

TEXAS ETHICS COMMISSION

IN THE MATTER OF
MATTHEW LAFATA,
RESPONDENT

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BEFORE THE
TEXAS ETHICS COMMISSION
SC-2805233

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on April 16, 2009, to consider sworn complaint SC-2805233. A quorum of the commission was present. The commission determined that there is credible evidence of violations of sections 254.031, 254.061, and 254.036(h) of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposes this resolution to the respondent.

II. Allegations

The complaint alleged that the respondent failed to properly report political contributions and political expenditures, failed to include required information on campaign finance reports, failed to include a properly executed affidavit on campaign finance reports, and improperly reported political expenditures as reimbursements to staff. The complaint also alleged that the respondent illegally accepted corporate political contributions and illegally made political expenditures from corporate contributions.

III. Facts Supported by Credible Evidence

Credible evidence available to the commission supports the following findings of fact:

1. The respondent was a Frisco city council member and an unsuccessful candidate for Frisco mayor in the May 2008 election.
2. The local filing authority provided to the commission copies of all documents filed by the respondent from June 1, 2005, through February 26, 2009. The respondent has not filed corrections to the reports at issue.
3. As to the respondent's July 2006 semiannual report, the complaint alleged that the respondent:

- Failed to include a properly notarized affidavit
 - Failed to disclose the campaign treasurer's address and telephone number
 - Failed to disclose in-kind political contributions from Frisco-Online
 - Failed to disclose political expenditures to Frisco-Online and Matt Lafata Marketing
 - Failed to disclose the full address for two political expenditures totaling \$230
4. The July 2006 semiannual report is not notarized and does not disclose the campaign treasurer's address or telephone number. The report does not disclose any political contributions from or political expenditures to Frisco-Online or Matt Lafata Marketing. On Schedule F (used for itemizing political expenditures), the respondent did not include the street address for two political expenditures totaling \$230 (both expenditures are to the same payee).
5. As to the respondent's January 2007 semiannual report, the complaint alleged that the respondent:
- Failed to include a properly notarized affidavit
 - Failed to disclose the campaign treasurer's telephone number
 - Failed to disclose in-kind political contributions from Frisco-Online
 - Failed to disclose political expenditures to Frisco-Online and Matt Lafata Marketing
 - Failed to disclose the full address for two political expenditures totaling \$230
6. The January 2007 semiannual report is not notarized and does not disclose the campaign treasurer's telephone number. The report does not disclose any political contributions from or political expenditures to Frisco-Online or Matt Lafata Marketing. On Schedule F, the respondent did not include the street address for two political expenditures totaling \$230 (both expenditures are to the same payee).
7. As to the respondent's July 2007 semiannual report, the complaint alleged that the respondent:
- Failed to disclose the campaign treasurer's telephone number
 - Failed to disclose in-kind political contributions from Frisco-Online and Matt Lafata Marketing
 - Failed to disclose political expenditures to Frisco-Online and Matt Lafata Marketing
 - Failed to disclose the full address for four political expenditures totaling \$540
8. The July 2007 semiannual report does not disclose the campaign treasurer's phone number. The report does not disclose any political contributions from or political expenditures to

Frisco-Online or Matt Lafata Marketing. On Schedule F, the respondent did not include the full address for four political expenditures totaling \$540 (includes a political expenditure of \$25 to a payee during the reporting period).

