

CHARLTON T. HOWARD, III  
State Prosecutor

SARAH R. DAVID  
Deputy State Prosecutor

CHARLES M. BLOMQUIST  
Deputy State Prosecutor

LINDSAY E. BIRD  
Senior Assistant State Prosecutor

## STATE OF MARYLAND



## OFFICE OF THE STATE PROSECUTOR

Hampton Plaza  
Suite 410  
300 East Joppa Road  
Towson, MD 21286-3152  
Telephone (410) 321-4067  
1 (800) 695-4058  
Fax (410) 321-3851

### STATEMENT OF FACTS

The State and the Defendant understand, agree and stipulate to the following Statement of Facts, which the State would prove beyond a reasonable doubt had this case proceeded to trial:

At all times pertinent, Catherine E. Pugh (“PUGH”) was a duly elected State Senator in the Maryland General Assembly, representing the 40<sup>th</sup> District. From on or around 2008 through and including 2015, PUGH served as a member of the Senate’s Finance Committee, a committee which considered issues related to health care facilities, public health, as well as, property, casualty, life and health insurance. From on or around 2013 through and including 2016, PUGH served as the Chairwoman of the Senate’s Health Subcommittee, the purpose of which was to study and consider issues related to health and to health insurance. As a Maryland State Senator, PUGH was required by the State Government Article §15-602 to file a financial disclosure statement with the Maryland State Ethics Commission, under oath or affirmation, disclosing her financial affairs for the prior calendar year, including: SCHEDULE B - All interests in any corporation, partnership, limited liability partnership or limited liability company held during the reporting period, whether or not the entity did business with the State, and SCHEDULE H - The name and address of any places of employment or business entities wholly or partially owned, from which income was earned during the reporting period whether or not the entity did business with the State.

From on or about January 1997, PUGH became a sole or partial owner of a business entity registered in Maryland under the name Catherine E. Pugh and Company, Incorporated. From on or about December 2001, PUGH became a sole or partial owner of a business entity registered in Maryland under the name P.C. LLC. From on or about January 2011, through and including the present, PUGH was a sole or partial owner of a business entity registered in Maryland under the name Healthy Holly LLC. From on or about October 2013, through and including April 2019, PUGH was a partial owner of a business entity registered in Maryland under the name 2 Chic Boutique.

On or about September 5, 2012, PUGH opened a business checking account, held at The Harbor Bank of Maryland (“Harbor Bank”), in the name of Healthy Holly LLC. PUGH was the sole signer on the account and the ownership documents for the checking account contained PUGH’s personally identifying information, as well as, her signature. The stated purpose of Healthy Holly LLC as reflected on the bank account ownership records was “AUTHOR FOR BOOKS-STORY BOOK FOR CHILDREN”. Also on or about September 5, 2012, PUGH signed a Limited Liability Company Authorization Resolution for Healthy Holly LLC with Harbor Bank stating that “I CATHERINE E. PUGH, certify that I am a Manager or Designated Member of the above named Limited Liability Company organized under the laws of Maryland, Federal Employer

I.D. Number 27-4742386 engaged in business under the trade name of HEALTHY HOLLY LLC, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of all members of the Limited Liability Company or the person or persons designated by the members of the Limited Liability Company to manage the Limited Liability Company as provided in the articles of organization or an operating agreement, duly and properly called and held on 8-1-12 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

During calendar year 2012, Healthy Holly LLC earned at least \$108,000 in income through the sales of PUGH'S self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System, \$7,500 from the Maryland Automobile Insurance Fund and \$500 from Riverside Health of Maryland, Inc.

In her 2012 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, PUGH disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, PUGH again disclosed PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose Healthy Holly LLC.

During calendar year 2013, Healthy Holly LLC earned at least \$8,128 in income through the sales of PUGH'S self-published Healthy Holly children's book series, including \$4,448 from the Maryland Automobile Insurance Fund, which was passed through the Associated Black Charities. In her 2013 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, PUGH disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose the interest she held in Healthy Holly LLC or the interest she held in 2 Chic Boutique LLC. Under Schedule H – Employment/Business Ownership, PUGH again disclosed PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose Healthy Holly LLC.

During calendar year 2014, Healthy Holly LLC earned at least \$6,500 in income through the sales of PUGH'S self-published Healthy Holly children's book series, including \$6,500 from CareFirst Blue Cross Blue Shield, which was passed through the Associated Black Charities. In her 2014 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, PUGH disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, PUGH again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.

During calendar year 2015, Healthy Holly LLC earned at least \$100,000 in income through the sales of PUGH'S self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System. In her 2015 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, PUGH disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule

H – Employment/Business Ownership, PUGH again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.

During calendar year 2016, Healthy Holly LLC earned at least \$345,000 in income through the sales of PUGH'S self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System and \$50,000 from Kaiser Permanente. In her 2016 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, PUGH disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, PUGH again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.

All forms required to be submitted to the Maryland State Ethics Commission, under oath or affirmation, disclosing financial affairs for the prior calendar year are retained in Anne Arundel, County Maryland. If called to testify, staff for PUGH as well as members of the Maryland State Ethics Commission would identify PUGH as the person responsible for submitting accurate reports.