

CITIZEN COMPLAINT FORM

The undersigned person files this complaint and requests that the Arkansas Ethics Commission conduct an investigation concerning the facts and actions detailed below for the purpose of determining whether or not there has been a violation of laws under the Commission's jurisdiction.

1. Identify the person you are complaining about:

Name: See Attached Position or Title: _____
Address: _____ Phone: (Home) _____

(Work) _____

2. State in your own words the *detailed* facts and the actions of the person named in section 1 which prompted you to make this complaint. The brief space provided below is not intended to limit your statement of facts. Please use the back of this form or additional sheets if necessary. Include relevant dates, times, and the names, and addresses of other persons whom you believe have knowledge of the facts.

See Attached

3. Attach or make reference to any documents, materials, minutes, resolutions or other evidence which support your allegations.

State of Arkansas
County of Pulaski

I swear or affirm, under penalty of perjury, that the facts set forth in this complaint are true and correct to the best of my knowledge, information, and belief.

Subscribed and sworn before me this
18th day of March, 2014.

Signature: [Signature]

Print your name: Thomas G Buchanan

Notary Signature:
Christy Crockett

Mailing address: 217 West 2nd St Suite 115
Little Rock, AR 72201

My Commission Expires: 2/1/2018

Phone: (Home) 352-4339 (Work) 296-9820





March 18, 2014

VIA HAND DELIVERY

Arkansas Ethics Commission
910 West Second Street, Suite 100
Little Rock, AR 72201

Dear Ethics Commission:

I am writing today to make citizens' complaints on behalf of my clients, Rosey Perkins and Rhonda Coppak, who are the Plaintiffs in the lawsuit referenced in a story that ran in the Arkansas Democrat-Gazette on Friday, March 14, 2014. (See Attached). Specifically, my clients ask the Ethics Commission to investigate whether any campaign contribution laws were violated in regard to the events referenced in the Democrat-Gazette story.

The story describes how campaign contributions totaling \$21,000.00 were made on July 8, 2013, to seven political action committees by Michael Morton and businesses he owns. Per the story, Mr. Morton, along with six businesses he owns, each donated \$3000 to a different PAC. In December of 2013 and January of 2014, these same seven PAC's all made contributions to Judge Mike Maggio's Court of Appeals Campaign. According to Mr. Morton, who was interviewed for the article, he was contacted by representatives of Judge Mike Maggio's campaign about making the contributions to these PACs "either right before or right after" my clients' trial, but then the story says that Mr. Morton wasn't sure if the request came at the trial time or in July, when the follow-up actions led to the reduction of the award in the case. Apparently, none of the PAC's had been registered with the state of Arkansas at the time of the contributions. Six of the seven PACs were registered on July 31st, 2013 by attorney Chris Stewart with the seventh PAC being registered by Stewart in August.

The July 8, 2013 contributions by Mr. Morton and his companies were made the same day that Judge Maggio had a hearing on whether my client's unanimous verdict of \$5.2 million dollars against Mr. Morton's Greenbrier nursing home should be set aside or remitted. Two days later, Judge Maggio signed an Order remitting the verdict from \$5.2 million dollars to \$1 million dollars.

It appears from the Democrat-Gazette article that Mr. Morton and his companies were the sole donors to six of the seven PACs and that Judge Maggio was the primary recipient of funds from the seven PACs. The article goes on to say that campaigns for judicial races cannot start soliciting money for candidates more than six months before an election. If what Mr. Morton says in the article is in fact true, it appears that judicial campaign money was being solicited long before six months prior to the election and that the money was put in PACs per the request of representatives of Judge Maggio's campaign.

Based on the Democrat-Gazette story, my clients would like the Commission to investigate the following PACs listed below and their officer Chris Stewart, as well as Michael Morton, Mr. Morton's

businesses that made the above-referenced contributions, Judge Mike Maggio, and any other individual or group that may be involved with any improper solicitation and/or contribution of judicial campaign funds.

Conservative Persons In PAC
P.O. Box 321
Little Rock, AR 72203
501-837-1172

Thomas Group In PAC
P.O. Box 315
Little Rock, AR 72203
501-837-1172

Citizens for Information Technology PAC
P.O. Box 314
Little Rock, AR 72203
501-837-1172

Judicial Reform PAC
P.O. Box 301
Little Rock, AR 72203
501-837-1172

Taxpayers for Change PAC
P.O. Box 295
Little Rock, AR 72203
501-837-1172

Go Good Government PAC
P.O. Box 312
Little Rock, AR 72203
501-837-1172

D. Bruce Hawkins 2 PAC
P.O. Box 311
Little Rock, AR 72203
501-837-1172

Chris Stewart, Agent for the PACs
904 Garland Street
Little Rock, AR 72201
501-837-1172

