



November 1, 2012

Anthony Herman, Esq. General Counsel Federal Election Commission 999 E Street, N.W. Washington, D.C. 20463 Ronald M. Jacobs

T 202.344.8215 F 202.344.8300 rmjacobs@venable.com

Re: Complaint Against Horsford for Congress and the Democratic Congressional Campaign Committee

Dear Mr. Herman:

Under the Federal Election Campaign Act, candidates pay for their own advertisements and communications. Having others pay for them is an in-kind contribution, subject to strict limits. This is true even for the national party committees; although they have certain coordinated expenditure limits, they cannot spend unlimited sums paying for candidate advertising when done in conjunction with the candidate.

This complaint, made pursuant to 2 U.S.C. § 437g(a)(1) by Danny Tarkanian for Congress, alleges that Horsford for Congress ("Horsford") and the Democratic Congressional Campaign Committee ("DCCC") have devised a scheme to circumvent this time-honored (and legally mandated) system. Specifically, the DCCC has inserted a small logo in a Horsford ad, added a few fleeting references to "Democrats" when referring to Horsford's accomplishments, and included small pictures of three Nevada state office holders, two of whom are not on the November ballot, with no identification. Based on an examination of station media buy records, and on Horsford and DCCC FEC reports, it appears that the DCCC has funded anywhere from about two-thirds to one-half of the costs to air this advertisement.

Prior Commission guidance about allocating costs of ads requires an allocation "according to the benefit reasonably expected to be derived," which is generally computed by the amount of time the ad devotes to other candidates and generic party references. Unadorned pictures of office-holders not standing for election this year do not provide any meaningful benefit to those candidates. Small Democratic National Committee ("DNC") logos do nothing to promote generic Democratic candidates. References to Democrats made in conjunction with an ad that expressly advocates the election of Horsford do not support other Democratic candidates; they reinforce the party identification of Horsford. Even taking these elements together, the ad has, at best, a de minimis value to generic Democratic candidates.

Yet it appears that the DCCC potentially paid over 800,000 for what is a 1.3 million ad buy. Allowing such a ratio – or really any ratio above a very low threshold – to be used to



fund candidate ads when there is no meaningful discussion of generic or specific candidates would blow away all meaningful limits on party coordinated expenditures and party contributions to candidates.

Because the funding ratio does not match the content of the ad, the DCCC's payments for the ad are in-kind contributions to Horsford that far exceed the limits. Accordingly, both Horsford and the DCCC violated 2 U.S.C. § 441a(a)(2)(A) and the coordinated party limits in 2 U.S.C. §331a(d).

To think about it another way, Horsford and the DCCC apparently sat down and developed an ad, or discussed the content, or at least jointly approve the content (they both paid for it) – the hallmark of coordination – and decided that it would be a joint ad that they each paid for. Usually references to candidates in party advertisements are designed by the party and allocated to candidates (or even charged to candidates), not jointly developed by the two to split the costs. Imagine the uproar if a an independent expenditure organization decided to urge voters to elect candidates supporting a certain issue, worked with a candidate to include candidate materials, and then split the costs. That seems to be a fair analogy to what when on here.

In addition, the scheme here enabled Horsford and the DCCC to obtain a reduced rate to which they were not entitled. Based on the information obtained from the television stations airing the ad, it appears that because of the small contribution to the ads that Horsford made, the stations provided the airtime at the lowest unit charge, which is significantly lower than the going market rate. As such, through their contrived financing, the DCCC has obtained an impermissible corporate contribution in the form of discounted air time in violation of 2 U.S.C. § 441b.

This flagrant disregard for the campaign finance limits eviscerates the well-established contribution limits for parties to candidates, and the Commission should put a stop to this loophole by taking swift action against Horsford and the DCCC.



DISCUSSION

1. The "Fight" Advertisement

The 30-second advertisement at issue in this complaint, known as "*Fight*," can be seen at <u>http://www.youtube.com/watch?v=gQ_mmbGm2zk&feature=plcp</u>. Shown below are screenshots of *Fight* along with the text of the voice-overs and approximate timing.

Approximate Time Element Begins	Voice-Over N=narrator; M=male voice; F=female voice; H=Steven Horsford	Screen Capture
0:00	N: Overcoming adversity	Steven Horsford
0:02	N: Steven Horsford's life shapes his fight for Nevada's future.	Steven Horsford



0:03		Steven Horsford
0:06	N: Horsford and Democrats created new Nevada jobs.	<image/>
0:08	M: Thousands of people are back at work.	



0:10	N: Democrats fought for better schools.	<image/>
0:13	F: Steven Horsford held his ground.	"Budget: A Proud Day for Nevada"
0:15	V: And Democrats know there is more to do to build an economy that will last for the middle class.	



0:18		
0:21	H: I'm Steven Horsford and I approve this message because people want someone who will fight for them.	Steven Horsford For Congress
0:26	H: It's what I've done all my life and it's what I'll do in Congress.	FIGHTING FOR THE BOR T



The "D" logo that appears from approximately the six-second mark to the 13-second mark in the ad and then again from the 15 to 18-second mark is the logo of the Democratic National Committee ("DNC"):¹



It is not the logo of the DCCC.²

The three faces that appear from the six-second mark to the 13-second mark are apparently candidates and office holders in Nevada. The top picture appears to be that of Mo Dennis, who is an incumbent office holder in Nevada Senate District 2.³ The bottom picture appears to be Ruben Kihuen, an incumbent holder of a seat in the Nevada State Senate (District 10).⁴ Neither gentleman is on the November 2012 ballot.⁵ The middle picture appears to be Peggy Pierce, an incumbent member of the Nevada Assembly (District 3) who is on the November, 2012 ballot.⁶

There is no identification of these individuals in the ad other than by picture. Based on my observation of the Fight video and screen captures, the pictures appear to be less than one-third the height of the screen and are not clear to see. It is my experience that state legislative candidates are not often known to the general public by sight, without some reference to their positions, particularly in off-election years.⁷

2. Media Buy Information from Stations

Based on information from the Tarkanian media buyer, and information obtained from the FCC's Political File, we have determined that the DCCC and Horsford together purchased air time worth approximately \$1,378,663.00 from September 1 through the end of October.⁸ Horsford alone purchased air time worth \$402,773.00 for that same period.⁹ Together, the

¹ <u>http://store.democrats.org/stickers-1.html</u> (all sites last visited November1, 2012, unless otherwise noted) (a copy of which is attached as Exhibit 1).

