

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Jennifer Carnahan,

Court File No.: _____

Plaintiff,

Case Type: 14-Other Civil

v.

COMPLAINTThe Republican Party of Minnesota, Inc.
d/b/a The Republican Party of Minnesota,

Defendant.

Plaintiff Jennifer Carnahan (“Ms. Carnahan”), as and for her complaint against Defendant The Republican Party of Minnesota, Inc. d/b/a The Republican Party of Minnesota (“MN GOP”), through her counsel, states and alleges as follows:

THE PARTIES

1. Ms. Carnahan currently resides in Crow Wing County, State of Minnesota.
2. MN GOP is a Minnesota nonprofit corporation with its principal place of business in Hennepin County, State of Minnesota.

FACTUAL BACKGROUND

3. Jennifer Carnahan is the former Chairwoman of MN GOP.
4. She was first elected to that role on April 29, 2017 to serve a two-year term. She was re-elected to a second two-year term on April 27, 2019 and a third two-year term on April 10, 2021.

Carnahan’s Involvement in Minnesota Politics

5. Before becoming actively involved in politics, Ms. Carnahan spent more than 15 years working in the private sector. She holds a Bachelor of Science Degree from Syracuse

University and a Masters of Business Administration from the Carlson School of Management at the University of Minnesota.

6. She developed a successful career in strategy, marketing, branding, and general management for some of the world's most respected Fortune 500 companies, including: General Mills, Ecolab, and McDonald's Corporation.

7. Ms. Carnahan is also a small business owner and founded her own women's retail store in 2014.

8. On April 29, 2017, as a political outsider and newcomer to politics and the MN GOP, Ms. Carnahan surprised Minnesota political insiders and activists, as well as the MN GOP State Central Committee, when she was elected Chairwoman of the MN GOP. She beat out three more experienced candidates, making her the first Asian American woman elected to lead either major political party in Minnesota and the first minority to hold such a position with the MN GOP.

9. When Ms. Carnahan took over the top role in the state for the MN GOP, the MN GOP had nearly \$1 million in debt and less than \$20,000 cash on hand, which was only enough to cover one payroll due to MN GOP employees.

10. Over her tenure, Ms. Carnahan distinguished herself as one of the top chairpersons in the country for Republican State parties. She brought in revenues and transfers of over \$20 million, eliminated the MN GOP's debt, reduced the organization's operating expenses by over 20%, and monetized opportunities for the MN GOP - including the MN GOP's State Fair Booth - which brought in revenues of approximately \$420,000. Ms. Carnahan also, introduced a Federal PAC Fundraising Program (a first for the MN GOP).

11. Under Ms. Carnahan, the Republican National Committee (“RNC”), National Republican Congressional Committee (“NRCC”) and other affiliated organizations rebuilt their trust in the MN GOP and transfers into the party resumed.

12. Ms. Carnahan’s predecessor had used incoming transfers to pay down debt instead of supporting Republican congressional candidates. This caused a lack of trust from the NRCC, which then made transfers to Minnesota candidates through the Wisconsin GOP rather than through the MN GOP.

13. Under Ms. Carnahan’s leadership, the MN GOP assisted in flipping three congressional seats from blue to red (MN-01, MN-07, MN-08), Republicans won back five seats in the Minnesota House (2020), Republicans retained their one-seat majority in the Minnesota Senate (2020), and Minnesota became a state targeted in the Presidential election.

14. Under Ms. Carnahan’s leadership, the MN GOP worked collaboratively with the RNC to implement a significant grass roots operation during the 2020 election cycle, which included approximately 60 paid staff, hundreds of volunteers, and more than five million direct voter contacts, a record for MN GOP get out the vote efforts.

Participation in Asian American and Pacific Islander Republican Politics

15. During her tenure at the MN GOP, Carnahan also expanded her long-term commitment to the development, advancement, and equal opportunities for Asian American and Pacific Islanders (“AAPI”) and became a national AAPI leadership voice in Republican politics.

