

D-1-GN-26-009921

Case No. _____

LIBERTARIAN NATIONAL
COMMITTEE, INC.,

Plaintiff,

v.

ANGELA ELISE MCARDLE &
AUSTIN BRATTON PADGETT,

Defendants.

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200th District Court

_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION

Plaintiff Libertarian National Committee, Inc. files its *Plaintiff's Original Petition* against Defendants Angela Elise McArdle and Austin Bratton Padgett as follows:

Preliminary Statement

The Libertarian National Committee, Inc. ("LNC") brings this civil action against its former Chair and Executive Director, Angela Elise McArdle, and her domestic partner, Austin Bratton Padgett, for damages that the LNC sustained as a result of McArdle's unlawful awarding of lucrative contracts to Padgett and a company owned or controlled by Padgett, as well as her diverting LNC opportunities by obtaining large contributions from outside groups for organizations that McArdle controlled (Rescue the West and Libertarian Unity).

Discovery and Amount in Controversy

1. Plaintiff intends to conduct discovery under Level 3 of Texas Rule of Civil Procedure 190.4 and requests a case-specific discovery control plan.

2. Plaintiff seeks monetary relief of more than \$250,000 but not more than \$1,000,000.

Jurisdiction and Venue

3. This Court has subject-matter jurisdiction over this matter pursuant to Tex. Gov't Code § 24.007(b).

4. This Court has personal jurisdiction over Defendants McArdle and Padgett, who are residents of Travis County and citizens of Texas.

5. Venue lies in this Court because all or a substantial part of the events giving rise to Plaintiff's claims occurred in Travis County, and Defendants are residents of Travis County.

Parties

6. Plaintiff Libertarian National Committee, Inc. ("LNC") was incorporated on February 7, 1995, in Washington, D.C., as a domestic nonprofit corporation. Plaintiff is the organizing body of the Libertarian Party, a national political party.

7. Defendant Angela Elise McArdle is an individual resident of Travis County and a citizen of the State of Texas. She may be served with process at her residence located at 7200 Thannas Way, Austin, Texas 78744, or wherever she may be found.

8. Defendant Austin Bratton Padgett is an individual resident of Travis County and a citizen of the State of Texas. He may be served with process at his residence located at 7200 Thannas Way, Austin, Texas 78744, or wherever he may be found.

Factual Allegations

9. Defendant McArdle was elected as the Chair of Plaintiff LNC, effective May 28, 2022, and served through February 1, 2025, when the Board accepted her resignation. She also served as the Executive Director of the LNC for part of that time, from approximately August 9, 2023, through approximately June 21, 2024. During that time period and continuing to the present, McArdle's partner has been Defendant Austin Bratton Padgett.

10. On July 26, 2023, McArdle, on behalf of the LNC as its Chair, signed a contract with Defendant Padgett for him to provide services as an independent fundraising contractor. McArdle did not disclose to the full Board that she was in a personal, romantic relationship with Padgett. McArdle's failure to disclose that conflict of interest prior to signing the contract with Padgett violated the LNC's mandatory disclosure requirement as set forth in its Conflict of Interest policy.

11. Three days later, on July 29, 2023, McArdle sent an email to the LNC Board, announcing that she would be serving as Interim Executive Director and that Padgett was hired as "our short term Fundraising Contractor" on a three-month contract.

12. Miguel Duque, an LNC member, revealed in early August 2023 that Defendants McArdle and Padgett were in a romantic relationship and questioned why this conflict of interest was not disclosed to the Board. Only then did McArdle update her list of potential conflicts of

interest to include Padgett, identifying him as her domestic partner. The LNC addressed Padgett's role and his relationship with McArdle at the LNC meeting in Washington, D.C., on the weekend of August 19–20, 2023.

