik improperly failed to invite and excluded Plaintiffs from meetings of the Audit Committee, the Fiscal Review Committee, and other ORP committees.

Paduchik's unauthorized support of unendorsed candidates

45. Upon information and belief, Paduchik has been using ORP funds to support his favored candidates, even though such candidates are unendorsed by the ORP.

46. In or around July 29, 2021, Paduchik expended a direct contribution of \$500,000 to candidate Mike DeWine, an unendorsed candidate, without the knowledge and/or authorization of the Fiscal Review Committee—the standing committee responsible for authorizing expenditures. *See* Bylaws Article IV, Section 4.

47. Upon information and belief, in 2021 alone, Paduchik has used hundreds of thousands of ORP funds for in-kind contributions to the same unendorsed candidate without the Fiscal Review Committee’s knowledge and/or authorization.

48. Upon information and belief, Paduchik has also used ORP funds to not only support unendorsed candidate Mike DeWine but support other unendorsed Ohio state candidates without the Fiscal Review Committee’s knowledge and/or authorization and without primary policy guidelines established and approved by the SCC as required by the Bylaws.

49. These actions are in violation of the Bylaws which provide that “ORP candidate services will only be used in a primary campaign when the candidate is supported in accordance with the primary policy guidelines.” Bylaws Article VI, Section 2(d).

50. The Bylaws further provide that “[n]o officer or member of the Committee shall have any power to bind this Committee by any financial contract or obligation except as provided by these rules, or by resolution properly [sic.] adopted by a majority of the members of the [SCC] present and voting . . .” Bylaws Article III, Section 7.

51. Thus, Paduchik’s unapproved support of unendorsed candidates financially obligates the SCC to these candidates without the SCC’s approval in violation of the Bylaws.

Defendant Johnson’s improper actions and failures to uphold his duties as Treasurer

52. The Bylaws provide that “[t]he Treasurer shall be responsible for all funds belonging to the Committee, and keep proper books of account on all monies received and paid out as to the

Federal and State Campaign Accounts. The Treasurer shall file all appropriate financial reports, as required by law. Treasurer shall not pay out monies except by check countersigned by the Chairman or Vice Chairman, or the designee of either of them. The Treasurer shall render proper accounting to the Committee at each meeting thereof and shall be fully accountable to the Committee for all acts and doings as Treasurer...."). Bylaws Article III, Section 4.

53. Political parties must file "a full, true, and itemized statement, made under penalty of election falsification, setting forth in detail the contributions and expenditures" made. Ohio Rev. Code Ann. § 3517.10.

54. The Treasurer is responsible for these statements. *See* Ohio Rev. Code Ann. § 3517.081.

55. Chapter 5: Political Party Accounts of the Ohio Campaign Finance Handbook, provided by the Ohio Secretary of State, details a treasurer's duties and liabilities. A true and accurate copy of Chapter 5 of the Ohio Campaign Finance Handbook is attached hereto as **Exhibit B**.

56. Specifically, as to a treasurer's duties and liabilities, Chapter 5 of the Ohio Campaign Finance Handbook provides that "[t]he treasurer is legally responsible for keeping detailed records of everything received by or given to the political party fund. Each report must contain a statement that the report is correct, subject to the penalty for election falsification. Whoever commits election falsification is guilty of a fifth degree felony. The cover page of every report filed must be signed by the treasurer or deputy treasurer. A treasurer must retain accurate records of all activity for six years."

57. While serving as Treasurer of the ORP, Defendant Johnson breached his duties as Treasurer—under both the Bylaws and Ohio law.

58. Upon information and belief, Johnson's breaches included, but are not limited to the following:

- a. Allowing the unilateral writing of checks in violation of the requirements of the Bylaws,
- b. Maintaining un-auditable books and records,
- c. Managing a set of books as unreconciled and being unable to account for over funds and resources of the ORP,
- d. Causing the FEC to fine the ORP for improper reporting the sum of \$100,000.00,
- e. Failing to require annual audits and compliance with the Bylaws,
- f. Failing to run the operations of the finance and treasury in compliance with the Bylaws, in bad faith,
- g. Failing to sign off on financial statements and reports with a statement of truthfulness as required by law,³
- h. Presenting inaccurate and false financial statements at SCC meetings.