16. Carnahan was appointed by Former President Donald Trump to serve as a Commissioner for the White House Initiative on Asian American and Pacific Islanders, was appointed to serve on the Board of Directors for Asian Pacific Americans for Trump during the

2020 election, and traveled around the country to promote, support, advance, and encourage AAPI activism.

17. Carnahan also served as co-chair for the RNC's AAPI Caucus.

False Allegations Weaponized by Party Leaders to Oust Carnahan

18. During the 2021 election cycle for the role of Chair of the MN GOP, a small group of the MN GOP's Executive Committee members opposed Ms. Carnahan.

19. The group included the following individuals: Gary Steuart (MN-01, Executive Committee Member), Bobby Benson (MN-06 Executive Committee Member, Chair, & Official Staffer to Congressman Tom Emmer), Barb Sutter ("Sutter") (National Committeewoman), Max Rymer (National Committeeman), and David Paul Pascoe ("Pascoe") (Secretary).

20. Ms. Carnahan's opponents were unable to unseat her after her third re-election campaign (she won with 67.3% of the vote on the first ballot).

21. After the election, the group continued to oppose Carnahan publicly.

22. In August 2021, a Republican donor from Minnesota became embroiled in a controversy involving criminal charges against him.

23. Sensing an opportunity, the group used this unrelated donor controversy and ensuing media frenzy to falsely suggest Ms. Carnahan was involved or had knowledge of the criminal activity.

24. The group also repeated other false claims about Ms. Carnahan—including that she failed to investigate reports of sexual harassment within the MN GOP—in an effort to oust Carnahan after the 2021 election.

25. The group, aided by local and national media outlets, sought to put pressure on Ms. Carnahan to resign from her role as Chair of the MN GOP.

26. Based on the onslaught of false claims against her, Ms. Carnahan decided to step down from her role as Chairwoman, entering into a Separation Agreement, Waiver and Release (“Agreement”) with MN GOP, effective August 19, 2021.

The Agreement

27. The Agreement required MN GOP, its management employees, Officers, and Executive Board Members to refrain from disparaging Ms. Carnahan “in any respect.”

28. The non-disparagement provision of the Agreement was important to Ms. Carnahan given prior efforts by some MN GOP party leaders to disparage her by spreading negative stories about her in the community.

The Disparagement Continues

29. Shortly after entering into the Agreement, the MN GOP, and some of its management employees, Officers, and Executive Board Members began to disparage Ms. Carnahan, breaching the non-disparagement provision of the Agreement.

30. For example, Executive Board members on the Executive Committee posted on social media, highlighting Carnahan’s departure, celebrating her ouster, and suggesting the MN GOP was better off without her.

31. MN GOP, its management employees, Officers, or Executive Board Members also disparaged Ms. Carnahan in the following ways:

- a. On August 23, 2021, Pascoe, an Executive Board Member and Secretary of MN GOP, gave an interview with Benjamin Kruse on his “Up and at ‘Em” podcast where Pascoe:

- i. Stated or implied Ms. Carnahan should have been ousted and implied her severance was “unconscionable” because of her wrongdoing while serving as Chairwoman;
 - ii. Stated or implied Ms. Carnahan created a toxic work environment involving sexual harassment and falsely claimed there was a “mountain of people” willing to come forward to talk about abuse and sexual harassment; and
 - iii. Asserted Ms. Carnahan should not have received any severance payment because of prior alleged wrongdoing by Ms. Carnahan.
- b. On August 24, 2021, Pascoe tweeted that he was disappointed about Ms. Carnahan’s severance payment of “\$38,150,” and expressed or implied that Ms. Carnahan acted unethically during the August 19, 2021 meeting where the Agreement was negotiated.
- c. On August 30, 2021, MN GOP held an informational meeting¹ for MN GOP delegates where members of the Executive Committee spoke regarding past events, including those relating to Ms. Carnahan. During the meeting, the following individuals spoke and made directly disparaging or indirectly disparaging statements about Ms. Carnahan:
- i. Sutter: She suggested or implied that sexual harassment claims were suppressed and “not reacted to” under Ms. Carnahan.

