

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
(Civil Division)**

CARYN ANN HARLOS	:
	:
Plaintiff,	:
	:
v.	: Civil Action No.: 2024-CAB-006230
	: Judge Katherine E. Oler
ANGELA MCARDLE, et al.	: Next Event: Initial Scheduling Conference
	: January 10, 2025 at 9:30 a.m.
Defendants.	:

FIRST AMENDED COMPLAINT

COMES NOW, the Plaintiff, **CARYN ANN HARLOS** (“Harlos”), individually and on behalf of the Libertarian National Committee (“LNC”) as a derivative action, by and through undersigned counsel, against the Defendants, **ANGELA MCARDLE** (“McArdle”) and the **LIBERTARIAN NATIONAL COMMITTEE** (the “LNC”), and files the instant First Amended Complaint, and in support thereof, states as follows:

1. Defendant McArdle, Chair of the LNC, has violated her fundamental fiduciary duties and duties of loyalty to the LNC and to the Libertarian Party as a whole through self-dealing, divided loyalties, outright violations of core principles of the Party, diversion of Party assets to unrelated third-parties (including other political parties), misuse of Party assets, failure to keep the entire LNC informed of her actions and expenditures ahead of time or as contemporaneously as possible as required under its rules and Bylaws, the ordering payments of tens of thousands of the Party’s funds in self-interested transactions, and the failure to disclose and/or to timely disclose clear conflicts of interest existing in several other transactions commanded by her and through her repeated unilateral actions, without consulting the LNC as required so that they can fulfill their required fiduciary duties and potentially exercise their veto

power, as well as engineering improper retaliation against Harlos. As Chair of the LNC, McArdle has an obligation to uphold her duties of loyalty, care, and obedience. However, time has revealed to Harlos and many others that McArdle's self-interest, divided loyalties, and deceptive division of the LNC and the Party into a vehicle to wrongfully promote Republican Party interests, not the interest and goals of the Libertarian Party, have controlled the vast majority of her decisions. McArdle attempted to wrongfully conceal many transactions by selectively conferring with only certain members of the LNC, many of whom also had and have divided loyalties to an outside political action committee (the Mises PAC aka the "Mises Caucus") and the winning Republican candidate for President. McArdle has also permitted decisions to be made on behalf of the LNC that did not accurately reflect the vote or required decision making process rules of the LNC. McArdle's actions have consistently broken the LNC's own Bylaws and Rules, campaign finance regulations, and both federal and D.C. law, in a complete refusal to meet her fiduciary duties and obligations. Harlos, as a current Officer of the LNC, as well as being a current Libertarian Party member who maintains the core beliefs of the Party, turns to this forum as a last resort to stop McArdle before her continued actions ultimately destroy the Libertarian Party. Once Harlos provided whistleblower notice of McArdle's wrongful action and breach of fiduciary duties, McArdle began retaliatory efforts to expel Harlos from the LNC, breaching Bylaws and rules of mandatory process in doing so.

PARTIES AND JURISDICTION

2. At all times relevant and through the filing of this Amended Complaint, Harlos was and remains an Officer of the LNC despite continuing self-serving and retaliatory attempts by McArdle to inappropriately remove her. She has standing to bring this action under the laws of the District of Columbia, including under D.C. Code § 29-411.02. Harlos brings this direct action as she has suffered a "special injury" as she has a personal stake in McArdle's misuse of

LNC's assets, to which Harlos has contributed, including monetary contributions and the devoted assets of her experience, time, and work as an Officer of LNC and the reputational damage she is suffering by the LNC's public attempts to remove her against the Party's purpose at the direct encouragement and inappropriate interference of McArdle. Harlos has also suffered a "special injury" as Harlos' challenging of McArdle's breach of her fiduciary duties, and McArdle's subsequent denunciation and accusations, including her wrongful retaliatory actions, have caused her constituents/Party members and professional acquaintances to question Harlos's integrity. In fact, McArdle's actions have resulted in Harlos being forced to expend personal funds to protect her professional and personal reputation. McArdle has improperly excluded Harlos in decision-making processes and meetings, thus violating her member rights on the LNC and depriving her constituents of the representation to which they were entitled, as well as the position in which she earned and held. McArdle has engaged in retaliatory behavior due to Harlos' insistence that the Party keep to its stated and required purposes, and that Libertarian Presidential and Vice-Presidential candidates appear on state ballots. Harlos also brings claims as a derivative action against McArdle as she is an Officer of the LNC and, despite a clear demand, the LNC has failed to suspend and remove McArdle. In fact, the LNC has not undertaken any action to remove her as Chair. Further, the law in the District of Columbia supports removal through Court order of McArdle in these circumstances as she has grossly abused the position of Chair and intentionally inflicted harm on the LNC. Furthermore, irreparable harm will occur to the LNC if Harlos did not timely bring this action, as she did so on the eve of the November 5, 2024 national election for President and many other local elections in which McArdle refused to properly support Libertarian candidates, risking the Party' status, reputation, and continued membership by thousands.

3. McArdle is the Chair of the LNC, which is a nonprofit corporation registered in the District of Columbia and of the Libertarian Party which is an unincorporated assembly, with headquarters in Virginia and affiliates throughout the United States, including the District of Columbia. McArdle is an individual, upon information and belief, who resides in Texas, but has taken many if not all of the relevant actions and transactions referenced herein through domineering control, repeated unilateral actions despite LNC and Party member protests, and wrongful executive orders, and the activities described throughout by virtue of her position as Chair of the District of Columbia nonprofit political entity.

4. The LNC is a nonprofit corporation that was created under the laws of the District of Columbia and has a principal place of business in Alexandria, Virginia. The LNC operates under its Bylaws, Convention Special Rules, and Judicial Committee Rules of Appellate Procedure as well as its Policy Manual and parliamentary authority, Robert's Rules of Order. In its applicable Bylaws and Policy Manual, the LNC has the power to suspend an officer for cause, as stated in its Policy Manual, to failure to perform the duties of office (which includes the duties owed to the nonprofit corporation and its membership) and gross malfeasance.

5. This Court has jurisdiction over this matter under District of Columbia law, including pursuant to D.C. Code § 29-411.01, *et seq.*

FACTUAL BACKGROUND

6. This action centers on McArdle's abuse of power and breaches of her fundamental fiduciary duties to the LNC undertaken through her tenure as Chair through several terms, exemplified by self-dealing and unilateral actions that circumvented required participation by the rest of the LNC, misuse of the Party's remaining assets, and contravening the Party's purpose of promotion of its own candidates, not those of another political party, in this instance Republican Donald J. Trump.

