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SPECIAL MOTION TO STRIKE

#### TO THE HONORABLE COURT, PLAINTIFF AND COUNSEL:

PLEASE TAKE NOTICE that on April 30, 2018, at 8:30 a.m. or as soon thereafter as counsel may be heard in Department 62 of the Los Angeles County Superior Court, the Hon. Michael L. Stern, presiding, located at 111 North Hill Street, Los Angeles, California 90012, defendant American Media, Inc. ("AMI") will and hereby does move this Court for an order, pursuant to California Code of Civil Procedure § 425.16 ("Section 425.16" or the "anti-SLAPP! statute"), striking and dismissing, in whole or, alternatively, in part, the Complaint and its sole cause of action for declaratory relief filed by plaintiff Karen McDougal ("McDougal") with prejudice and without leave to amend. McDougal's cause of action for declaratory relief under Code of Civil Procedure § 1060 falls within the scope of Section 425.16(e), and, as such, the burden shifts to McDougal to establish, with admissible evidence, a probability that she will prevail on her cause of action, and all parts thereof. C.C.P. § 425.16(b)(1). McDougal cannot satisfy her burden. AMI therefore requests that the Court strike and dismiss, with prejudice and without leave to amend, McDougal's cause of action for declaratory relief, or, alternatively, portions thereof, for the following separate and independent reasons:

- There was no "fraud in the execution" of the agreement between McDougal and AMI;
- McDougal ratified the agreement between herself and AMI;
- McDougal waived any claim of fraud associated with the agreement between herself and AMI;
- The agreement between McDougal and AMI is not illegal for the following separate and independent reasons:
  - o The First Amendment protects AMI's editorial discretion;
  - The First Amendment protects AMI's newsgathering conduct;

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<sup>&</sup>lt;sup>1</sup> SLAPP is an acronym for "strategic lawsuit against public participation." *Equilon Enters. v. Consumer Cause, Inc.*, 29 Cal. 4th 53, 57 (2002).

<sup>&</sup>lt;sup>2</sup> McDougal may not amend her complaint in the face of this anti-SLAPP motion. See, e.g., Hansen v. Calif. Dep't of Corrections and Rehab., 171 Cal. App. 4th 1537, 1547 (2008).

<sup>&</sup>lt;sup>3</sup> The Court may strike parts of a complaint pursuant to the anti-SLAPP statute. *Baral v. Schnitt*, 1 Cal. 5th 376, 385-392 (2016)

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- The agreement between McDougal and AMI does not violate the Federal Election Campaign Act ("FECA");
- Alternatively, 52 U.S.C. § 30118(a), and other relevant FECA provisions and related regulations, are unconstitutionally vague and overbroad facially and as applied to the press activities at issue here; and
- · The agreement between McDougal and AMI is not against public policy.

This Motion is based on: this Notice; the attached Memorandum of Points and Authorities; the attached Declaration of Kevin L. Vick with Exhibits 1 - 8; the attached Declaration of Dylan Howard with Exhibits 9 - 11; the attached Declaration of Lee E. Goodman with Exhibits 12 - 18; the concurrently-lodged Exhibit 1; the concurrently-filed Notice of Lodging of Exhibit 1; all related pleadings and documents on file; and such further evidence or argument as may be presented at the hearing on this Motion.

AMI also reserves the right to request that the Court enter an award of attorneys' fees and costs pursuant to Code of Civil Procedure § 425.16(c).4

DATED: April 2, 2018

JASSY VICK CAROLAN LLP JEAN-PAUL JASSY KEVIN L. VICK

WILEY REIN LLP LEE E. GOODMAN ANDREW WOODSON

AMERICAN MEDIA, INC. CAMERON STRACHER

JEAN PAUL JASSY

Counsel for Defendant American Media, Inc.

<sup>&</sup>lt;sup>4</sup> If this Motion, or any part thereof, is granted, AMI intends to file a noticed motion to recover attorneys' fees and costs and/or a costs memorandum. C.C.P. § 425.16(c); *American Humane Ass'n v. Los Angeles Times Communications LLC*, 92 Cal. App. 4th 1095, 1103 (2001).

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#### I. INTRODUCTION

It was "the best of all worlds." It was a "win-win for me." Those are Karen McDougal's words. That is how she felt when she accepted AMI's offer to pay her a substantial amount of money to write articles, boost her image as a health and fitness personality, and sell an exclusive "story right" with the understanding that AMI had the right to exercise its editorial discretion *not* to publish the story. Later, Ms. McDougal sought clarification of the exclusive story right. AMI and Ms. McDougal amended their agreement to make it clear she could answer press inquiries, and Ms. McDougal "ratified and confirmed" her original agreement with the aid of her new counsel at Gibson Dunn. AMI proceeded to publish 25 of Ms. McDougal's articles, placed her on the cover of "Muscle & Fitness Hers," and featured her across its publications.

Over a year later, represented by her third lawyer, Ms. McDougal sucd AMI, claiming that her contract was void in part because it prohibits her from talking to the press. It does not. Two days after filling this lawsuit, she did a one-hour interview with CNN where she vividly detailed her alleged affair with President Trump and bashed AMI before millions of viewers. Near the interview's end, Ms. McDougal voiced satisfaction that, "now, people know my truth."

Despite the Gibson Dunn-negotiated contract amendment, the CNN interview, and comments in a *New Yorker* article, Ms. McDougal now claims that the prior sale of her story right "censors" her. In reality, it is Ms. McDougal's lawsuit that targets *AMI's* First Amendment rights by advancing the novel and radical proposition that once a media company has a story about a candidate, it *must* publish that story or else be in violation of election law. She also contends that AMI was legally obligated to publish more articles than the 25 published so far. The contract she signed on the advice of two sets of lawyers, however, is to the contrary, while the First Amendment protects a publisher's editorial right to decide when, where, how, and whether to publish. Finally, Ms. McDougal claims that the "win-win" agreement she signed and profited from is now against public policy. It is not.

Because Ms. McDougal's suit targets AMI's conduct in furtherance of speech rights in connection with issues of public interest, it is subject to this motion under C.C.P. § 425.16 ("Section

425.16" or the "anti-SLAPP statute"). McDougal cannot satisfy her burden of establishing a probability of success, and this motion should be granted in full.

#### II. SUMMARY OF PERTINENT FACTS

In August 2016, Ms. McDougal, a former *Playboy* Playmate of the Year and model, was excited to sign what she describes as a "win-win" agreement with news publisher AMI (the "Agreement"). Ex. 1 at 38:50. McDougal alleges she was told by her lawyer, Keith Davidson, before signing the Agreement, that AMI "would buy the story *not* to publish it," which would, as McDougal puts it, "give her the best of all worlds—her private story Jabout her alleged affair with President Trump] could stay private, she could make some money, *and* she could revitalize her career." Compl., • 47 (emphasis in original). The Agreement, among other provisions, gives AMI the right and discretion, but not the obligation, to publish articles by McDougal, and also gives AMI exclusive story rights to "any relationship she has ever had with a then-married man." Compl., Ex. A at §§ 1, 3, 5-7, 9, 15. McDougal signed the Agreement, accepted \$150,000 from AMI, and then wrote 19 bylined articles, was featured in another 6 articles, and was on the cover of a magazine across four separate AMI publications. Compl., Ex. A; Howard Decl., ¶ 2-4; Exs. 9 - 11.

A few months later, McDougal fired Davidson, and, with the help of new lawyers at Gibson Dunn, she negotiated an amendment to the Agreement (the "Amendment"). Complaint, ¶¶ 18-19, 62-64. The Amendment stated that McDougal could freely respond to "legitimate press inquiries" regarding her alleged affair with President Trump, and it expressly "ratified and confirmed" "all of the other terms and conditions of the Agreement." *Id.*, Ex. B at 1. Shortly thereafter, McDougal provided extensive comments to the *New Yorker* about her agreement with AMI and her relationship with President Trump. *See* https://goo.gl/cDZ1C3.

On March 20, 2018, McDougal sued AMI seeking a declaratory judgment that the Agreement was void *ab initio*. Two days later, she appeared in a lengthy interview with CNN's Anderson Cooper discussing, in detail, her alleged affair with President Trump, AMI and the

<sup>&</sup>lt;sup>5</sup> AMI accepts McDougal's allegations of her subjective perception of AMI's editorial objectives for purposes of this motion, but does not necessarily concede the accuracy of her allegations.

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Agreement. Exs. 1, 2. She explained her hope that AMI would exercise its editorial right to "squash" the story of her alleged affair, and called that possibility a "win-win for me," as she would be "happy" to see the story "killed." Ex. 1 at 38:50-39:15. Near the end of the interview, McDougal said: "now, people know my truth." *Id.* at 51:55.

#### THE ANTI-SLAPP STATUTE APPLIES TO McDOUGAL'S SOLE CLAIM

#### A. The Anti-SLAPP Statute Is Construed Broadly

The anti-SLAPP statute was enacted to check "a disturbing increase in lawsuits brought primarily to chill the valid exercise of the constitutional right of freedom of speech and petition," and it "shall be construed broadly." C.C.P. § 425.16(a). Declaratory relief suits are subject to anti-SLAPP motions. South Sutter I.J.C v. I.J. Sutter Partners, I.P., 193 Cal. App. 4th 634, 665 (2011). "Resolution of an anti-SLAPP motion involves two steps." Baral v. Schnitt, 1 Cal. 5th 376, 384 (2016); C.C.P. § 425.16(b)(1). First, "the defendant must establish that the challenged claim arises from activity protected by Section 425.16(e),  $RL^6$  Second, "[i]I the defendant makes the required showing, the burden shifts" in the second step "to the plaintiff to demonstrate the merit of the claim. by establishing a probability of success," id., and, if this burden is not satisfied, then the claim must be stricken in whole or in part, id. at 385-392.

#### B. AMI Satisfies The First Step In The Anti-SLAPP Analysis

A defendant need only show that its alleged conduct "underlying the plaintiff's cause of action fits one of the four categories spelled out in section 425.16, subdivision (c)." Navellier v. Sletten, 29 Cal. 4th 82, 88 (2002) (emphasis added). McDougal's claim falls within two categories.

#### 1. McDougal's Claim Falls Within Section 425.16(e)(4)

Section 425,16(e)(4) "provides a catch-all for 'any other conduct in furtherance of" speech or petition rights in connection with issues of public interest. Lieberman v. KCOP Television, Inc., 110 Cal. App. 4th 156, 164 (2003) (emphasis in original). The *Lieberman* court concluded that

<sup>&</sup>lt;sup>6</sup> Section 425.16(e) protects: "(2) any ... writing made in connection with an issue under consideration or review by a ... judicial body... or (4) any other conduct in furtherance of the exercise of the constitutional right of petition or the constitutional right of free speech in connection with a public issue or an issue of public interest." C.C.P. § 425.16(c).

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newsgathering qualifies for protection under Section 425.16(c)(4) even where the plaintiff alleges that the newsgathering technique was unlawful. *Id.* at 165-166 (applying Section 425.16(c)(4) to claim for alleged violation of Penal Code § 632 for undercover recordings by a news reporter).

McDougal's sole cause of action for declaratory relief arises from: AMI's acquisition of exclusive story rights about an alleged affair with President Trump; AMI's purported editorial decision not to publish more of McDougal's articles; AMI's editorial decision not to report on her alleged affair with Trump; and AMI's alleged legal threats to McDougal to comply with the contract she signed and later "ratified and confirmed" with the assistance of her new counsel. Compl., ¶ 97-110. All of the foregoing targets AMI's purported "conduct in furtherance of" constitutional free speech and free press rights. C.C.P. § 425.16(e)(4). First, AMI's acquisition of McDougal's agreement to write and appear in articles and provide exclusive story rights is newsgathering, which squarely satisfies the first step in the Section 425.16(e)(4) analysis under Lieberman, 110 Cal. App. 4th at 164-166. Second, AMI has a constitutional and contractual right to exercise its editorial discretion not to publish McDougal's articles or her personal story. Miami Herald Pub. Co. v. Tornillo, 418 U.S. 241, 256-258 (1974) (holding that newspapers have a First Amendment right not to publish); Compl., Ex. A at §§ 1, 5, 6, 9 (affording AMI the discretionary right to publish McDougal's articles and story). Third, AMI's purported "threats of legal action" to enforce the Agreement, Compl., ¶ 101, arise from AMFs alleged speech. Briggs v. Eden Council, 19 Cal. 4th 1106, 1115 (1999) ("communications preparatory to or in anticipation of the bringing of an action or other official proceeding are ... entitled to the benefits of section 425.16").

McDougal cannot dispute that all of the foregoing involved matters of public interest.

"[A]n issue of public interest" within the meaning of Section 425.16(e) "is any issue in which the public is interested." Nygård. Inc. v. Uusi-Kerttula, 159 Cal. App. 4th 1027, 1042 (2008).

McDougal insists throughout her Complaint that her story about Trump, her articles and AMI's conduct are all matters of public interest. Compl., "¶ 21, 33, 37, 42-45, 47, 49, 53, 61, 63, 81, 88-95, 99-106, 109. Additionally, there is a public interest in persons, such as McDougal and President Trump, who are "in the public eye." Jackson v. Mayweather, 10 Cal. App. 5th 1240, 1252-55 (2017). President Trump has been in the public eye for decades. Makaeff v. Trump Univ., LLC, 715

F.3d 254, 258 (9th Cir. 2013). The same holds true for McDougal, who was *Playboy* Playmate of the Year in 1998, and a successful fitness model, appearing in "numerous magazines." Compl., ¶ 6-7, 28-29; see also Nadel v. Regents of the Univ. of Calif., 28 Cal. App. 4th 1251, 1270 (1994) (plaintiff can reveal herself to be "a person ... in the public eye" by virtue of allegations in her complaint). The declaratory relief claim falls within the ambit of Section 425.16(c)(4).

#### 2. McDougal's Claim Also Falls Within Section 425.16(e)(2)

The declaratory relief claim also falls within the ambit of Section 425.16(e)(2) to the extent it is based on AMP's alleged threats of legal action, which she asserts underpin, at least in part, the controversy requiring judicial resolution. Compl., ¶¶ 88, 101, 109; *Briggs*, 19 Cal. 4th at 1115.

#### IV. McDOUGAL CANNOT ESTABLISH A PROBABILITY OF PREVAILING

Because AMI satisfies the first step of the anti-SLAPP analysis, the burden shifts to McDougal to establish a probability of prevailing on her claim. *Baral*, 1 Cal. 5th at 384; C.C.P. § 425.16(b)(1). For McDougal, "the mere existence of a controversy is insufficient to overcome an anti-SLAPP motion against a claim for declaratory relief," rather, she "must introduce substantial evidence that would support a judgment of relief made in [her] favor." *South Sutter*, 193 Cal. App. 4th at 670. "[T]he court must consider ... whether there are any constitutional or non-constitutional defenses to the pleaded claims and, if so, whether there is evidence to negate those defenses." *Ramona Unif. Sch. Dist. v. Tsiknas*, 135 Cal. App. 4th 510, 519 (2005). McDougal alleges that the Agreement was void *ab initio* for three reasons. Compl., ¶¶ 99-106. She is wrong on all fronts, and cannot satisfy her burden in the second step of the anti-SLAPP analysis.

#### A. There Was No Fraud In The Execution, And McDougal Ratified The Contract

McDougal alleges "fraud in the execution" of the Agreement only because she now claims she thought – contrary to the language of the contract – that AMI "would be obligated to run more than a hundred columns in her name" within a two-year period. Compl., ¶ 99. Nothing in the Agreement "obligates" AMI to run *uny*, let alone over 100, of McDougal's articles. Ex. A.<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> Under the express terms of the Agreement, which included an integration clause and a waiver of the ability to rescind, AMI had the "right" (not the obligation) to run McDougal's articles, her articles are AMI's "work[s]-for-hire," and "[a]II decisions whatsoever, whether of a creative or

#### 1. McDougal Had Two Opportunities To Review And Ratify The Agreement

A "necessary element" of "fraud in the execution is reasonable reliance," and "[g]enerally, it is not reasonable to fail to read a contract." Desert Outdoor Advertising v. Super. Ct., 196 Cal. App. 4th 866, 873 (2011) (emphasis in original; internal quotation marks omitted). A contract will not be considered void due to "fraud in the execution" "if the plaintiff had a reasonable opportunity to discover the true terms of the contract," and the "contract is only considered void when the plaintiff's failure to discover the true nature of the document executed was without negligence on the plaintiff's part." Rosencrans v. Dover Images, Ltd., 192 Cal. App. 4th 1072, 1080 (2011) (internal quotation marks removed). In Rosencrans, the plaintiff sought to void a release after suffering severe injuries at a motocross track. Id. at 1077. The court found no fraud in the execution even though the plaintiff presented evidence that: the defendant told him to "sign this" and said the release was just a "sign-in sheet"; plaintiff "did not know he was signing a release"; and plaintiff "was not given adequate time to read or understand" the release which he signed within "10 seconds" as he sat in his truck with around "10 cars in line behind" him. Id. at 1077-80.

Here, McDougal had "a reasonable opportunity" to "discover the true terms of the contract" twice. Id. First, she alleges that she took at least a day and a night to review the three page Agreement, she communicated with her lawyer, Keith Davidson, who told her "WE CAN DISCUSS ANYTIME," and she tead it sufficiently carefully to "raise[] several concerns" about specific terms. Compl., ¶ 48-55 (capitalization in original). McDougal's Complaint alleges a greater opportunity to understand the Agreement than the plaintiff had in Rosencrans where the court found no fraud in the execution. McDougal blames alleged pressure from Davidson and AMI for her purported lack of understanding; but claims that, not long after signing the Agreement, she realized the Agreement did not obligate AMI to run her articles, whereupon she fired Davidson.9

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business nature," regarding the rights granted by McDougal were to be made in AMI's "sole discretion." Compl., Ex. A at §§ 1, 5, 6, 9, 14, 15.

<sup>8</sup> Accord Vulcan Power Co. v. Munson, 932 N.Y.S.2d 68, 69-70 (N.Y. Sup. Ct. App. Div. 2011).

<sup>9</sup> The Washington Post reports that, after McDougal's Complaint was filed, Davidson asserted that he "fulfilled his obligations and zealously advocated for Ms. McDougal to accomplish her stated goals at that time." See goo.gl/cEIJxB7.

Id., ¶º 16-18, 55-62. 16

McDougal's second opportunity to discover the true terms of the contract came when she hired "renowned" attorney Ted Boutrous of Gibson Dunn to negotiate an amendment to the Agreement. *Id.*, ¶§ 18-19, 62-64. In addition to stating that McDougal could freely respond to "legitimate press inquiries" regarding President Trump, the Amendment that Boutrous helped McDougal obtain *expressly* "ratified and confirmed" "all of the other terms and conditions of the Agreement," Compl., Ex. B at 1, which includes *all* of the provisions that give AMI the "right" to decide, in its "sole discretion," whether to publish McDougal's articles, as well as the contract's integration clause, *id.*, Ex. A at §§ 1, 5, 6, 9, 14, 15.

#### 2. McDougal Waived Any Fraud By Accepting The Agreement's Benefits

The Agreement also was ratified for the independent reason that McDougal kept the \$150,000 and continued to prepare articles for AMI even after she had knowledge of what she now calls "fraud in the execution." Howard Decl., ¶ 2-4; Exs. 9-11. Civ. C. § 1589 ("acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting"); *LeClerq v. Michael*, 88 Cal. App. 2d 700, 702 (1948) ("|i|f a person retains the benefits of a contract and continues to treat it as binding he will be deemed to have waived any fraud and to have elected to affirm the contract"). 11

#### B. The Agreement Is Not Illegal

#### 1. The First Amendment Protects AMI's Discretion Not To Publish

If AMI had exercised its editorial discretion to publish McDougal's story, she would have no argument that such publication was an illegal in-kind campaign contribution. But editors also have a First Amendment right *not* to publish, and cannot be punished for exercising that right.

<sup>10</sup> At that point, McDougal was at least on inquiry notice of the purported fraud. Kline v. Turner, 87

Cal. App. 4th 1369, 1374 (2001) (inquiry notice of alleged fraud begins when there is "notice or information of circumstances to put a reasonable person on inquiry, or has the opportunity to obtain knowledge from sources open to [her] investigation"). McDougal or her new attorneys simply had to re-read the Agreement, the terms of which are clear.

<sup>&</sup>lt;sup>11</sup> Accord Banque Arabe Et Int'l v. Maryland Nat. Bank, 850 F. Supp. 1199, 1212-1213 (S.D.N.Y. 1994) (acceptance of contract after inquiry notice of alteged fraud is ratification).