13. At that meeting, which McArdle chaired, Board members expressed concerns about the contract with Padgett and initially sought to terminate Padgett's contract because of the undisclosed conflict of interest. There was significant debate, and the Board went into executive session to discuss the matter further. Two important things came out of that meeting. First, the Board directed the Policy Manual Committee to propose language incorporating more rigorous language about conflicts of interest in entering into contracts and employment decisions, essentially making explicit the common-sense governance principle that romantic relationships with vendors present conflicts of interest that must be disclosed prior to financially enriching the domestic partner. Second, on August 30, 2023, the Board retroactively approved Padgett's contract through October 26, 2023, *but on the condition that it would not be further renewed*.

14. At the next board meeting, on October 1, 2023, the Board amended the LNC Policy Manual to require disclosure and approval of related-party contracts before execution:

Any proposed contracts or agreements for financial remuneration with a closely related party (legal relative, domestic partner, business associate) to a sitting LNC member or staff member shall be disclosed to the LNC prior to execution and shall be approved by a 2/3 vote of the Executive Committee or a majority vote of the LNC. This relation shall also be disclosed on the LNC's member's listing of potential conflicts of interest.

LNC Policy Manual Section 1.06(3)

15. Despite the Board's resolution that Padgett's contract would not be further extended past October 26, 2023, prior to its expiration, in mid-October, McArdle sought to

extend Padgett's contract by three months, claiming that, because of her workload, she was unable to hire another fundraiser and that Padgett's fundraising efforts would be stalled without his continued assistance.

16. Left with little choice, the LNC Board voted on November 3, 2023, to extend Padgett's contract to January 26, 2024. Following the vote, several Board members indicated privately and publicly that they would not vote for a second extension to Padgett's contract and that a fundraising solution needed to be identified. No efforts were made to further renew the contract. After the contract did expire, LNC members believed Padgett was no longer working for the LNC effective January 24, 2024, and several made public representations to that effect. During the six-month period of the contract with Padgett, the LNC paid a total of \$32,465.38 on that contract, with payments made from August 17, 2023, through January 31, 2024.

17. There is no question at this point that McArdle knew that if she or Padgett were going to be enriched by an LNC vendor contract, she had to disclose the conflict of interest to the Board and that contract would have to be approved by a 2/3 vote of the Executive Committee or a majority vote of the LNC.

The Freedom Calls Conflict of Interest

18. In early 2024, Padgett set about forming a new company, Freedom Calls, that would become an LNC contractor. On or around January 8, 2024, Padgett or others acting at his direction registered the domain name www.freedomcalls.net. A few days later, on or around January 12, 2024, Padgett registered Freedom Calls, LLC as a limited liability company under Delaware law.

19. Then, on or around January 25, 2024, on information and belief, Padgett or someone acting at his direction sent an “offer letter” from Freedom Calls to LNC, proposing that Freedom Calls perform fundraising on behalf of the LNC. The “offer letter” did not indicate or reference Padgett, McArdle, or their romantic relationship. The “offer letter” from Freedom Calls was signed by “Peter” (no last name given) and lacks the specific terms defining the services to be provided, duration of the contract, termination terms, obligations of either party, jurisdiction governing the contract, or signatures of both parties to confirm their acceptance of the terms. The offer letter states that the payment will be \$4,200 per month for 40 hours a week of “call work” by two dedicated callers using LNC’s software, with weekly quality-control check-ins and a two-week trial. Despite the requirement that a vendor have a written contract with the LNC, no executed agreement has been found.

20. On or around February 9, 2024, Freedom Calls submitted an IRS Form W-9 to LNC, which listed a LegalZoom virtual mail address in Wilmington, Delaware, and was signed by an unidentified individual with an illegible signature. Since Freedom Calls was a single-member limited liability company, Padgett was required to enter his name on Line 1 of the W-9 with the LLC’s name on Line 2, but instead “Freedom Calls LLC” was entered on Line 1, and Line 2 was left blank. The form is signed under penalty of perjury, but the signature does not resemble known exemplars of Padgett’s signature. LNC made the first payment of \$2,100 to Freedom Calls later that day.

