



TO: Tim Houston Leadership Campaign

FROM: Tara Erskine and Chris d'Entremont  
Leadership Selection Co-Chairs

CC: Other Leadership Campaigns

DATE: August 17, 2018

SUBJECT: August 19, 2019 BBQ – Ticket Includes Party Membership

Numerous party members have reported receiving an invitation on August 14, 2018 to an event on Sunday, August 19, 2018 in Halifax. The invitation reports that "Tickets are \$10 and can be purchased by clicking here. Your purchase includes a PC Party membership which allows you to vote in the PC Leadership race this Fall."

The event is also posted on the Tim Houston campaign website at: <https://www.timhouston.ca/metro>. It advertises a "pig roast on site, along with food from Chef John Giannakos of Hellas Restaurant. Music/DJ will be provided by MLA Brad Johns."

We referred this matter to the Rules Committee for its interpretation.

The Rules state that the person must pay for their own membership, and has a special rule re: cash purchases. See below extract:

31. A person must have been a member of the Party since 5 p.m. on September 11, 2018 in order to vote in the Leadership Selection process.

32. Except as provided in Rule 34, each applicant for membership shall pay their own membership fee and membership payments must be accompanied by a prescribed membership form signed by each applicant, including a signed declaration that the member has paid for their own membership fee.

33. Membership payments must be accompanied by one of the following

- (a) a copy of the applicant's cheque, money order or first and the entire credit card number, expiry date and cvd number of the applicant's credit card number used to purchase such membership, or
- (b) if the payment is made by cash, a signed declaration that the member or a member of their immediate family, as defined in Rule 34, has provided the cash.

It is our conclusion that the Houston campaign is attempting to obtain memberships in violation of the Rules. If the \$10 is paid by an attendee for the BBQ, and the Houston campaign then pays for the membership on behalf of an attendee, this would be a breach of Rule 32. Please note that the issue of the validity of any memberships obtained related to this event is a matter to be determined at a later date by the Credentials Committee. These memberships may be challenged and any who took out memberships in this manner may not be entitled to vote.

The Rules Committee has decided that the \$10 is paid in consideration for the BBQ, and those funds are then campaign money. The campaign cannot then use those funds to purchase memberships on behalf of attendees.

On the basis of the foregoing, the Leadership Selection Committee requires the following action to be taken:

1. an email be sent today or tomorrow to all re recipients of the invitation, indicating: "one of the key Rules of the leadership campaign is that all members must pay for their own membership. It has been brought to our attention that the advertising for the upcoming BBQ created some confusion about who was purchasing the memberships. We need to clarify that if you wish to purchase or renew your membership at the BBQ, you must pay \$10 at the event. "

Please blind copy the Candidate Liaison on that email.

2. Revise the information that appears on the campaign website with the clarification notes above in para. 1 above.
3. We leave it to the discretion of the campaign whether it wishes to also revise the advertising for the event to indicate it will refund the purchase price to each individual who has paid and indicate that the BBQ is free for all.
4. Provide the Leadership Selection Committee with a list of names of persons who have purchased tickets to the August 19 event (either on-line or otherwise) no later than 5:00 pm on August 18. This list should include the address, emails and telephone number of each attendee if such information was collected at the time the ticket was purchased. This list will be provided to the Credentials Committee and the other campaigns for purposes of determining if those persons obtained a membership in compliance with the Rules and are entitled to vote.

We remind the Houston campaign of Part VII of the Rules – Leadership Candidate Finances, and the provisions regarding expenses, contributions, and financial reporting. In particular, s. 94 of the Rules addresses donations and including the fair market value of goods and services. With respect to this

event on August 19, if the food and drinks for the event are donated, the fair market value of the food and the preparation of the food must be claimed. The fair market value of DJ services must also be claimed. This Rule applies equally to all candidates with respect to all donations of time or money at all events and must be included in the financial reporting.

As you know, the Rules (s. 88) prohibit donations from corporations. Hellas Restaurant is listed in the NS Registry of Joint Stocks as a corporation. Hellas Restaurant may not donate food or services to this event.

Thank you in advance for what we know will be a prompt addressing of the issues relating to this upcoming event.

If other campaigns have used similar advertising methods for events, the Committee will look into it at the request of any campaign.