 The key case is *Miami Herald Pub. Co. v. Tornillo*, 418 U.S. 241 (1974). In *Miami Herald*, the U.S. Supreme Court struck down a "right of reply" statute, with first-degree misdemeanor penalties for its violation, that required newspapers to provide a political candidate with equal space to answer criticism in the newspaper. *Id.* at 244. The Court held that the "statute exacts a penalty on the basis of content" as it "operates as a command in the same sense as a statute or regulation forbidding [the newspaper] to publish specified matter." *Id.* at 256. It dismissed potential skeptics of its holding, noting that "Governmental restraint on publishing need not fall into familiar or traditional patterns to be subject to constitutional limitations on governmental powers." *Id.* 

The First Amendment-based right of editorial discretion was already well-established by the time the *Miami Herald* case reached the Supreme Court. Against this backdrop, the *Miami Herald* court held the "clear implication has been that any such compulsion to publish that which 'reason' tells [the newspapers] should not be published is unconstitutional." 418 U.S. at 256. The high court concluded by reaffirming the well-established constitutional principle that editorial judgment for the content of newspapers should be left to editors and not the courts:

A newspaper [or magazine] is more than a passive receptacle or conduit for news, comment, and advertising. The choice of material to go into a newspaper, and the decisions made as to limitations on the size and content of the paper, and treatment of public issues and public officials—whether fair or unfair—constitute the exercise of editorial control and judgment. It has yet to be demonstrated how governmental regulation of this crucial process can be exercised consistent with First Amendment guarantees of a free press as they have evolved to this time.

418 U.S. at 258.<sup>13</sup> AMI has been well within its rights *not* to publish the McDougal-Trump story yet, and its decision to withhold publication cannot give rise to liability under the First Amendment.<sup>14</sup>

<sup>&</sup>lt;sup>12</sup> See id. at 254-255 (citing Associated Press v. United States, 326 U.S. 1, 20 n. 18 (1945) (district court did "not compel AP or its members to permit publication of anything which their 'reason' tells them should not be published"), Branzburg v. Hayes, 408 U.S. 665, 681 (1972) (emphasizing that cases before the court "involve[d] ... no express or implied command that the press publish what it prefers to withhold"), Pittsburgh Press Co. v. Human Relations Comm'n, 413 U.S. 376, 391 (1973) ("we affirm unequivocally the protection afforded to editorial judgment")).

<sup>&</sup>lt;sup>13</sup> Our Supreme Court also recognizes that a "publisher enjoys" a "total control over the content of the newspaper as a private publisher." Bailey v. Loggins, 32 Cal. 3d 907, 918-919 (1982) (emphasis added); see also Blatty v. New York Times Co., 42 Cal. 3d 1033, 1042-1049 (1986) (decision not to include book on a best-seller list was protected by the First Amendment); Eisenberg v. Alameda Newspapers, Inc., 74 Cal. App. 4th 1359, 1391 (1999) ("the courts have long held that the right to

#### 2. The First Amendment Also Protects AMP's Newsgathering

Just as the decision *not* to publish McDougal's story is squarely protected by the First Amendment and cannot serve as the basis for liability, the two alleged predicate newsgathering acts (making an inquiry to President Trump's representative and purchasing McDougal's exclusive story rights along with other services from McDougal) also enjoy protection under the First Amendment, and cannot support McDougal's claim that anything AMI did was illegal under federal election law.

Newsgathering enjoys protection under the First Amendment. In *Branzburg*, 408 U.S. at 681, the court held that "without some protection for seeking out the news, freedom of the press could be eviscerated." In *Houchins v. KQED, Inc.*, 438 U.S. 1 (1978), the court held that there is an "undoubted right to gather news 'from any source by means within the law[.]" Id. at 11 (emphasis added; quoting *Branzburg*, 408 U.S. at 681). All of AMI's alleged conduct is newsgathering "within the law," and therefore constitutionally protected.

First, press entities routinely solicit comment from the subjects of stories. *Gonzalez v. Morse*, 2017 WL 4539262 (E.D. Cal. Oct. 11, 2017), at \*2 (reporter's questions to politician protected under the First Amendment). Thus, even if AMI had reached out to President Trump's representatives, there would have been nothing sinister about seeking comment concerning McDougal's story – a story that the White House denies is true.<sup>15</sup>

Second, paying sources and buying exclusive story rights is routine and has been for a long time. In 1912, the *New York Times* paid \$1,000 to a survivor of the Titanic for his exclusive account. Ex. 3.<sup>16</sup> The *New York Times* also allegedly paid Charles Lindbergh \$5,000 for the story

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control the content of a privately published newspaper rests entirely with the newspaper's publisher. The First Amendment protects the newspaper itself, and grants it a virtually unfettered right to choose what to print and what not to") (emphasis removed); accord Passaic Daily News v. N.L.R.B., 736 F.2d 1543, 1557 (D.C. Cir. 1984) ("newspapers have absolute discretion to determine the contents of their newspapers") (emphasis added).

<sup>&</sup>lt;sup>14</sup> Similarly, the First Circuit ruled that forcing a group to publish information it disagrees with as a mechanism for defining "contribution" is "obnoxious" and "abhorrent" to the First Amendment and "unquestionably" unconstitutional. *Clifton v. FEC*, 114 F.3d 1309, 1313-1314 (1st Cir. 1997).

<sup>&</sup>lt;sup>15</sup> Seeking comment can help avoid defamation liability. *Newton v. NBC*, 930 F.2d 662, 686 (9th Cir. 1990) (attempts to interview plaintiff dispel accusation of actual malice).

<sup>&</sup>lt;sup>16</sup> Jeremy W. Peters, "Paying for News? It's Nothing New," New York Times, Aug. 6, 2011.

of his famous trans-Atlantic flight. Ex. 4.<sup>17</sup> In 1970, *Esquire* magazine paid Lt. William L. Calley of My Lai massacre infamy for a confessional interview. Ex. 3. Journalist David Frost paid former President Nixon \$600,000 in 1976 for the right to exclusive interviews, which shed new light on Watergate. Ex. 5.<sup>18</sup> In 1998, publisher Larry Flynt offered \$1 million for information regarding politicians who had engaged in extramarital affairs, which eventually led to the resignation of then House Speaker-Designate Bob Livingston. *Id.*, Ex. 6.<sup>19</sup> Some commentators, including ones writing in the *Columbia Journalism Review* and the *New York Times*, defend the practice of paying sources and highlight its ubiquity. *See, e.g.*, Exs. 5, 7.<sup>26</sup>

Third, media entities routinely decide not to run stories for all sorts of reasons—e.g., the story is not sufficiently well-founded, not yet finished, not "on the record," not newsworthy, or out of step with the publication's editorial stance. The First Amendment squarely bars any intrusion into those decisions. *Miami Herald*, 418 U.S. at 256-58. If McDougal's position were the law, First Amendment jurisprudence would get turned on its head. For example, if a publisher paid for a story about a candidate but ultimately had serious doubts about the story's veracity, then McDougal's rule would put the publisher in an intractable dilemma: publish the story and expose the publisher to a defamation claim brought by the candidate, or decide not to publish and stand accused of making an illegal in-kind contribution. Also, under McDougal's rule, once a media

<sup>&</sup>lt;sup>17</sup> Jack Shafer, "Why Not Pay Sources?," State, April 29, 2010.

<sup>&</sup>lt;sup>18</sup> Kelly McBride, New York Times opn., "When It's O.K. to Pay for a Story," June 9, 2015. Former Presidents Eisenhower and Johnson also received payments for interviews. *Id.* 

<sup>&</sup>lt;sup>19</sup> Kelly Heyboer, "Paying For It," *American Journalism Review*, April 1999. *See also* John Cook, "Pay Up: Sources have their agendas. Why can't money be one?," *Columbia Journalism Review*, May/June 2011.

<sup>&</sup>lt;sup>20</sup> Although some may frown on the practice of paying sources, such cthical questions are not the province of the courts: a "responsible press is an undoubtedly desirable goal, but press responsibility is not mandated by the Constitution and like many other virtues it cannot be legislated," *Miami Herald*, 418 U.S. at 256; *McCoy v. Hearst Corp.*, 42 Cal. 3d 835, 858 (1986) (same); see also Savage v. Pacific Gas & Elec. Co., 21 Cal. App. 4th 434, 445 (1993) (declining to wade into differing opinions about journalistic ethics).

<sup>&</sup>lt;sup>21</sup> See Jack Shafer, "Why Did NBC News Sit On The Trump Tape For So Long?," *Politico*, Oct. 10, 2016; Howard Kurtz, "Newsweek's Melted Scoop," *Washington Post*, Jan. 22, 1998 at C1 (explaining *Newsweek*'s decision not to run Lewinsky story concerning President Clinton).

<sup>&</sup>lt;sup>22</sup> See St. Amant v. Thompson, 390 U.S. 727, 731 (1968) (actual malice can be shown with "sufficient evidence" that a publisher "entertained serious doubts as to the truth of his publication").

entity "coordinates" with a candidate by making a routine inquiry about the veracity of a story, the publisher faces a Hobson's choice: either publish, or stand accused of making an illegal in-kind contribution.

Fourth, even assuming AMI's editorial decision not to run the McDougal story was animated by a desire to support the candidacy of Donald Trump, and did benefit him—which AMI does not concede—it is routine and constitutionally protected for the media to express a political view. *Mitami Herald*, 418 U.S. at 255 (newspapers have a right to advance their political views). In *Pacific Gas & Elec. Co. v. Public Util. Comm'n*, 475 U.S. 1, 12-13 (1986), the high court struck down an order requiring a utility company to send customers third party materials critical of the utility's views. Relying extensively on *Mitami Herald*, the plurality explained that, "[w]ere the government freely able to compel corporate speakers to propound political messages with which they disagree, this protection [for speech] would be empty, for the government could require speakers to affirm in one breath that which they deny in the next." *Id.* at 16. News publishers have helped and hurt politicians from time immemorial. Leading periodicals often endorse and excoriate individual candidates. For example, in 2016, among the 100 largest U.S. newspapers, 57 newspapers endorsed Hillary Clinton, while only two endorsed Donald Trump. Ex. 8.

#### 3. The Agreement Does Not Violate The Federal Election Campaign Act

McDougal's allegation that the Agreement is illegal under the Federal Election Campaign Act ("FECA") is wrong as a matter of law because the FECA does not regulate the press. The FECA prohibits corporations from making a "contribution" to a federal candidate, 52 U.S.C. § 30118(a), but a "Press Exemption" exempts from the definition of "expenditure" and "contribution" all costs incurred by the press in covering or publishing news and editorials:

Any cost incurred in covering or carrying a news story, commentary, or editorial by any . . . newspaper, magazine, or other periodical publication, including any Internet or electronic publication, is not a contribution unless the facility is owned or controlled by any political party, political committee, or candidate.<sup>23</sup>

<sup>&</sup>lt;sup>23</sup> 11 C.F.R. § 100.73; *see also* 52 U.S.C. § 30101(9)(B)(i); 11 C.F.R. § 100.132. Congress emphasized when it passed the Press Exemption in 1974 that "it is not the intent of the Congress in the present legislation to limit or burden *in any way* the First Amendment freedoms of the press and of association. Thus the exclusion assures the unfettered right of the newspapers, TV networks, and

 The Press Exemption is broad and protects all costs incurred by a press publication to gather and cover news, pay journalists and researchers, publish and distribute news, as well as its editorial decisions to publish (or not publish)<sup>24</sup> information about campaigns and candidates.<sup>25</sup> In accordance with the seminal decision in *FEC v. Phillips Publishing, Inc.*, 517 F. Supp. 1308 (D.D.C. 1981), the FEC has routinely dismissed allegations of FECA violations against press entities under the Press Exemption so long as the press entity is not owned or controlled by a political committee, party or candidate and conducts legitimate press functions. Under the exemption, "[n]o inquiry may be addressed to sources of information, research, motivation, connection with the campaign, etc., "<sup>26</sup> including coordination with campaigns. <sup>27</sup> It also exempts "claims of media bias or breaches of journalistic ethics." <sup>28</sup>

Here, the articles and story right that McDougal contracted to provide AMI are routine services and content acquired to produce news and information. AMI's exercise of editorial discretion to decide whether, when, and how to publish McDougal's story is also a legitimate press function exempt from regulation. Therefore, AMI's costs to acquire this news content are not an illegal corporate political "expenditure" or "contribution" to a federal candidate as a matter of law.

other media to cover and comment on political campaigns." H.R. Rep. No. 93-1239, 93d Congress, 2d Sess. at 4 (1974) (emphasis added).

<sup>&</sup>lt;sup>24</sup> FEC Matter Under Review ("MUR") 5562/5570 (Sinclair) (finding no contribution or expenditure where Sinclair decided not to air a documentary film critical of John Kerry). Pertinent MUR documents are attached as exhibits to the Goodman Declaration.

<sup>&</sup>lt;sup>25</sup> Reader's Digest Ass'n. Inc. v. FEC, 509 F. Supp. 1210, 1214-15 (S.D.N.Y. 1981) (exempting costs of consultant to prepare special engineering report); MUR 5569 (KPI-AM 640), First Gen. Counsel's Report at 9 (exempting Burbank radio station's costs of staging "Fire [David] Dreier" rallies outside candidate's office).

<sup>&</sup>lt;sup>26</sup> Reader's Digest, 509 F. Supp. at 1215.

<sup>&</sup>lt;sup>27</sup> MUR 5569 (KFI-AM 640), First Gen. Counsel's Report at 7 (exempting radio show's on-air interviews with David Dreier's opponent Cynthia Matthews); MURs 5540/5545, Statement of Reasons of Comm'rs Toner, Mason, Smith at 3 (finding no in-kind contribution from decision, in alleged coordination with John Kerry campaign, to air a *false* story about President Bush's national guard service, in part, because "[a]llegations of coordination are of no import when applying the press exemption").

<sup>&</sup>lt;sup>28</sup> MURs 5540/5545 (CBS), Statement of Comm'r Weintraub at 2; accord MUR 5569 (KFI-AM 640), First Gen. Counsel's Report at 7 (exempting biased on-site "rally" to "fire [David] Dreier"); MURs 4929/5006/5090/5117 (Los Angeles Times), Statement of Reasons by Comm'rs Wold, McDonald, Mason, Sandstrom, Thomas ("Unbalanced news reporting and commentary are included in the activities protected by the media exemption.").

In addition to the Press Exemption, AMI's payment to McDougal is not a "contribution" because the purpose of the payment manifestly appears on the face of the Agreement to have been for the purchase of journalistic services, content, and a valuable story right.<sup>29</sup> Moreover, the expansive interpretation of "contribution" advanced by McDougal would render the FECA unconstitutionally vague and overbroad. There is no precedent or guidance treating newsgathering or an editorial decision not to publish as an illegal in-kind contribution.<sup>30</sup> Thus, AMI had no notice that its conduct might violate McDougal's read of the FECA. McDougal's proposed rule also is unconstitutionally overbroad because it could be applied to punish any media entity that incurs costs to secure a source or story, seeks reaction from a candidate, and then decides not to publish the story.<sup>31</sup> Even were the Court to entertain such a specious statutory interpretation, the Court would be required to interpret the FECA to avoid constitutional infirmity under the First Amendment.<sup>32</sup>

#### C. The Agreement Is Not Against Public Policy

"[U]nless it is *entirely plain* that a contract is violative of sound public policy, a court will *never* so declare. The power of the courts to declare a contract void for being in contravention of sound public policy is a very delicate and undefined power, and ... should be exercised only in cases *free from doubt.*" City of Santa Barbara v. Superior Ct., 41 Cal. 4th 747, 777 n. 53 (2007)

<sup>&</sup>lt;sup>29</sup> See 52 U.S.C. § 30101(8)(a) (definition of "contribution" requires payment be made "for the purpose of influencing an election," rather than other, non-election purposes); 11 C.F.R. § 113.1(g)(6) (a payment made "irrespective of candidacy" is not a "contribution"). The fact that AMI received, in exchange for \$150,000, services and assets, which it has used for journalistic purposes, confirms that it did not donate the value to a federal campaign. The fact that a business expense by AMI may have incidentally benefited a campaign does not transform the expense into a "contribution." See Orloski v. FEC, 795 F.2d 156, 167 (D.C. Cir. 1986).

<sup>&</sup>lt;sup>30</sup> Papachristou v. City of Jacksonville, 405 U.S. 156, 162 (1972) (a law is unconstitutionally vague if "it 'fails to give a person of ordinary intelligence fair notice that his contemplated conduct is forbidden by the statute"); Baggett v. Bullitt, 377 U.S. 360, 372 (1964) (vague laws with "uncertain" boundaries are especially dangerous in the First Amendment arena); cf. Clifton v. FEC, 927 F. Supp. 493, 499 (D. Me. 1996) (observing that the FECA "does not make corporate expenditures, occurring after contact with a candidate, into contributions").

<sup>&</sup>lt;sup>31</sup> Buckley v. Valeo, 424 U.S. 1, 80 (1976) (holding the definition of "contribution" must be interpreted narrowly to capture only payments "unambiguously related to the campaign"). AMI may challenge the law as overbroad even as applied to third parties. *Broadrick v. Oklahoma*, 413 U.S. 601, 612 (1973).

<sup>&</sup>lt;sup>32</sup> Edward J. DeBartolo Corp. v. Fla. Gulf Coast Bldg. & Constr. Trades Council, 485 U.S. 568, 575 (1988) (courts must interpret statutes to avoid constitutional doubt).

(emphasis added; internal quotation marks omitted; ellipses in original). There are ample reasons to doubt McDougal's contention that the Agreement violates public policy.

#### 1. The Agreement Allows McDougal To Speak, And She Already Has

The basis of McDougal's "public policy" claim is that the Agreement allegedly "represents an impermissible effort to censor and distort" McDougal's speech. Compl., ¶ 105. That claim rings hollow. McDougal alleges that she hoped AMI would exercise its editorial discretion not to publish, or in her words "squash," her story about Trump. She called it the "best of all worlds" and a "win-win for me" if AMI would *not* publish the story. *Id.*, ¶ 47; Ex. I at 38:50. In any event, the Amendment expressly allows McDougal to speak to the press about her alleged affair with Trump, and, she did so in her comments to the *New Yorker* and in her one-hour interview on CNN watched by millions. Compl., Ex. B; Exs. 1, 2.<sup>33</sup>

#### 2. Public Policy Supports Enforcing Contracts, Including This Agreement

Public policy generally favors enforcing contracts: "Freedom of contract is an important principle, and courts should not blithely apply public policy reasons to void contract provisions." *Kaufman v. Goldman*, 195 Cal. App. 4th 734, 745 (2011) (internal quotations omitted). Last week, the Court of Appeal observed that film and television producers routinely pay for "access" to a "story" the "producers would not otherwise have|.|" *De Havilland v. FX Networks, LLC*, -- Cal. App. 5th --, 2018 WL 1465802 (Mar. 26, 2018), at \*8; *see also Navellier*, 29 Cal. 4th at 94.

#### 3. Public Policy Supports The Freedom Of Prelitigation Communications

McDougal's "public policy" argument also is premised on receiving AMI's alleged "threats of legal action" to enforce its rights under the Agreement. Compl., ¶ 101, 109. Even if they occurred, such "prelitigation communications" – far from violating general assertions of public policy urged by McDougal—would be *speech absolutely protected from liability* under the

<sup>&</sup>lt;sup>33</sup> McDougal alleges that AMI "used" a "PR Firm" to "silence" her. Compl., ¶¶ 66-73. The Amendment states only that AMI would "retain the services of" PR professionals for a total of six months beginning December 1, 2016. *Id.*, Ex. B. *Nothing* in the Amendment required McDougal to follow their advice. She was always free under the Amendment to "respond to legitimate press inquiries," which she has done. *Id.* Moreover, the six-month period for which the PR professionals were retained under the Amendment expired at the end of May 2017 – over 10 months ago. *Id.* 

litigation privilege, Civil Code § 47(b), which supports the "broadly applicable policy of assuring litigants 'the utmost freedom of access to the courts to secure and defend their rights." Rubin v. Green, 4 Cal. 4th 1187, 1193-95, 1203 (1993) ("policies underlying section 47(b)" barred claim for injunctive relief).34 Public policy supports AMI's right to engage in prelawsuit communications, not McDougal's request to void contracts because of AMI's exercise of such rights.

#### 4. Public Policy Favors AMI's Exercise Of Its First Amendment Rights

In Miami Herald, the Supreme Court rejected some of the same purported "public policy" arguments advanced by McDougal here. Compl., ¶¶ 101-103. The court favored the First Amendment-based "exercise of editorial control and judgment," which includes "[t]he choice of material to go into a newspaper" and its "treatment of public issues and public officials—whether fair or unfair," and disapproved a lower court's opinion that the right of reply statute "enhanced" free speech and "furthered the 'broad societal interest in the free flow of information to the public." 418 U.S. at 245, 258. The Court came to this conclusion over vigorous argument that the "First Amendment interest of the public in being informed is said to be in peril because the 'marketplace of ideas' is today a monopoly controlled by the owners of the market," and that the "uninhibited, robust' debate is not 'wide-open' but open only to a monopoly in control of the press." Id. at 251-252. Public policy favors AMI's First Amendment right to make editorial judgments over McDougal's private effort to take back the right to re-sell her story.