21. LNC paid a total of \$49,600 to Freedom Calls in 14 payments from February 9, 2024, to January 22, 2025. McArdle personally approved four payments and directed incoming

Executive Director Hannah Kennedy to continue payments through LNC's outside accounting firm based on the offer letter (not a signed contract).

22. Throughout 2024, whenever LNC staff or Board members inquired about Freedom Calls, LLC's ownership, McArdle refused to acknowledge Padgett's role with Freedom Calls. McArdle also failed to correct the record when several other LNC members, due to these omissions, publicly and incorrectly stated that Padgett was no longer receiving LNC funds. Instead, McArdle claimed that Padgett was just a "volunteer liaison" with Freedom Calls.

23. On or around August 7, 2024, after having listed Padgett on her conflicts of interest list for a year, McArdle instructed the LNC Secretary to remove Padgett from her list of potential conflicts, even though he was still the owner of Freedom Calls.

The Swing Vote Strategist (SV Strategist) Conflict of Interest

24. On July 11, 2024, the LNC's Executive Committee voted to participate in a Joint Fundraising Committee with "Team Kennedy" (the campaign for presidential candidate Robert F. Kennedy, Jr.). Two days later, on July 13, 2024, McArdle signed a Joint Fundraising Agreement ("Joint Fundraising Agreement") with Team Kennedy to form a joint fundraising committee known as the "Kennedy Victory Fund", supporting Mr. Kennedy's presidential campaign.

25. On or around September 24, 2024, Padgett formed and registered Swing Vote Strategist, LLC ("SV Strategist") as a limited liability company under Delaware law, which would receive funding from Team Kennedy. McArdle failed to disclose her paid work through SV Strategist to the LNC as a potential conflict of interest.

26. Both Freedom Calls and SV Strategist used the same invoice template, but Freedom Calls submitted invoices to LNC and SV Strategist submitted invoices to the Kennedy Victory Fund. McArdle used her lp.org email address to send invoices for SV Strategist to the Kennedy Victory Fund.¹ From October 18, 2024, through March 28, 2025, the Kennedy Victory Fund paid \$32,000 (\$4,000 monthly) to SV Strategist for “fundraising consulting.”

The Rescue the West Conflict of Interest

27. McArdle used her LNC title and LNC communications resources to promote an event sponsored by an outside nonprofit organization to divert fundraising from the LNC to other political causes that were in competition or in conflict with the LNC. McArdle incorporated “Rescue the West, Inc.” as a nonprofit organization in Washington, D.C., on July 24, 2024. McArdle obtained tax-exempt status for Rescue the West, Inc. on April 17, 2025, retroactively effective as of July 24, 2024.

28. According to Rescue the West’s IRS Form 990 for 2024, it received \$2,188,374 in contributions from unnamed donor(s) and spent \$2,172,928 on expenses, of which 38.8 percent (\$843,096) went to “Facilities and Program Equipment”; 33.8 percent (\$734,450) went to “Performers, Production, and Public Relations”; and 19.5 percent (\$423,721) went to “Contracted Services,” with no specification as to the recipients.

29. The Kennedy Victory Fund made a \$25,000 donation to Rescue the West on September 20, 2024, and the FEC filing for this donation (FEC Form 3X) listed McArdle’s home address.

¹ For a time, even after McArdle resigned as the LNC Chair, she continued to represent herself as “LNC Chair” in her signature block in emails with the Team Kennedy staff and attorneys.

30. McArdle also solicited \$630,000 in contributions from two other organizations for Rescue the West’s benefit—contributions that she could have but did not solicit on behalf of the LNC. These included a payment of \$130,000 by American Values (September 10, 2024) and two contributions from the MAHA Alliance of \$200,000 (September 23, 2024) and \$300,000 (September 27, 2024).

31. In addition to the monetary conflicts of interest, Rescue the West revealed a conflict of interest on the issues between McArdle and the LNC. On September 29, 2024, Rescue the West sponsored the “Rescue the Republic: Join the Resistance Rally” in Washington, D.C. McArdle was listed as a co-founder, and the speakers included Robert F. Kennedy, Jr. and Tulsi Gabbard. At that time, Kennedy had already ended his campaign and declared his support for Trump.