7. The Chair, along with all members of the LNC, comprise the board of directors of the nonprofit corporation, Libertarian National Committee, Inc. (“LNC”) and owe the LNC and the Libertarian Party the fiduciary duties set forth under common law and demanded by statute. As the manager of the LNC’s affairs, the Chair owes fiduciary duties to the nonprofit corporation. The law requires that the Chair “must act in the utmost good faith, and this good faith forbids placing [herself] in a position where [her] individual interest clashes with [her] duty to the” LNC. As Chair, McArdle’s fiduciary obligations to the LNC means that she must manage the LNC solely in its best interest, under its Rules and Bylaws, not as a vehicle for promoting her personal beliefs or causes, including transforming the organization contrary to its purposes under its Bylaws nor undermining the will of the Libertarian Party delegates assembled in convention.

8. Under District of Columbia law, McArdle had the fundamental duty not to engage in self-interested transactions and had to pre-disclose potential conflicts of interest to the persons charged with approving transactions. The LNC Policy Manual has a similar provision. McArdle had the obligation to adhere to duties of loyalty, disclosure, and obedience to the mission of the LNC as its Chair, as well as the duty to avoid the wasting of the Party’s assets and to refrain from engaging in furthering the interests of another political party. Further, McArdle has the fiduciary duty to act in the utmost good faith in her decisions as LNC Chair and within the scope of her official office.

9. District of Columbia law recognizes that the fiduciary duties of the Chair include completely revealing all material information and that nondisclosure of material information could not only breach a fiduciary duty, but also constitute fraud not only upon the LNC but upon the Libertarian Party membership. As the District of Columbia’s highest court has explained,

“The gist of the action of deceit is the producing, with fraudulent intent, of a false impression upon the mind of the other party. It is unimportant, if this result is accomplished, whether the means employed are affirmative or negative, that is, whether they consist of words or acts, or amount to no more than a concealment or suppression of material facts peculiarly within the knowledge of the guilty party.”

10. The Libertarian Party is the third-largest political party in the United States.

11. Per the Party Bylaws, “[t]he Chair is the chief executive officer of the Party with full authority to direct its business and affairs.” The Chair is a member of the LNC which was established to control and manage the affairs, properties, and funds of the Party consistently with the purposes of the Party as defined in the Party's Bylaws and has power and control through actions requiring the vote of the LNC as well as through powers that can be exerted, rightfully or wrongfully, through closed, executive sessions or even unilaterally. Since the Chair has such power, including the power to take unilateral actions which can be overridden by the full LNC, she has a particular duty to inform the LNC of her actions so that they can exercise their duties and veto her actions if necessary. The LNC cannot veto or divert actions of which it has no or incomplete/untruthful knowledge.

12. As a District of Columbia nonprofit corporation, the LNC and its directors and board members are subject to District of Columbia laws, including D.C. Code § 29-406.30(a) (“Standards of conduct for directors: Each member of the board of directors, when discharging the duties of a director, shall act: (1) In good faith; and (2) In a manner the director reasonably believes to be in the best interests of the nonprofit corporation.”) when managing the affairs of the LNC. The members of the LNC are empowered to manage the affairs of the LNC, and as

such, are the LNC's directors and board members. In order to do so, they must have full and truthful disclosure from their Chair.

13. On or around May 28, 2022, McArdle was elected Chair of the LNC.

14. On or around May 25, 2024, McArdle was re-elected Chair of the LNC.

15. As the Chair of the LNC, McArdle is bound to adhere to D.C. Code § 29-406.30 and common law fiduciary duties to the nonprofit corporation.

16. Directors must act in the utmost good faith, and this good faith forbids placing themselves in a position where their individual interests and beliefs clash with their duty to the nonprofit corporation. The director's fiduciary obligation to a nonprofit corporation means that they must manage it solely in its best interest, not as a vehicle for promoting their personal beliefs or causes.

17. Under District of Columbia law, directors of nonprofit corporations must not engage in self-interested transactions and must fully pre-disclose potential conflicts of interest to the persons charged with approving such transactions.

18. It is axiomatic that the board of directors of a nonprofit corporation is charged with the duty to ensure that the mission of the nonprofit corporation is carried out. This duty has been referred to as the duty of obedience. It requires the director of a nonprofit corporation to be faithful to the purposes and goals of the organization, since unlike business corporations, whose ultimate objective is to make money, nonprofit corporations are defined by their specific objectives, and the Libertarian Party, through its Bylaws, has very distinct ideological purposes which explicitly preclude supporting the candidates of other political parties.

19. District of Columbia law has recognized those components of the fiduciary duties of managing directors and, in fact, found that nondisclosure of material information may constitute fraud.

20. The fiduciary duties of nonprofit corporate directors also include a duty not to waste corporate assets.

21. It is important to note that the LNC is a small board of directors with only 17 persons permitted to vote at any time, at most.

22. McArdle has undergone a series of actions in breach of her fiduciary duties to the LNC, some of which are outlined here but are not comprehensive as to all of her breaches of duty. Upon information and belief, some actions remain hidden as of this date, as McArdle has acted unilaterally most of the time and even the LNC itself has no knowledge of her dealings. Even more pressing for purpose of this lawsuit, McArdle will continue to act in line with her prior breach of fiduciary duties that will continue to negatively impact the LNC and Libertarian Party and cause them to suffer irreparable damages.

Breach of Loyalty - Self-Interested Diversion of LNC Resources

23. As Chair and in the name of the Chair of LNC, McArdle repeatedly used LNC resources to fund political fundraising events for non-Libertarian political candidates, including Donald Trump, which violated the Bylaws and constituted repeated breaches of her fiduciary duties.

24. As Chair, McArdle made decisions to divert scarce and valuable LNC resources to hold a past fundraiser on behalf of “Rage Against the War Machine,” a separate organization formed in conjunction with Nick Brana (“Brana”) from the Movement to Form a People’s Party, a competing political group, who now is believed to work with Robert F. Kennedy, Jr. in former

President Trump's now successful re-election bid. The organization was organized by McArdle and Brana personally. The organization used the 1444 Duke Street address of the LNC's headquarters building for a mailing address with no authority of the LNC and no documented benefit given to the LNC.

25. An additional "Rage Against the War Machine" event happened on September 28, 2024, for which McArdle, upon information and belief, may have received remuneration as she may have in the past, none of which have been disclosed. Even if she received no personal funds, an accounting of that lack of receipt is standard and required under the Bylaws.

26. The purported purpose of the separate organization was to hold coalition events billed as a joint-fundraisers that would benefit the LNC. The LP was listed as a cosponsor of the organization in public promotional materials in the first event (but is listed as "Organizer" for the second event without the approval of the LNC), the Party logo was used on the website and materials for the organization prior to any endorsement vote, and McArdle was and is involved with hosting the events. Upon information and belief, McArdle personally answered email for these events as well and is using her Party title to boost her personal public profile in a way that serves no benefit to the LNC or the Party but is of great personal benefit to her. The Party being listed as an Organizer may expose it to corporate liability for dangerous conditions present at the events.