9. As to the respondent's January 2008 semiannual report, the complaint alleged that the respondent:

- Failed to disclose the candidate's full name
- Failed to include a properly notarized affidavit
- Failed to disclose the full name and address of the campaign treasurer of a political committee that made political expenditures to support the respondent
- Failed to disclose total political contributions of \$50 or less (unless itemized), total political expenditures of \$50 or less (unless itemized), and the total principal amount of all outstanding loans as of the last day of the reporting period
- Failed to disclose in-kind political contributions from Frisco-Online and Matt Lafata Marketing
- Failed to disclose political expenditures to Frisco-Online and Matt Lafata Marketing
- Failed to disclose the date for four political contributions totaling approximately \$2,220 and three political expenditures totaling approximately \$1,240
- Failed to disclose the full address for one political contribution of \$300 and three political expenditures totaling approximately \$250
- Failed to disclose the purpose for three political expenditures totaling approximately \$60
- Improperly disclosed the purpose for an expenditure of \$200 to St. Francis Catholic Church and an expenditure of \$125 to Frisco Arts Association as donations on Schedule I (used for reporting non-political expenditures)
- Illegally accepted a \$250 corporate political contribution from Preston Medical Association on September 21, 2007
- Illegally accepted a \$250 corporate political contribution from PAYJr. Inc. on September 20, 2007
- Illegally accepted a \$1,016.69 corporate in-kind political contribution from WebGusto
- Illegally accepted corporate political contributions of an unspecified amount from Matt Lafata Marketing

10. The complaint included a copy of the January 2008 semiannual report that indicates it was notarized by the city secretary's office on January 15, 2008. The "Office Use Only" section

- of the report's cover page includes the handwritten note, "original hand delivered @ CC on 1-15-08 [followed by unclear initials] not notarized Hand delivery after 5pm [sic]."
11. The local filing authority's office provided two copies of the January 2008 semiannual report. One copy is not notarized and includes the same handwritten note in the "Office Use Only" section as the copy the complainant provided. The other copy indicates it was notarized by the city secretary on January 15, 2008, but, below the affidavit, also includes the handwritten note "Received by fax did not swear before City Secretary." The "Office Use Only" section of the report's cover page is date stamped as received on January 15, 2008, by the city secretary's office, and also includes the handwritten note "Nan P. 2:45 via fax not notarized."
 12. Other than the affidavit and "Office Use Only" sections of the report, the three copies appear to be the same. The report lists the candidate's name as "Matt Lafata." In the section of the report's cover page used for disclosing notice of political expenditures by political committees to support a candidate or officeholder, the respondent included his campaign treasurer's name and address (leaving blank the lines for disclosing committee name and address). On the report's cover page, the respondent left blank the lines for disclosing total political contributions of \$50 or less (unless itemized), total political expenditures of \$50 or less (unless itemized), and the total principal amount of all outstanding loans as of the last day of the reporting period. The respondent disclosed the total amount of political contributions, total amount of political expenditures, and total amount of political contributions maintained as of the last day of the reporting period. The respondent did not disclose any political contributions from or political expenditures to Frisco-Online or Matt Lafata Marketing. The respondent did not include the date for four political contributions totaling approximately \$2,200 and three political expenditures totaling approximately \$1,240 (includes a political expenditure of \$9.95 to a payee during the reporting period, and two political expenditures totaling approximately \$30 to a payee during the reporting period). The respondent did not include the full address for one political contribution of \$300 and four political expenditures totaling approximately \$270. The respondent did not include a purpose for three political expenditures totaling approximately \$60. On Schedule I, the respondent disclosed the purpose for two political expenditures totaling \$325 as donations. On Schedule A, the respondent disclosed a \$250 political contribution from "Pedro Checo – Preston Medical Association," a \$250 political contribution from "PAYjr. Inc. [sic]," and a \$1,016.69 in-kind political contribution from WebGusto. The description of WebGusto's in-kind contribution is "web site development."
 13. The complaint also included allegations that the respondent failed to disclose the total number of pages filed in campaign finance reports, and failed to disclose the principal occupation and employer for contributors in campaign finance reports.
 14. The respondent filed an application for a place on the ballot on February 11, 2008, that lists his full name as "Matthew James Lafata."

