

# TEXAS ETHICS COMMISSION

IN THE MATTER OF  
GRAND OAKS I, L.P.,  
RESPONDENT

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BEFORE THE  
TEXAS ETHICS COMMISSION  
SC-31108185

## ORDER and AGREED RESOLUTION

### I. Recitals

The Texas Ethics Commission (the commission) met on December 14, 2011, to consider sworn complaint SC-31108185. A quorum of the commission was present. The commission determined that there is credible evidence of a violation of sections 253.003 and 253.094 of the Election Code, laws administered and enforced by the commission. To resolve and settle this complaint without further proceedings, the commission proposed this resolution to the respondent.

### II. Allegation

The complaint alleged that the respondent made corporate political contributions to a candidate.

### III. Facts Supported by Credible Evidence

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

1. The respondent is a domestic limited partnership located in Magnolia, Texas. The respondent's general partner is Grand Oaks I G.P., Inc., a domestic for-profit corporation also located in Magnolia, Texas.
2. The complaint alleged that the respondent made three unlawful political contributions to an incumbent candidate for county commissioner.
3. The candidate accepted the following three political contributions from Grand Oaks I, LP \$150 on August 31, 2009, that was disclosed in a January 2010 semiannual campaign finance report; \$150 on October 18, 2010, that was disclosed in a January 2011 semiannual campaign finance report; and \$250 on March 29, 2011, that was disclosed in a July 2011 semiannual campaign finance report.

4. In response to the allegations, the general manager and partner of Grand Oaks I, L.P. submitted an affidavit, in which he acknowledged that “Grand Oaks I, L.P. authorized the issuance of the three checks, in the amounts, on the dates, and to the payee, as is described in the Complaint.”

#### **IV. Findings and Conclusions of Law**

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

1. A person may not knowingly make a political contribution in violation of Chapter 253, Election Code. ELEC. CODE § 253.003(a).
2. A corporation may not make a political contribution or political expenditure that is not authorized by subchapter D, Chapter 253, Election Code. *Id.* § 253.094(a). That subchapter does not authorize a corporation to make a political contribution to a candidate or officeholder.
3. “Corporation” means a corporation that is 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.
4. A 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).
5. A political contribution means a campaign contribution or an officeholder contribution. *Id.* § 251.001(5).
6. A campaign contribution means, in pertinent part, a contribution to a candidate that is offered or given with the intent that it be used in connection with a campaign for elective office. *Id.* § 251.001(3).
7. An officeholder contribution means, in pertinent part, a contribution to an officeholder that is offered or given with the intent that it be used to defray expenses that are incurred by the officeholder in performing a duty or engaging in an activity in connection with the office and are not reimbursable with public money. *Id.* § 251.001(4).
8. A partnership including one or more corporate partners is subject to the same restrictions on political activity that apply to corporations. Ethics Advisory Opinion No. 215 (1994).

9. The respondent's general partner is Grand Oaks I G.P., Inc., a domestic for-profit corporation. Accordingly, the respondent is subject to the same restrictions on political activity that apply to corporations.
10. The respondent made three political contributions totaling \$550 to a candidate. Therefore, there is credible evidence that the respondent violated sections 253.003(a) and 253.094(a) 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 a corporation may not make a political contribution to a candidate or officeholder. The respondent also acknowledges that a partnership including one or more corporate partners is subject to the same restrictions on political activity that apply to corporations. The respondent agrees to comply with this requirement of the law.

### **VI. Confidentiality**

This order and agreed resolution describes 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 \$550 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-31108185.

AGREED to by the respondent on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Grand Oaks I, L.P., Respondent

EXECUTED ORIGINAL received by the commission on: \_\_\_\_\_.

Texas Ethics Commission

By: \_\_\_\_\_  
David A. Reisman, Executive Director