27. Upon information and belief, significant amounts of money were raised at this second "Rage Against the War Machine", which was promoted using McArdle's title and Party resources. However, McArdle failed to properly provide the LNC with an accounting and made no disclosure as to whether any of the monies went to herself. Such an accounting is standard

and required under the LNC Rules and thus constitutes a breach of her obligations and fiduciary duties.

28. McArdle breached her fiduciary duty to safeguard LNC's assets by permitting "Rage Against the War Machine" to take more than its share of the raised funds, not accounting for the funds at all to the FEC or the LNC, and not submitting approval of the formation of "Rage Against the War Machine" or the fundraising agreement to a full vote of the LNC as required by the rules of the Party, and breaching her duty of disclosure of relevant financial and legal information to the entire board and is upon information and belief using these events to raise her personal profile for future financial prospects at the expense of the Party.

29. McArdle founded another organization called "Rescue the Republic - Join the Resistance" which is comingled with the "Rage Against the War Machine" on its website. McArdle listed herself with her Party title of Chair of the LNC as a founder, all without the approval of the LNC and without the knowledge of many on the LNC. Further, McArdle, through these groups, held a separate event that took place on September 29, 2024, which was tied to the promotion of the election of Donald Trump, a non-Libertarian, a recurring pattern behind her actions. McArdle caused a promotional email for this event to be sent to the Party email list with a link that contains a donation link to that organization. McArdle did not disclose her interest in "Rescue the Republic - Join the Resistance". In so doing, she bypassed the internal Party procedures for approval to which Harlos expressly objected. These actions constitute a breach of her obligations and fiduciary duties.

30. With those two rallies, McArdle continued brazenly promoting the Republican Party in blatant contradiction to the LNC's Bylaws. Both of these rallies were promotional

events for the Trump re-election effort, complete with branding and advocacy from the speakers. These actions constitute violations of the Bylaws and her fiduciary duties.

31. Upon information and belief, the past fundraiser resulted in the raising and spending of over \$100,000.00 and McArdle used Party resources for fundraising and advertising the fundraising event to the detriment of other essential LNC functions.

32. There was never an internal accounting of all of the Party resources used for this event. No accounting has ever been forthcoming, despite Harlos making several official enquiries. Undertaking an accounting is standard and required under the Bylaws.

33. It is anticipated that the future rallies will be organized and held by McArdle with LNC resources to promote Donald Trump's election win, which constitutes irreparable harm both as LNC resources will be used for an improper purpose and because further harm to the members of the Party will occur due to her support for non-Libertarian politicians.

34. McArdle informed the LNC after the fact that she had created the initial "Rage Against the War Machine" organization and made a donation of about \$1,500.00 of LNC funds for the organization. "Rage Against the War Machine" was created by at least December 2022 but was not included in her official required notice of conflicts of interest until March 2023. This breached her duty of disclosure and loyalty to her organization.

35. McArdle has yet to inform the LNC that she is a co-founder of "Rescue the Republic – Join the Resistance " and used Party resources to promote its event. Harlos attempted to stop the use of LNC resources for that event but was unsuccessful. This organization has yet to be included on McArdle's required potential conflicts of interest disclosures

36. Throughout her time as Chair, McArdle has diverted Party resources towards groups and candidates outside of the Libertarian Party, in specific contravention of the Party Bylaws, without LNC involvement or approval.

37. McArdle has also breached her fiduciary duties by using paid LNC staff members for her personal needs, such as babysitting, without disclosure or remuneration to the LNC.

38. Such actions violated DC Code § 29–406.30(c), which states, “In discharging board or committee duties a director shall disclose, or cause to be disclosed, to the other board or committee members information not already known by them but known by the director to be material to the discharge of their decision-making or oversight functions, except that disclosure is not required to the extent that the director reasonably believes that doing so would violate a duty imposed by law, a legally enforceable obligation of confidentiality, or a professional ethics rule.”

39. McArdle has repeatedly caused the Executive Committee of the LNC, a subset of seven members of the larger LNC, to hold closed-door executive sessions and to restrict votes to her hand-picked executive committee. This is in direct violation of the Party's Bylaws, which require full LNC participation for nearly all meetings and strictly limiting the use of confidential executive sessions. McArdle’s repeated use of the Executive Committee did not meet any exceptions to the full LNC participation requirement.

40. Regional LNC Representatives from Region 3 and Region 7 have been excluded from Executive Committee Executive Session meetings by McArdle, which violated the rights of all Libertarians in Region 7 and Region 3, since their representatives were not allowed to participate in any discussion or decision of the committee which prevented them from lobbying for their constituents’ best interests. McArdle also breached her fiduciary duty to the LNC by

doing so, as the selective exclusion of such representatives by the personal decision of the Chair is not in the best interest of a democratically chosen political party.

41. McArdle has terminated the staff who were working in the 1444 Duke Street office, a real estate asset purchased through donations of party members specifically for the purpose of being used as the LNC headquarters with Party property being stored in disarray in the basement. With the building emptied of staff and operational activities, against the purpose and desires of the many donors who contributed in excess of \$1,000,000 to its purchase, she has proposed renting it. She has not accounted to the Committee regarding any such arrangements, nor has she stated that she will adhere to Federal Election Commission rules regarding how the party may rent out facilities paid for with donations. Donated items of value over decades have lost value without being properly stored. The property has further fallen into disrepair with no attempts to solicit assistance from the membership to bring it back into prime condition. Further, no one answers the phone and members constantly complain that messages are not returned. In handling an asset of high value with disregard of the needs of the Party, McArdle is breaching her obligations.

Breach of Obedience and Loyalty to the LNC

42. To effectuate change in a democracy, political parties must put up candidates for office, especially for important elections such as for the President and Vice-President of the United States. This is listed as one of the purposes of the Party. However, McArdle has breached her fiduciary duty to act in good faith to the LNC by failing to zealously maintain ballot access to Libertarian Party candidates across the country. She has done this by supporting other party candidates by inviting the Republican frontrunner to speak at a prime-time slot during the party convention and encouraging the presidential nomination of an independent candidate

who also runs under various other party labels in various states, none of the them Libertarian, and attempting to remove the Libertarian Party Presidential and Vice-Presidential electors from Colorado. In fact, McArdle has publicly defamed and attempted to intimidate Harlos for Harlos's actions ensuring that that duly nominated candidates appeared on the ballot as McArdle wanted to handpick the individual named on the Colorado ballot for the Libertarian Party.

43. While McArdle was violating the Party Bylaws, claiming herself as the ultimate authority who shalt not be undermined, Harlos obeyed the purposes stated in the Party Bylaws including upholding the will of the delegates in convention.

44. McArdle has retaliated against Harlos and attempted to destroy her personal and professional reputation following her duties, rather than the will of McArdle. McArdle's actions constitute actionable defamation and libel, as the misrepresentations she has made against Harlos go to her profession and relate to acts both in a professional and personal capacity. These actions by McArdle have caused Harlos to suffer damages

45. The Party Bylaws require the LNC to fully support the properly nominated candidate chosen at the convention. The 2024 properly chosen candidates have suffered from little to no support from McArdle. To the contrary, in coordination with a state chair to collude in breaking both national and state Bylaws, McArdle contacted at least one secretary of state to facilitate the removal of electors for the Libertarian candidate in favor of an independent candidate, in a strict violation of the Party Bylaws. In some states this may lead to the Party losing even more ballot access. In Colorado, it would have given ammunition to an attempt to nearly destroy the Party in that state.