#### V. CONCLUSION

AMI respectfully requests that the Court grant its anti-SLAPP motion in full.

DATE: April 2, 2018

Front, Inc. v. Khalil, 24 N.Y.3d 713, 719-720 (2015).

JEAN-PAUL JASSY Counsel for Defendant American Media, Inc.

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The "litigation privilege is absolute" -i.e., if it applies, it does not matter "whether the 26 communication was made with malice or the intent to harm." Kashian v. Harriman. 98 Cal. App. 4th 892, 913 (2002). New York offers the same broad protections for prelitigation communications.

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# Kevin L. Vick Declaration

#### DECLARATION OF KEVIN L. VICK

- I, Kevin L. Vick, declare as follows:
- 1. I am an attorney authorized to practice before this Court. I am a partner of Jassy Vick Carolan LLP, counsel of record for Defendant American Media, Inc. ("AMI") in the action entitled *Karen McDougal v American Media, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. BC 698956. The facts stated below are true of my own personal knowledge.
- 2. On or about March 22, 2018, Cable News Network ("CNN") broadcast an interview of Plaintiff Karen McDougal by CNN's Anderson Cooper (the "Broadcast"). Lodged concurrently with this Declaration as **Exhibit 1** is a true and correct copy of the Broadcast.
- 3. Attached as Exhibit 2 is a true and correct copy of a transcript of the Broadcast, available at <a href="http://transcripts.cnn.com/TRANSCRIPTS/1803/22/acd.01.html">http://transcripts.cnn.com/TRANSCRIPTS/1803/22/acd.01.html</a>, which I visited online and downloaded as PDF on March 28, 2018.
- 4. Attached as Exhibit 3 is a true and correct copy of an article by Jeremy W. Peters entitled "Paying for News? It's Nothing New," from the *New York Times Sunday Review*, dated Aug. 6, 2011, available at <a href="https://www.nytimes.com/2011/08/07/sunday-review/paying-for-news-its-nothing-new.html">https://www.nytimes.com/2011/08/07/sunday-review/paying-for-news-its-nothing-new.html</a>, which I visited online and downloaded as a PDF on March 27, 2018.
- 5. Attached as **Exhibit 4** is a true and correct copy of an article by Jack Shafer entitled "Why Not Pay Sources?" from the online magazine *State*, dated April 29, 2010, available at <a href="http://www.state.com/articles/news\_and\_politics/press\_box/2010/04/why\_not\_pay\_sources.html">http://www.state.com/articles/news\_and\_politics/press\_box/2010/04/why\_not\_pay\_sources.html</a>, which I visited online and downloaded as a PDF on March 27, 2018.
- 6. Attached as Exhibit 5 is a true and correct copy of an article by Kelly McBride entitled "When It's O.K. to Pay for a Story," from the *New York Times*, dated June 9, 2015, available at https://www.nytimes.com/2015/06/09/opinion/when-its-ok-to-pay-for-a-story.html, which I visited online and downloaded as a PDF on March 27, 2018.
- 7. Attached as Exhibit 6 is a true and correct copy of an article by Kelly Hebber entitled "Paying For It," from the *American Journalism Review*, dated April 1999, available at

## Exhibit 1

Lodged Manually with the Clerk of the Court

Exhibit 1 to Declaration of Kevin L. Vick, is a disc containing a video of Cable News Network ("CNN") broadcast interview of Plaintiff Karen McDougal by CNN's Anderson Cooper on March 22, 2018.

Exhibit 2

Home

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#### ANDERSON COOPER 360 DEGREES

CNN's Exclusive Interview with Former Playboy Model Karen McDougal Detailing Her Alleged 10 Month Affair With Donald Trump in 2006. Aired 8-9p ET

Aired March 22, 2018 - 20:00 HT

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BEIN ITS FINAL FORM AND MAY BE UPDATED.

[20:00:08] ANDERSON COOPER, CNN HOST: Good evening.

Breaking news tonight involving the adviser who will be at the president's elbow if it ever comes down to pushing the button. The current one, a three-star general, is leaving. His replacement, a former U.N. ambassador, now a TV pundit, who's been called a hard-liner, a hawk and by some, even a loose cannon.

Also tonight, my exclusive conversation with former Playboy model Karen McDougal about the 10-month long intimate relationship she says she had with Donald Trump. A relationship that began just a few months after Melania Trump gave birth.

(BEGIN VIDEO CLIP)

COOPER: If Melania is watching this, what would you want her to know?

KAREN MCDOUGAL, ALLEGES AFFAIR WITH DONALD TRUMP; It's a tough one.

COOPER: Or say to her.

MCDOUGAL: Yes, What can you say except I'm sorry, I'm sorry, I wouldn't want it done to me. I'm sorry,

(END VIDEO CLIP)

COOPER: More with Karen McDougal tonight. That's ahead,

First, the departure of national security advisor H.R. McMaster and the naming of John Bolton as his successor — something as recently as last week the White House said was simply not happening.

(BEGIN VIDEO CLIP)

REPORTER: Sarah, you took to Twitter last night to ensure the public that McMaster's job was safe. But has the president spoken directly to either McMaster, Carson, Shulkin to tell them that their jobs are, in fact, safe?

SARAH HUCKABEE SANDERS, WHITE HOUSE PRESS SECRETARY: Again, like I said last night, and I'll echo it again, I spoke directly to the president last night. He asked me to pass that message along to General McMaster.

(END VIDEO CLIP)

COOPER: Well, that was the old message. The new message is more like thanks and good luck.

The latest now from CNN's Jeff Zeleny who's at the White House.

So, Sarah Sanders, that was just a week ago, what happened?

JEFF ZELENY, CNN SENIOR WHITE HOUSE CORRESPONDENT: Anderson, a lot happens in six days. And one of the major things that happened here was indeed that leak earlier this week of the president's phone call with Vladimir Putin. You know, his national security advisers giving him a message, do not congratulate President Putin. The president did congratulate him.

That is one of the things that really set this in motion much faster it appears than it already was going. But the reality is, this has been in the works for weeks. We have been reporting that the president has sort of fallen out a b.

with H.R. McMaster, and they were simply looking for a time to do it.

But at the moment of that press briefing last Friday, Anderson, we spoke to senior advisers throughout the White House on that day and all this week, and no one knew this was coming. Few people knew it was coming at least.

John Bolton didn't know it was coming either. He said in an interview on Fox News this evening, he didn't know it was going to be announced this afternoon. So you get the sense the president trying to speed this up to perhaps interrupt the other programming of the evening.

But it is clear the president had lost support of H.R. McMaster and decided to make that decision after John Bolton met with him for about an hour in the Oval Office this afternoon, Anderson.

COOPER: And I understand that John Bolton made the president a promise. What was that?

ZELENY: He apparently did make the president a promise, in a series of conversations. He's been over here to the White House several times over the last weeks, and indeed months, talking with the president. The president, of course, watches him on Fox News. He watches his commentary.

And our Kaitlan Collins is reporting this evening that John Bolton made the president a promise to not start any wars, perhaps tongue-in- check there but certainly a point as it comes to his hard-line view, certainly much different.

So, Anderson, what we're seeing here is a reshaping of the Trump presidency really week by week by week, putting in hardliners, people who agree with the president, yes men.

The question is here, where does this leave James Mattis? The defense secretary, of course, now odd man out. He's meeting with the president and other cabinet secretaries here tomorrow. Anderson, that will be a very interesting meeting.

COOPER: Yes, Jeff Zeleny, thanks very much.

I want to bring in two CNN political analysts. Maggie Haberman, White House correspondent, of course, for "The New York Times". Also, David Gergen, adviser to presidents in both parties dating back to the Nixon administration.

I mean, was this departure, Maggie, as amicable as -- you know, and as mutual as the White House is saying?

MAGGIE HABERMAN, CNN POLITICAL ANALYST: I mean, to the extent that you can bee ritually humiliated week after week with stories leaking out about the president being unhappy with you, I suppose it's as amicable as that gets.

I will say that things, look, things between President Trump and H.R. McMaster were never good. And they never had a great relationship. They didn't have a good rapport. The president didn't like H.R. McMaster's briefing style. The president likes to sort of mix up these conversations when they're actual briefings with his shtick, and H.R. McMaster did not respond well to that, typically speaking.

But John Kelly really didn't like H.R. McMaster, And that, I'm told by several people accelerated this timeframe.

COOPER: Do you know why he didn't like him?

HABERMAN: I think there are a variety of reasons, some of it is four-star versus three-star, in terms of their military ranking. Some of it is t think they just disagreed on certain policy aspects. I think stylistically, they didn't get along.

[20:05:02] But H.R. McMaster was generally the odd man out in this sea of military figures with whom the president has surrounded himself. John Kelly did not want John Bolton. I mean, this is not a pick that the chief of staff wanted. Knowing this president and how he makes decisions as you do, as I do, you can envision a world where, yes, maybe it was to knock off your interview with Karen McDougal later tonight, certainly a possibility --

COOPER: Do you really -- you actually think that's possible?

HABERMAN: I think anything is possible with him. I also think there's a possibility because John Bolton resisted he decided to do it for that reason, and made -- you know, the latest of a series of impulse purchases on staff and o policy.

COOPER: David Gergen, what do you make of the choice?

DAVID GERGEN, CNN SENIOR POLITICAL ANALYST: Well, two things. First of all, once again they sort of ushered someone out the door in the least gracious way you can do it. Many of the friends of H.R. McMaster said he wanted out of this was a fourth star. He wanted to command, he wanted to go back out on the field and he was

prepared to do that and come in and serve his country. He didn't particularly want this job but he was prepared to do it.

So, I just think it's so unfair to these people when they come in and sacrifice. And one thing, to hear that Mattis is now talking is really seary, because Bolton represents a very big swing to the right, in terms of the center of gravit among his advisers.

If you think three countries, Iraq, North Korea, and Iran, on all three, he has been very hard-line. He was a big advocate for going into Iraq early on, back in the Bush administration. He has, on the question of North Korea, he thinks, he said publicly, he thinks these talks -- these upcoming talks will fail. He's talked about a fall-back position that may lead to war.

And, on Iran, with a big decision coming up by this president, just a few weeks, he's going to have Bolton there saying this is a horrible deal, we ought to get out of it.

HABERMAN: On North Korea in particular, though, you reminded me of something I've been told a few times. John Bolton apparently was not contacted until yesterday and asked to come to the White House today.

And the big question was, can you -- John Bolton is a pretty strong personality -- can you essentially recognize that you have to put your own positions aside and the president's thoughts or policy? And I think Bolton had to make clear that he could do that, that he could also read the nuances of the president and think ahead of time, which is not something that I think McMaster found easy to do.

My understanding is that Bolton was able to communicate that, So, on North Korea, which this president has prided himself on saying he thinks he can get this deal when almost no one else thinks he can. I think he will see Bolton adhere more to what the president wants. But it is definitely true, the president is surrounding himself -- I think it isn't just hardliners. I mean, the president is surrounding himself with people who are going to acquiesce to him --

GERGEN: Yes.

HABERMAN: -- which is not what he had for most of the last year. You had Gary Cohn, who was sort of a moderating influence. You had a bunch of other people, H.R. McMaster certainly was one. And he is, he is one by one, replacing them with people who are going to make things less hard for him. And I think that is the significance.

COOPER: And that's by design. That's not an accident.

HABERMAN: That's by his design. Yes, look, he -- he -- and I wrote about this the other day. He began -- whethe he would ever acknowledge it or not, he had a lot of anxiety heading into this job. He knew it was something you cannot play at, he knew nothing about it, he had not thought about it at all.

He needed other people for a long time, because he couldn't figure things out. He now thinks — and I'm not saying he's right — but what he thinks is he understands this — one current White House adviser described it to me as Trump is starting to view the White House more as he did the Trump Org, in terms of his comfort level with it. And that's what's happening.

GERGEN: Ever since Maggie wrote that great story on "The New York Times" about the emboldened Trump, that was about two weeks ago?

HABERMAN: That was three days ago, It just feels like seven years ago, Yes.

GERGEN: But it's been true. It really has captured exactly where he is. And that is, he's thrown off the training wheels, essentially, he says I can do this on my own. But he's surrounding himself in the meantime with hardliners

The idea that Bolton is going to be in, you know, is simply going to present him with the views of everybody else.

COOPER: And that he won't, quote, start any wars.

GERGEN: He is going to have strong views himself. He's very smart. Bolton is a very smart fellow. And he's principled, He's a very principled hard-liner.

But his views on almost every case are very far to the right of the mainstream and the American foreign policy community.

COOPER: It is interesting to think that this is not a job that requires confirmation --

HABERMAN; Right.

COOPER: -- from the Senate,

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And in fact, John Bolton became the U.N. ambassador without actually having to go through confirmation. I think

it was a recess appointment.

HABERMAN: I'm not sure if you're right about that, but I'll take your word for it. But it is certainly true that this i

somebody who would have challenges going through confirmation. We're already seeing Mike Pompeo in terms of

moving from the CIA is going to have confirmation issues. I think the president is seeking to get around that as

much as possible.

GERGEN: I think one other thing that shows up that is distinctive about these appointments in recent days is not

only are they going further hard-line, but in every case, it's somebody who has made a name for himself on

television as a commentator.

[20:10:04] COOPER: Right.

HABERMAN: Absolutely true.

GERGEN: You know, we just had -- you know, CNN just had on Erin tonight, Navarro --

COOPER: Right.

GERGEN: -- coming in. You're going to see a lot more of them on television and that's what he wants. This is a

TV-oriented president.

HABERMAN: It is. It's also a president who believes that on TV, no one has really defended him that strongly,

save for a couple of people. Kellyanne Conway remains one of his favorites. There are a couple of other people

that he generally believes that people are not on TV talking the way he wants them to talking about his

administration. And that is a lot of why you're seeing it this way.

COOPER: And he certainly watches, I mean, as your reporting has shown. I mean, he certainly --

HABERMAN: He says he doesn't.

COOPER: Right, he says he doesn't. But it gets to know these people. John Bolton, through television.

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GERGEN: Exactly,

HABERMAN: Kudlow I think he actually knew personally. I think he had a different relationship with him. I think

that one's a little different.

Bolton, it's funny to your point about sort of the physical aspect of this. Most of what the president talked about,

about John Bolton during the transition, when he chose not to give him this job in the first place and not to give

him secretary of state and not to give him a host of other jobs was his mustache, that was the singular part of

derision. That tells you a lot of how the president looks at things.

GERGEN: Coming off the trade deals and the announcement and how it's rattled the markets, this is going to send

a signal to a lot of countries overseas of greater uncertainty in American policy.

COOPER: Yes,

Maggie Haberman, David Gergen, thanks,

Coming up next, my in-depth conversation with former Playboy model Karen McDougal. I spoke to her for more

than an hour. She talks about the Donald Trump she says she came to know over a ten-month love affair, the affair

she says they had spanned that long. The money she says that he offered her after their first time together and the

emotional impact of meeting his wife and mother of his then infant son.

(BEGIN VIDEO CLIP)

COOPER: So, was that the first time you met Melania?

MCDOUGAL: It is, And honestly, if you can tell, I tried to keep my distance. I tried to go as far away as I could.

(END VIDEO CLIP)

(COMMERCIAL BREAK) [20:16:00] COOPER: Right now, only on 360, conversation with former Playboy

model Karen McDougal about the 10-month long relationship she says she had with Donald Trump, a relationship

she says that begun in the summer of 2006. McDougal is suing to void an agreement she signed shortly before the

2016 election with the company that owns the "National Enquirer", which bought the rights to her story. Her

lawsuit says the magazine bought her story in fact to kill it, thereby protecting the candidacy of Donald Trump.

http://franscripts.com/com/TRANSCRIPTS/1803/22/acd.01.html

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It's a story that' not been told in full on camera until tonight. As you know, Karen McDougal is just one of three women speaking out just this week about the Donald Trump they say they knew.

(BRGIN VIDEOTAPE)

COOPER: If I could just start at the beginning, how did you meet Donald Trump?

KAREN MCDOUGAL, FORMER PLAYBOY PLAYMATE: I met Donald when they were filming "The Celebrity Apprentice" at the Playboy mansion. They were filming there and I was hired as one of the playmates to work at the pool party scene. It was kind of fun, actually, And --

COOPER: You worked for Playboy for some time.

MCDOUGAL: Yes, I -- after becoming playmate of the year, I was required to work so many events with Playboy And that was one of the events I thought would be fun. I worked it and there were a lot of women there. We just saw it as a great time and that's who we met.

COOPER: How did you actually meet?

MCDOUGAL: You know, he said hello, like he would to anybody, then throughout the night, it was kind of obvious that there was an attraction from his part to me. And I kind of just blew it off.

COOPER: You could see him looking at you.

MCDOUGAL: Oh, I could see it. The Playboy bunny, she's like the house mom, is what we call her. She actually made a comment like, wow, this guy is really into you. And that's kind of when I started like paying attention. And he was.

I kind of smiled at it, I thought it was kind of cute and funny. And then at the end of the night, you know, after striking up many conversations, we exchanged -- he actually asked me to write his phone -- my phone number down for him to keep.

COOPER: Did you -- you wanted to see him again?

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MCDOUGAL: I thought it would be nice to communicate with him and talk to him. I actually at that point didn't consider dating or going out with him. But I just think he's an interesting person. He's brilliant and I like smart minds. And I think that I was interested in the communication for sure.

COOPER: So when was the next communication?

MCDOUGAL: I believe we talked right away on the phone. I think we talked for about a week on the phone before his next visit to L.A. And that was his birthday which I think is June 12th.

COOPER: Would be call you?

MCDOUGAL: He would call me, I would call him. Vice versa.

COOPER: So, you had his phone number?

MCDOUGAL: I have many of his phone numbers, yes.

COOPER: Do you have his direct number for him, or did you have to go through somebody else?

MCDOUGAL: I have his direct phone number. I have quite few of the direct phone numbers. I also had his bodyguard Keith's phone number. I had his personal secretary's phone number.

COOPER: (INAUDIBLE) number.

MCDOUGAL: No, at the time, it was Tweetie (ph), I don't know her last name. I just know her Tweetic (ph).

But I have all these phone numbers so I couldn't reach him on one, depending where he was going to be, I would call the other.

COOPER: When he called, did his number show up on the phone?

MCDOUGAL: No, it did not.

COOPER: It would show up as what?

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MCDOUGAL: Gosh, it's been so long, but I think it just showed up as a 212. Just 212.

COOPER: Like a blocked number or --

MCDOUGAL: Correct.

COOPER: No caller ID?

MCDOUGAL: Right, Correct.

COOPER: And what were the conversations like?

MCDOUGAL: The conversations were like any other conversation you have with a nice person. We got along great. We had respect for each other. We had fun. We were funny together. We had a good time,

We would talk about anything and what kind of food do you like, to how's your family? He asked me how my family was, to politics, to anything. Like just normal every day life conversations.

COOPER: When did you actually decide to see him again? MCDOUGAL: Before -- you mean after June 12th?

COOPER: Yes. After the initial meeting, and after the phone conversations.

MCDOUGAL: After our first meeting on June 12th, I decided to see him again, actually that night, I didn't think I was going to see him again because I was a little bit put off.

COOPER: Wait. I'm sorry. Was the June 12th -- was that the "Apprentice" event?

MCDOUGAL: No, that was our first, quote/unquote, date.

COOPER: OK. So, I'm sorry. So, tell me about your first date.

MCDOUGAL: Our first date, I was told we were going to go to the Beverly Hills hotel for dinner. So, he had told me that Keith, his bodyguard, was going to pick me up at a certain time and he did. And then we were driving ove to the Beverly Hills Hotel. And Keith drove around to the back and he said, we have to get out here, because we don't want to walk to the hotel. And at that minute, I'm like thinking to myself, are we going to a room because I

thought we were having dinner at the Beverly Hills Hotel.

[20:20:02] COOPER: In the actual restaurant?

MCDOUGAL: Right, Well, we did have dinner at the Beverly Hills Hotel but in his bungalow instead. We had dinner there for a few hours. We talked for a few hours. We had a great time, we're getting to know each other. We're talking about his birthday, and then as the night ended, we were intimate.

COOPER: When you got to the Beverly Hills Hotel and Keith said, we're not going to go through the lobby, we're going to go -- was it to a room at the Beverly Hills Hotel or a suite or?

MCDOUGAL: It was a bungalow in back.

COOPER: A bungalow.