Audit request

59. As discussed above, upon learning of financial improprieties, potential inaccurate financial reporting, and based on the fact that the ORP had not been audited for over twelve years, and because of the irregularities in accounting dating back to 2017, all Plaintiffs voiced their desire to employ a certified public accountant to perform an audit of the ORP, dating back to 2017 and as authorized by the Bylaws. See Bylaws Article IV, Section 7.

60. Instead of facilitating this obligatory action pursuant to the bylaws, Paduchik retaliated and removed Plaintiffs Laura Rosenberger, Denise Verdi, and Mark Bainbridge from the Audit Committee and Fiscal Review Committee.

³ See Ohio Rev. Code Ann. § 3517.081.

61. To date, Paduchik and Johnson have refused to acknowledge the fiscal problems dating back to 2017 and refused to allow an audit of the ORP's books, records, and accounts dating back to 2017.

62. As a direct and proximate cause of the conduct and behaviors of the Defendants, the Plaintiffs and the ORP have been made to suffer damages and irreparable harm for which they must look to the Court of Equity to protect themselves and the ORP from further damage from these bad faith actors. Restoration of Audits and Committees as requested is necessary to restore integrity to the finances of the ORP and to cull the malicious leadership tendencies exhibited in the behavior of the Defendants.

**COUNT I – BREACH OF CONTRACT – IMPROPER REORGANIZATION AND
REMOVAL OF PLAINTIFFS FROM SCC COMMITTEES
(Against Defendant Paduchik)**

63. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

64. The Bylaws govern the operation of the SCC.

65. Plaintiffs and Paduchik consented to the terms of the Bylaws, and thus, a valid contract exists.⁴

66. The terms of the Bylaws are definite and certain.⁵

67. The Bylaws provide for selection of SCC members to its various Standing Committees.

⁴ Plaintiffs have satisfied all elements required for a breach of contract claim. Barr v. Lauer, 2007-Ohio-156, ¶ 10 (Ct. App.) (“To establish a claim for breach of contract, a plaintiff must show that 1) a contract existed; 2) his or her obligations were fulfilled; 3) the defendants failed to fulfill their obligations; and 4) damages resulted.”).

⁵ Id. (internal punctuation omitted) (“Additionally, [t]o prove the existence of a contract, a plaintiff must show that both parties consented to the terms of the contract, that there was a meeting of the minds of both parties, and that the terms of the contract are definite and certain.”).

68. Specifically, Article IV, Section 2 of the Bylaws provides that “[t]he members of the Standing Committees shall be selected by the Chairman following the first meeting of the Committee following the election of its members.”

69. The Bylaws do not provide for removal of any members from their positions on any of the Standing Committees.

70. Consistent with the Bylaws, subcommittee membership changes could only be done at a properly called SCC meeting, with a quorum present, whereby a majority of SCC members present and voting decide to remove a member from a Standing Committee. See Bylaws Article V.

71. Article IV, Section 3 of the Bylaws also provides that “[t]he Audit Committee, Budget Oversight Committee, Fiscal Review Committee, and the Chairman and Vice Chairman Review Committee shall elect their own chairman.”

72. In 2020, in accordance with the Bylaws, the following Plaintiffs were appointed to the following committees: (a) Plaintiffs Denise Verdi and Mark Bainbridge were appointed to the Fiscal Review Committee, (b) Plaintiff Laura Rosenberger was appointed to the Audit Committee, (c) Plaintiff Mark Bainbridge was appointed to the Permanent Rules and Revisions Committee, (d) Plaintiff JoAnn Campbell was appointed to the Endorsement Policy Review Committee, and (e) Plaintiff Joe Miller to the County Chairs Committee.

73. Per the Bylaws, SCC’s committees should not have been reorganized until after the 2022 primary election and after new SCC members elected in that primary are installed.