46. Further, McArdle did not instruct staff to send the second set of the Certificates of Nomination signed at the 2024 National Convention to each Secretary of State after she learned that some state affiliates may attempt to refuse their appearance on ballot.

McArdle Unilaterally Brought Donald Trump to the 2024 Libertarian Convention

47. Around April or May 2024, McArdle unilaterally made a deal with the Donald Trump Campaign that would give Donald Trump, a candidate for the Republican presidential nomination, a prime time speaking slot at the Libertarian National Convention in Washington, D.C. The LNC was not consulted nor was a vote held on this matter before the agreement was reached. Full details were not given to the Convention Oversight Committee.

48. By inviting and allowing the Republican presidential nominee to speak at the Libertarian National Convention, McArdle created the appearance that the LNC supports Donald Trump, which contravenes the Party's Bylaws as well as the fundamental purpose of the LNC.

49. McArdle additionally used her status as LNC Chair to support political candidates from other political parties, encouraging Robert Kennedy Jr. to seek the Libertarian presidential nomination despite not being eligible and being a self-declared independent.

50. McArdle, without full support of the LNC, scheduled the Trump appearance for a prime Saturday night slot during the LNC Convention, traditionally when the LNC presidential candidates would debate before a vote to select the LP presidential nominee. This scheduling meant that the LNC presidential candidates had an abbreviated debate during business hours on Saturday morning, which not only caused there to be less attention on LNC candidates but breached her obligation to support only LNC candidates.

51. McArdle's scheduling of another political party's presidential nominee disrupted LNC business, damaged the LNC's reputation, incurred additional costs to the Party, and has

been alleged to have affected the results of the election of McArdle as Chair as many of her opponents were prevented from re-entering the Convention Hall due to Trump's security.

52. Upon information and belief, the funds used to schedule and support Donald Trump's appearance wasted LP assets as the party was required to expend its resources to host the Republican presidential nominee, at an increased cost and with no financial benefit to the LNC.

53. McArdle's unilateral decision to schedule and support Donald Trump speaking at the LNC convention constituted a breach of the Party's Bylaws, fundamental principles of good governance, and a breach of the duties of good faith and disclosure.

54. By inviting other party candidates to take time during the Libertarian National Convention, she caused serious decline of members and funds to accelerate. The massive drop in funds after the convention has been cited by McArdle as the reason for proposing to process donations for a presidential candidate who is directly competing with the Libertarian nominee in the 2024 election. The party did not have enough funds to meet its mandate of fielding candidates for office this election cycle due to McArdle's continued breach of duties in allowing excessive entanglements with other party candidates to fund the Party, resulting in record low numbers of Libertarians running across the country in 2024.

55. McArdle also made a "2024 Convention Recap" video using Party resources which featured Republication candidates predominantly.

56. Immediately after the election, McArdle then began to openly mock the Party's Presidential candidate. In fact, at his Election Night Party, which was in McArdle's own state, she did not even show up, though Harlos did.

57. McArdle has just announced the Party will be holding an "inaugural party" for Trump which has not been subject to a vote or approval of the LNC.

58. The Bylaws of the Party clearly states that the purpose of the Party includes “electing Libertarians to public office to move public policy in a libertarian direction” and to “nominat[e] candidates for President and Vice-President of the United States and supporting Party and affiliate party candidates for political office.”

59. As Chair, however, McArdle independently made the decision to disregard ballot access for Libertarian candidates in all fifty states for the 2024 Presidential Election while making public comments about working with the Republican nominee’s campaign. As an example, in one state where under 300 signatures were needed to complete the process, McArdle did nothing to assist where both cost and effort would have been minimal.

60. As Chair, McArdle excoriated Harlos for signing the nomination papers to put the official Libertarian Party Presidential and Vice-Presidential Candidates on the Colorado ballot, instead, upon information and belief, thwarting the will of the affiliate to put Robert F. Kennedy, Jr. on its ballot line in direct contradiction to Colorado and national Bylaws.

61. Decreasing ballot access and supporting another party’s presidential candidate runs antithetical to the fundamental purpose of the Libertarian Party, and the Party Bylaws. Her actions continue to breach her fundamental fiduciary duties as the LNC Chair and as a board member. While quick action may help counter the negative consequences of her disregard of Party ballot access for the 2024 election cycle, her continued control will very likely deepen the destructive impact of her continued breach of fiduciary duty on the LNC and the Libertarian Party.

Breach of Loyalty - Self-Interested Appointments

62. In a serious breach of her duty of loyalty, McArdle had appointed herself as the Executive Director of the organization, filling a position vacated previously by an individual with the power to place checks on some of the Chair's power, and ability to interfere with staff and other operations. Key aspects of the Party, including decisions on employees' and consultants' retention and termination and acts as the direct report for employees and volunteers are normally handled by a full-time executive director. She had created a conflict of interest in appointment and retention decisions, since she could also vote to take actions against staff and contractors.

63. McArdle, in her capacity as Chair and Executive Director, hired her life partner and father of her son, Austin Padgett, as a Fundraising Director for the LP despite his lack of professional fundraising experience and initially provided deceptive information to the LNC that his contract was fully internally approved by a committee assigned to that task. Ms. Yeniscavich and Mr. Malagon, two directors, both expressed to Harlos that they were deceived by this action. McArdle refused Harlos's multiple attempts to put a supervisory barrier between the two rightfully noting that McArdle could not possibly objectively supervise Padgett.

64. In assigning him to the position, McArdle failed to ever seek outside applications or otherwise to post for the position of Fundraising Director, nor did she consult the LNC and ask for a pre-hire vote of disinterested directors as to whether his appointment would be good for the Party, as she should have when seeking to self-deal through the board. Upon information and belief, McArdle failed to disclose her clear conflict of interest with respect to Padgett. Instead, she merely appointed Padgett to that role with compensation in excess of market rates without any substantial, professional fundraising experience and repeatedly ignored Harlos' attempts to

make the role only commission based. Mr. Padgett was paid several thousand dollars during his tenure as fundraiser, all monies that flowed into McArdle's household and to her benefit. After being hired, McArdle unilaterally expanded his role to include assisting campaign websites which is markedly different than what was disclosed to the LNC.

65. The LNC Policy Manual requires "[e]ach LNC Member" to "disclose to the LNC situations in which such person's own economic or other interests, or duties to others, might conflict with the interests of the Party in the discharge of their duties" at the "earliest opportune moment."

66. Since Mr. Padgett's hiring, donations to the party have been on a steady decrease and membership in the LP has decreased.