² <u>http://www.dccc.org/</u> (a copy of which is attached as Exhibit 2).

³ <u>http://www.modenis.com/Mo%20Denis%20for%20Senate%20WebHome.html</u> (a copy of which is attached as Exhibit 3).

⁴ <u>https://twitter.com/RubenKihuen</u> (a copy of which is attached as Exhibit 4).

⁵ <u>http://leg.state.nv.us/Division/Research/VoteNV/2012Ballot/2012GeneralCandidates.pdf</u> (a copy of which is attached as Exhibit 5).

⁶ <u>http://www.peggypierce.net/</u> (a copy of which is attached as Exhibit 6).

 $^{^7}$ Declaration of Chris Feist ("Feist Decl.) \P attached hereto as Exhibit 7.

 $^{^8}$ Feist Decl. \P 6; Ex. B.

⁹ Feist Decl. ¶ 5; Ex. A.



airtime for Horsford's own advertisements, plus the Fight advertisement came to $\$1,781,436.00.^{10}$

3. Disbursements to Media Buyers

Horsford reported paying his media buyer (GMMB, Inc.) \$495,016.67 on his October Quarterly FEC report and another \$294,974.42 on the Pre-General report. This comes to a total of \$789,991.09. His Pre-General report showed cash-on-hand of \$48,181.02. Horsford's 48-Hour Contribution reports show a total of about \$115,498 in additional contributions for a total of \$163,679.02. If every penny of the cash-on-hand went toward media buys, then his total media buys would be \$953,670.11. Subtracting out the amount for his own ads from this figure (\$402,773.00), that leaves \$550,897.11 for the \$1.3 million in purchases for the *Fight* advertisement.

By deduction, that means the DCCC must have paid approximately \$827,765.89 for its portion of *Fight*. Indeed, DCCC reports show payments of \$521,154 to the same media buyer (GMMB) for the Pre-General and October Monthly reports. These payments are disclosed as "Generic Cmte. Media Services." Unfortunately for the public, the DCCC does not identify where these media buys were made, and nothing in the reports specifically identifies these payments as being made for *Fight*. Given the shortfall noted above, the fact that the ad discloses the DCCC as a co-funder of the ad, and the station political files disclose the DCCC as paying for a portion of the ad, at least some of these disbursements must be the disbursements for *Fight*. Moreover, given the timing of the media buys, it is entirely possible that all of these payments to GMMB were for *Fight*.

The *Wall Street Journal* just ran a story in which the DCCC admitted that it "kicked in about \$700,000 in late September for joint advertising with the Horsford campaign."¹¹ This amount may reflect the total amount spent or it may not, and the Commission should initiate an investigation to determine the sources of funding, particularly since Horsford's total available cash does not seem to support the DCCC paying just \$700,000.

4. The Funding Ratio

Based on the math above (\$550,897.11 from Horsford and \$827,765.89 from the DCCC) for *Fight*, the DCCC paid for about 60 percent of the ad and Horsford paid for just 40 percent. In all likelihood, since Horsford must have had other operating costs, and because at least

 $^{^{10}}$ Feist Decl.¶

¹¹ Alexandra Berzon, Both Parties Surprised in Race for Nevada Seat, *The Wall Street Journal* (Oct. 31, 2012) available at <u>http://online.wsj.com/article_email/SB10001424052970203937004578078972943282326-</u> <u>IMvQjAxMTAyMDMwMTEzNDEyWj.html?mod=wsj_valetleft_email#printMode</u> (a copy of which is attached as Exhibit 8).



some of the October buys seem to have occurred before all of these contributions were received, it seems likely that the actual ratio is closer to two thirds for the DCCC and just one-third for Horsford (or potentially even more).

ANALYSIS OF VIOLATIONS

1. Does Two-Thirds of "Fight" Really Support Generic Democrats?

The Commission has explained how to allocate costs for public communications between party committees and federal candidates. In Advisory Opinion 2006-11, for example, the Commission concluded that at least 50 percent of the cost of a mailing had to be allocated to the federal candidate and, "if the space of the mailing devoted to the clearly identified Federal candidate exceeds the space devoted to the generically referenced candidates of the State Party Committee, then the costs attributed to the clearly identified candidate must exceed 50 percent and reflect at least the relative proportion of the space devoted to that candidate." In AO 2006-11, the brochure at issue included a clear exhortation to vote for other candidates. That Advisory Opinion gave "Vote for John Doe and our great Democratic team" as an example of a message advocating the election of generic Democratic candidates in addition to a named candidate.

In Advisory Opinion 2004-37, the Commission explained that a brochure featuring both federal and non-federal candidates should be attributed to each candidate "according to the benefit reasonably expected to be derived," and that such attribution would be "be determined by the proportion of space devoted to each candidate as compared to the total space devoted to all candidates." Again, in this Advisory Opinion, the "sample ballot" being analyzed included clear exhortations to vote for the candidates in the mail piece.

