



TEXAS ETHICS COMMISSION MEETING MINUTES

April 21, 2011, 8:37 a.m.
Texas Workforce Commission
101 E. 15th Street, Conference Room #244
Austin, Texas 78701



COMMISSIONERS PRESENT: Jim Graham, Chair; Wilhelmina Delco, Vice Chair; Jim Clancy, Tom Harrison, George H. "Trey" Henderson, III, Paula M. Mendoza, Tom Ramsay, and Chase Untermeyer.

COMMISSIONERS ABSENT: None.

STAFF PRESENT: Natalie Adelaja, Natalia L. Ashley, Amy Barden, Margie Castellanos, Homer Diaz, Robbie Douglas, Sue Edwards, Susana Esparza, Ginger Hunter, Brad Johnson, Becky Levy, Bobby Mannas, Mike McElhaney, David A. Reisman, Nadina Rose, Tim Sorrells, Ian Steusloff, and Mary Young.

MINUTES

This meeting was recorded. These minutes are a summary record of the Commission's actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult the audio recordings on file at the Commission's office.

Agenda Item 1: Call to order; roll call.

The meeting was called to order by Chair Graham. David A. Reisman, Executive Director, called the roll. All Commissioners were present.

Agenda Item 2: Communication to the Commission from the public.

None.

Agenda Item 3: Comments by the Commissioners.

Commissioner Clancy commented on the first anniversary of Commissioner Ramsay's and his appointment to the Ethics Commission.

Agenda Item 4: Comments by the executive director.

David A. Reisman, Executive Director, made the following comments:

1. Mr. Reisman discussed staff reduction at the agency. Linda Warner, Information Specialist, retired as of March 2011. With the current budget cutbacks, the Ethics Commission cannot fill that position. He anticipates that there will be one more employee reduction on or before September 1, 2011.
2. Mr. Reisman discussed the budget and performance measures. He stated that reductions have been made and the Commission is proceeding on schedule.
3. Mr. Reisman discussed the increase in sworn complaints filed.
4. Mr. Reisman discussed the parser project regarding the electronic filing system. The agency programmers have created a new parser program that will address the issue regarding filers who have large reports to file electronically. The parser program eliminates the firewall problems that filers have on their end and more validation tools have been added.
5. Mr. Reisman stated that Vice Chair Wilhelmina Delco, Natalia Luna Ashley, General Counsel, Mike McElaney, Director of Administration, and he testified before the Senate Finance Committee. The committee adopted the budget request and the exception request. He stated that he had anticipated that budget cuts were needed about four years ago and was able to make the 10% cuts.
6. Mr. Reisman discussed the legislative updates. This session there are 74 bills regarding campaign finance, lobby, and personal financial statements that have been filed that affect the Ethics Commission. He discussed the spreadsheet tracking the bills filed.

Agenda Item 5: Approve minutes of the February 23, 2011, executive session and February 23, 2011, Commission meeting.

Motion by Commissioner Henderson to adopt the February 23, 2011, executive session and February 23, 2011, commission meeting minutes, second by Vice Chair Delco. **Motion passed by a vote of eight ayes.**

For Agenda Items 6 and 7, the following represents the actions taken by the Ethics Commission in the order they occurred during the meeting.

Agenda Item 6: Briefing, discussion, and possible action to waive or reduce certain penalties assessed for late filing of campaign finance reports, lobby reports, or personal financial statements.

**18. Tommy Engelke (00017363)
Treasurer, 'TACC PAC' Texas Agricultural Cooperative Council PAC**

Report: semiannual report due January 18, 2011
Penalty: \$2,400
Staff recommendation: no waiver of the late-filing penalty

Tom Engelke spoke before the Commission. Motion by Commissioner Harrison to reduce the \$2,400 late-filing penalty to \$1,000 on Agenda Item 6, number 18; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 6, number 18. **The reduction of the late-filing penalty to \$1,000 is adopted on Agenda Item 6, number 18.**

**30. Paul Cole Reyes (00067026)
Treasurer, Associa PAC Texas**

Report: semiannual due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Catherine Tramuto spoke before the Commission. Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$250 on Agenda Item 6, number 30; second by Commissioner Clancy. Motion passed by a vote of eight ayes on Agenda Item 6, number 30. **The reduction of the late-filing penalty to \$250 is adopted on Agenda Item 6, number 30.**