15. The complaint included a printed page from the Frisco-Online Internet website. The page indicates it was printed on April 15, 2008. The page includes text from the Matt Lafata Newsletter, in which the respondent addresses the community about local events and the upcoming Thanksgiving holidays. The text includes the heading “Matt Lafata Newsletter” and also states, “11/17/2006 from Matt Lafata.” The page does not mention that the respondent is either a candidate or officeholder.
16. The complaint also included a printed portion of “Matt Lafata’s Weekly Community Newsletter” that is dated March 20, 2008. The newsletter wishes the respondent’s friends and supporters a happy Easter and discusses certain local happenings. The newsletter includes a hyperlink to “Matt for Mayor of Frisco Web Site.”
17. The complaint also included a printed screenshot from the respondent’s Internet website www.makemattmayor.com. The page lists the respondent’s upcoming campaign events and discusses his filing to run for mayor of Frisco. The page also promotes the respondent’s weekly newsletter and provides a hyperlink to the Matt Lafata Marketing Group. The printed screenshot does not indicate the date it was taken, but does indicate the complainant took the screenshot at 3:25 a.m.
18. The respondent provided an affidavit in response to the sworn complaint allegations.
19. With regard to the July 2006 semiannual report, the respondent:
 - Acknowledges that the report is not notarized
 - Acknowledges that the campaign treasurer’s address and telephone number are missing
 - Denies that there was ever an in-kind contribution from Frisco-Online
 - Denies that there were any campaign expenditures to Frisco-Online or Matt Lafata Marketing
 - States that he does not have an address for two political expenditures totaling \$230 for website work and hosting (the expenditures disclose the same payee)
20. With regard to the January 2007 semiannual report, the respondent:
 - Acknowledges that the report is not notarized
 - Acknowledges that the campaign treasurer’s telephone number is missing
 - Denies that there was ever an in-kind contribution from Frisco-Online
 - Denies that there were any campaign expenditures to Frisco-Online or Matt Lafata Marketing
 - States that he does not have an address for two political expenditures totaling \$230 for website work and hosting (the expenditures disclose the same payee)

21. With regard to the July 2007 semiannual report, the respondent:

- Acknowledges that the campaign treasurer's telephone number is missing
- Denies that there were ever any in-kind contributions from Frisco-Online or Matt Lafata Marketing
- Denies that there were ever any advertising expenditures to Frisco-Online or Matt Lafata Marketing
- States that he does not have an address for political expenditures to two payees (including a political expenditure of \$180 for website work and hosting), and provides the address for political expenditures to two payees (the four expenditures at issue total \$540)

22. With regard to the January 2008 semiannual report, the respondent:

- States that most everything he does is by "Matt Lafata," rather than "Matthew Lafata." The respondent states his campaign treasurer did the report and he did not catch this
- States that he does not see where the notary was done after the fact. The respondent states that the report was notarized with the city secretary at the time it was turned in
- States that there was no activity during the reporting period that was required to be reported under total political contributions of \$50 or less (unless itemized), total political expenditures of \$50 or less (unless itemized), or total principal amount of all outstanding loans as of the last day of the reporting period
- Denies that there were any campaign contributions from Frisco-Online or Matt Lafata Marketing
- Denies that there were any advertising expenditures to Frisco-Online or Matt Lafata Marketing
- Acknowledges that he failed to include the date for four political contributions totaling approximately \$2,220 and three political expenditures totaling approximately \$1,240
- States that he does not know the address for three political expenditures totaling approximately \$250 (the expenditures are to web-based companies, and the respondent states that for two of the expenditures he searched and could not find the addresses on their web sites). The report does not include the address for a political contribution of \$300, and the respondent does not address this in his affidavit
- States that the purpose of three expenditures totaling approximately \$60 to WebGusto was web hosting. (The report does not include the purpose for these expenditures, but does include that purpose for two other political expenditures to WebGusto)