In *Fight*, there are only very limited references to "Democrats" generically, no reference to voting for other Democrats besides Horsford, and only one of three individuals in the ad is even up for election this year. None of the three individuals is identified as a candidate, and there is no on-screen prompt to vote for any of these individuals.

The references to "Democrats" are:

- Horsford and Democrats created new Nevada jobs.
- Democrats fought for better schools.
- And Democrats know there is more to do to build an economy that will last for the middle class.

The first reference includes Horsford. The second is immediately followed by the statement "Steven Horsford held his ground." The third reference is then followed by Mr. Horsford



appearing on the screen to deliver the disclaimer. Simply put, any generic reference to Democrats is subsumed into the references to Horsford.

Other than the spoken references to "Democrats," there is a DNC logo (not the NRCC logo)¹² on the screen for a total of approximately 13 seconds of the ad. That logo takes up only a small fraction of the screen, and appears at times when Horsford is mentioned. The logo does not include any reference to voting for Democrats.

Finally, of the three specific Democrats in the ad, two of them are not candidates on the November ballot. Although the definition of a "clearly identified candidate" includes a "photo" of a candidate, 11 C.F.R. § 100.17, there is no exhortation to vote for these individuals, nor could there be, since their election is over a year away. In any event, their pictures appear for approximately seven seconds total in the ad, or in less than 24 percent of the ad.

Given these scant references to "Democrats," the lack of any call-to-action related to anyone other than Horsford, the complete lack of any meaningful identification of the candidates, the lack of real candidates, and the simple DNC logo, this ad cannot, in any reasonable way, be considered to be 50% allocable to the DCCC, let alone more than 50%. Even if the DCCC's assertion that it paid \$700,000 for the ads is accurate, it funded 50% of the ad, which is still far more than the relative value to the DCCC.

If the Commission were to conclude that inserting a logo, some faces, and a few fleeting references to the candidate's party can allow a national party committee to pay for 50% or more of an ad for a federal candidate, then it would completely eviscerate the contribution limits in the Federal Election Campaign Act that allow national committees to give only \$5,000 to a candidate, spend a certain amount of funds in coordination with the candidate, and allow the party to engage in independent expenditures. Virtually any candidate ad could be transformed into a generic party ad and funded in large part by the party.

2. The DCCC and Horsford Have Violated the Act

Based on the data available to attempt to determine who paid for what parts of the ad, the apparent allocation of Fight is not based on the benefit attributable to the state "candidates" or federal party.¹³ Accordingly, the DCCC has made, and Horsford has

 $^{^{12}}$ It is not clear whether or how this logo is licensed among the different party committees or whether this use amounts to a contribution or requires funds to be transferred. The Commission should investigate this as well to make certain that the proper separation between the committees is present.

 $^{^{13}}$ The DCCC does not seem to have disclosed the costs of the Fight ad as an independent expenditure on behalf of these three "candidates," which suggests it does not really view this as an attempt to support those candidates.



accepted, an excessive in-kind contribution in violation of 2 U.S.C. § 441a(a)(2)(A). Given that the amount in question exceeds the coordinated party expenditure limit, even if the DCCC had characterized the some of the ad as a coordinated expenditure (we have been able to find no evidence of this in the DCCC's reports), it would violate 2 U.S.C. § 441a(a).

Moreover, based on our review of the political files of stations carrying the *Fight* ad, the stations provided Horsford and the DCCC with the candidate rate for the ad. This rate, specified in 47 U.S.C. § 315, is far lower than the going commercial rate for non-candidates.¹⁴ As such, through this subterfuge, the DCCC was able to obtain rates far below what it would have had to pay for a comparable independent expenditure.

CONCLUSION

Upon information and belief, and based upon the facts presented, the DCCC and Horsford have violated the Federal Election Campaign Act.

Respectfully submitted. Jadobs Ronal Counsel to Tarkanian for/Congress

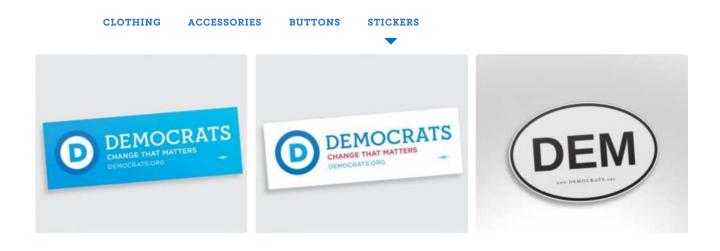
Before me this 2 day of November, 2012, appeared Ronald M. Jacobs, attorney at law, and under penalty of perjury did swear and affirm that the above and foregoing facts are true and correct to the best of his knowledge.

Dela

MICHAL HUMES BELAYNEH NOTARY PUBLIC DISTRICT OF COLUMBIA My Commission Expires June 14, 2014



¹⁴ See, e.g., Paul Blumenthal and Elise Foley, Mitt Romney Campaign Raises \$170 Million In September, Huffington Post (Oct. 15, 2012) available at <u>http://www.huffingtonpost.com/2012/10/15/mitt-romney-raises-170-million-september_n_1968162.html?utm_hp_ref=mostpopular</u> (a copy of which is attached as Exhibit 9); Feist Decl. ¶.