**47. Ken Lovan (00064026)
Treasurer, ResCare Inc. Advocacy Fund**

- (a) Report: 30-day pre-election report due October 4, 2010
Penalty: \$500
Staff recommendation: no waiver of the \$500 late-filing penalty
- (b) Report: 8-day pre-election report due October 25, 2010
Penalty: \$10,000
Staff recommendation: reduction of the late-filing penalty to \$500
- (c) Report: semiannual report due January 18, 2011
Penalty: \$2,600
Staff recommendation: reduction of the late-filing penalty to \$500

Total penalties: \$13,100 Total recommended penalties: \$1,500

Ken Lovan spoke before the Commission. Motion by Vice Chair Delco to accept staff's recommendation on Agenda Item 6, number 47; second by Commissioner Untermeyer. Motion passed by a vote of seven ayes on Agenda Item 6, number 47. Commissioner Ramsay was off the dais. **Staff recommendation is adopted on Agenda Item 6, number 47.**

**52. Jack 'John' Armstrong (00066319)
Candidate, Supreme Court Justice**

Report: 8-day pre-election report due October 25, 2010
Penalty: \$500

Staff recommendation: At the February 2011 meeting, the commission voted not to waive the late-filing penalty.

Jack Armstrong spoke before the Commission. Motion by Commissioner Harrison to reduce the \$500 late-filing penalty to \$100 on Agenda Item 6, number 52; second by Commissioner Untermeyer. Motion passed by a vote of eight ayes on Agenda Item 6, number 52. **The reduction of the late-filing penalty to \$100 is adopted on Agenda Item 6, number 52.**

**53. Gayle R. Avant (00066712)
Candidate, State Senator**

Report: personal financial statement due May 3, 2010

Penalty: \$500

Staff recommendation: At the October 2010 meeting, the commission voted not to waive the late-filing penalty.

Gayle Avant spoke before the Commission. Motion by Commissioner Clancy to waive the \$500 late-filing penalty on Agenda Item 6, number 53; second by Commissioner Henderson. Motion passed by a vote of seven ayes on Agenda Item 6, number 53. Chair Graham voted no. **The waiver of the late-filing penalty is adopted on Agenda Item 6, number 53.**

**1. Ernest F. 'Ernie' Bogart (00061883)
Candidate, District Judge**

Report: annual report of unexpended contributions due January 18, 2011

Penalty: \$500

Staff recommendation: waiver of the late-filing penalty

**2. Brett R. Kerr (00061161)
Lobbyist**

Report: lobby activities report due February 10, 2011

Penalty: \$500

Staff recommendation: waiver of the late-filing penalty

Motion by Vice Chair Delco to adopt staff's recommendations on Agenda Item 6, numbers 1 and 2; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 1 and 2. Commissioner Harrison was off the dais. **Staff's recommendations are adopted on Agenda Item 6, numbers 1 and 2.**

**3. Jared A. Wolfe (00058060)
Lobbyist**

Report: lobby activities report due January 10, 2011

Penalty: \$500

Staff recommendation: waiver of the late-filing penalty

4. Eric R. Anderson (00066722)
Candidate, State Senator

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

5. Marty De Leon (00050569)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

6. Keith S. Hampton (00028266)
Candidate, Court of Criminal Appeals Judge

Report: semiannual due January 18, 2011
Penalty: \$1,900
Staff recommendation: waiver of the late-filing penalty

7. Bobby L. Lockhart (00037374)
District Judge

Report: semiannual report due January 18, 2011
Penalty: \$2,900
Staff recommendation: waiver of the late-filing penalty

8. Matthew G. Moseley (00059605)
Treasurer, Texans for Matthew Moseley

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

9. Christy Muse (00060968)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**10. Deborah Linda Parrish (00066286)
Candidate, State Board of Education**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**11. Mary J. Ruwart (00066317)
Candidate, Comptroller of Public Accounts**

Report: semiannual report due January 18, 2011
Penalty: \$2,000
Staff recommendation: waiver of the late-filing penalty

**12. Plinio J. 'Joey' Trevino, Jr. (00053938)
Candidate, State Representative**

Report: annual report of unexpended contributions due January 18, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

**13. Robbie L. Fravel (00062736)
Treasurer, 'TYRTRW' The Yellow Rose of Texas Republican Women**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: waiver of the late-filing penalty

Motion by Commissioner Henderson to adopt staff's recommendations on Agenda Item 6, numbers 3 through 13; second by Commissioner Mendoza. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 3 through 13. Commissioner Harrison was off the dais. **Staff's recommendations are adopted on Agenda Item 6, numbers 3 through 13.**

