

\$2.8 Million to Date:

November 2, 2012

Lawyer Cash, Racial Profiling Shape Supreme Court Races

Plaintiff Lawyers, Strip-Club Mogul Fund GOP's John Devine

dozen candidates pursuing three Texas Supreme Court seats raised \$2.8 million eight days out from Tuesday's election (see chart below). Seven of those candidates boast "major-party" status—if that category generously includes lone Democrat Michele Petty. Just four Republicans boasted the six-figure war chests *ordinarily* needed to brush away something beyond token opposition.

Then there's the *extraordinary* case of lameduck Justice David Medina. Going into the primary, Medina raised five times more money than the combined war chests of his two primary opponents. Yet challenger John Devine bumped Medina off in a primary runoff.

Informed voters may have had cause to nix Medina, the gubernatorial general counsel whom Governor Perry appointed to a court vacancy in 2004. Medina is part of an anti-consumer court, along with the other incumbents. Suspicious fires broke out at Medina's Houston home on two occasions. And this justice's disastrous personal finances have at times been supplemented by his campaign finances.¹

Still, *Lobby Watch* suspects that *Medina's* Spanish surname had at least as much to do with his loss as did his own foibles. In the 2010 GOP primary poorly funded David Porter trounced well-funded Railroad Commissioner *Victor Carrillo*. And 10 years ago underfunded affirmative-action critic Steve Smith knocked out well-armed incumbent Justice *Xavier Rodriguez* in the Republican primary.²

Significant numbers of GOP voters appear to practice ethnic profiling in the voting booth. Is this any way to select a judge?

Perhaps smelling blood in Medina's surname, two Republicans challenged this incumbent The sole Democratic candidate, justice. however, challenged Justice Nathan Hecht, the court's most entrenched member-first elected in 1988. If Democrat Petty had targeted Medina, she would now face a non-incumbent in a potentially interesting race. Instead, she has negligible funds prospects, and Republican John Devine is capitalizing on triallawyer funds that traditionally flowed to Democrats.

Contributions to 2012 Texas Supreme Court Candidates (May 2011 – Oct. 27, 2012)

		Pre-	Primary-	Sept. 28-		Latest
Court	Candidate	Primary	Sept. 27	Oct. 27	Total	Cash In
Place	(Party)	Amount	Amount	Amount	Amount	Bank
2	Don Willett (R)	\$1,553,801	\$121,110	\$65,885	\$1,740,796	\$168,751
	Steve Smith (R)	\$4,000	\$200	\$0	\$4,200	\$0
	Robert Koelsch (L)	\$0	\$20	\$1	\$21	\$0
4	John Devine (R)	\$39,441	\$154,341	\$35,102	\$228,884	\$7,266
	David Medina (R)	\$291,777	\$284,719	\$0	\$576,496	\$32,886
	Joe Pool, Jr. (R)	\$15,400	\$0	\$0	\$15,400	\$0
	Tom Oxford (L)	\$0	\$0	\$0	\$0	\$0
	Charles Waterbury (G)	\$0	\$0	\$0	\$0	\$0
6	Nathan Hecht (R)	\$125,765	\$96,679	\$11,055	\$233,499	\$157,225
	Michele Petty (D)	\$2,972	\$18,296	\$13,504	\$34,772	\$6,011
	Mark Ash (L)	\$0	\$0	\$0	\$0	\$0
	Jim Chisholm (G)	\$0	\$0	\$0	\$0	\$0
	TOTALS	\$2,033,156	\$675,365	\$125,547	\$2,834,068	\$372,139

Names in Bold survived primaries and runoffs.

Devine raised only about \$40,000 going into the primary. After proving that he could stand up to Medina, he has since raised close to \$200,000 more. The single largest source of this money is Houston plaintiff attorney Mark Lanier. Lanier's family, employees and his Texans for Family Values PAC provided \$77,040, one third of Devine's total (see below).³

Getting no traction with Democrats, trial lawyers increasingly fund Republican justices—though not often to this extent. By contrast, the top donors to Justices Don Willet and Nathan Hecht are almost monolithically corporate interests and corporate lawyers, with the same donors often backing both of these justices (see below).