DCCC

Watch Our Latest Ad



Latest DCCC TV Ads >> (http://dccc.org/media)

DCCC Updates

November 1, 2012 AT 1:43 PM

The brother of Kerry Bentivolio says the #Michigan congressional candidate is "mentally unbalanced" http://t.co/wobHQ4Ls

Follow @dccc < 86.7K followers

November 1, 2012 AT 10:55 AM

Allen West's Primary Opponent 'Embarrassed' By West, Endorses Democrat Patrick Murphy http://t.co/Z176ONxy



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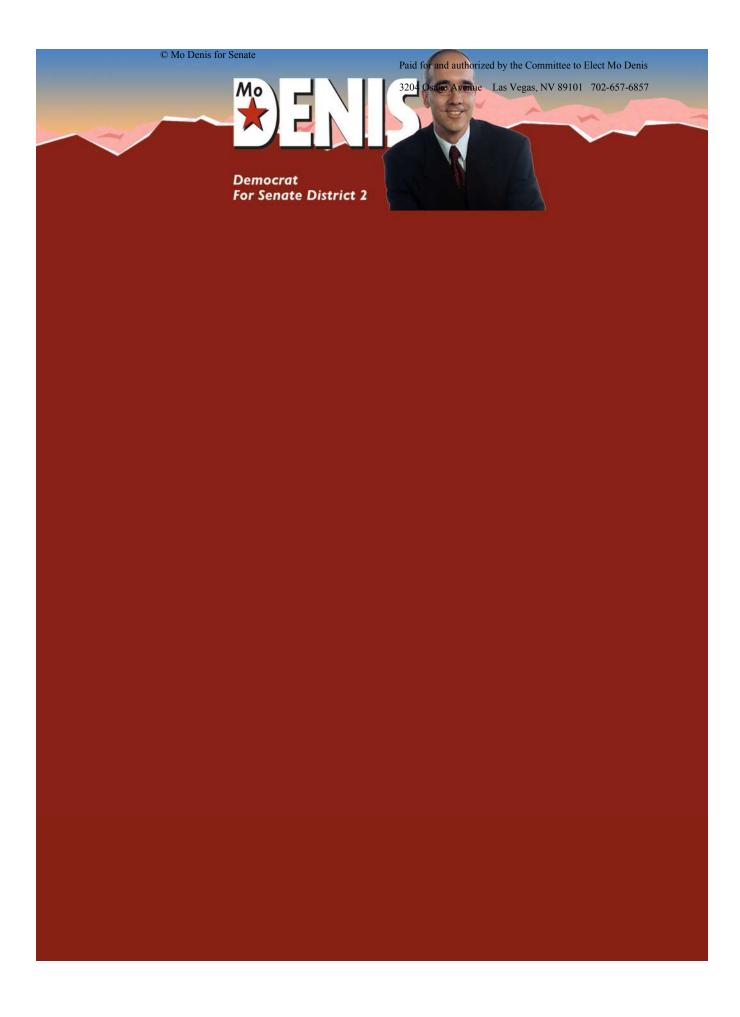
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GENERAL ELECTION CANDIDATES FOR THE NEVADA STATE LEGISLATURE -----2013 REGULAR SESSION------(as of June 27, 2012)

This roster was compiled from information contained in the lists of candidates issued by Nevada's <u>Secretary of State</u> and the Registrar of Voters in <u>Washoe County</u> following the June 12, 2012, Primary Election.

Note: This roster may be updated as necessary.

SENATE

SENATE DISTRICT	NAME	PARTY
1	Gregory Hughes Patricia Spearman	Independent American Democratic
3	Ed Gobel "Tick" Segerblom	Republican Democratic
4	Kelvin Atkinson Linda West Myers	Democratic Republican
5	Steve Kirk Joyce Woodhouse	Republican Democratic
6	Mark Hutchison Benny Yerushalmi	Republican Democratic
7	Trish Marsh David Parks	Republican Democratic
9	Justin C. Jones Mari Nakashima St. Martin	Democratic Republican
11	John Drake Aaron D. Ford	Republican Democratic
13	Kathy Martin Debbie Smith	Republican Democratic
15	Greg Brower Sheila Leslie	Republican Democratic

SENA	ΤЕ
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SENATE DISTRICT	NAME	PARTY
18	Scott T. Hammond Kelli Ross	Republican Democratic
19	Pete Goicoechea Janine Hansen Harley Z. Kulkin	Republican Independent American Democratic

ASSEMBLY DISTRICT	NAME	PARTY
1	Marilyn Kirkpatrick	Democratic
2	John Hambrick	Republican
3	Phyllis McGuire Moilanen Peggy Pierce	Republican Democratic
4	Kenneth C. Evans Michele Fiore Jonathan J. Hansen	Democratic Republican Independent American
5	Marilyn Dondero Loop Bill Harrington Jason Reeves	Democratic Republican Independent American
6	Harvey J. Munford	Democratic
7	Brent T. Leavitt Dina Neal	Republican Democratic
8	Jason Frierson Arthur D. Martinez	Democratic Republican
)	C. Kelly Hurst Andrew Martin	Republican Democratic
10	Tim Farrell Joseph Hogan	Republican Democratic
11	Olivia Diaz	Democratic
12	Bridgette Bryant James Ohrenschall	Republican Democratic
13	Paul Anderson Louis Desalvio	Republican Democratic
14	Maggie Carlton Amy L. Groves	Democratic Republican
15	Elliot Anderson Megan Heryet	Democratic Republican

ASSEMBLY

ASSEMBLY DISTRICT	NAME	PARTY
16	Ben Boarman Heidi Swank	Republican Democratic
17	Steven Brooks Len Marciano	Democratic Republican
18	Richard Carrillo	Democratic
19	Cresent Hardy Felipe Rodriguez	Republican Democratic
20	Eric Mendoza Ellen Spiegel	Republican Democratic
21	Andy Eisen Becky Harris Les McKay	Democratic Republican Independent American
22	Randy Spoor Lynn Stewart	Democratic Republican
23	Michael Joe Melissa Woodbury	Democratic Republican
24	David Bobzien Heidi Waterman	Democratic Republican
25	Pat Hickey	Republican
26	Randy Kirner Rodney R. Petzak	Republican Democratic
27	Teresa Benitez-Thompson Tom Taber*	Democratic Republican
28	Lucy Flores	Democratic
29	Anthony Blanque Bob Irwin April Mastroluca	Independent American Republican Democratic