MCDOUGAL: It's the one he said he always stayed at. And in fact, every time that I met him there, it was the same exact bungalow. And he's called it the nicest bungalow they have. So, I guess that's why he chose that one. But that's where we went every time.

COOPER: Were you concerned when you realized you're not going to go out to dinner and actually going to be cating at the bungalow?

MCDOUGAL: I think that first night I was concerned because I didn't -- I wasn't expecting to go to a hotel room or bungalow, whatever you want to call it. I actually thought we were going to dinner. So, I was a bit concerned, and I think at that moment is when I realized maybe something else is going on.

You know, I'm a smart girl. I probably could have figured it out, but I really wasn't thinking. I think I was so nervous to actually meet with him in general that it kind of just didn't even -- you know, think -- it wasn't my thought process at that moment. I was just too nervous to actually meet him. So --

COOPER: Were you attracted to him?

MCDOUGAL: I was attracted to him, yes. He's a nice-looking man. And, you know, I liked his charisma. I think I love -- you know, got great posture. He's got great posture. And he was nice.

COOPER: So the sex was consensual? Just to be clear.

MCDOUGAL: It was consensual, yes,

COOPER: And what happened afterward?

MCDOUGAL: After that night?

COOPER: You said you sort of ended on a strange note. What happened after you had been intimate?

MCDOUGAL: Well, after we had been intimate, he, he tried to pay me. And I actually didn't know how to take

that.

COOPER: Did he actually try to hand you money?

MCDOUGAL: He did. He did. And I said, I mean, I just had this look of, I don't know -- just, I don't even know

how to describe the look on my face must have been so sad, because I had never been offered money like that

before, number one. But number two, I thought, does he think I'm in this for money or why I'm here tonight? Or is

this a normal thing? I didn't know.

But I looked at him and I said, that's not me. I'm not that kind of girl. And he said, oh, and he said, you're really

special, and I was like, thank you.

So, Heff, actually, got in the ear. Keith taking me home and I started crying. I was really sad. It really hurt me. But

I went back.

COOPER: Hurt you that I saw you that way?

MCDOUGAL: Yes, Hurt me that he saw me in that light. And he obviously assumed that that's the kind of girl I

was, maybe because I was a playmate. I don't know. But --

COOPER: Even though you'd a night of conversation and days of conversations, it hurt you that it boiled down in

the end to that.

MCDOUGAL: It did hurt me. It did hurt me. I was crying in the back seat of the car. Like I said, I got home and to

my apartment and I cried for a lot. I felt really terrible about myself, let alone what he felt, but I felt terrible about myself. And, you know, I got over it, but I felt hurt.

COOPER: Did you think you would see him again?

MCDOUGAL: I didn't. I didn't think I'd see him again. But then when he called, you know, I was in a bad place in my life. I just came out of a bad relationship where I never felt good enough in my relationship, and -- not that that's any excuse, it's not. But I think I was so down on myself that when he called, and he's so sweet, like what everyone sees on TV, I didn't see in that man, because that man was very sweet, very respectful, very loving, very kind and caring. Like that's the man I saw.

COOPER: He's very -- he could be very charming in person.

MCDOUGAL: He's very charming. He's very sweet. His personality to me was, wow, like Hoved it. It was great.

COOPER: When was the next time you saw him?

MCDOUGAL: You know, I'd have to look back at my, I took a journal back in the day, and not for anything in particular, but I ~ to this day, I still write down everything I do during the day. That's what I do.

So, if I looked at that, I could find out, but I think it was in that same couple days within a week, because he was it town. When he came to 1.,A., he was usually there between three, five, six, seven days, and I really saw him.

COOPER: You gave us the journal that you kept. You would write down on days you saw him, you wouldn't write out his full name.

MCDOUGAL: No, I either called him T or D.T., because if anybody found this, I wouldn't want to expose myself or expose him.

COOPER: So there's a number of days here, looks like dozens over the course of time with a small little D.T. and sometimes they're hard to see.

MCDOUGAL: I purposely kind of chicken scratched a lot on there, because I know what I'm writing. And like I said to this day, I still do that with my notes and where I'm at, who I talked to, whatever, I did. I did write that down.

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So, did I see him quite a few times? Quite a bit? Absolutely. We spent a lot of time together.

COOPER: And did you tell friends about it at the time?

[20:25:02] MCDOUGAL: I did, I told a few friends, and I told my sister, I actually told my mother that I know him and we talked on a regular basis, but I told her that we were just friends. And she kind of scolded me a little bit, like I hope it's only friends, because, you know, he's married and I'm like, yes, I understand.

My sister actually heard him on the phone, she was with me one time and she -- you know, I couldn't hold the phone because I was busy. So, she put him on speaker and we were just talking. I mean, I didn't care. It's like, she knew anyway.

So, when you have a relationship with somebody, you don't hide it, right? If there's feelings, you don't hide that relationship.

COOPER: Did I ever ask you to hide it?

MCDOUGAL: No, he didn't, Never.

COOPER: So, there was never a conversation of don't tell anybody?

MCDOUGAL: Never. In fact, I think once he asked, does your sister know? And I said, yes, she knows. He's like, oh. So, he wasn't afraid to hide it at all.

COOPER: And you knew he was married.

MCDOUGAL: I did.

COOPER: Did he bring up his wife? Did you bring it up?

MCDOUGAL; No. I -- I never brought up his wife. He did once. And that's only time I can remember, when he said she was an intelligent woman. She knew like, I don't know, four or five languages. But other than that, he never talked about his wife, and I never brought it up.

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I -- obviously, there's a reason I don't bring her up because I felt guilty about it. So, I -- after never seeing her until the one occasion, I never correlated the two, really, I just kind of out of sight, out of mind,

COOPER: When you met, it was 2006.

MCDOUGAL: Correct.

COOPER: Was this shortly after his son had been born?

MCDOUGAL: Yes, it was.

COOPER: Would be talk about his child, his son?

MCDOUGAL: No. The only thing he said about his son was, isn't the name Baron a nice name? And I said, yes, it is. And I said, how did you choose that name? And he told me, and that's it. There's no conversation.

COOPER: As you enter a relationship, obviously, in any relationship, you start to think about where this is going to go, and how you feel, and -- how did you view it? How did you view the relationship?

MCDOUGAL: You know, going through it, when I look back, where I was back then, I know it's wrong, Like I'm really sorry for that, I know it's the wrong thing to do.

But back in those days -- sorry.

COOPER: OK.

MCDOUGAL: Back in that day, I was a different girl, you know, I had fun. I was in the Playboy scene. I was just enjoying life as much as I could.

And, you know, when I got with him, actually, you know, there was a -- there was a real relationship there. There were feelings between the two of us. Not just myself, not just him. There was a real relationship there.

And I kind of out of sight, out of mind with everything else. And, you know, deep inside, I did have a lot of guilt. But I still continued.

COOPER: You believe, though, that he had real feelings for you?

MCDOUGAL: Of course he did, yes. I know he did.

COOPER: He would say that?

MCDOUGAL: He did.

COOPER: Were you in love with him?

MCDOUGAL: I was, yes.

COOPER: And do you think he was in love with you?

MCDOUGAL; He was, yes.

COOPER: Did Donald Trump ever say to you that he loved you?

MCDOUGAL: All the time. He always told me he loved me. Yes. Of course.

COOPER: Did he have any nicknames for you?

MCDQUGAL; He would call me "baby", or he'd call me "Beautiful Karon".

COOPER: Would you always see him just in Los Angeles?

MCDOUGAL: No. No, I wouldn't.

I actually went to a golf tournament with him in Lake Tahoe. I went to his golf course in California. I went to his golf course home in New Jersey. I went to his home in New York, and -- trying to think where else. I can't recall right now, yes.

COOPER: When you say you would arrange to go someplace, how would it be arranged?

MCDOUGAL: I would pay for the flight, I would book it myself. I would book the hotel room if I wasn't staying

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with him. Usually, I stayed with him, but there's been a couple times where I didn't. And then he would reimburse me. So, if the flight was, I don't know, (INAUDIBLE) throw the number, if the flight \$500, he'd give me \$500 and

say, here's -- you know, take care of the flight and things like that. So --

COOPER: Why would be have you book all the travel and the hotel room?

MCDOUGAL: Well, there's no paper trail.

COOPER: And did you realize that at the time?

MCDOUGAL: Yes, I did.

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COOPER: Because he was concerned about it being revealed at some point and there being a paper trail?

MCDOUGAL: Oh, I was told there is no paper trail. I can't say what his reasons were, but I would assume that's the case, yes, yes.

COOPER: And Keith Schiller, was he very much involved in this, picking you up, sending messages back and forth, things like that?

[20:30:00] MCDOUGAL: I did have a lot of correspondences with Keith. Yes. And I got to know Keith pretty well, like Keith always picked me up, dropped me off, take me to and from, whether it's an event, the Beverly Hill Hotel or wherever we're going, Keith was always involved.

Keith is a nice man. Yes, I got to know him. He's funny.

COOPER: You went to the -- you said you went to a golf tournament in Tahoe.

MCDOUGAL; Ldid,

COOPER: There were other people now who have come forward saying that they also had met with him and had sex with him at that event. Were you aware of any other women?

MCDOUGAL: No, I was not, I mean, I was with him a lot, so I didn't see anything, but could be have stayed a day longer than me? Sure.

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COOPER: Did you think that this relationship was going to last for a long time? Did you have --

MCDOUGAL: I did.

COOPER: You did?

MCDOUGAL: Yes, I felt it was getting much stronger. You know, there were no gifts ever, but a Christmas gift, I got him a gift. And then he told me the gift he got me was an apartment in New York, but it's being remodeled right now. I never saw the apartment, because I ended up breaking up or ending the relationship, but that was supposedly my gift. I don't know.

COOPER: You went to his actual apartment in Trump Tower,

MCDOUGAL: I did, I didn't know I was going there. I actually had a hotel room in the city at that time, Well, for this trip. COOPER: What was it like going up to Trump Tower?

MCDOUGAL: I didn't know I was at Trump Tower. We went to the back entrance, so I had no idea where we wer going. The back entrance as you know, probably, is more discrete. It's like a little nothing hallway versus like whe you walk into the grand -- right?

COOPER: Yes.

MCDOUGAL: So we went into the back entrance, and at that point I realized where we were going, and I said, aren't you afraid to bring me here? He's like, they won't say anything. I'm like OK. So, we went upstairs and we looked around and --

COOPER: To his office or to his apartment?

MCDOUGAL: His apartment. He showed me around.

COOPER: What did you think of the apartment?

MCDOUGAL: It's very gold. No, it's actually quite pretty. The views are amazing. That's a beautiful apartment. They have great taste.

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COOPER: And he showed you around the apartment?

MCDOUGAL; He did.

COOPER: Did he reference Melania at that point?

(END VIDEOTAPE)

COOPIR: Her answer to that and her first encounter with the future first lady when we continue.

(COMMERCIAL BREAK)

COOPER: Before the break, you heard former Playboy model Karen McDougal describe how she says she and I Donald Trump met, the sweetness she says she saw in him and her reaction to what she says was an offer of mone after their first intimate encounter. Before we go any further, we should know that then White House communications director, Hope Hicks, called Ms. McDougal's allegations of an affair, quote, totally untrue.

But Ms. McDougal stands by her story, as you see. And as we continue to talk today, she told about her account of another emotionally jarring aspect of any affair with a married man, meeting his wife and his family.

Here's part two of our exclusive conversation.

(BEGIN VIDEOTAPE)

COOPER: What did he say? Did he reference Melania at that point?

MCDOUGAL: He did. We passed a room, and he said it's Melania's room. She likes to have her alone time or to get her way to read or something like that. I'm like, oh, OK. That's when I kind of thought, maybe they're having issues. I didn't ask. It's not my business at that point.

COOPER: How did you feel being in his apartment?

MCDOUGAL: Guilty, very guilty, I kind of didn't -- I couldn't wait to get out of the apartment, actually. I think doing something, doing something wrong is bad enough, and when you're doing something wrong, and you're in the middle of somebody else's home or bed or whatever, that just puts it a little old stab in your heart, and I just couldn't wait to get out of the apartment. I wanted to go back to my hotel room.

COOPER: It made his other life more real, you think?

MCDOUGAL: I was going to say, it made it more real to me, yes, It made it more real.

COOPER: Did you see Baron there?

MCDOUGAL: No, I never saw Baron.

COOPER: So, where's this picture from?

MCDOUGAL: That picture is from the "Apprentice" release party that they had at the Playboy Mansion. So, they filmed it like a month beforehand, which is where I met him, and then they had the release party when the "Apprentice" actually aired. So, that's when that one was.

COOPER: So, this is a picture with Ivanka Trump, Melania Trump, several of your colleagues and yourself.

MCDOUGAL; Correct, yes.

COOPER: Did -- so, was that the first time you met Melania?

MCDOUGAL: It is. And honestly, if you can tell, I tried to keep my distance. I tried to go as far away as I could, just because I felt guilty.

COOPER: Do you think she knew?

MCDOUGAL: You know, maybe. Maybe. I don't know.

You know, it was told to me that they were arguing that night, and I said, why? And somebody had said, probably because of you. But I don't know if that's a fact or not, so don't quote me on that one.

COOPER: Do you -- there's another picture with, it's you with Eric Trump.

MCDOUGAL: Yes.

COOPER: Do you know where that is from? MCDOUGAL: I believe is that's from the Trump Vodka release party that

he had, which was within a couple of days of that other party.

COOPER; Did it feel strange to meet his son, Eric?

MCDOUGAL: It did, but he was such a friendly guy, like, again, when you're doing something wrong, you my and push everything out of the way and make it as right as you can in your mind. So I met, you know, all his kids, except for Baron, of course. And I just started to shake it. But now, it gets to me, but then it didn't.

COOPER: Did he ever compare you to any of his kids?

MCDOUGAL: You know, he, he's very proud of Ivanka, as he should be. I mean, she's a brilliant woman. She's beautiful. She's -- you know, that's his daughter, and he should be proud of her.

He said I was beautiful like her and, you know, you're a smart girl. And there wasn't a lot of comparing, but there was some, yes. I heard a lot about her. Yes.

[20:40:02] COOPER: Did that strike you as odd in any way, or?

MCDOUGAL: You know, I know a lot of people think it's odd. I you know, there's been some comments I've heard in the news he's said about her, I think those comments are wrong. But do I think it's strange that a father would love his daughter so much that he brags about her? No, I brags about my dog that much.

COOPER: I guess -- you know, some people seeing this are not going to believe that you had a relationship, Hope Hicks has said categorically you did not have a relationship, there's no truth to this. When you heard that denial, what do you think?

MCDOUGAL: Well, I think somebody's lying, and I can tell you it's not me. It's a little hurtful, but at the same time, I have to understand, like if he were to told Hope that he didn't do it, I guess I understand, because he's trying to protect his family, his image. Things like that. But, it was definitely a little, like, wow, you're going to lie about that? OK.

COOPER: When you heard the stories of Stormy Daniels who has come forward who said that she was at the Taboe Club as well and others who said that they were there, you didn't know about that at the time.

MCDOUGAL: No, I did not know.

COOPER: Does it -- what do you think when you heard that?

MCDOUGAL: My first thought is how could she have been with him when I was with him? The only time we weren't together on that particular trip was when I -- he was on the golf course golfing. I didn't go, clearly, but I went to every event, every after thing, parties, daytime things, I was there. That's why I can't understand.

Now, I do remember him saying, he came in one day and said, ob, there are a bunch of porn stars out there. They were wanting pictures of me. And I'm like, oh, that's funny, you know, that's cute, whatever. I do remember him saying that, but I can't imagine when he found the time except for maybe the day I left.

So, it's kind of like, wow, how did this happen?

COOPER: Did you think maybe this would lead to a marriage?

(END VIDEOTAPE)

COOPER: Her answer to that just ahead.

I also asked her about the extent of the sexual relationship they had, whether she was worried that this would all come out and how their relationship ended as well as this.

(BEGIN VIDEO CLIP)

COOPER: If Melania Trump is watching this, what would you want her to know?

(END VIDEO CLIP)

[20:46:20] COOPER: Now, more of my exclusive interview with former Playboy model Karen McDougal who says for 10 months, she had an affair with Donald Trump. She says it began in the summer of 2006. He was

married and Melania had recently given birth to their son Baron. McDougal says she felt guilty but tried to put all that aside.

(BEGIN VIDEOTAPE)

COOPER: Did you think maybe this would lead to a marriage?

MCDOUGAL: Maybe.

COOPER: That's something, though, you liked him enough, that's something you would have liked?

MCDOUGAL: Maybe.

COOPER: Did he, at the time, say, tell you that you were his only girlfriend? Or did that subject --

MCDOUGAL: You know, we never really discussed that. I knew he talked to ladies, but I didn't know there was anything else. I didn't know he was intimate with other ladies.

But I guess if he's -- makes sense, if he's doing it behind his wife's back, why would be not do it behind my back? So --

COOPER: But at that time, in the frame of mind you were in then, you felt you were the only other person?

MCDOUGAL: I thought I was the only one, yes, I did, I thought I was the only one.

COOPER: Do you have any text messages, photographs, videos, anything that would dispute the Hope Hicks' statement that this never happened?

MCDOUGAL: Let me just say this; if you're in a loving relationship, do you try and collect evidence?

COOPER: That's not what you were thinking about.

MCDOUGAL: No, not at all. Not at all. In fact, the only thing that I have really is my journal that I keep, and like I said, I still do it to this day. It wasn't out to get anybody or, gosh, get anyone in trouble, but those are my notes. Those are for me.

No, when you care about somebody, you don't try and set them up in any way, shape or form. That's my opinion.

COOPER: But I'm just wondering if, you know, some couples take a for of pictures, put them on Instagram or just take pictures for themselves, that wasn't something you two would do.

MCDOUGAL: Privately?

COOPER: Yes.

MCDOUGAL: No, I wouldn't want anybody to find me in that compromising position, let alone him. But! guess at the time, I kind of felt more about my myself. I wouldn't want anybody to see pictures of me like that. So, it just so happens that I'm very protective of my image. So, I guess I protected him too without even knowing it.

COOPER: Were you worried about people finding out?

MCDOUGAL: I was for a while.

COOPER: I mean, except your sister and other good friends.

MCDOUGAL: Yes, I was for a while. There were a couple instances where we were out in public, and he had his hand on my back, and I kept thinking, I'm looking around, there's a lot of people. I'm like, how do these people, like, what are they thinking? I don't know what they're thinking, but I thought it was going to get out.

So, I was scared every time we went to an event. I thought this is going to get out. I didn't want it to get out.

But at the same time, I felt so honored to be with him in a sense that I'm like -- I don't care who knows. But I didn' want that reputation, either. So it's kind of like the saying, damned if you do, damned if you don't.

COOPER: You're saying you didn't want it to get out because --

MCDOUGAL: I mean, look at the bad things people are saying about me now. I didn't want it then and I didn't want it for him either.

COOPER: I mean, this is a hard question to ask but you said you had sex that first time. All those times you saw

him, this was an ongoing sexual relationship. MCDOUGAL: Absolutely.

COOPER: Can you estimate how many times you actually saw him?

MCDOUGAL: Again, when you're in a relationship, do you count how many times you have sex? No. However, I can tell you we saw each other a minimum five times a month, up to bigger numbers per month. So, we --

[20:50:08] COOPER: Over the course of how long?

MCDOUGAL: Over the course of 2006 through I think I ended the relationship April 2007. So, we were together 10 months before I chose to end it. So, we saw each other quite frequently.

COOPER: So, dozens of times you were together.

MCDOUGAL: Many dozens of times, yes.

COOPER: And you were intimate --

MCDOUGAL: Yes.

COOPER: -- many dozens of times?

MCDOUGAL: Yes.

COOPER: This is another tough question and again, you don't have to answer it. But it's been raised with other people, did he ever use protection?

MCDOUGAL: No. He didn't.

COOPER: Was that something you thought about or it didn't concern you at the time?

MCDOUGAL: You know, we talked about it right beforehand. He was starting to and then he's like, I don't like these things. And you know, we discussed things. Did you do, blah, blah. We were just honest with each other and we didn't use any.

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MCDOUGAL: You talked about ending the relationship. Who ended the relationship?

MCDOUGAL: I did.:

COOPER: Why?

MCDOUGAL: I was just feeling so guilty. It was just digging inside me. I think the excitement of it took over for

a while, and I did care about the man. I'm not going to lie. So, that made it hard to end it.

But I think I just started feeling so bad about myself, like how could I do this to, A., myself, to B, to a family?

Whether they get along or not, it's still a family.

I just needed to get out of it. You know, I just needed to get out of it. It's just tearing me apart in a long run.

COOPER: That's a hard thing to do to end a relationship, any relationship.

MCDOUGAL: It was very hard, But I knew I needed to get out.

COOPER: How did you end it?