74. In or around May 2021, Plaintiffs voiced concerns to Paduchik, Johnson, and other members of the SCC about potential financial improprieties, potential inaccurate financial

reporting, the lack of an official audit for SCC, and unauthorized support of unendorsed candidates.

75. Thereafter, in violation of Article IV and Article V of the Bylaws, Paduchik reorganized SCC's committees, improperly named the chairs of SCC's subcommittees, and removed Plaintiffs from their positions on SCC's subcommittees.

76. Specifically, Paduchik removed (a) Plaintiffs Denise Verdi and Mark Bainbridge from the Fiscal Review Committee, (b) Plaintiff Laura Rosenberger from the 2020 Audit Committee, (c) Plaintiff Mark Bainbridge from the Permanent Rules and Revisions Committee, (d) Plaintiff JoAnn Campbell from the Endorsement Policy Review Committee, and (e) Plaintiff Joe Miller from the County Chairs Committee.

77. No SCC meeting was ever called or held to remove Plaintiffs from the aforementioned committees.

78. Instead, without authority and in violation of the Bylaws, Paduchik unilaterally removed Plaintiffs from their committees.

79. Paduchik also named the chairs of various subcommittees in violation of Article IV, Section 3 of the Bylaws.

80. Paduchik also improperly failed to invite and excluded Plaintiffs from meetings of the Audit Committee, the Fiscal Review Committee, and other ORP committees.

81. As such, Paduchik breached the contractual obligations and failed to fulfill his obligations under the Bylaws.⁶

⁶ Under Ohio law, breach of contract claims can be based on violations of bylaws. *See O'Loughlin v. Ottawa St. Condo. Ass'n*, 2018-Ohio-327, ¶ 30 (Ct. App.); *Wolf v. Sw. Place Condo. Ass'n*, 2002-Ohio-5195 (Ct. App.); *Jurenovich v. Trumbull Mem'l Hosp.*, 2020-Ohio-2667, ¶¶ 17-29 (Ct. App.).

82. Plaintiffs have fulfilled their obligations under the Bylaws.⁷
83. Plaintiffs have suffered damages as a result of Paduchik's conduct.⁸
84. Paduchik is liable to Plaintiffs for breach of contract.
85. Plaintiffs further request that the Court vacate any action taken by the Audit Committee, the Fiscal Review Committee, and/or any other ORP Committee since October 18, 2021 when Paduchik reorganized ORP's committees and improperly excluded Plaintiffs from committee meetings.⁹

**COUNT II – BREACH OF CONTRACT – UNAUTHORIZED SUPPORT OF
UNENDORSED CANDIDATES
(Against Defendant Paduchik)**

86. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.
87. The Bylaws govern the operation of the SCC.
88. Plaintiffs and Paduchik consented to the terms of the Bylaws, and thus, a valid contract exists.
89. The terms of the Bylaws are definite and certain.
90. The Bylaws provide that "ORP candidate services will only be used in a primary campaign when the candidate is supported in accordance with the primary policy guidelines." Bylaws Article VI, Section 2(d).

⁷ *Barr v. Lauer*, 2007-Ohio-156, ¶ 10 (Ct. App.) (An element of a breach of contract claim is that plaintiff's obligations were fulfilled).

⁸ *Id.* (An element of a breach of contract claim is that damages resulted).

⁹ Plaintiffs only seek the vacation of actions taken at meetings that Plaintiffs were not invited to and/or where Plaintiffs were improperly excluded. Plaintiffs are not requesting that every Plaintiff participate in every committee meeting, but only that the specific Plaintiffs on specific ORP committees prior to Paduchik's improper reorganization be allowed to attend meetings of the various committees that they were appointed to in or around 2020.

91. The Bylaws further provide that “[n]o officer or member of the Committee shall have any power to bind this Committee by any financial contract or obligation except as provided by these rules, or by resolution properly [sic.] adopted by a majority of the members of the [SCC] present and voting . . .” Bylaws Article III, Section 7.

92. The Bylaws also provide that the Fiscal Review Committee “shall consider and approve the budget, pass upon recommendations to the Chairman as to staff salaries, authorize expenditures and arrange for the collection of funds.” Bylaws Article IV, Section 4.