¹ <https://vimeo.com/594895407/3a20a43c87?fbclid=IwAR0DD6pIDIR0Uuq-6zGtlIbvHqaLYU23WJ59kw0zjSBuhWaDUAcddKsadiU>

ii. Pascoe: He suggested changes to rules, the direct implication of which was to imply that Ms. Carnahan acted unethically during the August 19, 2021 meeting.

d. After the August 19, 2021 meeting, numerous Executive Committee Members disparaged Ms. Carnahan online, engaging in an effort to re-tweet or re-send disparaging and derogatory posts about Ms. Carnahan, including posts related to her ethics, job performance as Chairwoman, and prior association with the Republican donor.

32. On or about September 25, 2021, Sutter spoke on the phone with a member of the public and told them, “It’s not just enough that [Ms. Carnahan] resigned. We need to hold her accountable [for her bad acts] and totally destroy her.”

33. In December 2021, Sutter disparaged Ms. Carnahan on a group text with fellow RNC Members, stating or suggesting that Ms. Carnahan’s continued presence in MN GOP politics was disruptive and bad for the MN GOP.

34. In December 2021, Donna Bergstrom, MN GOP Deputy Chair, speaking publicly at the 2021 State Central Meeting, suggested Ms. Carnahan left the party offices in shambles, falsely claiming that when Ms. Carnahan left the party offices, party leaders found the offices bare, with little there other than a router and some cables.

35. David Hann, MN GOP Chair (who was elected in October 2021 to fulfill the remainder of Carnahan’s term), while speaking at the 2022 RNC Winter Meeting, falsely claimed that Ms. Carnahan left the MN GOP in financial disarray, left the party with debt, and with no money in the bank.

36. Following her forced resignation as Chairwoman of the MN GOP, Ms. Carnahan has suffered from emotional distress and mental anguish as a result of the continuing disparagement against her by the MN GOP.

37. Since August 19, 2021, Ms. Carnahan has applied for numerous jobs inside and outside of politics; to date, she has not been successful in finding employment.

**COUNT I
BREACH OF CONTRACT**

38. Plaintiff restates and realleges all preceding paragraphs of the Complaint as if set forth fully herein.

39. Ms. Carnahan entered into the Agreement with MN GOP on August 19, 2021.

40. The Agreement is a contract and was supported by mutual consideration.

41. The Agreement required MN GOP, its management employees, Officers, and Executive Board Members to refrain from disparaging or defaming Ms. Carnahan.

42. As discussed above, MN GOP Executive Board Members Pascoe and Sutter disparaged Ms. Carnahan after MN GOP became contractually obligated to refrain from disparaging Ms. Carnahan.

43. These acts by MN GOP's agents caused MN GOP to breach the contract with Ms. Carnahan.

44. As a result of the disparaging statements made by agents of MN GOP, Ms. Carnahan has lost new work opportunities, and she has suffered emotional distress, and other general and special damages, in an amount to be proven at trial, but reasonably believed to exceed \$50,000.00.

JURY DEMAND

Plaintiff demands a jury trial on all issues and claims triable to a jury.

RELIEF

WHEREFORE, Plaintiff prays for the following relief from this Court:

1. Entry of judgment in favor of Plaintiff and against Defendant, jointly and severally, for general and special damages in excess of \$50,000.00;
2. An order awarding to Plaintiff her costs, disbursements, and attorneys' fees incurred herein, as allowed by law;
3. Prejudgment and post-judgment interest according to law; and
4. For such other and further relief as the Court deems just and equitable under the circumstances.

**DOUGHERTY, MOLEND, SOLFEST,
HILLS & BAUER P.A.**

Dated: September 29, 2022

s/ Matthew J. Schaap
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ACKNOWLEDGMENT

The party above-named represented by the undersigned, hereby acknowledges that sanctions may be imposed pursuant to Minn. Stat. §549.211.

s/ Matthew J. Schaap
Matthew J. Schaap