MCDOUGAL: He wasn't in town. And I just, I'm like, this isn't working for me. He's like why not? And I told

him, I blamed it on my mom. I said like, I know my mom knows about you, but she would be really, really

devastated if she found out we were having a relationship and being intimate together and, you know, the feelings

and I don't want to disappoint my mom.

And he said a few words and that was about it. But, you know, it is what it is. We ended it. We didn't talk for a lon-

time again.

We started talking again in 2009. I went to the Miss -- in one of the pageants in Vegas with this girlfriend of mine.

We weren't together, but we talked a lot. We went to this room and just chitchatting.

COOPER: He invited you to the pageant?

MCDOUGAL: He did.

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He got us a room at the Trump Hotel in Vegas, a suite, really nice one. And, you know, there were no intimate relations. I had a boyfriend at the time. So, there was nothing like that at all. And then we stayed in contact for a little bit and then we lost contact.

(END VIDEOTAPE)

COOPER: Up next, I asked Karen McDougal about whether she ever thought about rekindling the relationship. I also asked her about what happened when Donald Trump announced his candidacy, how at first she says she didn't want her story to come out and then something changed.

(COMMERCIAL BREAK)

[20:57:20] COOPER: Karen McDougal said she and Donald Trump had an affair for ten months, an affair she say: that began while he was married to Melania Trump and their son Baron was just a few months old. McDougal told me she felt guilty and that she was the one to end the relationship. Again, the White House has called allegations of an affair, quote, totally untrue.

Ms. McDougal stands by her story. More now of our exclusive interview.

(BEGIN VIDEOTAPE)

COOPER: Did you ever think about rekindling your relationship?

MCDOUGAL: Not while he was married. Yes, of course, I did. I had feelings for the guy. But no, I couldn't. No, not while he was married. At that point in time, I would never do that again. No.

COOPER: You didn't speak -- I mean, you told friends as anybody would tell friends about a relationship.

MCDOUGAL; Sure,

COOPER: But you didn't at any point during this time, 2006, 2007, 2008 try to reach out or did you at any point after the relationship ended think about telling your story publicly?

MCDOUGAL: Never.

COOPER: Talking about the relationship?

MCDOUGAL: 2007, 2008. No, in fact I had media contacted me in 2011. I for the life of mc couldn't figure out who would leak something like this. I'm asking all my friends.

I even called him. I'm like, did you tell anybody? Like, are you leaking this information? He's like, no, don't worry about it. I didn't do it. So, we didn't worry about it.

But I actually had a manager at the time. I had a couple of journalists following me. And they would not leave me alone. So, I had an old manager at the time write them letters saying, you know, she did not have an affair, relationship, blah, blah, blah, et cetera, et cetera. So, I denied everything. I didn't want it out.

COOPER: So, you actually put out a denial to this --

MCDOUGAL: I did.

COOPER: -- in 2011?

MCDOUGAL; I did, Not -- did they print that denial, I don't know.

But I'm saying, my manager at the time e-mailed this one reporter that wouldn't give up. You guys are persistent. She wouldn't give up.

So, he had to give her this letter and basically say, leave Karen alone at this point. Like you're done. Leave her alone. So --

COOPER: I mean, some people would have considered telling their story. That never crossed your mind?

MCDOUGAL: No. When you have -- when you have feelings and relationship and you cared about somebody, why would you want to destroy their life any more than you might have already destroyed their life? So --

COOPER: At one point did -- I mean, obviously, Donald Trump announces for president. He's going to run. He gets the Republican nomination.

At what point does this start to come back or this becomes suddenly in the forefront for you again? MCDOUGAL

I was watching the Republican debate with a friend named

Johnny. He's one of my good friends from many years ago. He said, you know, this story is a big story. I said, no way. It's not going to happen. I go, you know where I stand on this, Johnny. I will never say anything. We dropped it.

COOPER: Your friend Johnny was saying this story, meaning the story of your relationship with --

MCDOUGAL: Right, Of course -

COOPER: Your alleged relationship with Donald Trump.

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Exhibit 3

# The New York Times

SundayReview | news analysis

# Paying for News? It's Nothing New

By JEREMY W. PETERS AUG. 6, 2011

Jeremy W. Peters is a media reporter for The New York Times.

IN April 1912, the surviving operator of the Titanic's wireless communications system was paid a handsome sum for his account of narrowly escaping death aboard the sinking ship.

It will probably surprise some journalistic purists to learn that the news outlet that forked over \$1,000 for Harold Bride's harrowing tale — multiple times his annual salary — was not some sensationalist purveyor of yellow journalism, but The New York Times.

Evolving standards or no, checkbook journalism has been a persistent and problematic feature of news coverage at even the most powerful and reputable news organizations, long predating the hyper-competitive 24-hour cable news cycle and the celebrity gossip boom.

And the issue is not likely to disappear anytime soon, even with ABC News's contrite acknowledgment last month that to protect its reputation, it would have to cut back on the kinds of payments that have helped the network score a string of major exclusives in recent years. In Britain, public tolerance seems to have reached its limit with revelations that journalists working for Rupert Murdoch's recently closed News of the World routinely paid the police for information as well as hacked the phones of crime victims.

Far from existing at the periphery of journalism and society, the payments have reached the highest levels of politics. Newsmakers who have been cut large checks over the years include not just players in courtroom melodramas like the Casey Anthony and O. J. Simpson trials, but former presidents.

When the British journalist David Frost secured his interview with Richard M. Nixon in 1976, it was because he outbid his American competitors, offering the former president a staggering sum of \$600,000. But Mr. Nixon wasn't the only expresident paid to appear on camera. Dwight D. Eisenhower and Lyndon B. Johnson both received sums from CBS News for sitting for interviews after they left office.

Networks have long employed the use of high-dollar consulting contracts, which allow them to effectively place prominent political figures on retainer. Gerald R. Ford and former Secretary of State Henry A. Kissinger signed exclusive arrangements, each reported to be in the \$1 million range, as NBC News consultants. Exclusive consulting arrangements exist today most visibly on Fox News, with its hiring of Sarah Palin, Karl Rove and other prominent Republicans as contributors.

Every so often, instances of checkbook journalism produce enough of an outcry that the media business does some soul-searching, as it is doing now. ABC News in particular is under scrutiny for a flurry of payments in pursuit of sought-after news subjects like Ms. Anthony, the mother tried and acquitted in the death of her young daughter; Jaycee Lee Dugard, a kidnapping victim held in captivity for almost a decade; and Meagan Broussard, the 26-year-old who received lewd photos from Anthony D. Weiner, the congressman who later resigned.

After each revelation that money has changed hands in pursuit of a major scoop, a familiar cycle of denial followed by a carefully parsed explanation tends to emerge. News outlets twist themselves into logical knots insisting that they do not pay for interviews. The payment is always for something else, tangible or intangible, like one's time or the rights to memorabilia. It is a rare but sometimes necessary evil, they say.

The jargon may be different now, but the debate has been the same for decades. Before there were licensing fees — the arrangement popular with news outlets today, in which they pay an interview subject to broadcast personal photos or video — there

were "memoir" fees paid to newsmakers for recounting their stories at length. Esquire, for instance, paid \$20,000 in 1970 to William L. Calley Jr., the Army licutenant at the center of the My Lai massacre in Vietnam, for his "confessions," which the magazine used as the basis for a series of articles.

One of the biggest controversies over such payments erupted in 1975 after CBS News coughed up a reported \$100,000 for an extended interview with the former Nixon chief of staff II. R. Haldeman, who spent 18 months in prison for his role in the Watergate scandal.

At the time, Robert Chandler, a CBS vice president, justified the payment as "a memoir of his five years at the White House. That's different from paying for a breaking news story."

The CBS rationalization — after all, its payment was little different from a hefty book advance to a controversial figure — shows that the issue of paying for news is rarely black and white.

More than 30 years later, the gray areas are as opaque as ever. ABC News is correct when it says a \$200,000 payment for videos of Ms. Anthony's dead daughter didn't violate network policy. It didn't pay for an interview, after all. But it did indirectly subsidize Ms. Anthony's lawyers, who used the moncy for her legal defense.

It wasn't the first time a news outlet had subsidized the defense of prominent criminal suspect. During the Lindbergh kidnapping trial in 1935, Hearst Newspapers paid for a high-profile attorney to defend the man accused, Bruno Hauptmann, in an arrangement that guaranteed them exclusive access.

Experts said the practice of paying for news might not keep embarrassing news organizations if they weren't so murky about their standards.

"It has been handled in a fairly dishonest way by news organizations that view it as a disreputable practice," said Lorna Veraldi, an associate professor of journalism and mass communications at Florida International University, who has studied and written about the issue. "They pretend not to engage in it by paying for memoirs or for photographs, but that has made it a subject of more outrage."

Just how much outrage is focused on the issue is difficult to gauge. Indeed, part of the reason checkbook journalism endures could be that most Americans don't see it as a major offense.

"I'll be honest with you," said Kevin Z. Smith, chairman of the ethics committee of the Society of Professional Journalists, "there's no groundswell from citizens' groups' saying, stop paying for stories because you're tainting the truth."

For now, though, ABC News has acknowledged that paying for exclusives harms its reputation, and a criminal inquiry is unfolding in Britain.

But experts said don't be surprised if checkbook journalism resurfaces, perhaps under another guise.

"These news organizations will have to feign shock and horror and figure out another way to do it surreptitiously," said Robert Boynton, director of the long-form journalism program at the Arthur L. Carter Journalism Institute at New York University.

"It goes on because money is the literal coin of the realm. It is going to continue no matter what."

A version of this news analysis appears in print on August 7, 2011, on Page SR4 of the New York edition with the headline: Paying for News? It's Nothing New.

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Exhibit 4

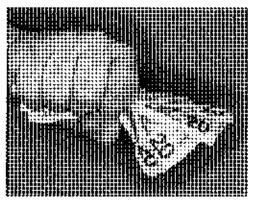
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# Why Not Pay Sources?

My objections are practical, not ethical.

By Jack Shafer



Does paying for news make for worse journalism?

Last week, Gawker Media made new again the old debate about whether journalists should pay sources for information. The company's Gizmodo gadgets site reported that it paid \$5,000 for a iPhone prototype that was "found lost" in a Redwood City, Calif., bar.

Yet the Gizmodo case isn't a perfect entry point for a revival of the paid-sources debate. San Mateo County authorities, who appear to be interpreting the transaction as a crime in which the finder moved stolen goods, seized the computers of Gizmodo's writer with a search warrant. Gawker Media, wallowing in the publicity, has cried foul and has hoisted the California shield law that protects journalists from some warrants and subpoenas.

Assuming, for the purposes of this column, that Gawker's purchase of the iPhone was legal, was it right? Should journalists pay for interviews, documents, photos, and electronic prototypes? The ethics cops who police journalists would give you an unqualified no, saying that financial motives taint whatever information is collected with a dollar. That's why these ethics types disdain operations like the *National Enquirer* and **TMZ.com**, which proudly pay sources.

If an exchange of money between source and journalist had accelerated the reporting of the Iran-Contra scandal or moved the Abu Ghraib photos into print faster, how much would you protest? You probably would not avert your eyes from the reporting. And when other, more "ethical" news organizations chased and caught the story that paying sources produced, I doubt you'd avert your eyes then, either.

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Not all payments to sources are automatically evil. *Slate*'s Timothy Noah wrote about one of the more defensible payments to sources in a 1998 piece about journalist Michael Massing. In the reporting of *The Fix*, a book about the drug trade and drug policy, Massing bought low-level sources cheeseburgers and cigarettes and disclosed it on the page. "One Spanish Harlem drug lieutenant charged Massing \$200 for four interviews that Massing judged 'a worthwhile investment,' " Noah writes.

My objections to paying sources are mostly practical. If you want more of anything, economists tell us, increase the price. If journalists started paying for information rather than demanding it for free, bushels of that information, accompanied by sellers, would miraculously appear overnight outside the door of every newspaper, broadcaster, and Web site.

The info-glut would come with a catch. If, say, you announced you were paying \$50 a pound for tomatoes, scores of vendors would assemble outside your home offering beautiful tomatoes, rotten tomatoes, canned tomatoes, and tennis balls painted tomatored. The costs of grading the harvest would probably exceed the cost of the tomatoes you purchased, making you regret your initiative. It would be the same if reporters paid for news. How much truth, as opposed to half-truth, would people sell? How many patently false bundles of information, ginned up solely to collect a bounty, would the dollars generate?

The paid-source debate frequently neglects to acknowledge that sources often profit with NOT BOX SOURCESS WX OBJECTIONS WEED EXECTIONS. HOTETHICKET: from feeding journalists free information. Give a journalist some useful information, and, whether or not you're cited in the story, you'll feel an instant ego boost. If cited, you'll probably reap an increase in status or the appreciation of your boss, your fellow club members, or your clan. You may get a better job or win a raise. Or you may find yourself enriched by the knowledge that the document you leaked helped do good or (better still) helped punish your enemies. It's the rare source who has no motive, which means that a journalist must be vigilant whether cash changes hands or not. Removing money from the motive-assessment process may simplify it, but it can never erase it.

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As a journalist who has never purchased information from a source (note: a meal or two, or a drink or three, or reimbursement for photocopying expenses, or a short lift to the source's destination don't count as payment), I would probably go insane if every source demanded cash for information. In my nightmare scenario, sources of free information would dry up and people would charge a metered rate just to talk. As my questions started to converge upon the answers I was looking for, I'd become hostage to my source as he flipped the flag on his meter and said, "More questions? More money!" Oh, the haggling that would ensue! Where would I ever find the time to file the actual story?

Yet if paying for information is inherently unethical, why do so many respected institutions practice it? Police officers pay snitches on the street for information. **Rewards** are paid to those who report fraud against the government. Legal defenses pay expert witnesses for their testimony.

Besides, "respectable" U.S. news organizations have been buying information from sources for decades. As the *American Journalism Review* reported in 1999, the *New York Times* paid for the *Titanic* scoop in 1912 by giving a wireless operator \$1,000 for his story, the Hearst newspaper chain covered the Lindbergh kidnapping defendant's legal bills during the trial to keep information flowing, and *Life* magazine paid the *Mercury-7* astronauts for their stories. In his book, *If No News*, *Send Rumors*, Stephen Bates reports that a 19<sup>th</sup>-century speaker of the House charged reporters for interviews, earning hundreds of dollars a week; that the *Times* paid Charles Lindbergh \$5,000 for the story of his flight; and that the *Times* also paid for Robert E. Peary's North Pole expedition in exchange for an "exclusive" on his story.

A Timestory from 1975 reports that NBC purchased the rights for interviews with the when was borders we objections was bracked; not ethicked: parents of the Fischer quintuplets, and that the network gave money to "German tunnel diggers for the right to film refugees escaping from East Berlin," and that Watergate defendants H.R. Haldeman and G. Gordon Liddy were paid by CBS News for exclusive interviews. According to the AJR, Gerald Ford and Henry Kissinger won lucrative contracts with NBC News for their services as "adviser-consultants" to news specials. And just two years ago, Errol Morris confirmed that in making his film Standard Operating Procedure, he paid some of the soldiers who were convicted of abusing Abu Ghraib inmates.

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One dodge that the TV networks and pop magazines like *People*avail themselves of is giving sources cash for photos or videotape and bestowing trips and hotels on them. Just last month, court proceedings revealed that ABC News paid Casey Anthony \$200,000 in August 2008 for photos and video after her daughter disappeared. Shortly after the payment, authorities later charged Anthony with the murder of the child. The network never disclosed the payment in its reporting, even when it aired the bought footage.

The strongest case against paying sources can be found in Britain, where the tabloids routinely pay for information. British critics complain that payments tend to generate idiotic and sensationalistic stories about celebrities or reckless pieces about politicians and other public figures. In his book *Ethics for Journalists*, Richard Keeble notes that paying sources may lead to a monopoly on the news by the rich. By virtue of their wealth, the rich can inject whatever "news" they want into the press or, by depositing money in the right hands, suppress it.

Who benefits when sources aren't paid? If a whistle-blower gives me a hot scoop for free, I might get a raise or even a book contract out of it. My publisher may sell more ads. Everybody up and down the chain will profit except the source. Is that right? Is that ethical? If the source were really smart, he'd take his whiz-bang material to a book publisher himself. There, selling your story isn't unethical. It's business as usual!

Established media organizations also benefit when no money changes hands. As long as newspapers and magazines don't pay for information, sources will continue to give their best tips twelverentiatelity traville previdently being plant bangelike the best tips to the best tips to

Washington Post, and the Wall Street Journal. The ethical prohibition against paying for mem was soonees we observed whe see sexcilous; not ethicat: news largely punishes media organizations lower on the editorial food chain while rewarding the ones on the top.

### Advertisement

Although Gawker Media boss Nick Denton loves to play the role of the journalistic gangster, he has paved a fairly ethical path in the reporting of his iPhone story. His publication disclosed what it paid for the "found lost" device and gave the phone back to its rightful owner, Apple (after tearing it apart for as many technical details as could be gleaned). Especially if Denton's Gizmodo editor stays out of jail, we should expect more sources demanding and receiving payment for info.

I can't condone Gawker Media's conduct for the common-sense reasons I've pointed out. But compared with ABC, Gawker looks like the Gandhi News Network.

\*\*\*\*\*

Wired.com's "Threat Level" blog has identified the dinkus who sold Gizmodo the prototype. In the future, by which I mean tomorrow, will journalists rely on Pay Pal to report stories, or will they pay sources with their cell phones? Let me hear from those of you with lots of cash and no ego needs at slate.pressbox@gmail.com. For the time being, my Twitter feed is free. (E-mail may be quoted by name in Slate's readers' forums; in a future article; or elsewhere unless the writer stipulates otherwise. Permanent disclosure: Slate is owned by the Washington Post Co.)

Track my errors: This hand-built RSS feed will ring every time *Slate* runs a "Press Box" correction. For e-mail notification of errors in this specific column, type the word *Gizmodo* in the subject head of an e-mail message, and send it to slate.pressbox@gmail.com.

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THE SLATE QUIZ TEST YOUR KNOWLEDGE OF THE WEEK'S NEWS.

MARCH 23 2018 5:52 AM

# Slate News Quiz

Test your knowledge of this week's big stories.

By Ray Hamel



Photo illustration by Slate. Photos by Pascal Le Segretaln/Getty Images, Scott Olson/Getty Images, and Angelo Merending/AFP/Getty Images.

Welcome to Slate's weekly news quiz. It's Friday, which means it's time to test your knowledge of the week's news events. Your host, Ray Hamel, has concocted questions on news topics ranging from politics to business, from culture to sports to science.

Questions are multiple-choice, and time is of the essence: You have 50 seconds to answer, and as the seconds tick away, the question's point value drops from 50 all the way down to zero, so you'll want to click on your answer as fast as you possibly can. There's no penalty for an incorrect answer, so feel free to take a guess.

At the end of the quiz, you'll be able to compare your score with that of the average contestant, as well as with the score of a Slatester who has agreed to take the quiz on the record. This week's contestant is statewise.

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Exhibit 5

#### The New Hork Times https://nyti.ms/1QHw17t

Opinion | OP-ED CONTRIBUTOR

#### When It's O.K. to Pay for a Story

By KELLY McBRIDE JUNE 9, 2015

St. Petersburg, Fla. — JOURNALISTS frown on paying sources. This decades-old principle stems from the belief that the tawdry practice corrupts the authenticity of information: If I pay you to tell me your story, you may distort its details to up the value.

So last week, WikiLeaks disturbed many journalists with an initiative to crowd-source a \$100,000 "bounty" on the text of the Trans-Pacific Partnership trade deal. The website, which made headlines in 2010 when it published large caches of leaked documents from the United States military in Afghanistan and Iraq, has been pressing hard for sources to steal the trade documents; it has already published three leaked chapters (a reported 26 remain secret).

Setting a bounty on the treaty text turns journalistic mores on their head. In traditional newsrooms, the idea of offering a cash incentive for the leaking of confidential documents is anothema. But WikiLeaks, like other media disruptors, leaves us no choice but to reconsider this prohibition. If journalism organizations refuse to do so, they relegate themselves either to secondhand reporting on documents obtained by those outside journalism or to being left behind.

It's true that trade deals, which are usually about tariffs and the price of goods, are traditionally negotiated in secret. But the TPP exceeds agreements like Nafta in

scope and scale and involves far-reaching foreign policy decisions.

Its measures will touch the lives of every citizen in the 12 countries expected to sign the pact. Chapters already leaked suggest that the deal restricts fair use of copyrighted material, expands medical patents and weakens public policies that govern net neutrality.

Members of Congress can read the text in a secure room but cannot discuss its contents publicly. Representatives from about 600 private corporations are said to have access to the document via a secure portal. Yet the public is excluded.

