

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

CONCILIATION AGREEMENT

In the Matter of LaValley Industries, LLC;

1. The Beltrami County RPM's 2018 year-end report of receipts and expenditures disclosed a \$750 receipt dated June 8, 2018, from LaValley Industries. The receipt was classified as miscellaneous income rather than as a contribution and the explanation provided was "For Fundraiser bought 1 round table of 8." LaValley Industries is a limited liability company organized under Minnesota Statutes Chapter 322C and a disclosure statement required for contributions in excess of \$200 from an association not registered with the Board was not provided to Board staff by the Beltrami County RPM. A staff review was initiated as the contribution appeared to have been accepted in violation of Minnesota Statutes sections 211B.15 and 10A.27, subdivision 13.

2. Minnesota Statutes section 211B.15, subdivision 2, prohibits a corporation that does business in Minnesota from giving a contribution to a political party unit. Pursuant to Minnesota Statutes section 211B.15, subdivision 1, corporations are defined to include limited liability companies. Minnesota Statutes section 10A.27, subdivision 13, requires an association not registered with the Board to provide a disclosure statement detailing its receipts and expenditures when giving a contribution in excess of \$200 and that statement must be filed with the Board by the recipient of the contribution.

3. Jason LaValley, President and CEO of LaValley Industries, stated that the \$750 check was for the purchase of eight "tickets to a dinner attended by a variety of governmental and regulatory officials along with candidates for office." Mr. LaValley explained that the company "purchased these tickets and made them available for our employees so they could increase their knowledge regarding the Line 3 pipeline project." Mr. LaValley said that "it was not our intention to make a general financial contribution to the Beltrami RPM." Mr. LaValley explained that he operates several businesses out of the same office and did not make it clear to the office manager which entity the check should be drawn from. Mr. LaValley also stated that \$750 was refunded by the Beltrami County RPM on June 29, 2020. LaValley Industries provided a copy of the contribution check, which listed the payor as "LAVALLEY INDUSTRIES, LLC" and was made payable to "Beltrami Republican Fundraiser."

4. The parties agree that, without knowing that they would be violating the law by doing so, LaValley Industries gave a corporate contribution in violation of Minnesota Statutes section 211B.15, subdivision 2. This is the first violation of the prohibition on corporate contributions by LaValley Industries.

5. To avoid a similar violation in the future, LaValley Industries agrees that it will refrain from giving contributions and that its officers will be careful to ensure that any individual political contributions are drawn from their personal accounts.

6. LaValley Industries agrees to provide to the Board, within 90 days of the date the agreement is signed by both parties, a copy of the deposited check or other documentation showing that \$750 was refunded to LaValley Industries.

7. LaValley Industries agrees to the imposition of a civil penalty in the amount of \$750, the amount of the contribution, for giving a contribution prohibited by Minnesota Statutes section 211B.15, subdivision 2. Of this amount, \$200 is due within 30 days of the date the agreement is signed by both parties. The remaining \$550 of the penalty is, by the terms of this agreement, stayed until January 1, 2023. If LaValley Industries violates Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is due immediately. If LaValley Industries does not violate Minnesota Statutes section 211B.15, subdivision 2, before January 1, 2023, the outstanding civil penalty is waived.

8. If LaValley Industries does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ Jason LaValley
Jason LaValley, President and CEO
LaValley Industries

Dated: November 3, 2020

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Dated: October 9, 2020