93. Upon information and belief, in violation of the Bylaws, Paduchik has been using ORP funds to support his favored candidates, even though such candidates are unendorsed by the ORP.

94. In or around July 29, 2021, Paduchik expended a direct contribution of \$500,000 to candidate Mike DeWine, an unendorsed candidate, without the knowledge and/or authorization of the Fiscal Review Committee—the standing committee responsible for authorizing expenditures. *See* Bylaws Article IV, Section 4.

95. Upon information and belief, in 2021 alone, Paduchik has used hundreds of thousands of ORP funds for in-kind contributions to the same unendorsed candidate, without the Fiscal Review Committee’s knowledge and/or authorization.

96. Upon information and belief, Paduchik has also used ORP funds to support other unendorsed Ohio state candidates without the Fiscal Review Committee’s knowledge and/or authorization.

97. Paduchik breached Article VI, Section 2(d) of the Bylaws by supporting unendorsed candidates.

98. Paduchik breached Article III, Section 7 of the Bylaws by financially obligating the SCC to unendorsed candidates without the SCC's approval.

99. Paduchik breached Article IV, Section 4 of the Bylaws by making financial expenditures (to unendorsed candidates) without obtaining authorization by the Fiscal Review Committee.

100. As such, Paduchik breached the contractual obligations and failed to fulfill his obligations under the Bylaws.

101. Plaintiffs have fulfilled their obligations under the Bylaws.

102. Plaintiffs have suffered damages as a result of Paduchik's conduct in an amount equal to the amount ORP lost as a result of Paduchik's breaches (i.e., the total amount of all contributions Paduchik made to unendorsed candidates).¹⁰

103. Paduchik is liable to Plaintiffs for breach of contract.

**COUNT III – INSPECTION OF BOOKS AND RECORDS UNDER OHIO REV. CODE
ANN. § 1702.15
(Against Defendant ORP)**

104. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

105. Considering the Missing Funds totaling over \$3 million and contributions to unendorsed candidates, Plaintiffs suspect ORP's financial documents may be materially misstated.

106. Thus, Plaintiffs requested to review and obtain copies of ORP's financial documents and books and records to determine whether ORP made accurate, truthful disclosures on ORP's financial documents.

¹⁰ See *Cobb v. Mantua Twp. Bd. of Trs.*, 2004-Ohio-5325, ¶ 24 (Cl. App.) ("The measure of contract damages is the amount lost as a result of the breach. In other words, damages for breach of contract are those which are the natural or probable consequence of the breach of contract or damages resulting from the breach that were within the contemplation of both parties at the time of making of the contract.") (internal citations and punctuation omitted).

107. For example, on September 17, 2021, Plaintiff Bainbridge sent an email to Justin Bis at ORP, requesting ORP balance sheets as of December 31, 2016, December 31, 2018, and December 31, 2020. A true and accurate copy of this email is attached hereto as Exhibit C.

108. To date, Plaintiffs have not received the requested balance sheets.

109. On September 17, 2021 and September 21, 2021, Plaintiff Bainbridge sent emails to George Husted and Justin Bis requesting a total equity report. True and accurate copies of these emails are attached hereto as Exhibit D.

110. At its September 10, 2021 meeting SCC, Paduchik introduced George Husted, a political consulting firm employee, and announced he was hired to assist in maintaining ORP financial records, without the knowledge and/or authorization of the Fiscal Review or Audit Committees.

111. Furthermore, at the September 10, 2021 SCC meeting, Paduchik announced the CPA firm Clifton Larsen Alan (CLA) that had been named while Timken was still ORP Chairman to perform a potential audit, had terminated their contract with the ORP.

112. To date, Plaintiffs have not received the requested equity documents.

113. Further, Plaintiffs requested to review and retain copies of ORP's financial books and records because ORP's financial books and records have been determined by the 2017 Rightside Compliance Report to be un-auditable and have in fact, not been audited for at least twelve years.