67. Despite such serious concerns during his time sitting as Fundraising Director and without LNC approval, McArdle continued to pay Padgett with LNC assets, and as acting Executive Director, she was the only person who could remove him from his position.

68. She had also refused to permit a committee consideration on the retention of another to serve as Executive Director in charge of Padgett. Since the executive director is in charge of employee hiring and firing, McArdle was able to continue his retention despite the clear conflict of interest, breaching multiple fiduciary duties including failing to act solely in good faith and loyalty to the Party and the LNC and failing to disclose conflicts of interest.

69. In her second term, McArdle appointed former Mises PAC Chair Michael Heise ("Heise") for fundraising development while waiting nearly two weeks to inform the entire LNC. This choice continued her practice of insider hiring without responsible recruitment and vetting and to reward those with whom she owed political favors, as Heise had been responsible for

campaigning on behalf of McArdle to the position of Chair. Further, McArdle, using her official LNC Chair X account promoted Heise's endorsement of Donald Trump.

Lack of Accountability

70. As Chair, McArdle purportedly began a billboard campaign requiring significant LNC funding raised directly from the membership to challenge federal candidates with the goal of removing them from office. She did so without the intention that these candidates would be targeted by Libertarian contenders as electing Libertarians. McArdle, in fact, did not use the billboards to promote Libertarian candidates. McArdle has failed to disclose any information about this program, including any form of accounting or the manner by which billboards were being placed, funded, and controlled. It is not known for certain how many billboards were purchased and no report to the membership or LNC was made.

Breaching Obligations to LNC regarding Candidates

71. Upon information and belief, McArdle has been engaged in numerous conversations and negotiations with Colorado to deny the rightful Libertarian Party candidates their place on the Colorado ballot line in violation of both the Colorado and the Bylaws. McArdle along with LNC Member Adam Haman ("Haman.") were in secret talks with Colorado to place Robert F. Kennedy, Jr. on its ballot for the Libertarian Party candidate for President, despite the Libertarian candidate not being him pursuant to the votes at the Convention. These secret attempts likely included the involvement of an LNC employee Andy Buchovich ("Buchovich") done through a secret Mises PAC account that McArdle monitored. These plans were never revealed to the LNC or to the special ad hoc committee she created to manage these situations. Once these plans were revealed to Harlos, she filed a formal internal complaint with the internal employee oversight committee, chaired by LNC member Yeniscavich, and requested

that the complaint not be given to McArdle as her involvement was suspect. To the best of knowledge of Harlos, no action has been taken despite this clear breach and conflict of duties and, upon information and belief, has been left unresolved by the oversight committee as commanded by McArdle.

72. McArdle, without informing the LNC, used Party resources to fundraise for Robert F. Kenney, Jr. as well as obtain media exposure for him without any indication that he was running as a Libertarian.

73. Upon information and belief, McArdle improperly delegated power to a secret committee of the LNC to form a "Joint Fundraising Committee" ("JFC") through which Robert F. Kennedy, Jr. would borrow the LNC's FEC fundraising limits for a ten percent commission. Once Robert F. Kennedy, Jr. suspended his campaign to openly endorsing Trump, LNC's funds continued to be used for non-Libertarian candidate promotion, payments McArdle refused to cease and a decision not placed for a full LNC vote due to McArdle's choice to have the committee maintain the power of control.

74. In fact, advertisements for the JFC promoting Kennedy, and then Trump, contained the phrase "paid for by the Libertarian National Committee," which countered the very purpose of the Party.

75. The expenditures by the JFC promoting Kennedy and Trump took away valuable LNC resources to promote Libertarian candidates.

76. McArdle incorporated at least two entities and did not disclose their existence to the LNC. One such entity, Rescue the West, received a \$25,000 check from the JFC that was not disclosed. She also formed the entity "Libertarian Unity PAC." She used both entities to assist in the election of non-Libertarian candidates. Those conflicts were not disclosed to the LNC and

her use of those organizations violated her fiduciary duty of loyalty to the LNC. These actions also placed the LNC and Party at risk of liability of violating campaign finance laws as she was using the entities in the name of the Libertarian Party as its Chair.

77. McArdle also refused to follow best practices of the LNC to secure that the Libertarians nominated at the Convention appear on state ballots. Upon information and belief, McArdle agreed with Harlos that the standard practice of the LNC was to send two notarized sets of Nomination Certificates prepared immediately after convention, one to the state chairs and the others to the Secretaries of State.

78. McArdle and the LNC, however, refused to send a copy to the Secretaries of State, a practice likely would result in errors for Libertarians on ballots. This constituted a breach of her fiduciary duties.

Failed Demands by Harlos and Right to Remove McArdle

79. On September 22, 2024, Harlos, through undersigned counsel, sent a demand to the LNC demanding that the LNC immediately suspend McArdle as Chair of the LNC, which would result in her removal as Chair, or otherwise take decisive action to address her extremely significant and repeated breaches of her fiduciary duties.

80. The LNC did not agree to take action, and McArdle refused to step down.

81. Due to McArdle remaining in the role of LNC Chair, irreparable harm is and will occur and this action is necessary to stop such harm from continuing, harm that could ultimately result in a self-implosion and extinction of the Libertarian Party.

82. Considering the entirety of McArdle's actions and conduct as Chair, she has grossly abused the power and position of Chair and/or intentionally inflicted harm on the LNC,

including through destruction of its fundamental principles, its funding, its membership base, and its position as an independent American political party.

83. Under D.C. Code § 26-409.09, the Superior Court may remove McArdle from office in these circumstances and may bar her from being reelected, redesignated, or reappointed.

84. Further, equity supports her removal in these circumstances.

85. McArdle, aided and abetted by other members of the LNC, often through incomplete or deceptive disclosures and unfair tactics, failed to take action after Harlos's sincere demand for McArdle to be removed as Chair after she set forth a whistleblower notice on July 27, 2024 to counsel for the LNC, which was simply turned over to McArdle who then began retaliation efforts against Harlos. Those efforts included defamatory and libelous misstatements regarding Harlos, as well as other attacks on her character and person. LNC members themselves and through McArdle made personal attacks that insinuated Harlos had a substance abuse problem and that she could not handle paralegal duties which has been Harlos' profession for over 35 years. That notice followed the Party's 2024 National Convention, where McArdle's explicit, ruthless, and continual fiduciary duty violations were fully displayed. The Convention was held in a manner antithetical to the core values of the LNC, notably including another political party's presidential candidate being provided a stage to hold a rally prior to the nomination of the Libertarian candidate and, in effect, to mock the idea of even running a Libertarian ticket at all. This event was allowed to proceed in part due McArdle's misstatements and withholding of critical information from the Party's Convention Oversight Committee ("CoC"), chaired by McArdle. In fact, the prior CoC Chair, LNC member Adrian Malagon ("Malagon"), resigned due to McArdle's constant sabotaging of his efforts. Upon information and belief, Malagon has since deleted all of his social media messages documenting his

criticisms and maltreatment by McArdle. Not surprisingly, McArdle then sought and obtained nearly complete control of the convention.