Michael Morton
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Briarwood Nursing & Rehabilitation Center Inc.
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

MSM Properties Inc.
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Quapaw Care & Rehabilitation Center, LLC
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Nursing & Rehabilitation Center at Good Shepard, LLC
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Sherwood Nursing & Rehabilitation Center, Inc.
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Central Arkansas Nursing Centers Inc.
415 Rogers Avenue
Ft. Smith, AR 72901
479-783-4672

Michael Maggio
Courthouse
801 Locust Street
Conway, AR 72034
501-450-4904

Please do not hesitate to contact me if you need any additional information or if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. G. Buchanan', written in a cursive style.

Thomas G. Buchanan



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As PACs emerged, judge cut award

By Debra Hale-Shelton

This article was published March 14, 2014 at 3:33 a.m.

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CONWAY - On July 8, Circuit Judge Michael Maggio heard a Greenbrier nursing home's plea that he grant a new trial or reduce a \$5.2 million judgment against it. The same day, six political action committees began accepting contributions from that nursing home's owner and the businesses he owns, and later those PACs donated money almost exclusively to Maggio's campaign for the state Court of Appeals.

On July 11, Maggio signed an order reducing the judgment amount against Greenbrier Nursing and Rehabilitation Center to \$1 million in the April 7, 2008, death of Martha Bull, who had been a patient less than two weeks when she died.

On Thursday, two of the Perryville woman's daughters - Rosey Perkins of Houston and Rhonda Coppak of Bigelow - filed a complaint asking that the Arkansas Judicial Discipline and Disability Commission investigate Maggio's actions.

Maggio of Conway withdrew from the race for the Arkansas Court of Appeals last week after news reports appeared about online postings he had made about a wide range of topics, including an actress's adoption case, women, incest and bestiality.

Maggio did not return a phone message or email Thursday seeking comment. But Traci LaCerra, a North Little Rock attorney, issued this emailed comment: "Any proceedings before the Judicial Discipline & Disability Commission are confidential. ... Should a complaint be filed related to the story [about the nursing-home issue] that you have referenced, Judge Maggio will respond accordingly."

Michael Morton, the nursing-home owner linked to all of the PACs, told the Arkansas Democrat-Gazette on Thursday that he had not made the donations with the thought that they would lead Maggio to reduce the judgment. Morton called the timing "coincidental" but acknowledged a problem with the appearance of the transactions.

"I have broken no law," said Morton of Fort Smith. "If I had done that, that would be against the law. I would never do it. I was asked by people that were handling Judge Maggio's race if I would support him for appeals court judge, and I said yes ... because I believe Arkansas needs a more conservative bench."

Morton said he was asked for his support "either right before or right after" or during the trial in the lawsuit that led to the big jury judgment in Maggio's Faulkner County courtroom in May 2013. But Morton said he wasn't sure if the request came at the trial time or in July, when the follow-up actions led to the reduction of the award in the case.

"There is no way that I would have ever tried to influence" the decision with campaign contributions, Morton said. "It's unfortunate he was hearing a case of mine. Maybe they ought to make a law saying a judge hearing a case can't start a campaign or can't raise money. I don't know,"

Asked about the appearance of the actions, Morton said, "Looking back at it now, with all the

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uproar about it, obviously the appearance is absolutely horrible," but he didn't believe it was illegal. "If you want to know the truth, it was coincidental," Morton said.

Morton said he didn't think Maggio's campaign viewed his support as something that could influence the judge's decision, either. Morton said he has never met Maggio.

Morton said he contributes to other judicial candidates, too. Asked why his donations to Maggio weren't made directly from him or his businesses, as he has done with other judicial candidates, Morton said: The people who were running his campaign "wanted [me] to put them in PACs. I don't know why, and I didn't ask."

Not one of the PACs had filed paperwork to register with the secretary of state's office until July 31, weeks after they began accepting money, secretary of state records show.

Under the Arkansas Code of Judicial Conduct, Maggio's campaign committee was not supposed to solicit or accept contributions earlier than 180 days before an election, in this case May 20 of this year. None of the groups' records reflect any donations to Maggio before December.

On why he was giving money to the PACs before they even had been registered with the state, Morton said, "I was sending it to the people who were working for Maggio." Then, he said, he meant that he was sending the money "to the people that were creating the PACs."

"I'm going to pull my checks," Morton added. "I need to find out who I made the damn things out to."

Morton said he did not know Chris Stewart, the Little Rock lawyer who is listed as the "resident agent/officer" on each of the PACs, but said he probably has met Stewart at some point.

Stewart did not return a phone message seeking comment Thursday.