Percentage of Money Supplied By Lawyers and Law Firms (May 2011-Sept. 27, 2012)

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Surviving Candidate	Lawyer & Law Firm Funds By 9/27/2012
John Devine (R)	90%
Nathan Hecht (R)	52%
Don Willett (R)	40%
Michele Petty (D)	6%

Lawyers and law firms practicing before the Supreme Court continue to be leading underwriters of the justices' campaigns. The four surviving major-party candidates had raised a little more than \$2.1 million one month before the November election. Lawyers and law firms provided at least 46 percent of that total. Attorneys supplied an unusually high 90 percent of the money that Devine raised in that period, compared to just 6 percent of the money collected by underfunded Democrat Petty.

Devine also recently reported \$5,000 from Ali Davari, whom he identified as the president of Houston's D. Texas Investments. Ali and Hassan Davari operate some dull-sounding companies that do business under more titillating names—such as <u>Treasures</u> and <u>Centerfolds</u>.⁴

A unanimous 2011 Texas High Court opinion upheld a \$5-per-customer state fee on strip clubs.⁵ The industry had hired former Justice Craig Enoch to challenge this "pole tax" on free-expression grounds. Former Treasures and Centerfolds employees recently claimed that their employer cheated them out of tips, even as local officials claimed that Treasures is a breeding ground for narcotics and prostitution.⁶

John Devine's Top Contributors (May 2011-Oct. 27, 2012)

Amount Contributor (Affiliation) City					
Amount		City			
\$49,141	Texans for Family Values PAC	Houston			
\$12,899	Lanier Law Firm PC	Houston			
\$10,000	Vinson & Elkins	Houston			
\$5,000	Andrews Kurth LLP	Houston			
\$5,000	Baker Botts LLP	Houston			
\$5,000	Bracewell & Giuliani	Houston			
\$5,000	Paul Danziger (Danziger & DeLlano)	Houston			
\$5,000	Ali Davari (D. Texas Investments: strip clubs)	Houston			
\$5,000	Dawson & Sodd LLP	Corsicana			
\$5,000	Ernest Cannon & Associates (law)	Stephenville			
\$5,000	Frank L. Branson PC	Dallas			
\$5,000	Fulbright & Jaworski LLP	Houston			
\$5,000	Glasheen Valles & Dehoyos LLP	Lubbock			
\$5,000	Haynes & Boone LLP	Dallas			
\$5,000	W. Mark Lanier (Lanier Law Firm)	Houston			
\$5,000	Phillip Sanov (Lanier Law Firm)	Houston			
\$5,000	Walter Umphrey (Provost & Umphrey)	Beaumont			
\$2,500	B. Pauline Arsenault (Neblett, Beard & Arsenault)	Alexandria LA			
\$2,500	Richard Arsenault (Neblett, Beard & Arsenault)	Alexandria LA			
\$2,500	Frank Azar (Azar & Associates-Law)	Aurora CO			
\$2,500	Balkin & Eisbrouch, LLC	Hackensack NJ			
\$2,500	Gardere Wynne Sewell LLP	Dallas			
\$2,500	Gibbs & Bruns L.L.P.	Houston			
\$2,500	William Fred Hagans (Hagans Bobb & Burdine)	Houston			
\$2,500	Maura Kolb (Lanier Law Firm)	Houston			
\$2,500	Kathryn L. Lanier (Potter's Wheel and Gifts)	Houston			
\$2,500	Patrice McKinney (McKinney & McKinnery)	Houston			
\$2,500	Suzanne Rodriguez (student)	Houston			
\$2,500	Williams Kherkher Hart & Boundas LLP	Houston			
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Winning Supreme Court Candidates in 2008 and 2010

