

District Court, Fremont County, Colorado 136 Justice Center Road Canon City, Colorado 81212 Telephone: (719) 269-0100	
Plaintiffs: The Boards of County Commissioners of the Counties of Fremont, Chaffee and Custer v. Defendant: Linda Stanley, in her individual capacity.	◆COURT USE ONLY◆
Eric Bellas, #21765 Fremont County Attorney 615 Macon Ave., Suite 211 Canon City, CO 81212 (719) 276-7496 eric.bellas@fremontco.com Lynda Knowles, #15045 Chaffee County Attorney 104 Crestone Avenue P.O. Box 699 Salida, CO 81201 (719) 530-530-5620 lknowles@chaffeecounty.org Daniel B. Slater, #30174 Custer County Attorney 1415 Main Street, Suite A Canon City, CO 81212 (719) 269-3315 danslaterlaw@gmail.com	Case Number: Division: Courtroom:
COMPLAINT AND JURY DEMAND	

Plaintiffs, by and through the Fremont County Attorney, Eric Bellas; the Chaffee County Attorney, Lynda Knowles; and the Custer County Attorney, Daniel Slater; for their Complaint, state:

I. PARTIES, JURISDICTION AND VENUE

1. Plaintiffs (hereinafter collectively “County”), are the governing bodies of Fremont, Chaffee, and Custer Counties, bodies corporate and politic, which are political subdivisions of the State of Colorado, with jurisdictional authority to bring this action pursuant to §§30-11-101, 30-11-103, and 30-11-105, C.R.S.

2. Defendant, Linda Stanley, was previously the elected District Attorney for the 11th Judicial District. At all times relevant to the subject matter of this litigation, Defendant was a citizen of the United States and a resident of the State of Colorado.
3. To the best of Plaintiffs' knowledge and belief, the Defendant is not in the military service of the United States.
4. Venue is proper in Fremont County, as Defendant is a resident of Fremont County, and conducted business as District Attorney in Fremont County, which is one of four counties in the 11th Judicial District.

II. FACTS

5. Plaintiffs are empowered to sue and be sued, to hold funds of their respective County, to examine and settle all accounts of receipts and expenses of the County, to adopt the annual budget for the County, to levy and apportion taxes as provided by law, and to otherwise manage the business and affairs of the County as provided by law.
6. During each budget year from 2021 through 2024, County appropriated funds for the necessary expenses of the District Attorney pursuant to §20-1-302, C.R.S.
7. Defendant was elected to the office of District Attorney for the 11th Judicial District and began her term of office on or about January 12, 2021. At all times relevant to the subject matter of this action, Defendant was the elected District Attorney for the 11th Judicial District, which includes Fremont, Chaffee, Park and Custer Counties.
8. All of the acts and/or failures to act alleged herein were duly performed by and/or are attributable to the Defendant, individually. Said acts and/or failures to act were either taken or ratified by the Defendant, individually.
9. Annually during the Defendant's term in office as the District Attorney, the Defendant requested that County appropriate funds for the necessary expenses of maintaining an office for the transaction of official business and submitted various documents to County setting forth anticipated expenses and proposed expenditures in support of her budget request.
10. None of Defendant's budget requests included any amounts for attorney's fees to defend alleged ethical violations.

11. During her term in office, Defendant and several prosecutors employed in her office were Respondents in cases of alleged ethical violations before the Presiding Disciplinary Judge, or in investigations brought by the Office of Attorney Regulation Counsel for the State of Colorado.
12. During the time that Defendant served as the elected District Attorney for the 11th Judicial District she was entrusted with and came into possession of the funds appropriated by County for the necessary expenses of maintaining an office for the transaction of official business.
13. Legal fees arising from violation of the Rules of Professional Conduct are not costs necessarily incurred in the discharge of official duties for the benefit of the County pursuant to §20-1-303, C.R.S; *Ruybalid v. Board of County Comm'rs Las Animas County*, 2019 CO 49, 442 P.3d 423.
14. Defendant expended a sum of at least \$111,971.35 for the payment of legal fees incurred by Defendant and other members of her staff to defend against allegations of violations of the Colorado Rules of Professional Conduct, or ethical violations.
15. By paying for legal fees that were not necessary expenses of maintaining an office for the transaction of official business, Defendant willfully, knowingly, and fraudulently converted funds appropriated by County to her own use and benefit, and/or to a use other than the public use authorized by law.
16. On June 27, 2024, the Fremont County Attorney provided Defendant with notice of the County's allegations that she was misappropriating public funds for her own personal use. A copy of the notice is attached hereto as Exhibit A and incorporated herein by reference.
17. After providing the June 27, 2024, notice to Defendant, she continued to misappropriate public funds in violation of Colorado law. Plaintiff Fremont County reminded Defendant of the consequence of such violations by written communication on September 25, 2024. See Exhibit B attached hereto and incorporated herein by reference.

