

CITY OF AUSTIN ETHICS REVIEW COMMISSION

Mark Littlefield
Complainant

v.

Unconventional Austin SPAC
Respondent

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Complaint No. 20191113

ORDER ON PRELIMINARY HEARING

I. PROCEDURAL HISTORY

On November 13, 2019, Mark Littlefield (“Complainant”) submitted to the Austin City Clerk (“City Clerk”) three sworn complaints (“the Complaints”) against Unconventional Austin SPAC (“Respondent”). On November 13, 2019, the City Clerk’s Office sent a copy of the complaints and a notice of filing to the City Attorney, the Chair of the Ethics Review Commission (“the Commission”), Complainant, and Respondent.

The Complaints alleged that Respondent Unconventional Austin SPAC committed three separate violations of City Code Section 2-2-33 (Reporting of Direct Campaign Expenditures) of Chapter 2-2 (Campaign Finance).

On January 14, 2020, a Notice of Preliminary Hearing was issued to the parties that set the preliminary hearing before the Commission for February 12, 2020 and advised Complainant and Respondent of the procedures for the hearing. Due to unavailability of one or more parties, a preliminary hearing postponement request was granted for the December meeting of the Commission.

The agenda for the February 12, 2020 meeting of the Commission and preliminary hearing in this matter was timely posted on February 7, 2020. The preliminary hearing was properly noticed in accordance with Chapter 2-7 of the City Code and the Texas Open Meetings Act. The

Commission has jurisdiction over City Code Chapters 2-2 (Campaign Finance) and 2-7 (Ethics and Financial Disclosure).

On February 12, 2020, the Commission held a preliminary hearing and determined that the Respondent acknowledged violating City Code Section 2-2-33 (Reporting of Direct Campaign Expenditures) of Chapter 2-2 (Campaign Finance).

II. FINDINGS OF FACT

1. Complainant appeared at the hearing.
2. Respondent Unconventional Austin SPAC through its representative and counsel of record, Fred Lewis, appeared at the hearing.
3. During the hearing, Respondent's representative acknowledged that Respondent violated City Code Section 2-2-33, as alleged in the three complaints.

III. CONCLUSIONS OF LAW

1. Under City Code Section 2-7-44(B), "[i]f the respondent agrees that a violation has occurred, the respondent may so state and the commission may consider the appropriate sanction or prosecution."
2. Under Code Section 2-7-26, the Commission has jurisdiction of alleged violations of City Code Chapter 2-2 (Campaign Finance).
3. Under Code Section 2-7-49, the Commission may consider the violation's severity, frequency, or intentional nature, and may draft and publish (as a sanctions option) a letter of reprimand to a respondent found to have violated a provision of Chapter 2-2 (Campaign Finance). Under Code Section 2-7-48(C)(3), a reprimand is the appropriate sanction when the Commission finds a violation has been committed intentionally or through disregard of the chapter.
4. City Code Section 2-2-33 (Disclosure Statement Required) states in part:

“(A) Except as provided by subsections (C) and (D), in addition to any other disclosure statement required by law, a person making the expenditure for a political

advertisement, electioneering communication, or express advocacy, paid for in whole or in part by a direct campaign expenditure, using funds other than funds in a segregated bank account must conspicuously disclose on the communication the names of the five largest contributors who have each made contributions in an aggregate amount of \$500 or more to the person making the direct campaign expenditure during the current election reporting cycle.

(B) Except as provided by subsections (C) and (D), in addition to any other disclosure statement required by law, a person making the expenditure for a political advertisement, electioneering communication, or express advocacy, paid for in whole or in part by a direct campaign expenditure, using exclusively funds in a segregated bank account must conspicuously disclose on the communication the names of the five largest contributors to the account who have each made contributions in an aggregate amount of \$500 or more to the person making the direct campaign expenditure during the current election reporting cycle.”

“(E) The disclosure required by this section shall be clear and conspicuous:

- (1) on printed material, the disclosure shall be printed in sufficient type and size to be clearly readable, in two highly contrasting colors such as dark text on a light background, but in no case smaller than eight point font; and
- (2) on other forms of communication, including internet advertisement, television, and radio, the disclosure shall provide the reader, viewer, or listener with actual notice of the disclosure.

(F) A disclosure is not clear and conspicuous if it is difficult to read, view, or hear, or if the placement is easily overlooked.”

IV. DETERMINATION OF THE ETHICS REVIEW COMMISSION

At the conclusion of the presentations of the parties, a motion was made and seconded to find that there are reasonable grounds to believe a violation within the jurisdiction of the

Commission has occurred based on Respondent's admissions. The motion passed on a unanimous vote of the nine members present.

The Commission determined that the appropriate sanction for Respondent's violation is a Letter of Reprimand under Section 2-7-48(C)(3) of the Austin City Code. A motion in support of a letter of reprimand was made and seconded and passed by a vote of seven in favor and two opposed (of the nine members present).

Accordingly, the Commission orders that a letter of reprimand be issued to Respondent, Unconventional Austin SPAC.

ORDERED as of the 12th day of February 2020.



Luis Soberon
Vice-Chair, Ethics Review Commission