86. In a political party, a professional Executive Director, who would normally serve as a check on the power of the Chair, was a position that remained vacant until recently. The former Executive Director resigned and then McArdle gave herself the role so she could have more control and less oversight. This was ostensibly due to a lack of funding which lies on the shoulders of McArdle who had a duty to foresee, mitigate, and forestall this situation.

Libertarians by nature hesitate before seeking a judicial remedy, but Harlos feels they she has no choice but to proceed in face of the grim conclusion that irreparable harm has already occurred and continues unabated and openly by McArdle, and thus necessitates court intervention due to her self-dealing, gross malfeasance, disdain for the purpose of the Party, divided loyalties, failure of her fiduciary duties on nearly every front, and dissipation of the Libertarian Party's assets.

87. On August 25, 2024, the retaliation against Harlos began to come into form with the appointment of an Investigatory Committee ("IC") against her, filled with members who were not properly vetted and with personal conflicts.

88. McArdle's actions, insults, and obvious public disdain as Chair for a vast majority of Party membership have violated the fundamental purpose of a political party, causing members and donors to leave in disgust. This mass exodus of members caused the Party to suffer some of the lowest fundraising and membership numbers in decades. Her abuses of power and breaches of her fiduciary duties will cause irreparable harm to the Libertarian Party, the nation's third largest political party, if she is not removed and trust restored.

89. As a result of Harlos' whistleblower notice to her post-convention breaches of duty, McArdle is wrongfully attempting to remove her from the LNC for pretextual reasons, including

correctly completing paperwork to the state of Colorado to place the duly nominated Libertarian Party candidates on the Colorado ballot.

90. Upon information and belief, McArdle has sought for the IC to remove Harlos as quickly as possible to negate her standing to seek judicial relief for McArdle's breaches and stated that within a session of the LNC when Harlos was not present.

91. At the internal hearing to consider the charges against Harlos, Harlos was prevented from defending herself by McArdle and the majority of the LNC.

92. The LNC would suffer irreparable harm if Harlos was removed from her position on the LNC prior to the opportunity to make her claims in this Court as she was one of a few people, if not the only one in some cases, intimately aware of McArdle's secretive acts to harm the LNC.

93. After the filing of this action, which occurred while Harlos remained an Officer, McArdle instructed the rest of the LNC to stop all contact with Harlos, representing wrongful retaliation against a whistleblower, in effect.

94. Against LNC Rules, McArdle removed Harlos' email access and ignored multiple requests to restore it, negating Harlos's ability to continue to access LNC information that she rightfully had access.

95. On October 6, 2024, McArdle led a secret session that violated LNC's Rules and rules of procedure whereby she attacked Harlos and argued in favor of her dismissal without Harlos able to defend her actions, as she was permitted to do under the Rules when accused of a LNC procedural violation and specifically stated that a major reason, if not the real reason, Harlos needed to be removed was for her exercise of her duty to file this derivative lawsuit.

96. On November 9, 2024, McArdle led a “trial” that violated LNC Rules and found that Harlos should be removed. Harlos remains an LNC Officer until the internal Judicial Committee makes the ultimate determination as Harlos has timely appealed the order of her dismissal following the trial under the Party Rules.

97. Immediately after that hearing, McArdle deleted publicly available information that would assist Harlos in supporting her claims in this action and after being aware of multiple potential suits both Yeniscavich and Malagon deleted Facebook messages that would be pertinent.

98. Harlos was forced to file her original Complaint prior to the expiration of ninety days following her initial notice and demand that the LNC take action against McArdle due to the irreparable harm that would be/very likely would be suffered by the LNC due to the Presidential election occurring weeks away and the likelihood of McArdle doing what she in fact did end up doing, instigating a removal attempt in order to remove standing. The immediacy of Election Day is of vital importance to maintaining the Libertarian Party, as McArdle was devoting the funds of the LNC to support Republican candidates and undertaking actions to remove the elected Libertarian nominee from ballots. McArdle would no doubt continue to fund and promote Donald Trump in her position as Chair of the LNC before and after the election, if he was elected. Support for Republican candidates in the past several months has caused membership to wane and fundraising to deteriorate. Further, recent mailings and correspondence created with LNC funds and resources and at McArdle’s direction have continued to promote Donald Trump’s victory, revealing the likelihood of future irreparable harm by the LNC endorsing Republican candidates and depleting its valuable resources to do so.

99. At the time when Harlos filed her initial complaint, the LNC had not provided notice that a purportedly independent committee had been created to undertake an investigation under D.C. Code § 29-411.05.

100. On November 14, 2024, McArdle and the LNC filed a motion to dismiss and provided an affidavit from McArdle stating that: “The LNC designated an Investigatory Committee that investigated Ms. Harlos’s allegations and concluded that a derivative lawsuit would not be in the best interests of the LNC. *See* Exhibit 1. Exhibit 1 contains an email from Andrew Watkins and states:

Good morning Folx, Below you will find the report regarding the maintenance of Ms. Harlos' derivative lawsuit. The IC was comprised of Mr. Garcia, Mr. Vinson, and myself. Upon reflection of the matters discussed on 10/07/2025 [sic] and 10/08/2024 with the LNC and Counsel, and upon further discussion amongst the Investigatory Committee and review of the relevant materials, the Investigatory Committee has determined that we do not believe the maintenance of the derivative lawsuit is in the best interest of the corporation.

101. First, the “inquiry” fails as it provides no analysis, report, or other findings to support its purported conclusion. Under D.C. Code § 29-411.05, dismissal is only supported if “if one of the groups specified in subsection (b) or (e) of this section has determined in good faith after conducting a **reasonable inquiry** upon which its conclusions are based that the maintenance of the derivative proceeding is not in the best interests of the corporation.” (emphasis added). That did not occur. Further, this email is misleading as it could lead one to believe that the Investigatory Committee was formed as early as October 7, 2024 when it in fact was not formed until October 22, 2024. *See* LNC Forms Investigative Committee on Harlos Suit, located at <https://thirdpartywatch.com/2024/10/22/lnc-forms-investigative-committee-on-harlos-suit/>. As explained by one member of the local Circuit Court of Appeals, quoting a dictionary definition, the common meaning of the term “inquiry” is “a request for information”

or “a systematic official investigation often of a matter of public interest especially by a body . . . with power to compel testimony.” *NLRB v. Cooper Tire & Rubber Co.*, 438 F.3d 1198, 1205 (D.C. Cir. 2006) (dissent) (quoting *Merriam-Webster's Dictionary of Law* (1996)) (citing the Supreme Court and stating, “Where ‘the statute’s language is plain, the sole function of the court[]-at least where the disposition required by the text is not absurd-is to enforce it according to its terms.’”). The four directors failed to satisfy the basic request for information, much less a systematic investigation. In short, no “reasonable inquiry” occurred, so its conclusions could not be based upon anything resembling an “inquiry.” While the Court of Appeals has not analyzed this section of the Code, Maryland courts have considered a substantially similar statute and found that there is no presumption that a purported committee followed reasonable procedures. *Boland v. Boland*, 31 A.3d 529, 556 (Md. 2011).¹ Indeed, Maryland’s highest court held that a trial court should not grant a dispositive motion seeking dismissal on grounds of a committee’s decision if the entity did not submit evidence that the panel followed reasonable procedures, and, even if there is evidence that a panel did follow reasonable procedures, which is not the case here, the entity would eventually need to show that the panel “made a reasonable investigation and principled, factually supported conclusions.” *Id.* See *Sarnacki v. Golden*, 778 F.3d 217, 224 (1st Cir. 2015) (considering a committee’s investigatory thoroughness, such as what documents were reviewed and which witnesses interviewed); see also *Jacksonville Police & Fire Pension*