32. McArdle then used her position of power and trust with LNC to advance issues that were fundamentally inconsistent with the LNC’s values and platform. The LNC’s Advertising and Publication Review Committee (“Review Committee”) is required to review all official public communications before they are sent to the membership of the Libertarian Party.

33. On September 9, 2024, McArdle sent a draft email announcing the “Resistance Rally” to the Review Committee, which declined to approve the email on the grounds that it would be improper to send this email to the membership of the Libertarian Party and that the ownership of Rescue the West was not properly disclosed. In response, on September 11, 2024, McArdle stated that she would rewrite and resubmit the email. She revised it, but McArdle failed to send the revised version to the Review Committee for review and instead unilaterally sent it

out to the Libertarian Party membership on September 23, 2024.

34. The website and social media for the Rescue the Republic rally included an image of Donald Trump, Elon Musk, and others recreating the George Washington *Crossing the Delaware* painting and listed McArdle as one of three founders and “Chair of the Libertarian National Committee.” This was while the LNC’s own presidential nominee (Chase Oliver) was actively running against Trump. The Rescue the Republic event was held at the National Mall on September 29, 2024. McArdle spoke on the main stage at the event, proudly proclaiming that she was “one of the founders” of the organization.²

35. It was not until October 18, 2024, that McArdle finally disclosed the Rescue the Republic rally as a potential conflict of interest, and she only did so while at the same time stating, “I disagree” in response to the suggestion that there was a potential conflict of interest. Further, McArdle never disclosed Rescue the West as a conflict of interest.

36. On February 17, 2025, McArdle retweeted a post about Trump’s pardon of Ross Ulbricht, who was serving consecutive life sentences for crimes relating to distributing illegal drugs on the Internet. The original post (by Nicole Shanahan, who was Kennedy’s running mate in 2024) stated, “I also want to thank @RealAngelaMc for her leadership of the Libertarians. She steered support to President Trump and the unity movement and she made sure your [Ross Ulbricht’s] release was made a priority.” McArdle responded, “Thank you! And thank you so much to everyone who supported me during the wildest presidential election of my lifetime. Team Unity is here to stay.” These tweets could easily lead a reasonable observer to conclude

² <https://www.youtube.com/watch?v=cLhpZjBwDJI> at 33:43:37.

that McArdle was biased in favor of another political party (Trump’s GOP), which could have improperly influenced her decision-making with respect to the Libertarian Party itself.

The Libertarian Unity Conflict of Interest

37. McArdle is also the Treasurer for “Libertarian Unity,” a political action committee that purports to support libertarian political interests and was registered with the Federal Election Commission (FEC) on October 11, 2024. She is listed as the Treasurer on Libertarian Unity’s filings with the FEC, and the address given is a mailbox service in Austin, Texas. The FEC filings specify that the Kennedy Victory Fund is an “affiliated organization.” The website of Libertarian Unity shows that it advocates for many of the same issues that LNC advocates for.

38. McArdle disclosed Libertarian Unity PAC to LNC as a possible conflict on October 18, 2024. There were eight Kennedy Victory Fund distributions totaling \$91,077.93 to Libertarian Unity between November 15, 2024, and April 9, 2025. Even though she disclosed her role with Libertarian Unity, McArdle did not notify LNC of these donations, nor did she solicit them on behalf of LNC.

LNC’s Board Confronts McArdle About Her Misconduct

39. On December 5, 2024, Jake Porter (a Libertarian candidate formerly from Iowa who presently resides in Arkansas) started posting on X about the ownership of SV Strategist. He noted that SV Strategist was using an address previously used by McArdle and that SV Strategist received \$12,000 from the Kennedy Victory Fund for “fundraising consulting.” McArdle, in response to queries from the LNC Board, gave misleading responses, such as “Probably an

address error ... I need a day off,” on December 10, 2024.