- States that Preston Medical Associates is not a corporation, and that the full name is “Preston Medical Associates, P.A.”
 - States that WebGusto is not a corporation
 - States that Matt Lafata Marketing was previously a DBA and became an LLC in 2007
23. In response to the allegation that the respondent illegally accepted a \$250 corporate political contribution from PAYJr., the respondent swears to the following:
- PAYJr [sic] is owned by David Jones. David is the owner, and a long-time friend and supporter and he made this contribution. It was a mistake for it to be listed as PAYJr [sic] as it was supposed to have come from David himself. I have spoken to David and he would be happy to take the \$250 back and write a check from his personal account to correct this.
24. In response to the allegations that the respondent failed to report in-kind political contributions from Frisco-Online (FOL) and political expenditures to Frisco-Online or Matt Lafata Marketing, the respondent swears that, “FOL has never made any kind of contribution to my campaign.” The respondent swears, “[The] relationship between FOL and Matt Lafata Marketing has been in place for many years and is not related to political campaigning in any way, shape or form. FOL never advertised any political messages at any time during my campaign for Frisco Mayor.”
25. According to the Texas Secretary of State’s records, Frisco-Online, LLC is a domestic limited liability company that filed articles of organization in January 2005. The articles list an individual as the LLC’s registered agent, and two individuals as the managers of the LLC. The entity’s 2006 and 2007 Public Information Reports list the same individuals as directors of the LLC.
26. According to the Texas Secretary of State’s records, Matt Lafata Marketing Group, LLC is a domestic limited liability company that filed a certificate of formation in July 2007. The certificate lists Matt Lafata as the LLC’s registered agent, and Matt Lafata and another individual as members of the LLC.
27. According to the Texas Secretary of State’s records, Preston Medical Associates, P.A. is a professional association that filed articles of association in December 2001 and was involuntarily dissolved in November 2006. The articles list Pedro Checo, M.D., as the only member of the association, and another individual as the association’s registered agent. The entity’s 2005 Annual Statement lists Pedro Checo as the only director or executive committee member of the association.

28. According to the Texas Secretary of State's records, PayJr., Inc. is a foreign for-profit corporation that filed an application for registration in July 2006. The application lists David Jones as the entity's registered agent, and David Jones and another individual as directors. The entity's 2007 Public Information Report lists David Jones and two other individuals as directors.
29. According to the Texas Secretary of State's records, WebGusto LLC is a domestic limited liability company. The entity filed articles of organization in June 2005 and articles of dissolution in March 2006. WebGusto LLC filed a certificate of formation effective January 1, 2008, and an assumed name certificate for the name "Frisco Websites" in May 2008. The articles of organization filed in June 2005 and the certificate of formation effective January 2008 both list an individual as the LLC's registered agent and sole managing member. The entity's Public Information Report for 2006 lists the individual as the LLC's only member.
30. Texas Secretary of State records show that entities named Frisco Arts Association and Frisco Association for the Arts were both non-profit corporations that forfeited their charters. The website of Frisco Association for the Arts lists the respondent as a member. The website indicates that it is a 501(c)(3) organization and describes various donor levels for membership. The Internal Revenue Service (IRS) website shows the association as a 501(c)(3) non-profit organization. Neither the Texas Secretary of State nor the IRS shows a listing for "St. Francis Catholic Church."

IV. Findings and Conclusions of Law

The facts described in Section III support the following findings and conclusions of law:

Failure to Properly Report Political Contributions and Political Expenditures

1. Each report by a candidate or officeholder must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period, the full name and address of the person making the contributions, and the dates of the contributions. ELEC. CODE § 254.031(a)(1).
2. Each report by a candidate or officeholder must include the amount of loans that are made during the reporting period for campaign or officeholder purposes and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period. *Id.* § 254.031(a)(2).