Morton said he doubted that the Maggio campaign would have expected his PAC donations alone to be enough for the judge "to mount a very substantial campaign."

Just one other candidate - Andrea Lea, who is running for state auditor - had received any money from any of those six PACs as of Dec. 31, according to the committees' quarterly reports. Lea got just one donation, for \$500, in September 2013 from the Taxpayers for Change PAC.

A seventh committee, the **D. Bruce Hawkins 2 PAC**, formed on Aug. 6, also got money from one of Morton's businesses and later donated to Maggio's campaign. But unlike the other groups, the committee also has given money to at least four other candidates, including Lea. Stewart is also the resident agent/officer on that PAC.

The lawsuit over Bull's death had accused the defendants, which originally also included another company that Morton owns, of negligence.

In his decision lowering the judgment, Maggio wrote, "The Court does not find any misconduct that warrants the granting of a new trial. However, the Court does find that the jury award of \$5.2 million is so great that it shocks the conscience of the court. The Court also finds that the evidence, testimony, and argument by Plaintiff's counsel inflamed the jury's passion and prejudice resulting in an award that is punitive in nature, despite the Court's previous ruling that punitive damages would not be allowed in this case."

Little Rock lawyer Thomas Buchanan, who represents Bull's daughters as co-administrators of their mother's estate, said Thursday that he was "mystified" at the time of Maggio's ruling because it was "virtually unprecedented" for a judge to lower a jury's judgment that much.

Buchanan disputed Maggio's explanation in his decision, saying Maggio "controlled the [admissibility of] the testimony."

"He could have ruled that certain things were not admissible throughout the trial. ... So how is that a basis" for the reduction?

Bull went to the nursing home to recover from a stroke and had hoped to return home. She had a history of abdominal abscess, and the facility knew that and was supposed to monitor it. She ended up dying in her bed a day after she first began suffering abdominal pain, Buchanan said.

She was never taken to a doctor or an emergency room, he said.

The PACs that were registered July 31 and that gave money to Maggio, according to reports filed with the secretary of state, are:

Conservative Persons In PAC. Morton gave the PAC \$3,000 on July 8. As of Dec. 31, no one else had given to this PAC. On Dec. 31, the committee gave Maggio's campaign \$500. According to Maggio's

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JACKSONVILLE, AR

Yard-ewp/truck load

Responsibilities include transporting material off and on ...
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campaign finance report, his campaign got another \$1,000 from the PAC on Jan. 28. As of Dec. 31, the latest date covered in PAC reports already filed, no other candidate got money from this PAC.

Thomas Group In PAC. Fort Smith-based MSM Properties Inc., which Morton owns, gave \$3,000 on July 8 to this PAC. As of Dec. 31, this PAC had received no other contributions and had given one donation - \$2,000 - to Maggio on Dec. 15. Maggio's campaign finance report, though, shows that on Jan. 28, the PAC gave him \$250.

Citizens for Information Technology PAC. Morton-owned Briarwood Nursing and Rehabilitation Center Inc. gave \$3,000 on July 8 to the PAC. According to Maggio's campaign finance report, this PAC gave the campaign \$1,450 on Jan. 28. The center is in Little Rock but has a Fort Smith address, as do other Morton facilities giving to these PACs.

Judicial Reform PAC. Morton-owned Quapaw Care & Rehabilitation Center LLC in Hot Springs gave \$3,000 to the PAC on July 8. On Dec. 31, the PAC gave \$500 to Maggio. No other donations to the PAC or to other candidates were listed as of Dec. 31. On Jan. 28, Maggio's campaign got \$1,000 more from this PAC, the campaign finance report shows.

Taxpayers for Change PAC. Morton-owned Nursing & Rehabilitation Center at Good Shepherd LLC in Little Rock gave the PAC \$3,000 on July 8. On Jan. 28, Maggio's report indicates that the PAC gave him \$1,000. Auditor-candidate Lea got \$500 from this PAC on Sept. 25, 2013.

Go Good Government PAC. Morton-owned Sherwood Nursing & Rehabilitation Center gave the PAC \$3,000 on July 8. The PAC gave Maggio's campaign \$2,000 on Dec. 15. Maggio's campaign finance report shows that the PAC also gave him \$250 on Jan. 28.

Also, the Hawkins PAC that was registered Aug. 6 and that helped more candidates shows that Central Arkansas Nursing Centers Inc. gave it a \$3,000 donation on July 8. The PAC also got money from a beverage association in September. On Dec. 5, this PAC gave Maggio \$2,000. And on Jan. 28, it gave him \$1,000. The Fort Smith company was originally a defendant in the lawsuit but was dismissed from it, Buchanan said.

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