The job of journalism in a democracy is to exercise scrutiny to hold power accountable. Given the TPP's secrecy, WikiLeaks' crowd-sourced leak-funding campaign, which has raised about \$56,000 to date, can be seen as a logical response to a process designed to thwart public debate, an investment in democracy even.

In practice, there has long been a gray zone in the media industry. British tabloid newspapers have a long history of "checkbook journalism," while some American TV news shows have often paid large sums for certain material, as when ABC News gave Casey Anthony \$200,000 for photos of her then-missing daughter.

The entertainment news site TMZ generates stories with global appeal by paying for tips and photos, like the harrowing 2011 images of the brutalized face of the pop singer Rihanna. In 2013, Gawker used crowdsourcing to raise money for a video of Toronto's mayor, Rob Ford, smoking crack. (Crowdfunding for leaks may mitigate a traditional objection to paying sources by introducing transparency into dealings that are usually opaque.)

New sites like these are often more concerned with sensationalism than the noble ideals of the Fourth Estate. But in the TPP case, WikiLeaks' bounty would give millions of citizens in signatory countries the ability to debate a major piece of public policy. And without this information, how are they to guide their elected representatives who will ultimately enact or reject the policy?

It seems probable that WikiLeaks will entice someone into breaking the law and passing the website more text of the TPP agreement. WikiLeaks will then have to

figure out if they have the complete and accurate version; or they might just publish and let the rest of us worry about the niceties. Mainstream media newsrooms will be in the interesting position of deciding whether to use the stolen TPP document in their reporting.

This cash-for-leaks venture could forever alter the relationship between those who would leak secret documents and the journalists who would publish them. In the past, whatever ulterior purpose confidential sources had, as long as cash was not involved, journalists could attribute to the leaker the motive of acting in the public interest. Once remuneration comes into the calculus, it places a greater burden on journalists to yet leaked material.

WikiLeaks has arrived at a flawed solution to a very real problem. We have reached a point in the evolution of global democracy at which secrecy and transparency are grotesquely imbalanced.

Right now, the bounty may be the best shot we have at transforming the TPP process from a back-room deal to an open debate. But we need a better system to discourage unjustified secrecy, to protect sources and to encourage public-interest whistle-blowing.

Modern news media organizations must develop new codes of ethics that embrace the best of the Internet's potential for citizen journalism and information sharing. They should not rule out paying sources, but it should happen rarely and be transparent when it does. The guiding idea is not just what's in the public interest, but what serves democracy.

WikiLeaks is a great disrupter, breaking the old conventions. But rather than rejecting its example — or opportunistically adopting it — we must rewrite the conventions.  $\square$ 

Kelly McBride, a media ethicist and a vice president at the Poynter Institute, is a coeditor of "The New Ethics of Journalism: Principles for the 21st Century."

Follow The New York Times Opinion section on Facebook and Twitter, and sign up for the Opinion Today newsletter. A version of this op-ed appears in print on June 9, 2015, on Page A23 of the New York edition with the headline: When It's O.K. to Pay for a Story.

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Exhibit 6



AJR Features

From AJR, April 1999

#### Paying For It

Larry Flynt offered big money for information and brought down a powerful congressman. How secure is mainstream journalism's taboo against purchasing news?

#### By Relly Heyboer

Kelly Heyboer is a reporter at the Star-Ledger in Newark, New Jersey.

#### IT WAS ONE OF THE MOST brazen moments in the not-altogether-

distinguished history of checkbook journalism. Last October, Hustler magazine Publisher Larry Flynt placed an ad in the Washington Post offering up to S1 million to anyone who could prove a member of Congress or a high-ranking government official had carried on an adulterous affair.

Before the year was over, information turned up by the ad had ended the political career of House Speaker-Designate Bob Livingston. In January, at a heavily attended press conference, Plynt was dishing the dirt on Georgia Republican Rep. Bob Barr.

And this was only the beginning, Flynt promised. Soon, he told the assembled journalists, "all news organizations are going to be paying for stories."

That doesn't seem likely. After all, it's one of the Commandments of Good Journalism: Thou shalt not pay for information. Only the tabloids, of both the supermarket and TV variety, regard news as a tradable commodity.

But, as the Flynt episode suggests, it's not always quite so simple. Once someone goes public with information that was bought and paid for, don't many news organizations simply pick it up? The Livingston story was a no-brainer; the congressman's resignation was news that couldn't be ignored. The Barr disclosures were less clear-cut: Many news organizations made mention of them, although in most cases not very prominently.

Bernard Kalb, panelist on CNN's "Reliable Sources," argued that picking up a paid-for story isn't necessarily bad journalism. "You've got to do the usual legwork on that story, and then maybe you'll go with it," Kalb said on air. But what about being the first organization to print or broadcast a story based on information with a price tag? If a reporter verifies a story through outside sources, does it really matter if the original tip was paid for?

Politicians regularly pay campaign investigators to unearth dirt on opponents under the rubric of "opposition research." The results are inevitably leaked to the press. Hynt merely cut out the middleman. He hired his own journalists, including investigative reporter and author Dan Moldea, to do the probing.

Press historians say paying for news is not as long-standing a taboo as many journalists think. "A myth of checkbook journalism is no established press has ever paid for a story. The reality is, there is a long history of payments made by the established press when they thought the story was worth prushing," says Lorna Veraldi, who explored the topic for the book "Contemporary Media Issues," published last year.

The New York Times scooped the competition with an exclusive interview with the Titanic wireless operator by forking over \$1,000 for his story in 1912. Two decades later, the Hearst newspaper chain paid the legal hills of the defendant in the Lindbergh baby kidnapping case to ensure scoops during the trial. In the 1960s, Life caused a minor flap among journalists when it paid the original Mercury astronauts for their stories.

By the time Watergate rolled around, the television networks got involved. CBS News paid Nixon White House Chief of Staff H.R. Haldeman for his story. Shortly after leaving office, both Gerald Ford and Henry Kissinger signed million-dollar contracts with NBC to serve as exclusive "adviser-consultants" in news specials.

Checkbook journalism flourished during the O.J. Simpson saga, with tabloid newspapers and TV shows writing the checks.

Even minor players raked in cash for interviews, A National Enquirer editor went on "Larry King Live" with a \$1 million check to make an unsuccessful public plea for Simpson friend Al Cowlings to tell his story of the infamous Bronco chase.
"This has been going on quite a long time. It tends to surface during a crisis, like Watergate or O.J. Simpson," says Verald

"This has been going on quite a long time. It tends to surface during a crisis, like Watergate or O.J. Simpson," says Veraldi, an associate professor of journalism and broadcasting at Florida International University in Miami.

There are signs—with the explosion of news on the Internet and cable and in the tabloids—that the press is entering an era similar to the days when cities had several newspapers fighting vigorously for stories. Today, supermarket tabloids openly solicit stories, as do some tabloid television shows such as "Hard Copy" and "American Journal." With increasing competition, money is again becoming a tool of the trade, and the press might as well stop hiding behind ethics policies, Veraldi argues.

"It undermines the [profession] to pretend they have rules and then find a way to get around them," she says.

"Newsgathering is a business. I'm not sure it's unclinical to have to pay sometimes for the information to put together, package and sell."

That argument makes media ethicists eringe. Exchanging money for information, they say, leads to questions about whether the source is being truthful or embellishing for the sake of more cash.

"The standard line is news organizations don't pay for information," says Bob Steele, director of the ethics program at the Poynter Institute for Media Studies. "The public perceives that the information is tainted by financial motives.... They will discount the value of the information."

Steele, who conducts ethics seminars for journalists, says those in the profession who argue there is a place for paying sources are in the minority. Supermarket tabloids have been getting exclusives with each for years. That doesn't mean the rest of the media should simply fall into line and abandon the high ground, be says.

Oprah Winfrey resisted the temptation to take a back door to landing the most sought-after interview of recent years. Winfrey's negotiations with Monica Lewinsky's representatives fell apart over a demand that Winfrey turn over the marketing rights to videotapes of the interview to Lewinsky. "I do not pay for interviews, no matter what the payment is called," Winfrey declared. "My feeling was giving up the rights was just someone else paying the check."

(The interview, of course, eventually went to ABC's Barbara Walters, who did not pay the former White House internative anything or harter in videotape rights, an ABC spokeswoman says. The interview aired in March.)

"There will be times where you have to wrestle with a perplexing dilemma," Steele says, "Creative, thoughtful journalists will always find a way to get it without paying for it."

But exactly where checkbook journalism starts and stops can be difficult to pinpoint. Is it just the exchange of cash for exclusive interviews, or does it extend to paying for news tips, background information, still images and video clips? "That's a hard line to draw," Steele admits. Cash is frequently exchanged for videotape or still images. "That's a time-honored tradition," he adds. "One of the distinctions is who is giving you the information, and are they a party to the story...or a casual observer?"

Paying consultants for their expertise on complex stories is a generally accepted practice among television networks, as is paying news sources' travel fees and other expenses.

CBS' "60 Minutes" ran into trouble in 1995 when a tobacco company executive it had paid \$12,000 as a consultant on a previous story came forward as a primary source on a controversial piece about the tobacco industry. CBS denied the previous payment was related to the second story. The piece, which charged the tobacco company knowingly added cancercausing additives in cigarettes, was killed by CBS lawyers before it aired.

Brant Houston, executive director of Investigative Reporters & Editors, says be used paid consultants three or four times during his 20 years as a print reporter. In each case--like when he needed a civil engineer to consult on an investigative piece involving building plaus--the consultant's paid role in the project was disclosed in print. But, he says, paying for help can pose ethical problems.

"Sometimes you could get onto a slippery slope. You have to be careful you are not paying for what you want them to tell you," Houston says. "If you're loose with the term, it's easy for the `consultant' to be a paid informant."

At local news stations, dilemmas over paying informants are rare, says Alice Johnson Main, executive producer at WLS-TV, the ABC affiliate in Chicago. "That has almost never come up. It is not something I have ever had to deal with," says Main, who also edits The Producer Newsletter, a 1,300-subscriber online forum for television news producers (www.scripps.ohiou.edu/producer).

But the issue of paying for tips is open to debate. Is it wrong to pay for them if a reporter is going to independently verify

the information, as with an unpaid leak? Law enforcement officials, for instance, regularly offer rewards for information leading to an arrest.

Paying for the information does not make it any less true, but it does muddy the motives of everyone involved. Take Larry Flynt's ad for information on the extramarital affairs of members of Congress, says Bob Giles, executive director of the Freedom Forum's Media Studies Center. "He was acting in a political spirit rather than a journalistic spirit," exactly the image an impartial press wants to avoid.

"This then becomes a judgment call on the part of individual editors, as it should be," Giles says. "And in many cases, standards have been reviewed and strengthened."

Griffin Smith ju., executive editor of the Arkansas Democrat-Gazette, says his paper last April reaffirmed its commitment to not paying for news tips. With so many Little Rock-based scandals swirling around President Clinton, the paper published a Sunday editorial, a sort of "note to consumers," reminding them news for cash is not considered appropriate at the Democrat-Gazette.

"I think it was the whole experience of the time" that prompted editors to restate what the paper stood for, Smith says. Headlined "Checkbook journalism; And why we don't practice it," the editorial said: "Paying for news, like paying for love, tends to east doubts on the sincerity of the transaction. And on the credibility of those doing the marketing.... Our operating principle is that a story that has to be bought isn't worth the price. So when you read about all that dough the tabloids and television shows pay for titillating stories, please don't confuse the Democrat-Gazette with that kind of paid-for news."

If there is confusion among readers, there may also be confusion among reporters. Few newsrooms have their rules written down. And when the Poynter Institute reviewed codes of ethics at 33 newspapers that do have them on paper, it found only half had meaningful passages about dealing with sources. Few included outright statements that the newspaper never pays sources for information.

To assume a reporter, especially a young or inexperienced one, will instinctively know where to draw the line is dangerous, Steele says. "In the absence of any written standards, it makes it very difficult for reporters and editors to know how to act." Reporter Pat Chargot says she made those instinctive decisions every day working various beats at the Detroit Free Press, where she started her career in 1971 at age 21. "You can take someone out to lunch or buy them coffee or buy them a beer under the right conditions, but paying for information--no," she says.

Still, things can get blurry. Even with what she considered a clear sense of right and wrong, Chargot found herself in the center of a minor journalism scandal in Detroit in 1989.

In a case still used by the Poynter Institute in its ethics seminars, Chargot and photographer Manny Crisostomo spent a day following crack addicts. Chargot's information became the lead anecdote in "24 Hours: The Drug Menace," a special section, and a photo Crisostomo took appeared on the cover.

During the course of the day, Crisostomo—who was on one of his first big assignments after winning a Pulitzer Prize for photography—bought a Polish sausage and a Sony Walkman from one of the crack addicts for more than \$20. The addict used the money from Crisostomo's purchases to buy drugs, which the reporter and photographer watched him use after driving him to a location to make the drug buy.

Chargot says she tried unsuccessfully to stop Crisostomo from buying the items. They failed to tell their editors about the incident until a few days later.

Chargot now considers the episode a major lapse in judgment. She says she knew it was wrong at the time, but minimized the implications in her own mind and chose not to rat out the photographer to editors over a small amount of money. "I shot myself in the foot," says Chargot, who still works for the Free Press as a writer for Yak's Corner, the paper's new magazine for young readers. (It is also distributed nationally by parent Knight Ridder.)

"Based on my experience, when working with another journalist, you're really responsible for the other person's ethics," she says. "I learned something really important the hard way."

For his part, Crisostomo wasn't convinced buying the sausage and radio was wrong; editors had encouraged him to get close to sources by buying them meals and drinks, he said at the time. The photographer, who left the paper and returned to his native Guam several years ago, told editors he turned over the money to the addict because he feared for his safety. And, having just received the Pulitzer, he said, he felt intense pressure within the newsroom to produce for the high-profile project.

Then-Executive Editor Heath Meriwether wrote a front-page editorial telling readers about the situation, then suspended

Crisostomo for three days and Chargot for two.

Meriwether, now the Free Press' publisher, says the paper was criticized for being too lenient on the reporter and photographer. But there was a general sense in the newsroom, he says, that the Free Press had refused to cross a line and had taken a clear stand against even the hint of checkbook journalism.

"Clearly this stuff matters," Meriwether says. "I understood at that time it was tricky.... But we had said and we had made a specific point to our staff not to give money to facilitate anything."

But the situation isn't always black and white. "We buy lunches and dinners for sources," Meriwether says. "And foreign correspondents...it's part of the culture almost that you are going to pay people off as a foreign correspondent. It's a business expense."

Indeed, journalists in other countries are less wedded to the hard-and-fast prohibition against paying for information. Checkbook journalism is common among the competitive daily tabloids in London. New Zealand and Israel have both had bidding battles over hig local stories in recent years. And correspondents in Moscow reported the Glasnost of the late 1980s and early 1990s brought a new insistence on each for interviews, with some government and law enforcement officials demanding \$100 to \$1,000 to allow camera crews to do their job.

In the United States, prices for interviews are not as low as in Moscow, but they've stopped climbing. Among the supermarket tabloids that pay for information in this country, prices have remained fairly steady since the early 1990s, editors say. The Star paid a six-figure sum, reportedly \$150,000, for Gennifer Flowers' story during the 1992 presidential campaign. In recent years, the Star paid in the low five figures for the story of the woman who had an affair with Clinton advisor Dick Morris and again in the low five figures to the White House steward who said he saw Monica Lewinsky in the Oval Office, says Phil Bunton, Star's editor in chief.

During the Lewinsky extravaganza last year, Bunton says, the Star received weekly calls from major newspapers and television news operations. They wanted to find out what was going to be in the next issue so they could get a jump on working their own sources to verify the latest revelation.

Still, the Star's editor says he can't see the day when the tabloids will compete with the Washington Post over who will write the biggest check for the latest exclusive interview with a White House paramour. "I don't think I want it to ever happen," says Bunton. "I'm quite happy with the way it is.... It gives us an edge."

Similarly, David Perel, executive editor of the National Enquirer, says he would like the mainstream press to stay out of the paid-interview market. "I would not welcome that simply because money is a tool we use to get exclusivity," he says. "I think the New York Times and the Washington Post should simply cover budgetary matters and leave the stories of interest to us."

If there was a clear distinction between the tabloid and mainstream press, some say, it has blurred over the last few years. "I don't think it's a bright dividing line," Perel says. "It is my belief, among the networks, [sources] get something of value." Payment is not necessarily eash, he says. It is free travel, free advertising or simply the image enhancement that comes from appearing with a celebrity journalist.

Echoes the Star's Bunton, "They are finding ways to pay in-kind."

ABC News, for one, has been criticized over the last few years for coming close to crossing the cash-for-interview line. In 1995, the network ran a series of free 30-second commercials for Michael Jackson reportedly worth upward of \$1 million. The same week, Diane Sawyer conducted a live interview with Jackson and his wife at the time, Lisa Marie Presley. (ABC officials said the commercial time was swapped for rights to air Jackson's music video.)

In 1997, ABC News was again dancing on the edge when it paid a six-figure sum for video of an Australian landslide that left (8 people dead. "PrimeTime Live" landed an exclusive interview with a survivor, whose agent had sold ABC the videotape. Then, last year, "PrimeTime Live" (which has since merged into "20/20") aired "an exclusive first look at Paula Jones" after her much-ballyhooed makeover. The segment used video supplied by the National Enquirer after the tabloid paid Jones for a first look at her new nose.

ABC denies that it did anything improper in any of these instances. The network does not pay for interviews, and everyone who works there is aware of the rule, says spokeswoman Eileen Murphy.

That's not to say money is never exchanged for information. "Do we pay consultants? Of course we do," Murphy says. Compensation is also given for videotaped footage the network does not own.

Paying for video has become common practice at television networks and local stations since the controversy over who owned rights to the amateur video of motorist Rodney King being beaten by police in Los Angeles, says Barbara Cochran,

president of the Radio-Television News Directors Association. But, she adds, "paying for anything more than video is still taboo."

The issue "is addressed in sort of a broad way" in the RTNDA's code of ethics, she says. The code states broadcast journalists should decline gifts or favors, and should not mislead the public in any way. But it doesn't state outright that reporters can't trade money for information.

"I think it's the idea of not paying for interviews and anything in the news that's widely observed," Cochran says. "I don't think whatever rules Larry Flynt plays by apply" to journalists.

Whether the Flynt episode was a scandal-induced aberration or the new norm remains in the hands of individual editors and reporters, says Steele, the media ethicist.

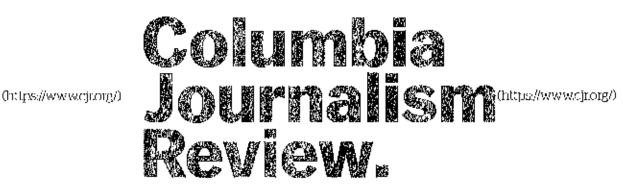
"The solution is not to wallow with the pigs but to stake out the high ground," he says. "It doesn't mean you will always win. But we must recognize our responsibility to journalism as a profession."

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Exhibit 7



The voice of journalism

### Pay Up

Sources have their agendas. Why can't money be one?

aying for information is, among American journalists, generally regarded as falling in the same moral category as paying for sex. True reporters get their information cleanly and by the sweat of their brow, not by waving around soiled Andrew Jacksons. As the *New York Times*'s ethics policy puts it, "We do not pay for interviews or unpublished documents: to do so would create an incentive for sources to falsify material...."

As a former writer for *Brill's Content*, where I was one of founder Steve Brill's ethical shock troops, I subscribed to that logic for many years. I felt dirty every time a source inquired about the possibility of payment for an interview or documents: *Of course not. What sort of reporter do you think I am?* 

And then a couple things happened as I went about my career not paying anybody for information: I didn't break the story of how British members of Parliament had been paying for the upkeep of moats around their second homes as taxpayer-financed expenses, a scandal that helped bring down the Labour government. That honor went to *The Daily Telegraph*, which reportedly paid between \$210,000 and \$420,000 for a spreadsheet containing years' worth of egregious expense reports.

Then I failed to break the story of the former presidential candidate who spawned a love-child behind the back of his cancer-stricken wife and made a sex tape with the mistress while repeatedly lying about the affair and cajoling his billionaire backers into paying her hush money. No, *The National Enquirer*—which avowedly pays for information—broke the John Edwards story under the noses of the mainstream political reporters who covered him day in and day out. (The *Enquirer* says it never doled out any money on the Edwards story, but do you believe them?)

And of course I missed out on acquiring an unretouched photo from a *Redbook* cover shoot proving just how radically and creepily women's magazines use Photoshop to digitally hack away at their subjects. Jezebel, the sister site of my current employer, Gawker, paid \$10,000 for that in 2007.

All of the above stories were true and important. None of them are less correct, or less pure, because filthy lucre was involved. And it's not certain that any of them would have come to light absent a monetary inducement. Ethical squeamishness aside, if paying for evidence of massive and systemic abuses of the public trust is wrong, then I don't want to be right.