114. Paduchik and Johnson have failed and refused to allow Plaintiffs to inspect ORP's books and records.

115. Ohio Rev. Code Ann. § 1702.15 provides as follows:

Each corporation shall keep correct and complete books and records of account, together with minutes of the proceedings of its incorporators, members, directors, and committees of the directors or members. Subject to limitations prescribed in the articles or the regulations upon the right of members of a corporation to examine the books and records, all books and records of a corporation, including the membership records prescribed by section 1702.13 of the Revised Code, may be examined by any member or director or the

agent or attorney of either, for any reasonable and proper purpose and at any reasonable time.

116. In November, 2021, Plaintiffs made a formal, written demand to ORP for inspection of its books and records under Ohio Rev. Code Ann. § 1702.15 (the "Inspection Demand").

117. As members of ORP, Plaintiffs have the right to seek inspection of ORP's financial books and records under Ohio Rev. Code Ann. § 1702.15.

118. Further, as members of the Audit Committee and Fiscal Review Committee (before Paduchik's improper reorganization), Plaintiffs Laura Rosenberger, Denise Verdi, and Mark Bainbridge were entitled to examine the accounts of the Treasurer (and they did in fact seek to examine these records, but their requests were denied). *See* Bylaws Article IV, Section 6.

119. Further, as members of the Audit Committee and Fiscal Review Committee (before Paduchik's improper reorganization), Plaintiffs Laura Rosenberger, Denise Verdi, and Mark Bainbridge had made repeated requests for the Audit Committee and the Fiscal Review Committee to meet but were denied by either Paduchik or Audit Committee "chairman" Curt Braden.

120. The Inspection Demand sought ORP's financial books and records for the following reasonable and proper purposes: (a) to determine whether ORP's financial documents may be materially misstated considering the Missing Funds, (b) to determine whether ORP made accurate, truthful disclosures on ORP's financial documents, and (c) because ORP's financial books and records have been determined by the 2017 Rightside Compliance Report to be to be un-auditable and have in fact, not been audited for at least twelve years.

121. The Inspection Demand sought to inspect ORP's financial books and records at a reasonable time.

122. Because Plaintiffs satisfied all requirements for inspection pursuant to Ohio Rev. Code Ann. § 1702.15, Plaintiffs are entitled to inspect ORP's financial books and records, obtain copies of all such records whether manual or digital, and employ professional accounting assistance to aid in their examination and analysis.

123. Further, because Plaintiffs Laura Rosenberger, Denise Verdi, and Mark Bainbridge were entitled to examine the accounts of the Treasurer (as members of the Audit and Fiscal Review Committee) and did in fact seek to examine these records, Plaintiffs are entitled to inspect ORP's financial books and records, obtain copies of them, and employ professional assistance paid for by the ORP.

COUNT IV – ACCOUNTING AND AUDIT (Against Defendant ORP)

124. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

125. As a result of the aforementioned breaches, including but not limited to the improper removal of Plaintiffs from SCC committees, ORP's failure to perform an audit, and Paduchik's unauthorized support of unendorsed candidates, ORP is required to provide Plaintiffs with an accounting.¹¹

126. Plaintiffs are further entitled to an audit and accounting of ORP pursuant to Article IV, Section 6 of the Bylaws which provides that "[t]he Audit Committee shall examine the accounts of the Treasurer, for which purpose it shall have authority to employ a certified public accountant, and shall make an annual report to the [SCC]."

¹¹ See Carlson v. Rabkin, 2003-Ohio-2071, ¶ 14, 152 Ohio App. 3d 672, 680, 789 N.E.2d 1122, 1128 ("[T]he rights of a member to demand an accounting, . . . or to be compensated for a wrongful exclusion from the organization implicate individual rights of the member.").

127. Further, while Plaintiff members of the Audit Committee and Fiscal Review Committee attempted to obtain an audit/accounting of ORP's financial books and records, Plaintiffs requests were denied.

128. Therefore, in accordance with Ohio Law and the terms of the Bylaws, Plaintiffs are entitled to an accounting and audit.