¹ “Although Maryland statutes and case law do not constitute the law of the District of Columbia, courts customarily look to Maryland law as ‘especially persuasive authority’ in determining how the District of Columbia courts would rule on a question of law.” *Potomac Plaza Terraces v. QSC Prods.*, 868 F. Supp. 346, 352 n.9 (1994) (quoting *Napoleon v. Heard*, 455 A.2d 901, 903 (D.C. 1983)). See also *Conesco Indus., Ltd. v. Conforti & Eisele, Inc.*, 627 F.2d 312, 315-16 (D.C. Cir. 1980) (“Since there is no District law on point, we should look to Maryland law first . . . because the District of Columbia derives its common law from that state and because District of Columbia courts have in the past looked to Maryland law for guidance.”).

Fund v. Brokaw, 401 P.3d 1081, 1085 (Nev. 2017) (discussing an inquiry that included a report of conclusions of over 100 pages). Clearly here, the LNC and McArdle fail in all aspects to support dismissal as they submit no evidence of the facts relied upon or investigated, no scope of the inquiry, no identification of what the purported inquiry involved, no findings, and no support for the bald conclusion.

102. Second, the majority, if not all, the directors constituting the committee were not “independent” as required under D.C. Code § 29-411.05. McArdle and the LNC fail to submit any evidence that the four directors were independent as required under D.C. Code § 29-411.05 (requiring a committee of two or more “independent” directors form the conclusion under the required standards to support dismissal). McArdle and the LNC fail to submit evidence that the purported committee “consist[ed] of 2 or more independent directors appointed by majority vote of independent directors present at a meeting of the board of directors.” Next, evidence supports that the majority of the committee were not independent under the LNC’s own consideration of a conflict, which is their allegiance to the “Mises Caucus,” a group spearheaded in part by McArdle and to McArdle herself. *See* “Mises Caucus” located at https://en.wikipedia.org/wiki/Mises_Caucus (stating that the Mises Caucus holds the position of Chair in the LNC, which is McArdle). In several of the LNC’s Meeting Notes, an appendix is attached that identifies “Conflicts of Interest.” *See* April 7, 2024 Special Meeting Minutes at 161, *located at* <https://www.lp.org/wp-content/uploads/2024/05/LNC-Minutes-2024-04-07-FINAL.pdf>; *see also* December 2-3, 2023 Meeting Minutes, at p 20-23 located at https://www.lp.org/wp-content/uploads/2024/02/LNC-Meeting_2023-12-02-03_FINAL.V2.pdf. Watkin’s conflict is listed as “Mises Caucus Organizer.” *See* April 7, 2024 Special Meeting Minutes at 161-164. It is clear that even members of the Mises Caucus consider it a conflict and

its members certainly would not qualify as independent. McArdle is a chosen leader by the Mises Caucus and is a member. *See* Meet the Team, located at <https://web.archive.org/web/20220425134853/https://lpmisescaucus.com/meet-the-team/> (stating that McArdle was a board member and organizer of the Mises Caucus in April 2022); Angela McArdle, at <https://independentpoliticalreport.com/2021/11/angela-mcardle-ama-tonight-or-tomorrow-campaign-for-lnc-chair-update/> (referencing an invitation to speak with McArdle by the Mises Caucus, stating “As the Mises Caucus-endorsed candidate for chair of the Libertarian National Committee, she has been flying to state LP conventions for months now, and will continue to do so right up until the 2022 Libertarian National”). Robert Vinson is described as being the leader of the Mises Caucus in Florida and he self-identifies as such. *See* https://lpedia.org/wiki/Robert_Vinson; <https://x.com/rvinsoncomedy>. Additionally, Harlos left the Mises PAC/Mises Caucus after it was clear to her the harm that they represented to the LNC and Libertarian Party and so the current members would not be independent as they would have personal animosity against Harlos, especially given she provided whistleblower notice of McArdle to LNC’s counsel. The committee did not satisfy the basic requirement of being independent.

**COUNT I – BREACH OF BY-LAWS AND FUNDAMENTAL RULES AND
PURPOSE OF THE LNC / DERIVATIVE ACTION FOR IMMEDIATE SUSPENSION
OF MCARDLE
(Against McArdle and the LNC)**

103. Harlos incorporates all prior paragraphs of this Complaint as if fully set forth herein, which includes every factual allegation of McArdle’s reckless breaches of her fiduciary duties (including, among others, those of loyalty, disclosure, and obedience and to fully disclose conflicts and to prohibit corporate waste, and retaliation against Harlos in attempts to remediate).

104. Taken individually and certainly as a whole, McArdle's wrongful actions and breaches of fiduciary duty constitute good cause for her immediate suspension and removal.

105. On September 22, 2024, Harlos, through undersigned counsel, sent a demand to the LNC demanding that the LNC immediately suspend McArdle as Chair of the LNC, which would result in her removal as Chair, or otherwise take decisive action to address her extremely significant and repeated breaches of her fiduciary duties.

106. The LNC did not agree to take action, and McArdle refused to step down.

107. In its applicable Bylaws and Rules, the LNC has the right and power to suspend an officer for cause as defined in the Policy Manual as failure to fulfill the duties of office or gross malfeasance. If an officer is suspended for cause, he/she is considered immediately removed from office and the position considered vacant, subject to replacement under the procedures for appointment of officers.

108. The LNC has refused to undertake any action to remove McArdle as Chair or address her breaches of fiduciary duties.

109. As such, Harlos satisfied all requirements to bring this claim and action under D.C. Code § 29-411.01 *et seq.* To the extent that ninety days have not elapsed since the Harlos demand, relief should be awarded and standing should be granted as irreparable damage would occur if not, such as McArdle through her conflicted allies simply removing her to extinguish her standing in this matter.