3. Each report by a candidate or officeholder must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. *Id.* § 254.031(a)(3).
4. Each report by a candidate or officeholder must include the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payment. *Id.* § 254.031(a)(4).
5. Each report by a candidate or officeholder must include the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. *Id.* § 254.031(a)(5).
6. Each report by a candidate or officeholder must include the total amount of all political contributions accepted and the total amount of all political expenditures made during the reporting period. *Id.* § 254.031(a)(6).
7. “Contribution” means a direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. *Id.* § 251.001(2).
8. “Campaign contribution” means a contribution to a candidate or political committee that is offered or given with the intent that it be used in connection with a campaign for elective office or on a measure. Whether a contribution is made before, during, or after an election does not affect its status as a campaign contribution. *Id.* § 251.001(3).
9. “In-kind contribution” means a contribution of goods, services, or any other thing of value, except money, and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make such a contribution. Ethics Commission Rules § 20.1(8). For reporting purposes, the value of an in-kind contribution is the fair market value. *Id.* § 12.51.
10. The evidence indicates that, for the reports at issue, the respondent failed to disclose the full address for one political contribution of \$300 and 12 political expenditures totaling approximately \$1,270. Of the 12 political expenditures for which the respondent did not include the full address, four expenditures totaling approximately \$80 were not required to be itemized because the total amount paid during the reporting period to each payee was less than \$50. Also, of the political expenditures at issue, nine expenditures totaling approximately \$910 were to web-based companies. For most of these expenditures, the respondent swears he does not have a physical address. However, the respondent did not disclose the web address of the payees. The evidence also indicates that, on his January 2008 semiannual report, the respondent failed to disclose dates for four political contributions

totaling approximately \$2,220 and three political expenditures totaling approximately \$1,240. The evidence also indicates that, on his January 2008 semiannual report, the respondent failed to include a purpose for three political expenditures totaling approximately \$60. Therefore, there is credible evidence of violations of sections 254.031(a)(1) and 254.031(a)(3) of the Election Code. As to the allegation that the respondent's description of two expenditures totaling \$325 as donations was improper, the evidence indicates that it was reasonable to characterize the expenditures as donations. Therefore, there is credible evidence of no violation of section 254.031(a)(3) or 254.031(a)(4) of the Election Code with respect to those donations.

11. The evidence indicates that the respondent failed to disclose on his January 2008 semiannual report the total amount of political contributions of \$50 or less (unless itemized), the total amount of political expenditures of \$50 or less (unless itemized), and the total principal amount of all outstanding loans as of the last day of the reporting period. The respondent swears he left this information blank because there was no activity to report in those fields, and the evidence does not show that there was reportable activity. Therefore, there is credible evidence of technical or *de minimis* violations of sections 254.031(a)(2) and 254.031(a)(5) of the Election Code.
12. As to the allegation that the respondent failed to report political expenditures to Frisco-Online and Matt Lafata Marketing, the respondent swears that he never made any campaign expenditures to Frisco-Online or Matt Lafata Marketing and the evidence does not show that the respondent made such expenditures. Therefore, with regard to that allegation, there is credible evidence of no violation of section 254.031 of the Election Code. As to the allegation that the respondent failed to report political contributions from Frisco-Online or Matt Lafata Marketing, the respondent swears that there were never any campaign contributions from Frisco-Online or Matt Lafata Marketing. However, evidence submitted with the complaint indicates that Matt Lafata's Weekly Newsletter contained a hyperlink to the respondent's campaign website and that Matt Lafata Marketing produced the newsletter. The evidence indicates Matt Lafata Marketing provided the hyperlink with the intent that it be used in connection with a campaign for elective office. The respondent was required to disclose the fair market value of the in-kind contribution and failed to do so. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.031 of the Election Code.

Failure to Include Required Information on Campaign Finance Reports

13. Each report by a candidate must include the candidate's full name. ELEC. CODE § 254.061(1).
14. Each report by a candidate must include the campaign treasurer's name, residence or business street address, and telephone number. *Id.* § 254.061(2).