		Amount Raised	Amount Raised		Final Vote (%)
	Winning	8 Days Before	Rest of	Main-Party	for
Election	Republican	Election	Cycle	Opponents	Repubs/Dems
2008	Wallace Jefferson	\$550,423	\$160,896	1 Dem; 0 Rep	53%/44%
	Phil Johnson	\$382,448	\$51,736	1 Dem; 0 Rep	52%/45%
	Dale Wainwright	\$325,486	\$130,450	1 Dem; 0 Rep	51%/46%
2010	Paul Green	\$244,281	\$11,940	1 Dem; 0 Rep	60%/37%
	Eva Guzman	\$343,781	\$120,335	1 Dem; 1 Rep	60%/36%
	Debra Lehrmann	\$276,096	\$154,219	1 Dem; 5 Rep	60%/37%

The table above covers winning Supreme Court races in the two preceding elections. Democrats mounted at least a nominal challenge against each of those victorious Republicans. Not so this round.

The three Republicans likely to prevail on Tuesday reported raising an average of \$734,393 apiece the week before the election. GOP victors in the two preceding elections reported a much

lower average of \$353,753 on the eve of their elections (accounting for 77 percent of the money they raised in their election cycle).⁷

Justice Don Willett skewed this cycle's average by raising more than \$1.7 million. He spent this huge war chest fending off former Justice Steve Smith and a Libertarian candidate. Smith won 43 percent of the primary vote after raising just \$4,000.•

Don Willet's Top Contributors (May 2011-Sept. 27, 2012)

Amount	Contributor (Affiliation)	City
\$32,500	Vinson & Elkins	Houston
\$12,500	Thompson & Knight LLP	Dallas
\$11,151	Fulbright & Jaworski LLP	Houston
\$10,350	Haynes & Boone LLP	Dallas
\$10,315	AT&T, Inc. PAC	Austin
\$10,017	Texans for Lawsuit Reform	Austin
\$10,000	Andrews Kurth LLP	Houston
\$10,000	Bracewell & Giuliani	Houston
\$10,000	Jackson Walker LLP	Dallas
\$10,000	Melvin Lipsitz (M. Lipsitz & Co.: recycling)	Waco
\$10,000	Curtis Mewbourne (Mewbourne Oil Co.)	Tyler
\$10,000	Bob & Doylene Perry (Perry Homes)	Houston
\$10,000	Tara Ross (Attorney/Writer)	Dallas
\$10,000	Reagan Simpson (Yetter Coleman)	Austin
\$10,000	Glenn Sodd (Dawson & Sodd, LLP)	Corsicana
\$10,000	United Srvcs. Auto. Assoc. Group (USAA)	San Antonio
\$7,500	Good Government Fund (Bass family PAC)	Fort Worth
\$7,500	Locke Lord Bissell & Liddell LLP	Houston
\$7,500	Guillermo Perales (Sunholdings, LLC)	Irving
\$6,000	Bishop & Hummert PC	Dallas
\$6,000	James C. Henry (Henry Petroleum LP)	Midland
\$5,500	Yetter Coleman LLP	Houston

Michele Petty's Top Contributors (May 2011-Oct. 27, 2012)

Amount	Contributor (Affiliation)	City
\$5,000	Pledge: Comm. Workers of America	San Antonio
\$5,000	Provost & Umphrey	Beaumont
\$1,500	Sutton & Jacobs	Beaumont
\$1,500	TX Democratic Women	College Sta./Austin
\$1,257	Jeanne S. Adams (tax software retiree)	Corpus Christi
\$1,000	Castro for Congress	San Antonio
\$1,000	Craig Meussig (Law Offices of Craig Meussig)	Baytown
\$1,000	Plumbers & Steamfitters Union	Garland
\$1,000	Walter Umphrey (Provost & Umphrey)	Beaumont

Nathan Hecht's Top Contributors (May 2011-Sept. 27, 2012)