**14. Mark E. Bordas (00053187)
Lobbyist**

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

**15. Lee Ann Breading (00015596)
Treasurer, 'D.R.W.C. PAC' Denton Republican Women's Club P.A.C.**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

16. Yvonne R. Castillo (00053512)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

17. Cynthia N. Dunbar (00058333)
Candidate, State Board of Education

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

19. Ismael 'Kino' Flores (00031847)
Former State Representative

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

20. Joe A. Garcia (00066749)
Treasurer, 'Texas Taxi PAC' Texas Taxi Political Action Committee

Report: semiannual due January 18, 2011
Penalty: \$3,000
Staff recommendation: no waiver of the late-filing penalty

21. Kenneth J. Hill (00029485)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

22. Gladys E. 'Terri' Hodge (00032165)
Former State Representative

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

23. Connie L. Johnson (00013302)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

24. Mary E. Kelly (00050801)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

25. James W. Mathis (00030353)
Lobbyist

Report: lobby activities report due October 12, 2010
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

26. J. Donald 'Don' McLeroy (00037404)
Candidate, State Board of Education

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

27. Steve Metcalf (00041981)
Lobbyist

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

28. Cynthia L. Muñiz (00037184)
District Judge

Report: semiannual report due January 18, 2011
Penalty: \$2,500
Staff recommendation: no waiver of the late-filing penalty

- 29. William J. 'Bill' O'Sullivan, Jr. (00066799)**
Treasurer, 'TTPP' Texas Tea Party Patriots State PAC
- Report: semiannual due January 18, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 31. Lindsay Sander (00054066)**
Lobbyist
- Report: lobby activities report due February 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 32. Bradford T. 'Brad' Shields (00012135)**
Lobbyist
- Report: lobby activities report due February 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 33. Johanna 'Annie' Spilman (00063990)**
Lobbyist
- Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- 34. Christopher C. Stevens (00043589)**
Treasurer, 'T.C.C.' The Conservative Cause
- (a) Report: semiannual due January 15, 2002
Penalty: \$100
Staff recommendation: no waiver of the late-filing penalty
- (b) Report: semiannual due January 15, 2003
Penalty: \$100
Staff recommendation: no waiver of the late-filing penalty
- (c) Report: semiannual due July 16, 2007
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty
- (d) Report: semiannual due January 15, 2008
Penalty: \$500
Staff recommendation: no waiver of the late-filing penalty

Total penalties: \$1,200

**35. Meca L. Walker (00065986)
Candidate, District Judge**

Report: semiannual report due January 18, 2011

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

**36. Michael L. White (00010137)
Lobbyist**

Report: lobby activities report due January 10, 2011

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

**37. Bradley Williams (00043022)
Treasurer, 'DCDP CEC' Denton County Democratic Party (CEC)**

Report: 30-day pre-election report due October 4, 2010

Penalty: \$500

Staff recommendation: no waiver of the late-filing penalty

Motion by Commissioner Henderson to adopt staff's recommendations on Agenda Item 6, numbers 14 through 17, 19 through 29, and 31 through 37; second by Vice Chair Delco. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 14 through 17, 19 through 25, 27 through 29, 31, 33 through 35, and 37. Motion passed by a vote of seven ayes on Agenda Item 6, numbers 26, 32, and 36. Commissioner Untermeyer recused himself. **Staff's recommendations are adopted on Agenda Item 6, numbers 14 through 17, 19 through 29, and 31 through 37.**

**38. Lawrence A. 'Skully' Allen, Jr. (00056010)
Member, State Board of Education**

Report: semiannual report due January 18, 2011

Penalty: \$500

Staff recommendation: reduction of the late-filing penalty to \$250

**39. Manuel J. Barraza (00062515)
Criminal District Judge**

Report: semiannual report due January 18, 2011

Penalty: \$500

Staff recommendation: reduction of the late-filing penalty to \$250

- 40. Sue L. Brewis (00058440)**
Treasurer, Compass Bancshares, Inc. PAC-Texas
- Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 41. Joe Carroll (00019021)**
District Judge
- Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 42. Ursula A. Hall (00066188)**
Candidate, District Judge
- Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 43. Luke M. Inman (00062878)**
District Attorney
- Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 44. Delwin Jones (00020196)**
Former State Representative
- Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250
- 45. Andrea E. Keilen (00053737)**
Lobbyist
- Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

**46. Kenneth Neal Myers, II (00063153)
Candidate, State Representative**

Report: semiannual report due January 18, 2011
Penalty: \$1,100
Staff recommendation: reduction of the late-filing penalty to \$500

**48. Lawrence M. Olsen (00015558)
Treasurer, Texas Good Roads, Transportation Assn. PAC**

(a) Report: monthly report due January 5, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

(b) Report: monthly report due February 7, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Total penalties: \$1,000 Total recommended penalties: \$500

**49. Robin Schneider (00050809)
Lobbyist**

Report: lobby activities report due January 10, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

**50. Michael H. 'Mike' Schneider, Jr. (00057713)
Family District Judge**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Agenda Item 6, number 50, postponed at filer's request.