40. On December 16, 2024, Mr. Porter posted several Federal Election Commission (FEC) filings showing that the address for SV Strategist was indeed the same address as that of McArdle’s Libertarian Unity PAC. On December 28 and 30, 2024, Mr. Porter posted the Delaware corporation registration filings, which listed Padgett as the authorized person and organizer for SV Strategist.

41. On January 21, 2025, Mr. Porter posted on X and blogged on Substack about the ownership of Freedom Calls: “Exclusive: Libertarian Party is Paying Chair’s Domestic Partner Through Undisclosed Hidden Delaware LLC.”

42. In response, Executive Director Hannah Kennedy, who had only recently assumed that role following McArdle’s departure from that role, reviewed the LNC’s files and determined that the only documents relating to Freedom Calls were the aforementioned “offer letter” and the IRS Form W-9 with the illegible signature; no partially or fully executed contract was located.

43. Kathy Yeniscavich, an LNC Board member, called McArdle on January 21, 2025, and asked about her relationship with Freedom Calls, LLC. McArdle claimed to be “severely ill” and unable to discuss anything. That same day, seven LNC Board members convened a meeting and requested that McArdle either attend a Zoom meeting to address these issues, respond in writing, or resign. McArdle did not respond to that email but called Yeniscavich the next morning.

44. On January 22, 2025, McArdle called LNC Board Member Yeniscavich back and

admitted that she and Padgett took over an out-of-business call center in the Philippines and had registered Freedom Calls as the entity that would conduct the offshore operations. McArdle then tried to gloss over her self-dealing by also claiming that Freedom Calls had made fundraising calls and provided its services at a below-market rate. Despite several follow-up requests, McArdle never provided a contract with Freedom Calls, probably because there is no contract with Freedom Calls.

45. The LNC made its last payment to Freedom Calls on January 22, 2025, and concurrently an email ballot was sent to the Board members seeking authorization to terminate the Freedom Calls contract; the ballot passed on January 29, 2025, with 15 members voting in favor and one present but not voting.

46. The day after making the last payment to Freedom Calls and while the termination vote was pending, on January 23, 2025, the LNC sent another email ballot to the Board members to form an Investigative Committee to investigate the contracts awarded by McArdle to entities owned or controlled by Padgett. That ballot passed on January 30, 2025, with 14 members voting in favor and two members present but not voting.

McArdle's Resignation and Freedom Calls Investigation

47. On January 24, 2025, McArdle resigned as LNC's Chair, and the LNC Board accepted her resignation on February 1, 2025. On February 2, 2025, Steven Nekhaila was elected as the new Chair of the LNC, replacing McArdle.

48. As directed by the Board, LNC began its investigation of Freedom Calls. On January 31, 2025, LNC Executive Director Hannah Kennedy notified Freedom Calls, by email,

that its contract was terminated, but the email was returned as undeliverable. On February 11, 2025, new Chair Nekhaila sent a termination notice to Freedom Calls by both email and registered mail; the email was returned as undeliverable.

49. On February 2, 2025, the Board formed the Special Investigative Committee, whose investigation culminated in the 94-page “Special Investigatory Committee Report” (“Report”) issued on June 9, 2025. Defendants McArdle and Padgett refused to be interviewed by the Committee or to provide documents to the Committee. The Report found that Freedom Calls, LLC’s performance fell well below industry norms. Freedom Calls, LLC made a total of 13,738 calls during a 367-day period, but raised only \$2,468.57 for the LNC, resulting in a net loss of \$47,131.43 (as the LNC paid \$49,600 to Freedom Calls, LLC). In fact, the Report’s \$2,468.57 figure represents donations made by people associated with the phone numbers that were called, that were already making donations to the LNC, so the relationship between the call and the donor is merely correlative not causal.