The main objection to paying sources is that it corrupts the final product. Paying people to talk to you creates a powerful incentive for them to say what you want to hear. That's certainly true in the case of interviews and testimony, and I don't think it's advisable to pay someone to tell their story. But for information or documents that can be independently verified, it's hard to see how the potential for a payday is different from the myriad other incentives there are for sources of news to invent or twist the information they provide to reporters. *The New York Times* understands that sources lie to its reporters for ideological or commercial reasons—indeed, it happens every day, and on most occasions, the *Times*'s estimable reporters are able to filter

out the junk info. Everyone who ever provided a leaked document to the *Times* had an agenda, whether it was political or moral or personal. But if that agenda involves a check? The *Times* wouldn't think of it.

Another reason upright defenders of journalistic propriety oppose payouts is that they're often delivered under the table, hidden from the consumer. Television programs routinely mask such transactions by claiming that video or photographs were "licensed." (No, we are not paying the Octomom to sit down exclusively with the *Today* show—we don't pay for interviews. We do, however, need B-roll of the octuplets playing with mommy, and of course it is our practice to compensate license-holders for the use of their copyrighted material.)

Deals like that are dishonest and farcical. But what's wrong with an open and transparent purchase of newsworthy information? Actual investigators—cops and private investigators—routinely pay for tips, whether in the form of cash or promises of help in reducing an informant's sentence. It's hard to see why reporters should be denied access to a technique that's used all the time in the criminal justice system, where the stakes and standards of evidence are immeasurably higher.

Of course, if *The New York Times* and other papers don't want their reporters paying for news, that's fine. It means that the competitive advantage (for some stories, at least), will continue to go to the outlets that do pay. But it's hard to argue that papers that abstain from payments are morally or professionally superior to those that do, when the latter are catching important stories that might otherwise go untold.

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John Cook is a reporter for Gawker.

Exhibit 8



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- Farewell Addresses
- Weekly Addresses
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  1950 Election Flexorierts
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Data Index 14 orbita (Caroniano) Audio/Video Index

Elections Election Index Horsda 2000

Links

Presidential Libraries

Scorecard				"NOT TRUMP"	NONE OF THE ABOVE	DID NOT ENDORSE
	Hillary Clinton Democratic	Donald Trump Republican	Gary Johnson Libertarian			
Total Endorsements	57	2	4	3	5	26
Lotal Circulation	13,095,067	315,666	739,750	3,243,140	440,976	6,102,190
Endarsed Obamain 2012	40	0	:	٥	0	3
Endarsed Ramney in 2012	14	2	3	1	4	7
Endorsed Jahnson in 2012	ū	Ú	Ü	G	1	0
Did not endorse in 2012	2	Ú	Ü	2	0	15
SPLIT In 2012	1	Ú	Ü	0	0	0
	olao.	2012 addenial and new	ements name			

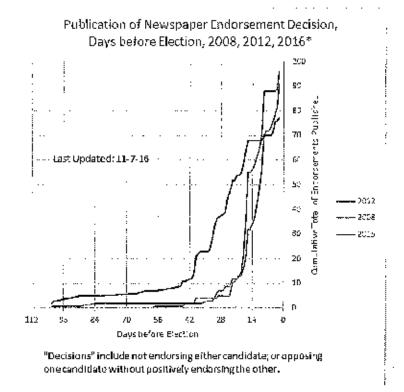
view 2008 editorial endorsements page

The state of the s

Newspaper	Circulation	Endorsee	Published	2012 Endorsee
USA Today (6)	2,876,586	NOT Trumo	Seatember 30	did not endarse
The Wall Street Journal	2,273,767	Does not endorse cendidates		dates (19)
The New York Timus (5)	1,897,890	Clinton	September 24	Opama
Los Angeles Times	671,797	Clinton	September 23	Opema
New York Post	576.711	Did not	endorse (22)	Romney
San Josa Mercury News	548.282	Clinton	October 21	Obama
Daity News (New York, NY)	467, 110	Clintan	July 28	Ramney
Chicago Tribune (9)	453,567	Johnson	September 30	Obama
Newsday (Long Island, NY)	437,457	Clinton	October 21	Romney
The Washington Post	431,521	Clintan	October 13	Obama
Chicago Sun-Times	419.364	Clinton	September 30	did not endorse
The Dallas Morning News (3)	411,929	Clinton	September 7	Romney
The Denver Post	403,039	Clintan	October 7	Obama
Daily News (Los Angeles, CA)	389,626	Did not endorse (22)		Romney
The Orange County (CA) Register	362,242	NONE	November 8	NONE
Houston Chronicle	356,347	Crinton	July 29	Romney
The Philadelphia Inquirer	310,002	Clinton	October 21	Obania
Star Tribune (Minneapolis-St. Paul, MN)	300,495	Clinton	October 22	Obama
Tampa Bay Times (St. Petersburg)	299,955	Clinton	October 6	Obama
The Star-Ledger (Newark, NJ)	285,249	Clinton	October 23	Obama
Handulu Star-Advertisor	255,090	Chinton	October 23	Obama
The Boston Globe	253,373	Clinton	October 8	Otama
The Atlanta Journal-Constitution	249,390	Does not endorse candidates (1)		
The Arizona Republic (Phoenix, AZ) (/)	245,133	Clinton	Scotember 27	Romney
The Seattle Times	241,320	Clinton	Oblaber 7	Obama
Las Vegas Review-Journal	233,326	Trump	October 22	Romney
The Oregonian (Portland, OR)	225,868	Does nut endorse candidates (21)		lates (21)
The San Diego Union-Tribune (10)	222,541	Clinton	September 30	Ranney
The Plain Dealer (Clevetand, OH)	213,870	Clinton	October 9	Opama
San Francisco Chronide	212,179	Clinton	August 5	Obama
Pittsourgh Trioune-Review	199,182	Did not (	элdorse (22)	Romney

2016 General Flection Editorial End	dorsements b	ry Major News	babaua	
Plonder Press (St. Paul, MN)	197,727	Doo	s not ondorso candid	alos (1)
Detroit Free Press	196,950	Clinton	October 30	Obama
Milwaukee-Wisconsin Journal Sentinel	194,321	NOT Trump	November 4	NONE
The Sacramonto Bee	190,204	Clinlan	Seplember 30	Obama
Тhe Тарура Тribune	181,589	•	ations in May 2016	Ramney
Star-Telegram (Fort Worth, TX)	172,233	NOT Trump	October 21	Romney
Kansas City Star	169,936	Ctirdon	October 14	Obama
El Nuevo Dia (San Juan, PR)	168 274		U.S. ferritory without	electoral votes
St. Louis Post-Dispatch	161.343	Clinton	October B	Obama
The Salt Lake Tribane	161,108	Clintan	October 12	Ohama
Investor's Rusiness Daily (Los Angeles, CA)	156,119		endorse (22)	Romney
The Baltimore Sun	165.352	Clinton	September 29	Obama
Pittsburgh Post-Gazette	153,078	NONE	Navamber 7	Obama
Orlando Sentinel	152,923	Clinton	October 14	Romney
Sun-Sentinel (Ft. Lauderdalo, FL)	151,413	Clinton	September 30	Romney
The Record (Hackensack, NJ)	148,087	Clinton	October 10	Obama
The Indianapolis Star	147,342		endorse (22)	NONE
Arkansas Democrat-Gazette (Little Rock, AR)	146,292		endorse (22)	Romney
The Buffalo News	142,509	Clintan	October 27	Obama Buesa
The Columbus (OH) Dispatch	131,276	Clintan	October 9	Romney
Austin American-Statesman	130,457	NONE	February 15	NONE
San Antonio Express-News The Miami HeraM	130,019 129,907	Clinton	October 2 October 14	Obama
Charlotte Observer	• •	Clintan Clinton	October 1	Obarria
Ornalia World-Herald (11)	128,344 125,470	Ctintan	October 16	Ођата
The Courier-Journal (Louisville, KY)	124,470	Clinton	October 16	Ramney Obsma
The Virginian-Pilot (Hampton Roads, VA)	124 381		s not endorse candid:	
The Hartford Courant	124,074	Clintan	Ockaper 7	Obama
The Press-Enterprise (Riverside, CA)	124,051	NONE	November 7	Romney
La Opinión	118,483	Clinton	October 18	Obama
The Cincinnati Engulrer (4)	117,754	Clinton	Soptomber 23	Rarmay
News & Observer (Raleigh, NC)	115,017	Clinton	October 8	Obama
The Oklahoman (Oklahoma City, Ok) (12)	112,225	NONE	October 16	Romney
The Detroit News (8)	108,377	Johnson	September 29	Rarriney
The Providence Journal	106,605	Clinton	October 15	Obama
Deseret News (Salt Lake City, UT)	106,424		es not endarse candi	
Baton Rouge Advecate	103,990	Do	es not endorse candi	datos
Richmond Times-Dispatch	99,373	Johnson	September 3	Ronney
Democrat and Chronicle (Rochester, NY) (13)	96,957	Clinton	October 14	Obama
The Fresna Baa	96,287	Clintan	October 7	Obama
The Blade (Toledo, OH)	95,939	Dia nat	endorse (22)	Obama
Dayton Dally News	95,282	Does	not endorse candida	
The Tennessean (Nashville, TN) (14)	94,233	NONE	October 23	Ramney
Tulsa World (2)	91,810	NONE	August 9	Ramney
Dally Herald (Arlington Heights, IL)	91,745	Clinton	October 22	Romney
Aspury Perk Press	89 888	Çlintan	October 14	Obsma
The Des Moines Register	89,684	Clfnton	October 15	Romney
The Commercial Appeal (Memphis, TN)	89.654	Clinton	October 8	NONE
Boston Herald	88,052	NONE	October 20	Rarriney
The Palm Reach Post Clinton   Trump (18)	87,699	NONE	November 4	NONE
Northwest Indiana Times (15)	86,549	NONE	October 23	Romney
Albuque(que Journal (18)	82,416	NONE	October 30	Romney
Albadocidae poniliai (28)				D
The Florida Times-Union (Jacksonville, FL)	82,340	Trunip	November 5	Romney
	82,340 81,103	Trump Clinton	November 5 October 16	Romney
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadolphia Nowspapor Group	81,103 80,095	Clinton Dos	October 16 se not ondorso canda	Romney dates
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadolphia Nowspapor Group  Arizona Daily Star (Tucson, AZ)	81,103 80,095 77,547	Clinton Doi Clinton	October 16 as not andorso cando October 9	Romney dates Obama
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadolphia Nowspapor Group  Arizona Daily Star (Tuoson, A7)  The Post and Courier (Charleston, SC)	81,103 80,096 77,547 77,433	Clinton Doi Clinton Johnson	October 16 as not ondorso candi October 9 November 6	Romney dates Obama Romney
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadolphia Nowspapor Group  Arizona Daily Star (Tucson, AZ)  The Post and Courier (Charleston, SC)  The Naws Journal (New Castle County, DE)	81,103 80,096 77,547 77,433 76,185	Clinton Doc Clinton Johnson Clintan	October 16 as not ondorso candi October 9 November 6 November 4	Romney datos Obama Romney Obama
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadolphia Nowspapor Group  Arizona Daily Star (Tucson, AZ)  The Post and Courier (Charleston, SC)  The Naws Journal (New Castle County, DE)  The Akron Reacon Journal	81,103 80,096 77,547 77,433 76,186 75,622	Clinton Ood Clinton Johnson Clintan Clinton	October 16 as not ondorso candi October 9 November 6 November 4 September 24	Romney datos Obama Romney Obama Obama
The Florida Times-Union (Jacksonville, FL) Wisconsin State Journal (Madison, WI) Groatur Philadelphia Nowspapor Group Arizona Daily Star (Tucson, AZ) The Post and Courier (Charleston, SC) The Naws Journal (New Castle County, DE) The Akron Reacon Journal ENP News (Lancaster, PA)	81,103 80,096 77,547 77,433 76,188 75,622 74,625	Clinton  Color  Clinton  Johnson  Clinton  Clinton  Clinton	October 16 as not ondorso cands October 9 November 6 November 4 September 24 October 18	Romney datos Obama Romney Obama Obama SPLIT
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The Florida Times-Union (Jacksonville, FL) Wisconsin State Journal (Madison, Wi) Groatur Philadelphia Nowspapor Group Arizona Daily Star (Tudson, A7) The Post and Courier (Charleston, SC) The Naws Journal (Naw Castle County, DE) The Akron Reacon Journal LNP News (Lancaster, PA) Telegram and Gazetta (Worcester, MA) Lexington (KY) Herald Leader	81,103 80,096 77,547 77,433 76,185 75,622 74,625 73,968 73,276	Clinton  Coloritor  Johnson  Clinton  Clinton  Clinton  Clinton  Clinton  Clinton  Clinton	October 16 as not ondorso cands October 9 November 6 Navamber 4 September 24 October 18 andorse (22) October 14	Romney datos Obama Romney Obama Obama SPLIT Romney Obama
The Florida Times-Union (Jacksonville, FL)  Wisconsin State Journal (Madison, WI)  Groatur Philadelphia Nowspapor Group  Arizona Daily Star (Tudson, A7)  The Post and Courier (Charleston, SC)  The Naws Journal (Naw Castle County, DE)  The Akron Reacon Journal  LNP News (Lancaster, PA)  Telegram and Gazetta (Worcester, MA)	81,103 80,096 77,547 77,433 76,185 75,622 74,625 73,968	Clinton Doi Clinton Johnson Clinton Clinton Clinton Did not of Clinton Clinton	October 16 as not ondorso candi October 9 November 6 Navamber 4 September 24 October 18 andorse (22)	Romney datos Obama Romney Obama Obama SPLIT Romney Obama Obama

The Meming Call (Allentown, PA)	70,865	Daes not endorse candidates		
Rockford Register Times (Rackford, II.)	69,263	Clinton	October 22	Obama
New Haven Register (CT) Clinton   Trump (27)	66,149	NONE	November 3	Obama
The News Tribune (Tacoma, WA)	67,135	Clintan	Optober 22	Obarna
Times Free Press (Chatanocga, TN)	66,473	NONE	Optoner 16	Johnson



**Citation:** Gerhard Peters and John T. Woolley. "2016 General Election Editorial Endorsements by Major Newspapers." Jihg American Presidency Project. Ed. John T. Woolley and Gerhard Peters. Santa Barbara, CA: University of California, 1999-2017. Available from the World Wide Web: http://www.presidency.ucsb.edu/data/2016\_newspaper\_endorsements.php.

Data complled by Gerhard Peters and John T. Woolkey after reviewing original editorials of the listed newspapers.

- See toolngles on nur 2012 endorsements page (http://www.presidency.ugsb.edu/dgta/2012\_newspaper\_endorsements.php) (2) On August 9, 2016, The *TuNa World* announced that after having endinised the Republican normines in every election since 1940, it could not endorse any candidate in 2016 stating, "two major party candidates who leave voters with more questions about their character, integrity and policies than anyone can answer". See: http://www.tulsaworld.com/opinion/editorials/fulsa-world-editorials endorsement for president-none-of-the-above/article\_acd669eb-a7c0-51ec-9675-246a996faa9a.html
- (3) The last time The Dallas Morning News encorsed a Democrat for president was for Franklin Roosevelt in 1944.
- (4) The last time The Cincinnati Enquirer endorsed a Democrat for president was for Woodrow Wilson in 1916.
  (5) The New York Times also noted that it would publish a separate editorial explaining in more detail why Donald Trump should not be president. That additional editorial is available here: http://www.nytimes.com/2016/09/26/op-nion/why-donald-trump-shortid-not-bepresident.html.
- (6) USA Taday trake from its tradition of not endorsing presidential candidates by publishing an editorial urging voters not to vote for Danald Trump, and Instead choose from among the other candidates.
- (/) This was the first time in the 126 year history of The Anzona Republic that it endorsed a Democrat for president.
- (8) This was the first time in the 143 year history of The Detroit News that it did not endorse a Republican for president. (It did not endorse in three elections in its history.)
- (9) The last time The Chleago Tribune endorsed a third party candidate was in 1912 for Theodore Roosevelt. It has a history of endorsing Republican condidates although it endorses Barack Obama in 2098 & 2012. (10) This was the first time in the 148 year history of the San Diego Union-Tribune that it endorsed a Democrat for pressions.
- (11) The last time The Omsha World-Herald endorsed a Democrat for president was for Franklin Roosevelt in 1932.
- (12) The Oklahoman sid not endorse either candidate and instead told voters to focus on protecting the Republican majority in Congress. "Our conclusion: Vote to preserve Republican control of Congress, regardless of which presidential candidate wins," A "Our advice: By all means vote on Nov. 8, then prsy for this country,"
  (13) On October 15, the Democrat and Chronicle also published a "dissenting" opinion from a "olizen member" of the editorial board who
- did not agree with the paper's endorsement of Clinton. That discent can be found here: http://www.demouratandchronicle.com/story/opinion/courm/st/2016/19/14/democrat-chronicle-clitzen-editorial-bnard-member-dissent-
- endorsement/92047130/
- (14) For the first time since 1836 The Tennessean chose not to endouse a candidate. On October 23 it published an editorial fitted, "We Endorse the Legitimacy of the U.S. Flectorial System" in which it criticized Donald Trump's assertions that the U.S. electorial system is Blegitimate. In addition, its decision not to endorse is related to the fact that neither Clinton nor Trump chose to be interviewed by the ediforfal board. The editorial includes the arguments of six citizens making their cases for Clinton, Trump, and Polinson.
- (15) Times Media Company editor Boh Heisse wrote that The Northwest Indiana Times would not endorse in the presidential election in 2016. "We're endorsing only in races where we can meet and question the candidates. We will not endorse in the presidential race." (16) On October 30 the Albuquerque Journal Ecitorial Board declined to endorse any candidate and stated, "The Journal has not withheld a presidential endorsement in recent memory. But given their records, it isn't possible to recommend any of the candidates. Still, it's important to vote, making your hest Judgment."
  (17) The New Haven Register declined to endouse a candidate in 2016. Instead, it published two separate editorials on November 2
- nutilining the positive and negative qualities of each candidiate. Each editorial included an explanation and stated, "But given that a vast swather of the American public very much sees one or the other of these candidates as the lesser of two evils, the decision was made to offer fair information here about the positive and negative affiliutes of both candidates." The APP Includes the link to each editorial in the table above

- (18) The Palm Beach Post did not endorse a condicate in 2015. Instead, it published two separate editorials on November 4 cirillining the case for each condidate. The APP includes the link to each editorial in the table above.
  (19) The Well Street Journal continued its practice of not having endorsed a presidential candidate since 1926. On November 4 it
- published two editorials focusing on each candidate's strengths and weaknesses. At the end of the editorial envering Trimp, it glated, 'The Wa'l Street Journal hasn't endorsed a presidential candidate since 1928, and if we didn't endorse Ronald Reagan we aren't about to revive the practice for Mrs. Clinton or Mrs. Trump."
- recyclife practice for Mrs. Clinton or Mr. Trump."
  (70) The Knoxville News Scrittinel continued its practice of not endorsing presidential candidates. In a November 7 editorial enrininging people to wore, it started, "The Rows Sentinel does not endorse a candidate for president, primarily because the eritorial bhard does not lave the apportunity to interview the candidates."
  (71) In an editorial or October 14, The Oregonian started, "Our editorial board decided in 2012 to abandon presidential endorsements after supporting a long fine of mostly Republican presidential candidates. There were, however, departures for Bill Chinton, John Kerry and Barark Ohama, who received our last presidential endorsement in 2008."
  (72) As of O6:00 GMT November 8, 2016 (election day), this paper did not publish an encorsement of any candidate.
- Top 100 Newspapers determined by circulation data available from BurnellesLuce's Morch 2014 edition (the most current as of publication date for this page). Available at: http://www.burnellesluce.com/resources/top\_media\_ou6ets

Contact Home

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## Dylan Howard Declaration

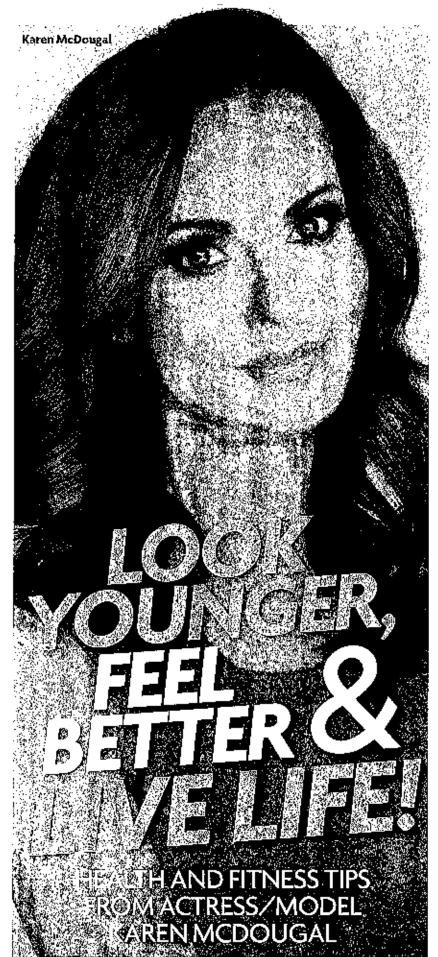
#### DECLARATION OF DYLAN HOWARD

- I, Dylan Howard, declare as follows:
- I am the Chief Content Officer and Vice President at American Media, Inc. ("AMI"), a defendant in the action entitled Karen McDougal v American Media, Inc., Superior Court of the State of California, County of Los Angeles, Case No. BC 698956. The matters stated below are true and correct of my own personal knowledge.
- Attached as Exhibit 9 are true and correct copies of articles written by plaintiff
  Karen McDougal that appeared in AMI publications including OK! Magazine and Star Magazine
  within the past 18 months. The dates indicated in the bottom left-hand corner of the articles are the
  dates of publication.
- Attached as Exhibit 10 is a true and correct copy of the cover for the Spring 2017 issue of the AMI publication Muscle & Fitness Hers, on which Ms. McDougal is featured.
- Attached as Exhibit 11 are true and correct copies of articles featuring Ms.
   McDougal that appeared in the AMI publication Radar Online within the past 18 months.
- AMI paid \$150,000 pursuant to its agreement with Ms. McDougal dated August 5,
   To date, Ms. McDougal has not returned any of those funds to AMI.
- AMI is not owned or controlled by any political party, political committee, or candidate.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on April 2, 2018 at New York, MY.