15. Each report by a candidate must include, for each political committee from which the candidate received notice under section 254.128 or 254.161 of the Election Code, the committee's full name and address, an indication of whether the committee is a general-purpose committee or a specific-purpose committee, and the full name and address of the committee's campaign treasurer. *Id.* § 254.061(3).
16. In addition to the contents required by sections 254.031 and 254.061 of the Election Code, each report by a candidate for a statewide office in the executive branch or a legislative office must include, for each individual from whom the person filing the report has accepted political contributions that in the aggregate equal or exceed \$500 and that are accepted during the reporting period, the individual's principal occupation or job title and the full name of the individual's employer. *Id.* § 254.0612.
17. The evidence indicates that the respondent failed to include his full name on his January 2008 semiannual report. Therefore, there is credible evidence of a technical or *de minimis* violation of section 254.061(1) of the Election Code. The evidence indicates that the respondent failed to include the campaign treasurer's address and telephone number on his July 2006 semiannual report, and failed to include the campaign treasurer's telephone number on his January 2007 and July 2007 semiannual reports. Therefore, there is credible evidence of a violation of section 254.061(2) of the Election Code.
18. The evidence indicates that the respondent included his campaign treasurer's name and address in the section of the January 2008 semiannual report used for disclosing notice of political expenditures by political committees to support a candidate or officeholder. The complaint included no evidence that the respondent received notice under section 254.128 or 254.161 of the Election Code that a political committee made political expenditures to support the respondent and it appears the respondent mistakenly listed his own campaign treasurer in the space. Therefore, there is credible evidence of no violation of section 254.061(3) of the Election Code.
19. The respondent was a candidate for a city office and, thus, not required to disclose the principal occupation and employer for contributors. Therefore, there is credible evidence of no violation of section 254.0612 of the Election Code. Additionally, there is no statutory requirement that a candidate or officeholder disclose in a campaign finance report the total number of pages filed.

Failure to Include a Properly Executed Affidavit on Campaign Finance Reports

20. Each report filed under this chapter that is not filed by electronic transfer must be accompanied by an affidavit executed by the person required to file the report. The affidavit must contain the statement: "I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code." Each report filed under this chapter by electronic

transfer must be under oath by the person required to file the report and must contain, in compliance with commission specifications, the digitized signature of the person required to file the report. A report filed under this chapter is considered to be under oath by the person required to file the report, and the person is subject to prosecution under Chapter 37, Penal Code, regardless of the absence of or a defect in the affidavit. ELEC. CODE § 254.036(h).

21. The respondent failed to include a properly notarized affidavit on his July 2006 and January 2007 semiannual reports. As to the January 2008 semiannual report, the evidence indicates that the report lacked a properly notarized affidavit at the time it was due. Therefore, there is credible evidence of violations of section 254.036(h) of the Election Code.

Improperly Reported Political Expenditures as Reimbursements to Staff

22. The complaint appeared to include an allegation that the respondent improperly reported political expenditures as reimbursements to staff. There is no evidence that staff members of the respondent made political expenditures out of personal funds with the intent to seek reimbursement from the respondent. Therefore, there is credible evidence of no violation of section 20.62 of the Ethics Commission Rules.

Illegally Accepted Corporate Political Contributions and Illegally Made Political Expenditures from Corporate Funds

23. A corporation may not make a political contribution or political expenditure that is not authorized by this subchapter. ELEC. CODE § 253.094. This subchapter applies only to corporations that are organized under the Texas Business Corporation Act, the Texas Non-Profit Corporation Act, *the Texas For-Profit Corporation Law*, the Texas Non-Profit Corporation Act, *the Texas Nonprofit Corporation Law*, federal law, or law of another state or nation. *Id.* § 253.091.
24. For purposes of this subchapter, the following associations, whether incorporated or not, are considered to be corporations covered by this subchapter: banks, trust companies, savings and loan associations or companies, insurance companies, reciprocal or interinsurance exchanges, railroad companies, cemetery companies, government-regulated cooperatives, stock companies, and abstract and title insurance companies. *Id.* § 253.093.
25. A person may not knowingly make a political contribution in violation of this chapter nor knowingly accept a political contribution the person knows to have been made in violation of this chapter. *Id.* § 253.003. A person may not knowingly make or authorize a political expenditure wholly or partly from a political contribution the person knows to have been made in violation of this chapter. *Id.* § 253.005.
26. Thus, in order to find that the respondent violated sections 253.003 and 253.005 of the Election Code, the evidence must show that the respondent knew that it was illegal to accept

