
In the Matter of L&M Development Partners Inc.,

Respondent.

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT
Case No. 19-091

WHEREAS, the Joint Commission on Public Ethics (“Commission”) is authorized by Executive Law § 94 to conduct an investigation to determine whether a substantial basis exists to conclude that any violations of Article 1-A of the New York State Legislative Law (the “Lobbying Act”) have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, this Settlement Agreement (“Agreement”) is entered into by and between the Commission and L&M Development Partners Inc. (“Respondent”);

WHEREAS, Respondent, founded in 1984 and headquartered in New York State, is a national full-service firm in real estate development, construction, and investment. Respondent has developed affordable, mixed-income, and market-rate housing in New York State, and, in particular, the Tri-State Area of New York State;

WHEREAS, as a part of its development efforts, at times, Respondent expended more than \$5,000 through persons employed by Respondent, for the purposes of meeting with State and municipal elected officials including the New York City Council and agency officials in attempts to influence governmental decisions such as amending zoning laws and passing resolutions for tax credits, which constitutes lobbying under section 1-c(c) of the Lobbying Act;

WHEREAS, Respondent voluntarily contacted the Commission and advised that, after the Commission’s adoption of 19 NYCRR Part 943 Comprehensive Lobbying Regulations (effective January 1, 2019), Respondent became aware that there may have been certain years during which Respondent should have registered as a lobbyist. Specifically, Respondent voluntarily reported that a retrospective review of the information available to it, indicated that its annual lobbying expenses, at times, ranged from under \$5,000 to approximately \$15,000;

WHEREAS, pursuant to the Lobbying Act §§ 1-e, 1-h, and 1-j the Commission is authorized to impose a fee not to exceed ten dollars per day for first time filers and twenty-five dollars per day in all other cases for each day that a statement of registration, bimonthly report, or client semi-annual report is late and, pursuant to Lobbying Act § 1-o(b)(i), may impose penalties in an amount not to exceed the greater of twenty-five thousand dollars or three times the amount the person failed to report properly; and

WHEREAS, the Respondent has waived notification in writing of possible violations pursuant to Executive Law § 94(13)(a) and in lieu of appearing in an adjudicatory proceeding that could result in the assessment of a civil penalty against Respondent, Respondent and the

Commission have agreed to amicably resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings.

NOW THEREFORE, in consideration of the fact that Respondent voluntarily reported its failure to register as a lobbyist and failure to file reports with the Commission, and has cooperated with the Commission, and in consideration of the mutual covenants made herein, as the final settlement of this matter, the parties stipulate and agree that:

1. Respondent failed to submit a Statement of Registration, Lobbyist Bi-Monthly Reports, and Client Semi-Annual Reports for the 2018 registration period, in violation of §§ 1-e, 1-h, and 1-j of the Lobbying Act.
2. Respondent agrees to pay to the Commission the amount of twenty-five thousand (\$25,000.00) in settlement of said violation within thirty (30) days of the signing of this Agreement. In addition, Respondent agrees to file any applicable Statement of Registration, Lobbyist Bi-Monthly Reports, and Client Semi-Annual Reports for calendar year 2018 within thirty (30) days of the signing of this Agreement.
3. During the remainder of the 2019-2020 biennial registration periods, in addition to any random audit of Respondent's filings that the Commission may perform in accordance with and pursuant to § 1-d of the Lobbying Act, the Respondent shall cooperate with any request by the Commission to review records relating to lobbying activity conducted during the 2019-2020 and 2021-2022 biennial registration periods to determine whether filings required to be made by Respondent have been made in a timely manner and are accurate and complete.
4. The Commission has agreed to the terms of this Agreement based on, among other things, the financial and other representations made to the Commission by Respondent. To the extent that representations made by Respondent are later found by the Commission to be materially incomplete or inaccurate, Respondent shall be in breach of this Agreement.
5. If the Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
6. Respondent agrees not to take any action or to make, permit to be made, authorize, or agree to any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects Respondent's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Commission is not a party. A violation of this Paragraph constitutes a breach of this Agreement by Respondent.
7. Upon a breach of this Agreement, the Commission shall have sole discretion to deem the Agreement null and void in its entirety, issue a Notice of Substantial Basis Investigation and Hearing, which may include additional charges against Respondent and proceed with an enforcement action, and then issue a new Substantial Basis Investigation Report; or to deem the Respondent in breach of this Agreement and pursue, in court, any other remedy to which the Commission is

entitled at law or in equity, including but not limited to, specific performance or injunction. As to any Notice of Substantial Basis Investigation and Hearing or enforcement action by the Commission pursuant to this paragraph, Respondent: (1) waives any claim that such action is time-barred by a statute of limitations or any other time-related defenses; and (2) expressly acknowledges and agrees that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondent prior to or after the date of this Agreement, including, but not limited to, any statements, documents, or materials, if any, provided for the purposes of settlement negotiations or in submissions by Respondent or by counsel on behalf of Respondent, in any proceeding against Respondent relating to the allegations herein.

8. Respondent shall upon request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
9. Respondent understands and acknowledges that the Commission may investigate any other conduct, not covered by this Agreement, by Respondent and take any appropriate action.
10. Respondent waives the right to assert any defenses or any challenges to this Agreement, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in any forum.
11. Respondent hereby waives any rights as provided in Section 1-o(c)(iii) of the Lobbying Act and may not assert such right at any future time.
12. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
13. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
14. It is understood that this Agreement is not confidential and will be made public within 45 days of its execution in accordance with Executive Law §§ 94(14) & (19).
15. This Agreement constitutes the entire agreement between the parties and supersedes any prior communication, understanding, or agreement, whether oral or written, concerning the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth in this Agreement has been relied upon by any party to this Agreement.
16. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
17. This Agreement shall become effective upon execution by the Commission or its designee.

18. In the event that one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.
19. By signing below, Respondent acknowledge reading this Agreement in its entirety, understanding all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement. Electronic signatures are deemed originals for the purposes of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument. Respondent was represented by counsel, Mark Glaser and Joshua Oppenheimer of Greenberg Traurig, LLP.

Dated: November 7, 2019



New York State Joint Commission on Public Ethics
By: Monica Stamm
Title: General Counsel

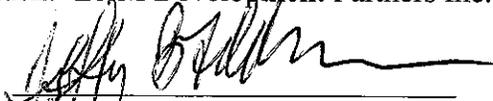
ACCEPTED AND AGREED TO
THIS 5th DAY OF November, 2019

Respondent- L&M Development Partners Inc.

By:

Name:

Title:



Jeffrey B. Feldman
Assistant Secretary

Approved: Michael K. Rozen, Chair

Robert Cohen
James E. Dering
William P. Fisher
Marvin E. Jacob
Gary J. Lavine
James W. McCarthy
George H. Weissman
James A. Yates

Members

Daniel J. Horwitz
Colleen C. DiPirro
David J. McNamara

Absent