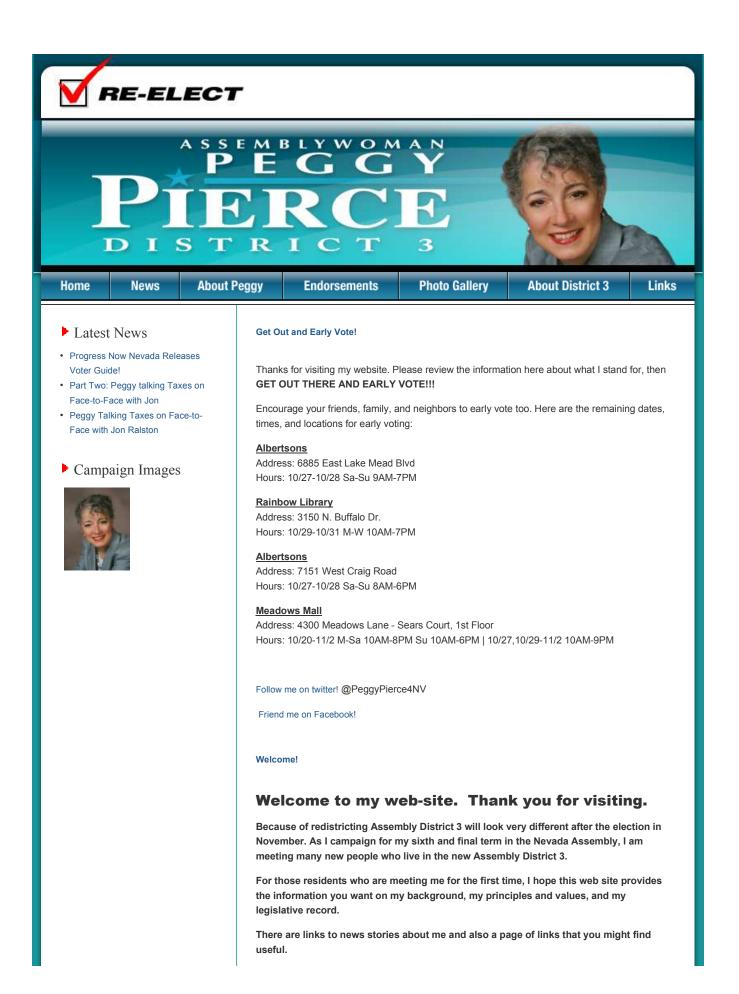
ASSEMBLY

*This candidate was nominated by the Washoe County Republican Party to fill a vacancy created when another candidate withdrew.

ASSEMBLY DISTRICT	NAME	PARTY
30	Ken Lightfoot	Republican
	Michael Sprinkle	Democratic
31	Richard "Skip" Daly	Democratic
	David Espinosa	Republican
32	Ira Hansen	Republican
33	John Ellison	Republican
34	Clark Harrington	Republican
	William C. Horne	Democratic
35	Tom Blanchard	Republican
	James W. Healey	Democratic
36	James Oscarson	Republican
	Anthony Wernicke	Democratic
37	Marcus Conklin	Democratic
	Wesley Duncan	Republican
38	Tom Grady	Republican
39	David Schumann	Independent American
	Jim Wheeler	Republican
40	Rich Dunn	Democratic
	Pete Livermore	Republican
41	Paul Aizley	Democratic
	Phil Regeski	Republican
42	Irene Bustamante Adams	Democratic
	Robert McEntee	Republican

ASSEMBLY

Compiled by: Research Division, Legislative Counsel Bureau



For my old friends, I hope you will find something you can use and maybe something new.

Please contact me at any time if you have comments or questions.

Assemblywoman Peggy Pierce

Home | News | About Peggy | Endorsements | Photo Gallery | About District 3 | Links | Contact Us

Before the Federal Election Commission

Declaration of Chris Feist

I Chris Feist, a competent adult of sound mind, hereby declare under penalty of perjury under the laws of the United States of America:

- 1. I am employed by SandlerInnocenzi, a political advertising firm that has been retained by Tarkanian for Congress ("Campaign) to provide a variety of communications services.
- 2. I specifically serve as the media buyer for the Campaign. As a media buyer, I am responsible for purchasing broadcast and cable advertising space for the Campaign.
- 3. I have been a media buyer for seven years and have extensive knowledge of the media buying industry and candidate advertising practices.
- 4. As part of my duties for the Campaign, I monitor media buys made by opposing candidates, political parties, and other groups. I do this by contacting stations and by reviewing online FCC political files for stations.
- 5. Using these resources, I have compiled a chart, attached hereto as Exhibit A, showing media buys made by the Horsford for Congress committee. This chart is accurate to the best of my knowledge, based on the information available to me. The ad buys are broken out into the various dates purchased. Each block represents a different buy. According to the information I have reviewed, the total amount paid for the Horsford ads was \$402,773.00.
- 6. Similarly, using these resources, I have compiled a chart, attached hereto as Exhibit B, showing media buys that have been labeled as "coordinated" between Horsford for Congress and the Democratic Congressional Campaign Committee. This chart is accurate to the best of my knowledge, based on the information available to me. The ad buys are broken out into the various dates purchased. Each block represents a different buy. According to the information I have reviewed, the total amount paid for these Horsford/DCCC ads was \$1,378,663.00.
- 7. Based on my calculations, the total of the Horsford/DCCC and Horsford advertising was \$1,781,436.00.
- 8. Based on the information provided to me by the stations the rate charged for the ads shown in Exhibit B and discussed in Paragraph 6 was the "candidate rate" that candidates receive for advertising. Generally, only candidates receive this rate but political parties and other political groups do not receive this rate.

