

SETTLEMENT AGREEMENT

This agreement is made and entered into between the Executive Branch Ethics Commission (hereinafter the “Commission”) and Richard D. Farmer, II.

WHEREAS, this agreement involves the matter styled *Executive Branch Ethics Commission v. Richard D. Farmer, II*, Agency Case No. 13-001;

WHEREAS, the Commission is designated by statute as the agency responsible for enforcing the Executive Branch Code of Ethics, KRS Chapter 11A;

WHEREAS, on March 18, 2013, the Commission alleged facts in an Initiating Order that Richard D. Farmer, II, violated the Executive Branch Code of Ethics at KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), KRS 11A.040(2) and (5), KRS 11A.045(1), KRS 11A.050(1), (2), and (3), and KRS 11A.055;

WHEREAS, Richard D. Farmer, II, was at all relevant times mentioned in the Initiating Order a “public servant” as defined in KRS 11A.010(9), and thus is subject to the Executive Branch Code of Ethics;

WHEREAS, Richard D. Farmer, II, indicates his desire to resolve all issues in this action by the execution of a Settlement Agreement;

WHEREAS, Richard D. Farmer, II, is currently under indictment for the criminal charges in state and federal court stemming from some of the conduct that is the subject-matter of the above-referenced administrative proceedings; and

WHEREAS, Richard D. Farmer, II, has agreed to accept a plea and enter an admission of guilt for the criminal charges in state and federal court, which includes agreeing to serve a minimum of twenty-one (21) months in prison, with a term of supervised release of one (1) year, and paying restitution of \$120,500 to the Commonwealth of Kentucky through the U.S. District Court.

NOW, THEREFORE, in settlement of the above allegations, the Commission and Richard D. Farmer, II, agree, pursuant to KRS 11A.100, as follows:

1. Richard D. Farmer, II, admits that he committed violations of the Executive Branch Code of Ethics at KRS 11A.020(1)(a), (b), (c) and (d), KRS 11A.020(2), KRS 11A.040(2) and (5), KRS 11A.045(1), KRS 11A.050 (1), (2), and (3), and KRS 11A.055, as stated in Appendix A of the Commission’s Initiating Order of March 18, 2013, attached hereto and incorporated by reference herein.

2. The Commission agrees to combine the following counts in the Initiating Order of March 18, 2013 as follows:

- a. Counts I and III;
- b. Counts V and VI;
- c. Counts VII and VIII;
- d. Counts XI and XII;
- e. Counts XIII and XIV;
- f. Counts XX and XXI; and
- g. Counts XXXV and XXXVI.

3. Richard D. Farmer, II, agrees to pay the Commission a civil penalty of sixty-three thousand dollars (\$63,000.00), which will be offset on a dollar-for-dollar basis by the restitution that Farmer has agreed to pay the Commonwealth of Kentucky through the U.S. District Court Clerk.

4. Richard D. Farmer, II, agrees to fully cooperate with the Commission in providing complete, accurate, and truthful testimony in any Commission administrative proceedings currently open at the time of entering this Settlement Agreement in which he may be called as a witness.

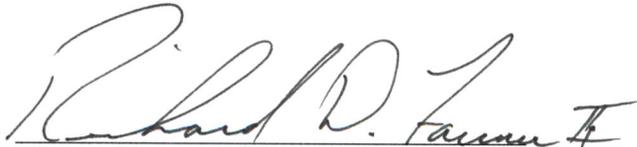
5. Richard D. Farmer, II, agrees, upon the Commission accepting the Settlement Agreement and entering the Final Order, that he waives all rights to any further administrative process or appeal pursuant to KRS 13B.140 thereon, subject to paragraph 8 below.

6. The parties further agree that the acceptance of this Settlement Agreement by both parties, and the fulfillment of its express terms, is in full accord and satisfaction of the herein referenced *Executive Branch Ethics Commission v. Richard D. Farmer, II*, Agency Case No. 13-001. The Commission further agrees that it shall not file any additional charges against Farmer or seek any additional penalties from Farmer related to any conduct of Farmer as a public servant which occurred prior to the date of this Settlement Agreement and which is known to the Commission or its staff. The Commission specifically agrees that all information and conduct referenced in the Plea Agreement and accompanying Sealed Supplement to Plea Agreement, in the case styled *United States v. Richard Dwight Farmer, Jr.*, Criminal No. 3:13-CR-6-GFVT, United States District Court for the Eastern District of Kentucky (the "Federal Case"), is information known to the Commission and its staff.

7. This Settlement Agreement constitutes a public reprimand to Richard D. Farmer, II, a copy of which will be provided to his former appointing authority pursuant to KRS 11A.100(3)(c).

8. In the event any part of the Plea Agreement in the Federal Case is rejected by the Federal Court this Settlement Agreement is null and void.

IN WITNESS THEREOF, the respondent has caused this agreement to be executed:


Richard D. Farmer, II

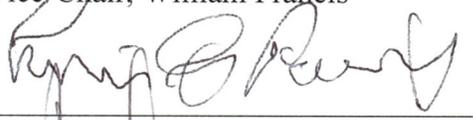
9/4/13
Date

WHEREFORE, the EXECUTIVE BRANCH ETHICS COMMISSION has approved and executed this settlement agreement.

ENTERED: September 9, 2013


Chair, W. David Denton


Vice-Chair, William Francis


Member, Lewis G. Paisley


Member, Richard L. Masters

Absent
Member, Martin E. Johnstone