

TEXAS ETHICS COMMISSION

IN THE MATTER OF
DONALD MARGO II,
RESPONDENT

BEFORE THE
TEXAS ETHICS COMMISSION
SC-280254 AND SC-280263

ORDER and AGREED RESOLUTION

I. Recitals

The Texas Ethics Commission (the commission) met on August 15, 2008, to consider sworn complaints SC-280254 and 280263. A quorum of the commission was present. The commission determined that there is credible evidence of violations of section 572.023 of the Government Code a law administered and enforced by the commission. To resolve and settle these complaints without further proceedings, the commission proposes this resolution to the respondent.

II. Allegations

The complaints allege that the respondent failed to disclose board or executive positions on personal financial statements.

III. Facts Supported by Credible Evidence

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

1. In February 2006, the respondent was a candidate for the state senate, District 29.
2. The respondent is currently a candidate for state representative, District 78.
3. At issue are the respondent's personal financial statements due February 13, 2006, and February 11, 2008.
4. Public Information Reports (PIR) filed with the Secretary of State (SOS) show that the respondent held the following positions during 2005 and 2007 with the business entities at issue:
 - El Paso Insurance Agency, Inc.-President/Director, 2005; No PIR on file, 2007
 - Concord Premium Finance, Inc.-CEO/Director, 2005 & 2007

- Risk and Insurance Management Consultants, Inc.- President/Director, 2005; CEO/Director, 2007
 - C.W. Wakefield Plaza Management, LLC-No PIR on file, 2005; Manager, 2007
5. The personal financial statements at issue disclose the respondent as ‘Chief Executive Officer’ of John D. Williams Co.
 6. SOS records show that El Paso Insurance Agency, Inc., Concord Premium Finance, Inc., and Risk and Insurance Management Consultants, Inc., are subsidiary corporations of John D. Williams Co.
 7. SOS records show that El Paso Insurance Agency, Inc., did not file a PIR for 2007. However, all previous PIR’s disclose that the respondent is the president and a director of the corporation. In addition, SOS records (last updated in 2004) that disclose the corporate management of El Paso Insurance Agency, Inc., disclose the respondent as president and director.
 8. SOS records show that C.W. Wakefield Plaza Management, LLC, did not file a PIR for 2005. However, the articles of organization, filed in October 2004, disclose the respondent as one of its managers, as do PIR’s filed for 2006 and 2007.
 9. The personal financial statements at issue filed by the respondent do not disclose that the respondent held a board or executive position at El Paso Insurance Agency, Inc., Concord Premium Finance, Inc., Risk and Insurance Management Consultants, Inc., or C.W. Wakefield Plaza Management, LLC.

IV. Findings and Conclusions of Law

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

1. A candidate for a state office is required to file a personal financial statement complying with sections 572.022 through 572.0252 of the Government Code. GOV’T CODE § 572.021.
2. A personal financial statement must disclose all boards of directors of which the individual is a member and executive positions that the individual holds in corporations, firms, partnerships, limited partnerships, limited liability partnerships, professional corporations, professional associations, joint ventures, or other business associations or proprietorships, stating the name of each corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association or proprietorship and the position held. GOV’T CODE § 572.023(b)(10).

3. The evidence indicates that the respondent was a candidate for a state office during 2006 and 2008, and was therefore required to file personal financial statements during those years. The personal financial reports at issue filed by the respondent covered the calendar years of 2005 and 2007. The reports disclose the parent corporation for three of the entities at issue but do not disclose the subsidiary corporations. Although SOS records do not include a 2005 PIR for C.W. Wakefield Plaza Management, LLC, or a 2007 PIR for El Paso Insurance Agency, Inc., other records on file indicate that the respondent held a board or executive position with both during 2005 and 2007. The evidence also indicates that the respondent held executive or board positions at Concord Premium Finance, Inc., and Risk and Insurance Management Consultants, Inc. during 2005 and 2007. The respondent failed to disclose these positions on his personal financial statements covering those periods. Therefore, there is credible evidence of violations of section 572.023 of the Government 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 these sworn complaints.
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 financial statement must include an account of the financial activity of the individual required to file a financial statement. The respondent acknowledges that the account of financial activity includes, but is not limited to, a list of all boards of directors of which the individual is a member and executive positions that the individual holds in corporations, firms, partnerships, limited partnerships, limited liability partnerships, professional corporations, professional associations, joint ventures, or other business associations or proprietorships, stating the name of each corporation, firm, partnership, limited partnership, limited liability partnership, professional corporation, professional association, joint venture, or other business association or proprietorship and the position held. The respondent agrees to comply with these requirements 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 \$1,000 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-280254 and SC-280263.

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

Donald Margo II, Respondent

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
David A. Reisman, Executive Director