- The rate stations and cable systems charge for political parties and other political groups is the market-based rate that is almost always higher than the rate charged to candidates.
- 10. Based on my experience working on political campaigns, the general public very rarely will recognize a state legislator by face, and I normally advise my clients to clearly identify such candidates by name and position sought, so that the public knows who the candidate is. I would normally advise my clients against using just a photograph.

Dated: November 1, 2012

Chris Feist

 $\mathbf{2}$

Exhibit A

Medium	Station	Cost
9/6 to 9/1	0	
Broadcast	KSNV	6,640.00
Broadcast	KTNV	6,500.00
Broadcast	KVVU	5,425.00
Broadcast	KLAS	7,645.00
Broadcast	KVCW	1,050.00
Broadcast	KVMY	2,700.00
Broadcast	KTUD	556.00

9/6 to 9/10		
Cable	Viamedia	464.00
Cable	Valley InterConn	8,976.00
Cable	Cab Ads Pahrump	236.00
Cable	Virgin/Mesquite	91.00
Cable	Nellis Airforce	302.00

9/11 to 10/1			
Broadcast	KSNV	30,165.00	
Broadcast	KTNV	33,350.00	
Broadcast	KVVU	39,735.00	
Broadcast	KLAS	37,940.00	
Broadcast	KVCW	4,000.00	
Broadcast	KVMY	10,300.00	
Broadcast	KTUD	1,855.00	

Total: \$ 30,516.00

Total: \$ 10,069.00

Total: \$157,345.00

9/14 to 9/14		
Cable	Valley InterConn	1,200.00

9/21 to 9/24			
Broadcast	KSNV	15,485.00	
Broadcast	KTNV	11,025.00	
Broadcast	KVVU	45,975.00	
Broadcast	KLAS	17,050.00	
Broadcast	KVCW	2,250.00	
Broadcast	KVMY	5,125.00	
Broadcast	KTUD	710.00	

9/21 to 9/2	24	
Cable	Valley InterConn	5,470.00

Total: \$ 1,200.00

Total: \$ 97,620.00

Total: \$ 5,470.00

10/5 to 10/11				
Cable	Viamedia	1,449.00		
Cable	Valley InterConn	43,630.00		
Cable	Virgin/Mesquite	369.00		
Cable	Nellis Airforce	802.00		
10/15 to 10/22				
Cable	Viamedia	1,153.00		
Cable	Valley InterConn	39,907.00		
Cable	Cab Ads Pahrump	338.00		
Cable	Virgin/Mesquite	370.00		
Cable	Nellis Airforce	812.00		

Medium Station Cost

Total: \$ 46,250.00

10/15 to 10/22			
Cable	Viamedia	1,153.00	
Cable	Valley InterConn	39,907.00	
Cable	Cab Ads Pahrump	338.00	
Cable	Virgin/Mesquite	370.00	
Cable	Nellis Airforce	812.00	
Cable	Cox Media NW	1,326.00	
Cable	Cox Media Central	391.00	

Total: \$ 44,297.00

10/27 to 10/30		
Cable	Viamedia	735.00
Cable	Valley InterConn	8,370.00
Cable	Cab Ads Pahrump	158.00
Cable	Virgin/Mesquite	213.00
Cable	Nellis Airforce	530.00

Total: \$ 10,006.00

Grand Total: \$402,773.00

Exhibit B

Medium	Station	Cost	_
9/26 to 10	/1 (Schedule A)		
Broadcast	KSNV	\$ 8,300.00	
Broadcast	KTNV	\$10,175.00	
Broadcast	KVVU	\$ 6,130.00	
Broadcast	KLAS	\$11,900.00	Total: \$
<u> </u>	<u> </u>		1
	/1 (Schedule B)		
Broadcast	KSNV	\$31,475.00	
Broadcast	KTNV	\$18,825.00	
Broadcast	KVVU	\$32,155.00	
Broadcast	KLAS	\$20,605.00	Total: \$
9/27 to 10	N/1		1
Cable	Viamedia	\$ 414.00	
Cable	Valley InterConn	\$11,025.00	
Cable	Cab Ads Pahrump	\$ 129.00	
Cable	Virgin/Mesquite	\$ 87.00	-
Cable	Nellis Airforce	\$ 246.00	Total: \$
			3
10/5 to 10	/11		
Broadcast	KSNV	\$44,625.00	
Broadcast	KTNV	\$39,775.00	
Broadcast	KVVU	\$48,715.00	
Broadcast	KLAS	\$56,450.00	
Broadcast	KVCW	\$ 5,475.00	
Broadcast	KVMY	\$13,125.00	
Broadcast	KTUD	\$ 1,555.00	Total: \$
10/5 to 10	N/4 4		
		<i></i>	(orignially purch
Cable	Viamedia	\$ 1,420.00	-
Cable	Valley InterConn	\$43,505.00	•
Cable	Cab Ads Pahrump	\$ 364.00	-
Cable	Virgin/Mesquite	\$ 373.00	
Cable	Nellis Airforce	\$ 804.00	Total: \$

Total: \$ 36,505.00

Total: \$ 103,060.00

Total: \$ 11,901.00

Total: \$ 209,720.00

(orignially purchased for 10/23 to 10/29; moved earlier)