III. FIRST CLAIM FOR RELIEF – FRAUD

18. Plaintiffs reassert paragraphs 1 through 17 above as if fully set forth herein.
19. In her budget request meetings with the Boards of Commissioners, Defendant failed to disclose her intention to use public funds for personal use and matters unrelated to the official operations of the Office of the District Attorney.

20. In her budget request meetings with the Boards of Commissioners, Defendant failed to disclose her past use of public funds for personal use and matters unrelated to the official operations of the Office of the District Attorney.
21. At no time during her term in office did Defendant request or propose a budget amendment to reflect the use of public funds for payment of legal fees and costs for matters unrelated to the official operations of the Office of the District Attorney.
22. Defendant had a duty to disclose her intention to use and her actual use of public funds to pay legal fees and costs for matters unrelated to official operations of the Office of the District Attorney.
23. Defendant and County were in a fiduciary relationship, as County had a statutory duty to fund Defendant's Office and Defendant was required to expend such funds for official operations of her office.
24. The use of public funds by Defendant for private matters unrelated to official operations of the Office of the District Attorney is a material fact.
25. The Defendant concealed such expenditures in her budget requests and reporting of expenditures with the intention of creating a false impression among the four county Boards of Commissioners that such expenditures were legitimate, official operating expenses for her Office.
26. The Defendant concealed such expenditures with the intent that the Plaintiffs would continue to fund her office budget, including her unauthorized and unapproved expenses for private legal fees and costs.
27. The Plaintiffs continued to fund her budget, unaware that such private legal fees and costs were being paid with public funds, contrary to law.
28. The County relied on the budget and other representations of Defendant that public funds were being used for lawful, authorized purposes.
29. The reliance by the County was justified, as Boards of Commissioners are expected to and customarily rely on budgetary representations of the elected District Attorney, and County is entitled to assume the Defendant would not intentionally fail to disclose a material fact regarding her budget.
30. The reliance by Plaintiffs caused losses to County of public funds and misappropriation of public funds.

IV. SECOND CLAIM FOR RELIEF – CIVIL THEFT

31. Plaintiffs incorporate the allegations contained in the First Claim for Relief as if the same were set forth herein verbatim.
32. Misappropriation of public funds by the Defendant constitutes theft as defined in §18-4-401, C.R.S. Defendant knowingly obtained, retained, and exercised control of public funds without authorization and by threat or deception.
33. Section 18-4-405, C.R.S. provides County with a private cause of action against Defendant for her theft of public funds.
34. County also is entitled to treble damages and attorney's fees against Defendant as provided by §18-4-405, C.R.S.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in favor of the Plaintiffs and against the Defendant, and award the relief allowed by law, including but not limited to the following:

1. For actual damages suffered by the Plaintiffs in an amount to be determined at trial;
2. For treble damages in an amount to be determined at trial pursuant to C.R.S. § 18-4-405;
3. For pre-judgment and post-judgment interest at the statutory rate;
4. For attorney's fees and costs as provided by law; and
5. For such other and further relief as this Court deems just and equitable.

PLAINTIFFS REQUEST A JURY TRIAL ON ALL CLAIMS ASSERTED HEREIN.

Date: December 5, 2024.

FREMONT COUNTY ATTORNEY



Eric Bellas, #21765
Fremont County Attorney

CHAFFEE COUNTY ATTORNEY

/s/ Lynda Knowles

Lynda Knowles, #15045
Chaffee County Attorney

CUSTER COUNTY ATTORNEY

/s/ Daniel B. Slater

Daniel B. Slater, #30174
Custer County Attorney

In accordance with C.R.C.P. 121 §1-26(9), a printed copy of this document with original signatures is maintained at the office of the Fremont County Attorney and will be made available for inspection by other parties or the Court upon request.