**51. Senfronia Thompson (00020791)
State Representative**

Report: semiannual report due January 18, 2011
Penalty: \$500
Staff recommendation: reduction of the late-filing penalty to \$250

Motion by Commissioner Mendoza to adopt staff's recommendations on Agenda Item 6, numbers 38 through 46, 48, 49, and 51; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 6, numbers 38 through 46, 48, and 49. Motion passed by a vote of seven ayes on Agenda Item 6, number 51.

Commissioner Untermeyer recused himself. **Staff's recommendations are adopted on Agenda Item 6, numbers 38 through 46, 48, 49, and 51.**

Agenda Item 7: Briefing, discussion, and possible action to waive or reduce late-filing penalties in connection with certain corrected reports or to determine whether certain corrected reports as originally filed substantially complied with the applicable law.

**12. Jack R. Golden (00015843)
Treasurer, Area 5 Democratic Club**

Report: 8-day pre-election report due October 25, 2010 (original filed late)

Penalty: \$2,800 (fine reduced \$600)

Staff recommendation: At the February 2011 meeting, the commission voted to reduce to \$600 the \$2,800 late-filing penalty.

Jack Golden spoke before the Commission. Motion by Commissioner Untermeyer to waive the \$600 late-filing penalty on Agenda Item 7, number 12; second by Commissioner Ramsay. Motion passed by a vote of seven ayes on Agenda Item 7, number 12. Chair Graham voted no. **The waiver of the late-filing penalty is adopted on Agenda Item 7, number 12.**

**1. Stephen J. Gilles (00016108)
Treasurer, Gardere Wynne Sewell LLP Campaign Fund**

Report: 8-day pre-election report due October 25, 2010

Penalty: \$8,600

Staff recommendation: that the original report substantially complied with the applicable law

**2. Ray Holbrook (00051862)
Treasurer, The Coalition to Elect Larry Taylor**

Report: 8-day pre-election report due October 25, 2010

Penalty: \$9,800

Staff recommendation: that the original report substantially complied with the applicable law

**3. Marcos Lizarraga (00042219)
District Judge**

Report: 8-day pre-election report due October 25, 2010

Penalty: \$8,900

Staff recommendation: that the original report substantially complied with the applicable law

4. Jennifer R. McEwan (00016030)
Treasurer, 'TSPE' Political Action Committee for Engineers

Report: 8-day pre-election report due October 25, 2010

Penalty: \$8,900

Staff recommendation: that the original report substantially complied with the applicable law

5. Dale B. Tillery (00026547)
District Judge

Report: 8-day pre-election report due October 25, 2010

Penalty: \$8,900

Staff recommendation: that the original report substantially complied with the applicable law

6. Bradley Williams (00043022)
Treasurer, 'DCDP CEC' Denton County Democratic Party (CEC)

Report: 8-day pre-election report due October 25, 2010

Penalty: \$7,100

Staff recommendation: that the original report substantially complied with the applicable law

Motion by Vice Chair Delco to adopt staff's recommendations on Agenda Item 7, numbers 1 through 6; second by Commissioner Harrison. Motion passed by a vote of eight ayes on Agenda Item 7, numbers 1, and 3 through 6. Motion passed by a vote of seven ayes on Agenda Item 7, number 2. Commissioner Untermeyer recused himself on Agenda Item 7, number 2. **Staff's recommendations are adopted on Agenda Item 7, numbers 1 through 6.**

7. Jim Sharp (00054854)
Court of Appeals Justice

Report: 8-day pre-election report due October 25, 2010

Penalty: \$700

Staff recommendation: reduction of the late-filing penalty to \$500

Motion by Commissioner Harrison to adopt staff's recommendation on Agenda Item 7, number 7; second by Commissioner Ramsay. Motion passed by a vote of eight ayes on Agenda Item 7, number 7. **Staff's recommendation is adopted on Agenda Item 7, number 7.**