Total: \$ 46,466.00

10/5 to 10/11			
Cable	Viamedia	\$	1,420.00
Cable	Valley InterConn	\$4	8,855.00
Cable	Cab Ads Pahrump	\$	364.00
Cable	Virgin/Mesquite	\$	373.00
Cable	Nellis Airforce	\$	804.00

10/8 to 10/18		
Cable	Valley InterConn	\$49,290.00

(orignially purchased for 10/23 to 10/29; moved earlier)

Total: \$ 51,816.00

Total: \$ 49,290.00

Medium	Station	Cost

10/9 to 10/14			
Cable	Viamedia	\$	1,164.00
Cable	Cab Ads Pahrump	\$	303.00
Cable	Virgin/Mesquite	\$	716.00
Cable	Nellis Airforce	\$	326.00

10/12 to 10/18			
Broadcast	KSNV	\$41,225.00	
Broadcast	KTNV	\$44,100.00	
Broadcast	KVVU	\$48,985.00	
Broadcast	KLAS	\$48,544.00	
Broadcast	KVCW	\$ 6,900.00	
Broadcast	KVMY	\$18,350.00	
Broadcast	KTUD	\$ 2,355.00	

10/16 to 10/19		
Broadcast	KSNV	\$43,150.00
Broadcast	KTNV	\$22,850.00
Broadcast	KVVU	\$54,950.00
Broadcast	KVCW	\$ 7,600.00
Broadcast	KVMY	\$14,550.00
Broadcast	KLAS	\$44,925.00

10/18 to 10/19		
Broadcast	KSNV	\$19,250.00
Broadcast	KTNV	\$11,950.00
Broadcast	KVVU	\$14,075.00
Broadcast	KLAS	\$10,525.00

10/19 to 19/20		
Broadcast	KSNV	\$ 3,500.00
Broadcast	KTNV	\$ 3,009.00
Broadcast	KVVU	\$14,075.00
Broadcast	KLAS	\$ 4,575.00

10/20 to 1	10/20 to 10/22		
Broadcast	KSNV	\$20,500.00	
Broadcast	KTNV	\$ 7,880.00	
Broadcast	KVVU	\$21,275.00	
Broadcast	KLAS	\$23,715.00	
Broadcast	KVCW	\$ 1,950.00	
Broadcast	KVMY	\$ 2,500.00	
Broadcast	KTUD	\$ 530.00	

Total: \$ 2,509.00

Total: \$ 210,459.00

Total: \$ 188,025.00

Total: \$ 55,800.00

Total: \$ 25,159.00

Total: \$ 78,350.00

Medium	Station	Cost

10/23 to 10/24		
Broadcast	KSNV	\$15,125.00
Broadcast	KTNV	\$13,067.00
Broadcast	KVVU	\$ 8,495.00
Broadcast	KLAS	\$ 8,050.00
Broadcast	KVCW	\$ 1,950.00
Broadcast	KVMY	\$ 2,500.00
Broadcast	KTUD	\$ 530.00

10/24 to 10/25		
Broadcast	KSNV	\$15,125.00
Broadcast	KTNV	\$12,900.00
Broadcast	KVVU	\$ 8,600.00
Broadcast	KLAS	\$ 8,050.00
Broadcast	KVCW	\$ 1,950.00
Broadcast	KVMY	\$ 2,500.00
Broadcast	KTUD	\$ 530.00

10/25 to 10/26			
Broadcast	KVVU	\$	16,700.00
Broadcast	KLAS	\$	8,275.00
Broadcast	KTUD	\$	265.00

10/26 to 10/30		
Broadcast	KSNV	\$34,625.00
Broadcast	KTNV	\$18,251.00
Broadcast	KVVU	\$38,150.00
Broadcast	KLAS	\$28,860.00
Broadcast	KVCW	\$ 2,200.00
Broadcast	KVMY	\$ 5,000.00
Broadcast	KTUD	\$ 760.00

10/31 to 11/1			
Broadcast	KVVU	\$20,325.00	
Broadcast	KLAS	\$28,860.00	
Broadcast	KVCW	\$ 2,200.00	
Broadcast	KVMY	\$ 5,000.00	
Broadcast	KTUD	\$ 760.00	

Total: \$ 57,145.00

Grand Total: \$ 1,378,663.00

Total:	\$	49,717.00
TUtal.	Ş	49,717.00

49,655.00

25,240.00

Total: \$ 127,846.00

Total: \$

Total: \$

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POLITICS October 31, 2012, 9:37 p.m. ET Both Parties Surprised in Race for Nevada Seat

By ALEXANDRA BERZON

Republican Danny Tarkanian's chances of representing Nevada's fourth congressional district have risen sharply, as his party has poured money into the contest in what had been viewed as a Democratic stronghold.

A Las Vegas Review-Journal poll published Tuesday showed Mr. Tarkanian leading Mr. Horsford 47% to 42%. Internal GOP polls show Mr. Tarkanian, the son of famous basketball coach Jerry Tarkanian, with a lead of as much as 10 percentage points over Democrat Steve Horsford, the state Senate majority leader.

Democrats say the race for the new seat is closer, pointing to a strong turnout in early voting, which began this week.

The race has caught both parties by surprise because the precincts in the new district, which was drawn by a state court, voted overwhelmingly for President Barack Obama in 2008.

Tarkanian, 50 years old, bills himself as a tough-on-illegal-immigration smallbusiness owner who wants to eliminate many regulations for business in order to create more jobs.

His opponent, 39-year-old Mr. Horsford, has led budget negotiations for the Democrats and pushed a law reigning in tax deductions for Nevada's mining industry. Mr. Horsford also supported Mr. Obama's health-care bill and says he wants to promote funding for infrastructure and clean-energy jobs.