**COUNT V – INTERLOCUTORY INJUNCTION
 (Against all Defendants)**

129. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

130. The Court should enter an interlocutory injunction to preserve the *status quo ante* during the pendency of this action. Specifically, Plaintiffs request that the Court enter an interlocutory injunction enjoining Defendants from (a) removing any money from ORP's bank accounts except in the ordinary course of business operations, (b) writing any checks from ORP's bank accounts except in the ordinary course of business operations, (c) providing any funds or in-kind support to unendorsed candidates, (d) reorganizing SCC subcommittees (including but not limited to removing members from committees and appointing committee chairs), and (e) destroying or altering any financial or business records, including electronic data. Plaintiffs also request that the interlocutory injunction order Defendants to immediately provide a full accounting of all ORP accounts.

131. Plaintiffs have shown herein that there is a substantial likelihood that Plaintiffs will prevail on the merits of their underlying substantive claims.

132. There is a substantial threat that Plaintiffs will suffer irreparable injury if this injunction is not granted, and the threatened injury to Plaintiffs outweighs any threatened harm to Defendants.

133. The granting of the interlocutory injunction will not harm third parties and will not disserve the public interest, but rather will enhance the public interest, as the requested injunctive relief is intended to prevent harm to the entire Republican Party in Ohio.

134. Thus, the public interest is served by granting an interlocutory injunction.

COUNT VI – INTERLOCUTORY INJUNCTION
(Against Defendant Paduchik)

135. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

136. The Bylaws expressly provide that “[t]he Fiscal Review Committee shall consider and approve the budget, pass upon recommendations to the Chairman as to staff salaries, authorize expenditures and arrange for the collection of funds.” Bylaws Article IV, Section 4.

137. In violation of the Bylaws, Paduchik has issued and/or caused payment of expenditures without the required authorization of the Fiscal Review Committee.

138. Thus, the Court should enter an interlocutory injunction to preserve the *status quo ante* during the pendency of this action. Specifically, Plaintiffs request that the Court enter an interlocutory injunction expressly enjoining Paduchik from issuing or causing payment of any expenditures without prior, express, written authorization from the Fiscal Review Committee.

139. Plaintiffs have shown herein that there is a substantial likelihood that Plaintiffs will prevail on the merits of their underlying substantive claims.

140. There is a substantial threat that Plaintiffs will suffer irreparable injury if this injunction is not granted, and the threatened injury to Plaintiffs outweighs any threatened harm to Defendants.

141. The granting of the interlocutory injunction will not harm third parties and will not disserve the public interest, but rather will enhance the public interest, as the requested injunctive relief is intended to prevent harm to the entire Republican Party in Ohio.

142. Thus, the public interest is actually served by granting an interlocutory injunction.

**COUNT VII – BREACH OF FIDUCIARY DUTY
(Against Defendant Paduchik)**

143. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

144. Paduchik is a current director of ORP.

145. In fact, Paduchik is the current Chairman of ORP.

146. As a director and the Chairman of ORP, Paduchik owes fiduciary duties to Plaintiffs and all members of the ORP.

147. In accordance with Ohio Rev. Code Ann. § 1702.30, Paduchik has a duty to perform the duties of a director “in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances.” Ohio Rev. Code Ann. § 1702.30(B).

148. Paduchik breached his fiduciary duties to Plaintiffs through his intentional wrongful conduct, including but not limited to mishandling of ORP funds, improperly reorganizing SCC subcommittees, improperly (and without authorization) naming the chairs of SCC’s subcommittees, improperly removing Plaintiffs from their positions on SCC’s subcommittees, using ORP funds to support unendorsed candidates, and failing and refusing to allow Plaintiffs to inspect and/or obtain an audit of ORP’s books and records.

149. Plaintiffs have been damaged by Paduchik's intentional, wrongful, and willful misconduct.

150. Paduchik is liable for breach of fiduciary duty.

151. Plaintiffs were (and remain) members of ORP at the time of Paduchik's breaches of fiduciary duty.

152. Plaintiffs have made significant efforts to correct Paduchik's wrongful conduct, including but not limited to notifying in writing and in person both the Audit and Fiscal Review Committees about the fiscal problems and issues dating back to 2017, requesting the Chairman hold meetings of both the Audit and Fiscal Review Committees, attempting to meet with the Chairman, and speaking to entire SCC at open meetings.