8. Michael C. Massengale (00065777)
Court of Appeals Justice

Report: 8-day pre-election report due October 25, 2010

Penalty: \$8,900

Staff recommendation: waiver of the late-filing penalty

**9. James M. 'Jim' McReynolds (00032587)
Former State Representative**

Report: special pre-election report due October 25, 2010
 Penalty: \$500
 Staff recommendation: waiver of the late-filing penalty

**10. Stephen E. 'Steve' Ogden (00020745)
State Senator**

- (a) Report: 8-day pre-election report due February 22, 2010
 Penalty: \$10,000
 Staff recommendation: that the original report substantially complied with the applicable law
- (b) Report: 8-day pre-election report due October 25, 2010
 Penalty: \$10,000
 Staff recommendation: waiver of the late-filing penalty

Motion by Vice Chair Delco to adopt staff's recommendations on Agenda Item 7, numbers 8 through 10; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 7, numbers 8 through 10. **Staff's recommendations are adopted on Agenda Item 7, numbers 8 through 10.**

**11. Brian E. Pawlikowski (00053353)
Treasurer, El Paso County Republican Party (CEC)**

Report: 8-day pre-election report due October 25, 2010
 Penalty: \$1,100 (fine reduced \$500)
 Staff recommendation: At the February 2011 meeting, the commission voted to reduce to \$500 the \$1,100 late-filing penalty.

There was no motion on Agenda Item 7, number 11. The \$500 late-filing penalty stands on Agenda Item 7, number 11.

Agenda Item 8. Reports More than 30-days Late; Imposition of Additional Fine.

David A. Reisman, Executive Director, briefed the Commission on this agenda item. Number 24 was removed and numbers 3 and 17 were postponed. Commissioner Harrison requested that a representative from the collections division of the Attorney General's office (AG) appear at the next Commission meeting to discuss their collection policy. Motion by Commissioner Mendoza to increase each fine by \$1,000 for a total penalty of \$1,500 for each and refer them to the AG's office on Agenda Item 8, numbers 1, 2, 4 through 15, 18 through 23, and 25 through 27; second by Commissioner Henderson. Motion passed by a vote of eight ayes on Agenda Item 8, numbers 1, 2, 4 through 15, 18 through 23, and 25 through 27. Motion by Vice Chair Delco to increase the fine by \$1,000 for a total penalty of \$1,500 on Agenda Item 8, number 16; second by Commissioner Mendoza. Motion passed by a vote of

seven ayes on Agenda Item 8, number 16. Commissioner Clancy recused himself. **Staff's recommendations are adopted on Agenda Item 8.**

Agenda Item 9. Discussion and possible action regarding the termination of a campaign treasurer appointment.

Natalia Luna Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Untermeyer to adopt staff's recommendation on Agenda Item 9; second by Commissioner Mendoza. Motion passed by a vote of eight ayes on Agenda Item 9. **Staff's recommendation is adopted on Agenda Item 9.**

Agenda Item 10: AOR-559: Whether a general-purpose political committee may raise contributions from corporations to defray legal expenses incurred in defending defamation lawsuits filed against the committee and its campaign treasurer and whether such contributions are required to be disclosed on campaign finance reports.

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Gardner Pate, attorney, spoke before the Commission. Jack Gullahorn, Professional Advocacy Association of Texas, spoke before the Commission. Motion by Commissioner Untermeyer to adopt AOR-559 Option 3; second by Commissioner Harrison. Motion failed. Motion by Vice Chair Delco to adopt AOR-559 Option 4; second by Commissioner Henderson. Motion passed by a vote of six ayes. Chair Graham and Commissioner Mendoza voted no. **AOR-559 Option 4 is adopted.**

Agenda Item 11: AOR-561: Whether a person, who is a former candidate for and former holder of a judicial office, may use political contributions to defray expenses incurred in connection with a defamation lawsuit filed by the person against an individual and a political committee in response to statements made in opposition to the person's performance as an officeholder.

Natalia L. Ashley, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mendoza to adopt AOR-561; second by Commissioner Henderson. Motion passed by a vote of five ayes. Vice Chair Delco and Commissioner Untermeyer voted no. Commissioner Clancy abstained. **AOR-561 is adopted.**

The next Commission meetings are tentatively scheduled for June 9, 2011, and August 11, 2011.

Agenda Item 12: Adjourn.

Commission meeting adjourned by unanimous consent. Motion passed by unanimous vote.