Mr. Tarkanian, who failed in three earlier attempts to win public office, said he identified the district, which includes the Las Vegas region and covers about half of the state geographically, as an opportunity because of its mix of residents. In particular, he thought his message of limited government and deregulation would appeal to independents and conservative Democrats.

He also sought to exploit his pedigree: His father is beloved for leading the University of Nevada, Las Vegas to a national basketball championship. "People know my last name," Mr. Tarkanian said in a recent interview.

Officials at the National Republican Congressional Committee identified the race as an opportunity last year after they googled Mr. Horsford, who was already the clear Democratic challenger. They found media reports about a 2010 fundraising letter that offered dinner with legislators in exchange for donations, and a 2009 TV news clip showing Mr. Horsford parking in a handicapped spot. Then in March, national Republican officials gave a Nevada newspaper court documents showing Mr. Horsford had failed to pay bills on time as a young adult.

Mr. Horsford, Nevada's first African-American senate majority leader, acknowledges the incidents. Admitting he had difficulty paying bills as he worked his way through college after he got in a car accident, he said in an interview, "those events have taught me some lessons I will never ever repeat again."

In September, the NRCC began spending \$1.6 million on ads that depicted Mr. Horsford as unethical and irresponsible. Outside groups kicked in another \$1 million. The NRCC chose Mr. Tarkanian as one of the party's Young Guns, a designation that qualified him for additional fundraising and campaign support.

In contrast, the Democratic Congressional Campaign Committee was "overconfident in Steven," said Billy Vassiliadis, one of Mr. Horsford's unpaid advisers. "They got a wake-up call a couple of weeks ago when an internal poll showed that the base Democratic core vote and people who were voting for Obama were unfamiliar with Steven," he said.

Jesse Ferguson, a spokesman for the DCCC, said the committee kicked in about \$700,000 in late September for joint advertising with the Horsford campaign. Until recently, the DCCC's Nevada independent expenditures—around \$1.8 million—have only gone to support a race in another district.

The DCCC said last week it had begun independent spending in the Horsford race, buying negative ads against Mr. Tarkanian. The party may spend some of roughly \$900,000 inadditional airtime in Las Vegas on Mr. Horsford's campaign. The Democrat has also been supported by unions and other outside groups.

Some of the outside funding and DCCC funds have been used to highlight Mr. Horsford's Democratic Party roots, as well as accuse Mr. Tarkanian of holding extreme positions.

The Democrats are also seeking to highlight a court order requiring Mr. Tarkanian and his family to pay \$17 million to the Federal Deposit Insurance Corp. related to a failed real-estate deal. Mr. Tarkanian said he was defrauded and is challenging the judgment.

Dave Damore, a political-science professor at UNLV, said Mr. Horsford still could eke out victory, considering the district's demographics and party affiliation. "But he's going to need a lot of support," he said.

Write to Alexandra Berzon at <u>alexandra.berzon@wsj.com</u>

A version of this article appeared November 1, 2012, on page A12 in the U.S. edition of The Wall Street Journal, with the headline: Both Parties Surprised In Race for Nevada Seat.

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Mitt Romney Campaign Raises \$170 Million In September

Posted: 10/15/2012 4:44 pm Updated: 10/15/2012 4:58 pm

WASHINGTON -- The Romney campaign raised \$170 million in September and now has more than \$191 million in cash on hand, it reported on Monday, putting it in a solid position for spending in the final weeks leading up to the election.

The New York Times <u>first reported</u> the fundraising figure, which the Romney campaign revealed in an email to top donors and fundraisers. In that email, the campaign asked donors to help them bring in even more this month, the Times reported.

September was a somewhat difficult month for Republican presidential nominee Mitt Romney, who lagged behind President Barack Obama in polling and came under fire for a secretly recorded video of the candidate <u>claiming 47 percent of Americans are dependent</u> on government.

But Romney has since seen a bump in the polls after an Oct. 3 debate that he is widely considered to have won. Now, he hopes to use additional dollars to stay ahead in key swing states, such as Ohio and Pennsylvania, the Times reported. According to <u>a tweet posted</u> by <u>Romney spokeswoman Andrea Saul</u>, Romney's post-debate boost helped the campaign pull in an additional \$27 million in small online donations in the first two weeks of October.

The September haul, however mighty, is still slightly behind the \$181 million raised by the Obama campaign and its affiliated organizations, including the Democratic National Committee and Obama Victory Fund. The Obama campaign, however, has not released a cash on hand figure for the end of September.

The full breakdown of how the two campaigns raised the September cash will be revealed on Oct. 20, when disclosures are filed with the Federal Election Commission. The details of which committee connected to the candidate raised the most money will determine how much of these funds will be under the direct control of the candidates during the home stretch.

Throughout the campaign, Obama has raised most of his money for his own campaign committee, while Romney has raised more money for the Republican National Committee than for his campaign. The RNC and other state parties receiving contributions from Romney Victory have restrictions on how funds can be spent. The RNC, for example, can only spend roughly \$22 million on full coordination with the candidate. After that, it can help pay for ground game operations, mailers, staff salaries, calls and other items. It can also run independent expenditure media campaigns, but those ads cost more than those booked by the campaign and can't be coordinated with the candidate. The RNC can also run so-called "hybrid" ads, which advocate for Romney as part of a slate of candidates. Those ads, however, tend to be less effective from a messaging standpoint.

There are signals that Romney's September haul may flow more heavily to his own campaign than in previous months. The campaign states that it raised \$43.15 million from donors giving less than \$250. While that does not completely correspond with the definition of small donor used by the FEC and campaign finance observers -- which would be contributions under \$200 -- it hints at a marked improvement in an area where the Romney team has struggled.

-- Sam Stein contributed reporting.