153. Plaintiffs have made a formal written demand that ORP bring an action against Paduchik for breach of fiduciary duty.

154. Plaintiffs fairly and adequately represent the interests of members similarly situated in enforcing the rights of ORP.

155. Thus, Plaintiffs have satisfied the requirements for a derivative action.

COUNT VIII – ATTORNEY'S FEES AND EXPENSES
(Against all Defendants)

156. Plaintiffs incorporate by reference each and every paragraph above as if specifically set forth herein.

157. Since Plaintiffs are entitled to protect the rights of ORP, a nonprofit corporation, derivatively (as to the breach of fiduciary duty claim), Plaintiffs are entitled to receive their attorney's fees. See Savyah v. O'Farrell, CASE NO. CA2000-06-017, 2001 Ohio App. LEXIS 1914, at *10-16 (Cl. App. Apr. 30, 2001).

158. Defendants have also acted in bad faith, and caused Plaintiffs unnecessary trouble and expense.

159. For example, Defendants' refusal to provide Plaintiffs with requested books and records, Defendants' refusal to complete an audit, and Defendants' failure to return Plaintiffs' committee positions unnecessarily caused Plaintiffs unnecessary trouble and expense in being forced to bring this action.

160. As a result, Plaintiffs are entitled to their reasonable attorney's fees and expenses.

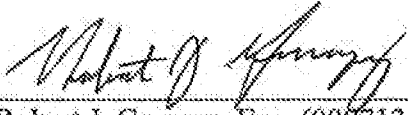
JURY TRIAL DEMANDED

WHEREFORE, Plaintiffs pray that this Court grant the following relief:

- a) Judgment in favor of Plaintiffs on all Counts;
- b) That Plaintiffs recover damages in an amount to be established at trial;
- c) That the Court enter an interlocutory injunction to preserve the *status quo ante* during the pendency of this action;
- d) That the Court enter a specific interlocutory injunction against Paduchik during the pendency of this action;
- e) That Plaintiffs recover reasonable attorneys' fees and litigation expenses;
- f) That pre-judgment interest be awarded to Plaintiffs;
- g) That the Court order Defendants to allow Plaintiffs to inspect ORP's books and records;
- h) That the Court order an accounting and audit;
- i) That the Court vacate any action taken by the Audit Committee, the Fiscal Review Committee, and/or any other ORP Committee without invitation to and inclusion of Plaintiffs in such meetings;

- j) That the Court order Defendants to reinstate Plaintiffs to their subcommittee positions;
and
- k) That Plaintiffs have such other and further relief as the Court deems necessary.

Respectfully submitted this 29th day of November, 2021.



Robert J. Gargasz, Esq. (0007136)
Attorney for Plaintiffs
1670-C Cooper Foster Park Road
Lorain, OH 44053
(440) 960-1670
fax (440) 960-1754
rjgargasz@gmail.com

IN THE FRANKLIN COUNTY COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

LAURA ROSENBERGER, MARK
BAINBRIDGE, DENISE VERDI, JOANN
CAMPBELL, and JOE MILLER.

Plaintiffs,

vs.

ROBERT A. PADUCHIK, DAVE JOHNSON,
and the OHIO REPUBLICAN PARTY.

Defendants.

CIVIL ACTION FILE NO.

NOTICE AND AFFIDAVIT

STATE OF OHIO

COUNTY OF Greene

PERSONALLY APPEARED before the undersigned officer duly authorized by law to administer oaths, comes Laura A. Rosenberger, as Secured Party Creditor and owner of the commercial entity LAURA A. ROSENBERGER and all derivative names thereof, who after first being duly sworn, deposes and states under oath that the facts recited in the VERIFIED COMPLAINT are true and correct based on her personal knowledge.

This 29 day of November, 2021.

Laura A. Rosenberger
Laura A. Rosenberger

Sworn to and subscribed before me this
29 day of November, 2021.

NOTARY PUBLIC {Notary Seal}



Elizabeth Haslam
Notary Public
Commission Expires 11/26/23