50. Under industry standards, a fundraising contractor should be able to raise at least as much money as a normal fundraising contractor is paid. What is most problematic is that the vast majority of calls – over 90 percent – had a duration of under two minutes (likely reflecting no response), with only a small percentage exceeding five minutes:

Call Duration	No. of Calls	Percentage
Over 5 minutes	19	0.14%
2:00 to 4:59 minutes	348	2.53%
1:00 to 1:59 minutes	927	6.75%
30 to 59 seconds	6,244	45.45%
Under 30 seconds	6,200	45.13%
Total	13,738	100.00%

51. Similarly, although Freedom Calls also claimed to have sent out numerous text messages, a review of the text messages showed that they were marred by grammatical errors and were poorly written, with relatively few generating any substantive response.

COUNT I

BREACH OF FIDUCIARY DUTY

(Defendant McArdle)

52. As set forth in this pleading, McArdle, as a Board member and Interim Executive Director of Plaintiff LNC, owed LNC fiduciary duties, including the duty to act in LNC's best interests, because she owed LNC her complete loyalty, honesty, and good faith. McArdle breached her fiduciary duties to LNC when she approved the LNC entering into lucrative contracts with entities associated with or controlled by her domestic partner, Padgett, without disclosing that relationship or obtaining the required related-party approval. McArdle also failed to ensure the promised performance oversight of the Freedom Calls engagement while

concealing the related-party interest, and she failed to disclose her paid work through SV Strategist in connection with the Kennedy Victory Fund.

53. McArdle's breach of her fiduciary duties to LNC was a proximate cause of an injury to LNC, since her conduct caused LNC to spend \$32,465.38 on Padgett, and \$49,600 on Freedom Calls described above without receiving fair value.

54. As a result of McArdle's breach of her fiduciary duties to LNC, Plaintiff is entitled to the amounts illegally authorized by McArdle to be paid to Padgett and entities in which Padgett had a financial interest, together with other compensatory and punitive damages.

55. McArdle also breached her fiduciary duties to LNC when she solicited sizable donations on behalf of Rescue the West (from American Values 2024, the Kennedy Victory Fund, and MAHA Alliance) and on behalf of Libertarian Unity (from the Kennedy Victory Fund). McArdle incorporated Rescue the West and was the Treasurer of Libertarian Unity, but she did not notify LNC of her solicitation of these donations on behalf of Rescue the West and Libertarian Unity. As a result of McArdle's breach of her fiduciary duties to LNC, Plaintiff is entitled to compensatory damages and disgorgement. In addition, because of the willful and intentional nature of McArdle's conduct, LNC is entitled to recover exemplary damages.

COUNT II

KNOWING PARTICIPATION IN BREACH OF FIDUCIARY DUTY

(Defendant Padgett)

56. As set forth in this pleading, Padgett is jointly and severally liable with McArdle to LNC for McArdle's breaches of fiduciary duty under the knowing participation doctrine.

McArdle owed LNC fiduciary duties as a matter of law. Padgett knew of his domestic partner's fiduciary relationship with LNC and, for example, knowingly participated in the Freedom Calls arrangement by forming the company and acting as the intermediary through whom LNC staff coordinated its work while his interest remained undisclosed. Therefore, Padgett is jointly and severally liable for the injury caused by the breaches of fiduciary duty in which he knowingly participated.

COUNT III

COMMON-LAW FRAUD AND FRAUD BY NONDISCLOSURE

(Defendant McArdle)

57. As set forth in this pleading, McArdle is liable to LNC for common-law fraud and fraud by nondisclosure. McArdle had a fiduciary relationship with Plaintiff LNC as a matter of law. Given her roles as an officer and director, she had an affirmative duty to disclose material facts, including but not limited to conflicts of interest. McArdle deliberately failed to disclose material facts to LNC intending that the LNC act in reliance on the nondisclosure. LNC did, in fact, act on the nondisclosure when it hired Freedom Calls. LNC did not have the same opportunity as McArdle to discover the true relationship and qualifications of Freedom Calls. Indeed, the Freedom Calls proposal was intentionally designed to conceal those facts. As a result of McArdle's fraud and fraud by nondisclosure, LNC suffered damages.