110. McArdle was elected and currently serves as Chair of the LNC and her actions reveal that she will continue to abuse her power and committed breaches of her fiduciary duties that have caused and will cause irreparable harm to the LNC and the Libertarian Party as a whole, including but not limited to, depletion of donations and loss of members, many of all of

which is likely permanent, which is antithetical to a political party with the fundamental principles of electing Libertarians to public office, to move public policy in a libertarian direction, and promoting the growth and activities of the Libertarian Party and its local affiliates.

111. Under clear law, as Chair of a nonprofit corporation, McArdle was required to act in good faith, which forbids placing herself in positions where her individual interests clash with the duty to the nonprofit corporation. McArdle was prohibited under applicable law to engage in self-interested transactions and had to disclose potential conflicts of interest to the persons charged with approving such transactions.

112. Even citation to a portion of McArdle's breaches of fiduciary duties provide full support for an order requiring her immediate suspension and removal. As Chair of the LNC, McArdle has breached her fiduciary duty to the LNC by failing to provide ballot access to LP candidates across the country. As Chair of the LNC, McArdle is a director of the LNC and as such has a duty of obedience to the nonprofit corporation. The Bylaws of the nonprofit corporation require all attempts to gain ballot access for LP candidates, including for the Presidential election, but McArdle has ignored and acted in violation of her obligation and fiduciary duty to seek such access. Throughout her time as Chair of the LNC, McArdle diverted LP and LNC assets and funds to another organization under her control. McArdle disrupted LNC business and undermined support for LP presidential candidates seeking the party's nomination by bringing the Republican presidential nominee, Donald Trump, to speak at the LNC Convention. McArdle also unilaterally contracted to use and used LNC resources to host that Donald Trump speech at and during the LNC Convention. McArdle further evaded making a request for this funding to the Convention Oversight Committee, as required. McArdle launched a national billboard campaign of which she had failed to disclose the nature and details, ignoring

repeated requests for substantive explanations and started a new organization to partner with Trump, using Party resources to promote, and never making proper disclosures to the LNC. McArdle has a duty to disclose to the other members and directors of the LNC material information which is relevant to their duties to manage the affairs of the LNC. By failing to disclose details of the national billboard campaign, McArdle is in violation of her duty to disclose. As Chair of the LNC, McArdle appointed herself the Executive Director of the LNC. Using her hiring power as Executive Director, McArdle hired her life partner, Austin Padgett, who resides with her, as Fundraising Director for the organization. This is a clear conflict of interest and in breach of McArdle's duty to act in the best interest of the nonprofit corporation as Mr. Padgett has no professional experience fundraising yet was hired as the Fundraising Director. Since hiring Mr. Padgett, fundraising has dropped significantly. As the Chair of the LNC, McArdle has been interfering with the autonomy of state affiliates of the LP, primarily through her influence as leader of the Mises PAC. This is in breach of the Party Bylaws and a breach of McArdle's duty to act in good faith.

113. McArdle has failed to disclose the amount of staff time used to promote the "Joint Fundraising Committee," particularly by Michael Heise.

114. Considering the entirety of McArdle's actions and conduct as Chair, she has grossly abused the power and position of Chair and/or intentionally inflicted harm on the LNC, including through destruction of its fundamental principles, its funding, its membership base, and its position as an American political party.

115. Under D.C. Code § 29-406.09 (a) The Superior Court may remove a director from office in a proceeding commenced by or in the right of the corporation if the court finds that:

(1) The director engaged in fraudulent conduct with respect to the corporation or its members,

grossly abused the position of director, or intentionally inflicted harm on the corporation; and
(2) Considering the director's course of conduct and the inadequacy of other available remedies, removal would be in the best interests of the corporation.

116. Under D.C. Code § 29-406.09(c) The court, in addition to removing the director, may bar the director from being reelected, redesignated, or reappointed for a period prescribed by the court.

117. Under the power vested with this Court D.C. Code § 29-406.09 and due to equity clearly favoring Harlos and the LNC, the Superior Court must remove McArdle from office in these circumstances and bar her from being reelected, redesignated, or reappointed in the future.

118. Good and just cause certainly exists for her removal.

119. Harlos satisfied the necessary requirements to file this derivative claim.

120. The LNC did not satisfy the necessary acts by which to seek dismissal under D.C. Code § 29-411.05.

WHEREFORE, Harlos, as a Director and an Officer of the LNC and having fulfilled her requirements to bring this derivative claim on behalf of the LNC apparently too fearful of McArdle to act on its own, respectfully requests that the Court order the suspension and/or removal of McArdle as Chair of the LNC and bar her from holding any LNC post in the future.

**COUNT II – BREACH OF FIDUCIARY DUTY
(Against McArdle)**

121. Harlos incorporates all prior paragraphs of this Complaint as if fully set forth herein, which includes every factual allegation of McArdle's reckless breaches of her fiduciary duties (including, among others, those of loyalty, disclosure, and obedience and to fully disclose conflicts and to prohibit corporate waste, and retaliation against Harlos in attempts to remediate).

122. At all times relevant, Harlos was an Officer of the LNC.

123. McArdle owes fiduciary duties to the LNC, including to Harlos, and breached those duties repeatedly.

124. McArdle owes and owed fiduciary duties to Harlos.

125. Harlos's fiduciary relationship with McArdle was founded upon trust and confidence held by her in the integrity and fidelity of McArdle as Chair of the LNC while Harlos was a Member and Secretary of the LNC.

126. Harlos's injuries and damages suffered by McArdle's breaches of her fiduciary duties were individual to her and separate from any injury suffered by the Libertarian Party, the LNC or the public at large.

127. Harlos brings this direct action as she has suffered a "special injury" as she has a personal stake in McArdle's misuse of LNC's assets, to which they have extensively contributed, including monetary contributions and the devoted assets of her experience, time, and work as an Officer of the LNC.

128. McArdle has personally caused special injury to Harlos by publicly making and publishing defamatory, false and libelous misstatements concerning Harlos's character, professional and personal life and actions.

129. McArdle's actions have caused Harlos to expend funds to protect against the false accusations of her wrongful professional and personal conduct.

130. McArdle's actions have caused Harlos to lose key allies, friends, and professional colleagues.

131. McArdle's actions have caused damage to a Harlos's reputation through the publication of false and defamatory statements about her, which has led to social stigma, loss of business opportunities, and harm to her personal and professional life.

132. McArdle has also caused special injury to Harlos by wrongfully undertaking actions to oust her from the LNC in wrongful retaliation for Harlos following LNC practice and procedure.

WHEREFORE, Harlos, as an Officer of the LNC respectfully requests that the Court order the suspension and ultimate removal of McArdle as Chair of the LNC and bar her from holding any LNC post in the future as well as any other further relief available.

Respectfully submitted,

THE VERITAS LAW FIRM

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² The redline version is attached as an exhibit.

CERTIFICATE OF SERVICE

I, Christopher LaFon, on this day, the 22nd of November 2024, served the Amended Complaint via this Court's e-filing system and via email to counsel of record for Defendants.

Christopher LaFon