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Amount	Contributor (Affiliation)	City				
\$15,000	Fulbright & Jaworski LLP	Houston				
\$15,000	United Srvcs. Auto. Assn. (USAA)	San Antonio				
\$7,500	Texans for Lawsuit Reform	Austin				
\$6,274	Kelly Hart & Hallman PC	Fort Worth				
\$5,000	Alamo One PAC (ex-Justice Eugene Cook)	Houston				
\$5,000	Andrews Kurth LLP	Houston				
\$5,000	Bracewell & Giuliani	Houston				
\$5,000	Good Government Fund (Bass family)	Fort Worth				
\$5,000	Haynes & Boone LLP	Dallas				
\$5,000	Jackson Walker LLP	Dallas				
\$5,000	Locke Lord Bissell & Liddell LLP	Houston				
\$5,000	Curtis Mewbourne (Mewbourne Oil Co.)	Tyler				
\$5,000	PSEL PAC (Bass family)	Fort Worth				
\$5,000	Shannon Ratliff (Ratliff Law Firm)	Austin				
\$5,000	Trevor Rees-Jones (Chief Oil & Gas)	Dallas				
\$5,000	Glenn Sodd (Dawson & Sodd LLP)	Corsicana				
\$5,000	TX Apartment Assn. PAC	San Antonio				
\$3,780	TX Medical Assn. PAC	Austin				
\$3,000	Weil Gotshal & Manges LLP	Houston				
\$2,500	Cantey & Hanger LLP	Fort Worth				
\$2,500	Elloine Clark (Oil/Gas Investments)	Dallas				
\$2,500	Cokinos Bosien & Young PC	Houston				
\$2,500	ConocoPhillips PAC	Houston				
\$2,500	Gibbs & Bruns LLP	Houston				
\$2,500	Dee J. Kelly Jr. (Kelly Hart & Hallman)	Ft. Worth				
\$2,500	Anne W. Marion (Burnett Oil Co.)	Fort Worth				
\$2,500	Reagan W. Simpson (Yetter Coleman)	Austin				
\$2,500	TX & Southwestern Cattle Raisers Assn.	Fort Worth				
\$2,500	TX Assn. of Realtors PAC	Austin				
\$2,500	Thompson & Knight LLP	Dallas				
\$2,500	Thompson Coe Cousins & Irons LLP	Dallas				

Notes

¹ "Fire at Texas Justice's Home Stirs Questions," *Dallas Morning News*, October 12, 2007. "Justice Medina May Face Ethics Inquiry," *Houston Chronicle*, January 19, 2008. "Signs of Trouble in Medina Finances," *Houston Chronicle*, January 30, 2008. "Grand Jury Indicts Justice's Wife on Arson Charge," *Houston Chronicle*, April 30, 2008.

² Smith then beat well funded Democrat Margaret Mirabal in November 2002. Two years later, GOP primary voters dropped Smith in favor of the white-vanilla sounding name Paul Green. This year Smith choked after he challenged the less-exotic-sounding Don Willett instead of Medina.

³ Lobby Watch based top-contributor lists for Hecht and Willet on money reported as of late September 2012. The Devine and Petty lists include an extra month of data, because they raised a major share of their totals in October.

⁴ Other business names that the Davaris have registered include Cover Girls, Erotic Zone, Gold Cup, Men's Destiny, Pleasures, Sexy City, Solid Platinum, Splendor and Trophy Club.

⁵ "Strip Club 'Pole Tax' Is Upheld in Texas," *New York Times*, August 26, 2011. The fee applies to clubs serving alcohol; lawmakers earmarked the revenue for sexual assault programs and indigent health insurance.

⁶ "Strip Club Targeted for Closure Files Federal Suit Claiming Retaliation," *Houston Chronicle*, July 6, 2012. "Strip Club Can Continue to Operate with New Limits," *Houston Chronicle*, September 12, 2012.

⁷ The judicial election cycle extends 120 days after the last election in which a candidate faces an opponent.