58. Further, because of McArdle's intentionally wrongful conduct, LNC is entitled to recover punitive and exemplary damages.

COUNT IV

CONVERSION

(Defendants McArdle and Padgett)

59. Defendants McArdle and Padgett are liable to Plaintiff LNC for conversion.

60. Plaintiff LNC owned or had a right to control the specific funds in its bank account. Defendants McArdle and Padgett intentionally and substantially interfered with Plaintiff LNC's interest in a manner that amounted to depriving LNC of that property when McArdle and Padgett, through the Freedom Calls arrangement and concealment, caused and participated in the transfer of \$49,600 to Freedom Calls, an entity owned or controlled by McArdle's domestic partner, Padgett, without disclosing the conflict of interest to LNC.

61. Plaintiff LNC, through counsel, requested the return of the funds paid to Freedom Calls, but McArdle, through counsel, refused to do so. As a result of Defendants' conversion, Plaintiff is entitled to restitution of the amounts illegally authorized by McArdle to be paid to Padgett and entities in which Padgett had a financial interest, together with other compensatory and punitive damages.

COUNT V

VIOLATION OF THE D.C. NONPROFIT CORPORATION ACT OF 2010

(Defendant McArdle)

62. Defendant McArdle is liable to Plaintiff LNC for violations of the D.C. Nonprofit Corporation Act of 2010.

63. Plaintiff LNC is a nonprofit corporation, which was incorporated in Washington,

D.C., on February 7, 1995, and has its principal place of business in Harris County, Texas. Therefore, LNC is subject to the protections of the D.C. Nonprofit Corporation Act of 2010, D.C. Code § 29-401.01 *et seq.* Plaintiff LNC has standing to sue to enforce the D.C. Nonprofit Corporation Act of 2010 in its own right for breaches of duties owed to it by McArdle, in her capacities as an officer and director.

64. The D.C. Nonprofit Corporation Act of 2010 provides that a director shall be liable to a nonprofit corporation for decisions made by the director that resulted from: “A lack of objectivity due to the director’s familial, financial, or business relationship with, or a lack of independence due to the director’s domination or control by, another person having a material interest in the challenged conduct: (i) Which relationship or which domination or control could reasonably be expected to have affected the director’s judgment respecting the challenged conduct in a manner adverse to the corporation; and (ii) After a reasonable expectation to such effect has been established, the director has not established that the challenged conduct was reasonably believed by the director to be in the best interests of the corporation.” D.C. Code § 29-406.31(a)(2)(C).

65. The D.C. Nonprofit Corporation Act of 2010 also provides that a director shall be liable to a nonprofit corporation for decisions made by the director that resulted in: “Receipt of a financial benefit to which the director was not entitled or any other breach of the director’s duties to deal fairly with the corporation and its members that is actionable under applicable law.” D.C. Code § 29-406.31(a)(2)(E).

66. The D.C. Nonprofit Corporation Act of 2010 also provides that conflicting interest transactions are voidable where the material facts as to the relationship or interest and as to the contract or transaction are not disclosed and are not known to the board of directors, and the contract was not fair as to the corporation. D.C. Code § 29-406.70(a)(1), (3).

67. McArdle violated her statutory obligations under the D.C. Nonprofit Corporation Act of 2010 when she unilaterally and knowingly awarded a lucrative contract with a value of \$49,600 to Freedom Calls, an entity owned or controlled by her domestic partner, Padgett, without timely disclosing the conflict of interest to LNC's Board or timely obtaining the required approval. She also failed to disclose her paid work through SV Strategist in connection with the Kennedy Victory Fund.

68. As a result of McArdle's conduct in violation of the D.C. Nonprofit Corporation Act of 2010, Plaintiff is entitled to restitution of the amounts illegally authorized by McArdle to be paid to Padgett and entities in which Padgett had a financial interest, together with other compensatory and punitive damages and attorney's fees and costs.