- a political contribution from a corporation, that he knew the political contributions at issue were from corporations when he accepted them, and that he made political expenditures from the political contributions with knowledge of their illegality.
27. In Ethics Advisory Opinion No. 383 (1997), the commission determined that a Texas limited liability company is subject to the restrictions in Election Code chapter 253, subchapter D, if it engages in a type of business listed in Election Code section 253.093 or if it is owned, in whole or in part, by an entity subject to the restrictions in Election Code chapter 253, subchapter D.
 28. In Ethics Advisory Opinion No. 215 (1994), the commission cited a Texas Secretary of State letter stating that, “Texas law allows candidates to accept political contributions from individuals, professional corporations, and professional associations, *as well as general and limited partnerships that do not contain partners that are prohibited from making political contributions to candidates.*” (emphasis added). Letter from John Hannah, Jr., Texas Secretary of State, to Charles E. Burt, Burt & Company, Inc., P.C. (Oct. 18, 1991).
 29. The evidence indicates that the respondent accepted political contributions from WebGusto LLC and Matt Lafata Marketing Group, LLC. At the time of the contributions, WebGusto LLC and Matt Lafata Marketing Group, LLC did not contain corporate members, and there is no evidence that either entity was owned, in whole or in part, by an entity subject to the restrictions in Election Code chapter 253, subchapter D. The evidence indicates that the respondent accepted a political contribution from Preston Medical Associates, P.A., or Pedro Checo individually. Preston Medical Associates is a professional association that Texas Secretary of State records show was involuntarily dissolved prior to the political contribution at issue. Therefore, as to the political contributions at issue from WebGusto LLC, Matt Lafata Marketing Group, LLC, and Preston Medical Associates, there is credible evidence of no violation of sections 253.003, 253.005, and 253.094 of the Election Code.
 30. The evidence indicates that the respondent accepted a political contribution from PayJr., Inc. However, the evidence is insufficient to show that at the time of the alleged violation the respondent knew that the contribution was from the corporation. Therefore, as to the contribution from PayJr., Inc., there is insufficient evidence that the respondent violated sections 253.003, 253.005, and 253.094 of the Election Code.

V. Representations and Agreement by Respondent

By signing this order and agreed resolution and returning it to the commission:

1. The respondent neither admits nor denies the facts described under Section III or the commission’s findings and conclusions of law described under Section IV, and consents to the entry of this order and agreed resolution solely for the purpose of resolving this sworn complaint.

2. The respondent consents to this order and agreed resolution and waives any right to further proceedings in this matter.
3. The respondent acknowledges that each report by a candidate or officeholder must include the amount of political contributions from each person that in the aggregate exceed \$50 and that are accepted during the reporting period, the full name and address of the person making the contributions, and the dates of the contributions. The respondent also acknowledges that each report by a candidate or officeholder must include the amount of loans that are made during the reporting period for campaign or officeholder purposes and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period. The respondent also acknowledges that each report by a candidate or officeholder must include the amount of political expenditures that in the aggregate exceed \$50 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures. The respondent also acknowledges that each report by a candidate or officeholder must include the total amount or a specific listing of the political contributions of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$50 or less made during the reporting period. The respondent also acknowledges that each report by a candidate must include the candidate's full name, as well as the campaign treasurer's name, residence or business street address, and telephone number. The respondent also acknowledges that each report that is not filed by electronic transfer must be accompanied by an affidavit executed by the person required to file the report; the affidavit must contain the statement: "I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code." The respondent agrees to comply with these requirements of the law.

VI. Confidentiality

This order and agreed resolution includes violations that the commission has determined are neither technical nor *de minimis*. Accordingly, this order and agreed resolution is not confidential under section 571.140 of the Government Code and may be disclosed by members and staff of the commission.

VII. Sanction

After considering the seriousness of the violations described under Sections III and IV, including the nature, circumstances, and consequences of the violations, and after considering the sanction necessary to deter future violations, the commission imposes a \$300 civil penalty.

VIII. Order

The commission hereby orders that if the respondent consents to the proposed resolution, this order and agreed resolution is a final and complete resolution of SC-2805233.

AGREED to by the respondent on this _____ day of _____, 20__.

Matthew Lafata, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director