69. McArdle also violated her statutory obligations under the D.C. Nonprofit Corporation Act of 2010 by diverting fundraising opportunities belonging to LNC when she unilaterally and knowingly solicited donations for Rescue the West (from American Values 2024, the Kennedy Victory Fund, and MAHA Alliance) and for Libertarian Unity (from the Kennedy Victory Fund), without disclosing the conflict of interest to LNC or the Board.

70. As a result of McArdle's conduct in violation of the D.C. Nonprofit Corporation Act of 2010, Plaintiff is entitled to recover losses caused by the diversion of LNC's fundraising

opportunities and to restitution or disgorgement of improper benefits resulting from those breaches, together with other compensatory and punitive damages and attorney's fees and costs.

COUNT VI

CIVIL CONSPIRACY

(Defendants McArdle and Padgett)

71. As set forth in this pleading, Defendants McArdle and Padgett are jointly and severally liable to LNC for Counts I through V under the doctrine of civil conspiracy. Defendants McArdle and Padgett are a combination of two or more persons with a meeting of the minds to accomplish an unlawful purpose by any means or a lawful purpose by unlawful means. Their unlawful object to be accomplished was the diversion of the LNC's funds and corporate opportunities for their own benefit or for the benefit of others. Each committed at least one specific unlawful act in furtherance of that purpose, including making affirmative untrue representations, omitting and in some cases actively concealing material facts which they had a duty to disclose, creating a materially misleading proposal designed to give an impression that Freedom Calls was an unrelated third party, executing contracts to divert opportunities and funds, and approving the transfer of LNC's funds from its bank accounts.

COUNT VII

UNJUST ENRICHMENT

(Defendants McArdle and Padgett)

72. In the alternative to the other counts, Defendants McArdle and Padgett are liable to Plaintiff LNC under the equitable doctrine of unjust enrichment.

73. Defendants McArdle and Padgett received a benefit from LNC by fraud, duress, or the taking of undue advantage when LNC paid \$32,465.38 to Padgett and \$49,600 to Freedom Calls. On information and belief, Defendants McArdle and Padgett retained the benefit received from Plaintiff LNC through their relationship.

74. Under the circumstances, Defendants McArdle's and Padgett's retention of the benefit is unjust, because McArdle breached her common-law and statutory duties to Plaintiff LNC when she awarded contracts to entities associated with Padgett, without disclosing the conflict of interest, and procured and continued the Freedom Calls engagement without the required related-party disclosure and approval. Plaintiff LNC did not receive the fair market value for these contracts.

75. As a result of Defendants McArdle's and Padgett's unjust enrichment, Plaintiff is entitled to restitution of the amounts illegally authorized by McArdle to be paid to Padgett and entities in which Padgett had a financial interest, together with other compensatory and punitive damages.

COUNT VIII

MONEY HAD AND RECEIVED

(Defendants McArdle and Padgett)

76. In the alternative to the other counts, as set forth in this pleading, Defendants McArdle and Padgett are liable to Plaintiff LNC under the equitable doctrine of money had and received.

77. Defendants McArdle and Padgett hold or have held money that in equity and good

conscience belongs to the LNC. The LNC paid \$32,465.38 to Padgett and \$49,600 to Freedom Calls, an entity in which Defendants McArdle and/or Padgett had a financial interest. As a matter of equity under the circumstances, that money should be returned to the LNC.

Jury Demand

78. Plaintiff demands a trial by jury and is tendering or has tendered the required fee to the Clerk.

Conditions Precedent

79. All conditions precedent to Plaintiff's rights to recovery have occurred, been performed, or are otherwise excused.

Prayer

FOR THESE REASONS, Plaintiff respectfully asks that Defendants be cited to appear; that Plaintiff be awarded its compensatory and punitive or exemplary damages, disgorgement, forfeiture, its reasonable and necessary attorney's fees, costs, and pre- and post-judgment interest; that taxable costs be charged against Defendants; and that the Court award Plaintiff all other relief, in law and in equity, to which it is justly entitled.

* * *

Respectfully submitted,

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