Dylan Howard

Exhibit 9



MITNESS is a passion and a way of life for model, actress and sports-radio personality Karen McDougai. The first-ever female cover model for Men's Fitness credits a healthy lifestyle for a fulfilling life and successful career. "Fitness has kept me healthy, happy and youthful!" she says. "But everybody has the ability to achieve the same results. It just takes knowledge and discipline." The good news is that Karen is happy to share her health and wellness secrets with you. "I want everyone to have the tools to reach their goals to experience the best life possible!"

#### How important is what you eat when it comes to how you feel?

Diet is critical to feeling good and being healthy. Eating well maximizes your potential to perform at a peak level physically, mentally and emotionally. My four meals a day are sensible and fairly clean. Lalways start with a good breakfast — a bowl of oatmeal with brown sugar, protein powder and almond milk. My other meals center on lean chicken, salmon and a daily shake with protein powder, spinach, blueberries, a veggie powder and coconut water. I allow myself one coffee a day and three to five green teas! When I'm weak, I allow myself a snack. But it's important that you have a highprotein and nutrient-filled diet to fuel your body and give you the energy to take on your daily tasks. Keep alcohol and soda to a minimum... and you'll lose weight and feel better. Tip? Give yourself one cheat meal a week to keep your body from craving and you from binging.

#### What is your workout routine?

I hit the gym five times a week and rotate body parts to focus on. On Mondays and Thursdays I do 10 minutes of cardio and move on to working my lower body with squats, lunges, hamstring curls and other leg exercises. Thesdays and Fridays I do 30 minutes of cardio and then work my triceps and biceps with free weights and cables. On Wednesdays I make sure to do 30 minutes of cardio and then work my shoulders, back and chest. The results are amazing. My doctor marvels at my heart health. It helps me keep a positive attitude and overcome depression. It helps me feef healthy from the inside out.

#### How do you combat the aging process?

I'm a big heliever in moisturizing and protecting your skin. During the day I use a high SPI' sunscreen to protect my skin and make sore to take Vitamin D whenever possible. It helps reduce wrinkles and makes your skin soft, strong and smooth! Also make sure to use a moisturizer to keep the skin fresh, reduce bleanishes and prevent dryness and flaking. At night I make sure to wash off my makeup and use a face and eye cream to allow the skin to breath and rejuvenate while I sleep. Adequate rest is critical for your body and brain to achieve peak performance... and for you to be at your best to take on the day! \*\*

# 

McDougal, fitness and radio personality Karen
McDougal, fitness is a way of life. The first-ever
female cover model for Men's Fitness, she credits
her fulfilling life and carear to her healthy lifestyle.
"Fitness has kept me healthy, happy and youthful," Karen
says. "But everybody has the ability to achieve the same
results. It just takes knowledge and discipline." The good
nows is that Karen is ready to share her expertise.

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#### How important is diet to how you feel?

It's critical. Eating well maximizes your potential to perform at a peak level physically, mentally and emotionally. I recommend a high-protein, nutrient-filled dict to fuel you for daily tasks. My four meals a day are sensible and fairly clean. I always start with a good breakfast: a bowl of catmeal with brown sugar, protein powder and almond milk. My other meals center around lean chicken, salmon and a daily shake with protein powder, spinach, blueberries, a veggie powder and accondit water. I allow myself one coffee a day plus three to five green teas—and I keep alcohol and soda to a minimum. Finally, to keep cravings and binging at bay, give yourself one cheat meal a week.

#### How regularly do you work out?

I hit the gym five times a week and rotate body parts to focus on. [See chart.] The results are amazing. My doctor marvels at my heart health. It also helps keep a positive attitude and fight depression.

#### You're 45 and easily look 10 years younger. How do you combat the effects of the aying process?

I'm a big believer in moisturizing and protecting your skin. During the day I use a high-SPF sunscreen. At night, I make sure to wash off my makeup to allow my skin to breathe, then I apply a face moisturizer and eye cream that help to rejuvenate my skin while I sleep. Adequate rest is critical for your body and brain to achieve peak performance, and for you to be at your best to take on each day!



#### KAREN'S WEEKLY WORKOUT

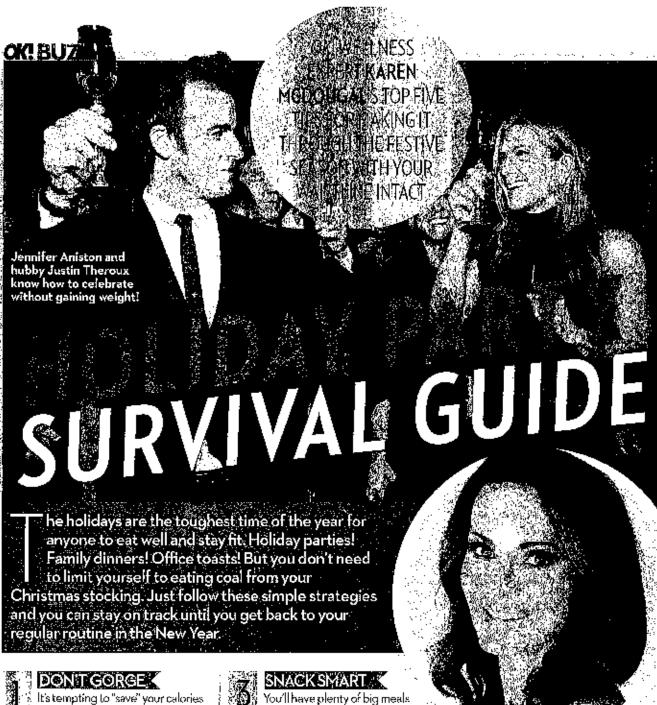
MON - 10 mins calidio 46 wer body work including squats lunges and hamstring corls

Till J. ... 30 mins cardio Tricops and biseps using ' Irae weights and captes

MED 30 mins cardio Shoulders back and bhast gaing free waights and dables

HURS, To mins cardio Repeat Mondays lower

FRI: 30 mins, cardio, Repeat Tuesday's upper body routing



for a big holiday party at night, but the better move is to eat three to five small meals throughout the day. This will help you make healthier food choicos, limit your cravings and boost your body's fat-burning. potential. Starving yourself will only prompt your body to conserve calories by storing. fat and burning muscle.



🧝 if you're at the buffet table, make sensible choices to limit the damage. and even maximize your benefit. Lean proteins (fish, chicken, eggs) and high-fiber

foods (avocados, pears, berries) are delicious and lower in bad fats than casseroles and cakes.

throughout the holiday season, so keep snacking to a minimum. If you do find yourself nibbling, avoid carb-heavy breads or sugary cookies. Instead, fuel up on fresh options like figs, dates or nuts ~ tasty and healthy!



YOUR CALORIES.

Sodas are packed with sugar or unhealthy sweeteners wand so are cocktails. If you want to celebrate the season with an alcoholic beverage, limit your intake to one glass of wine, or choose a clear alcohol like vodka, which is low in sugar and has fewer calories than that creamy cup of eggnog.



YDRATES

Having one glass of water in between each cup of holiday cheer will help you keep your wits while everyone else is donning lampshades, and will help flush out excess calories. Down one more glass of water before bed to wake up fresh and we'l-rested.

See more from Karen on social media! Twitter: @karenmcdougal98. Instagram: KarenMcDougal Facebook: Karen McDougal



he holidays are the toughest time of the year for anyone to eat well and stay fit. Holiday parties! Family dinners! Office toasts! But you don't need to limit yourself to eating coal from your Christmas stocking. Just follow these simple strategies and you can stay on track until you get back to your regular routine in the New Year.

It's tempting to "save" your calories for a big holiday party at night, but the better move is to eat three to five small meals throughout the day. This will help you make healthier food choices, limit your cravings and boost your body's fat-burning potential. Starving yourself will only prompt your body to conserve calories by storing fat and burning muscle.

If you're at the buffet table, make sensible choices to limit the damage and even maximize your benefit. Lean proteins (fish, chicken, eggs) and high-fiber foods (avocados, pears, berries) are delicious and lower in bad fats than casseroles and cakes.

You'll have plenty of big meals throughout the holiday season, so keep snacking to a minimum. If you do find yourself nibbling, avoid carb-heavy breads or sugary cookies. Instead, fuel up on fresh options like figs, dates or nuts—tasty and healthy!

Sodas are packed with sugar or unhealthy sweeteners — and so are cocktails. If you want to celebrate the season with an alcoholic beverage, limit your intake to one glass of wine, or choose a clear alcohol like vodka, which is low in sugar and has fewer calories than that creamy cup of eggnog.

Having one glass of water in

between each cup of holiday cheer will help you keep your wits while everyone else is donning lampshades, and will help flush out excess calories. Down one more glass of water before bed to wake up fresh and well-rested.

See more from Karen on social media! Twitter: @karenmcdougal98 Instagram: KarenMcDougal Facebook: Karen McDougal

#### CK! BODY & SOUL

## PICTURE PERFECT

MODEL AND FITNESS PERSONALITY (CONTROLL). ON HOW TO LOOK YOUR BEST IN PHOTOS — WHETHER YOU'RE POSING LIKE PRO AT A BIG SOIREE OR JUST TAKING A SELFIE

#### WHY SO SERIOUS?

When it comes to your smile, less is more. A too-wide grin will accentuate wrinkles and make you look crozed. To look perfectly happy, try this celeb trick: Put your tongue against the back of your teeth, as it prevents an overzealous grin.

#### MIND YOUR MAKEUP

When it comes to foundation, stick to HD; the silica in mineral makeup creates a dull look in photos. I love Revion Photoready Airbrush Effect (\$14), Marc Jacobs Beauty Re(marc) able Full Cover Foundation Concentrate (\$55) and Kat Von D Lock-It Foundation (\$35). Choose the proper shade, as too-pale makeup will look more pronounced under a flash.

Steer clear of dark mattellip color, which will minimize your mouth; opt for a bright or shiny shade instead. And make sure your eyes and brows are on point; Filled-in brows and curled,

> mascara-coated lashes will help frame your face and create a youthful look.

Finally, to stave off shine, pat forehead, nose and chin with a blotting paper like Palladio's Rice Paper (\$4) or, in a pinch, a toilet seat cover will do!

#### FIND A POWER POSE

Celebs spend a ton of time taking practice snapshots to determine their ideal angles.

Using a webcam or a pal, snap a ton of trial photos with your head at different angles and get (honost!) feedback on which ones look best. Usually, a quarter turn with your chin tilted slightly down is the most flattering. And posture is key: Always stand up straight!



## Picture? Perfect

As a mode, and fitness personality, **Karen McDougal** knows a thing or two about looking your best in photos. And with awards season in full swing, who better to dish out advice on how to emulate your favorite red carpet stars? Read on for some can't-miss tips on how to pose like a proleither at a big soiree or for a simple selfiel



#### Smile Small

When it comes to smiling, less is more. A too-wide, ultra LOL smile will accerduate wrinkles and make you look crazed. To look happy and not nutty, celebs put their tongue against the back of their teeth as it prevents an overzealous grin.

#### Lägglet lit Ugo?

Stars swear by backlighting especially at dusk — since it illuminates you without being too harsh. If you're a selfie star, invest in a light-up cellphone case like the LuMee (\$60), a celeb favorite.

#### Shoulder The Burden

Your mama was
right; posture, posture!
posture, posture!
No matter how much you suck in or
how expensive that
blouse was, you'll
never get a good pic
if you don't stand up
straight!

IDAN.

#### Make Makeup Your Ally

While mineral makeup is great for your skin, the silica in it creates a dual look in photos, so stick to HD foundations. Hove Revion Photoready Airbnush Effect (\$14), Marc Jacobs Beauty Re(marc)able Full Cover Foundation Concentrate (\$55, sephora.com) and Kat Von D Lock-It Foundation (\$35, sephora.com).

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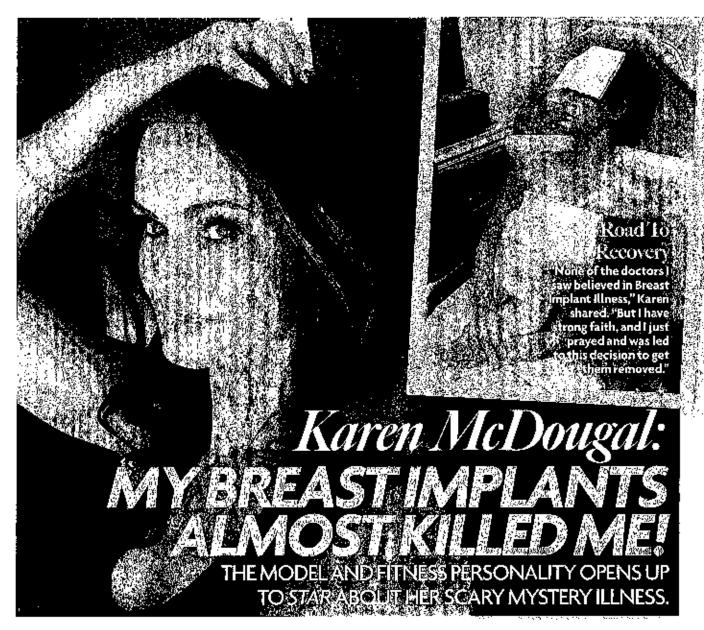
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A. S. C. Carlotto, C. M. and Physics Phys

#### Know Your Angles!

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S a fitness expert and professional model, Karen McDougal has built a career on her good looks and flawless figure. But after her health hegan to fail, Karen set off on a 10-year advssey that ended up saving her life,

"In 1996, I thought, foolishly, that higger boobs would make me more of a woman," she tells *Star* in an exclusive interview. "Now I want to kick myself!"

For the first eight years, her new additions were problem-free, but then she experienced a range of puzzling — and frightening — ailments.

"Had thyroid issues, fatigue, severe allergies and would get sick for eight weeks at a time," explains the 45-year-old. "I thought, "OK, maybe I'm getting older and this is what happens?""

But in January 2016, she started having traigraines, blurred vision and noise sensitivity, and was blacking out multiple times a day. By October, she was bedridden, but doctors couldn't identify the problem.

"A top neurosurgeon told me I just needed antidepressants," she says with a snort, revealing that it was a friend who finally suggested that her implants could be the culprit. "At first I blow him off," she says, "It seemed so crazy."

But after many hours on the Internet, she learned that Breast Implant Illness (BH) was all too real; one online support group swelled to 20,000 members. Indeed, Yolanda Foster and Hugh Helner's wife, Crystal, have both had their implants removed after years of confounding health issues. Unfortunately, little is known about BH. On its website, the PDA lists numerous potential complications from implants but doesn't disclose that implants contain some 40 different neurotoxins.

"Will every woman get sick? Probably not. But there are too many who are, and it's not being addressed." Karen says. "With prescription drugs, they tell you what the side effects are, and they need to do that with implants."

Karen was determined to find a physician who believed in BH and finally did in Dr. David Rankin of Aqua Plastic Surgery in Jupiter, Fla.

"At this time, there's no empirical evidence that implants are causing these symptoms," explains Dr. Rankin, "but I'm seeing a lot of insmediate improvement in the women who choose to remove them."

The day after the surgery, Karen said her health had already done a 180.

"I wasn't dizzy, no migraines, no noise sensitivity— it felt like a miracle," she gushes. Admittedly, dropping flure cup sizes has been an adjustment, but Karen reminds herself every day that looking good starts with feeling good.

"Hey, small boobs and bralettes are having a moment," she says with a smile. "I'm totally in fashion!" ★ OK! BUZZ

NIP WINTER IN THE BUD WITH MODEL AND IFESTYLE EXPERT KAREN MCDOUGAL'S TIPS FOR LOOKING BLOOMIN' LOVELY

Doing some spring-cleaning? After you're done tossing those pilled sweaters, don't forget to ditch dry, dull winter skin too. Round up some galpals and head to a Korean spa for a nononsense body scrub, or turn your shower into

an oasis with Skinn's zingy Pink Grapefruit Exfoliating Body Wash (skinn.com, \$18.50), which will leave your body smooth and soft. Then put your cells to work while you try to recoup that lost daylight savings hour with Derma E's Overnight Peel (ulta.com, \$18.99). And feed your face from the inside out with Oralcell Complex, my go-to antiaging vitamins that help with hair, skin, fatigue and even libido!





Overalght



The final touch? Put a spring in your step by incorporating "happy colors" like pink, coral and yellow into your wardrobe. Since springtime temps can be lickle, keep sweaters and jeans ready, but add bright statement accessories to your ensemble, like these strappy heels from AMI Clubwear (\$44.99) and a pastel clutch from Nina (\$84). Spring is also the time to let your hair down — literally! If you've spent winter with hat head, give your coif an update with some damage-free clip-in extensions. RPZL Hair Extension &

Blowout Bar in NYC - a celeb favorite - makes agreat, affordable line of temporary locks in a slew of colors, and even ponytails. Scoop some up at RPZL.com, and rock your sunny new look!



w that you ve sloughed off the rough stuff, give your pores the hydration thoy vo been craving. Between winter air and parching heatels you may leed freeze dried, so reconstitute skin with Beautigenix's life-changing sheet masks

(\$280, beautigenix com) or scoop up some from Sephora for just so - Kylie Jenner is a lan! And it all that fireside red wine did a number on your teeth, hit the dontist for a professional cleaning followed by a round of Zoom Whitening.

82 APRIL 10, 2017 OK

NIP WINTER IN THE BUD WITH MODEL AND LIFESTYLE EXPERT KAREN MCDOUGAL'S TIPS FOR LOOKING BLOOMIN' LOVELY!

#### REFRESH

Doing some spring-cleaning? After you've tossed out that eggnog-stained ugly holiday sweater, ditch dry dull winter skin too!

Round up your galpals for a trip to a Korean

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Hop To It Need to get sprii

break ready? Fitness model Karen swears by your favorite childhood activity. "I like to jump rope wher Ineed to lean out," she says. "It's quicker than

full workout but burns double the calories!"



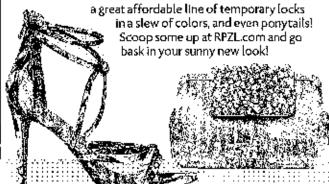
Now that you've sloughed off the rough stuff, give your pores the hydration they've been craving. Between winter air and parching heaters, you may feel freeze-dried, so reconstitute yourself with Beautigenix's life-changing sheet masks (\$280, beautigenix.com) or scoop up some from Sephora for just \$6 — Kylie Jenner is a fan!

And, cruel mistress that she is, winter probably did a number on your teeth too. Dr. Timothy Chase of SmilesNY recommends hitting the dentist for a professional cleaning then a round of Zoom Whitening to undo all that red wine you sipped by the fireside.

#### REVAMP

The final touch? Put a spring in your step by incorporating what I call "happy colors" like pink, coral and yellow. Since springtime temps can be fickle, keep your sweater and jeans ready, but add in bold bright statement accessories like these strappy heels from AMI Clubwear (\$44.99) and this Easter-ready clutch from Nina (\$84) to freshen up your wardrobe without blowing your budget.

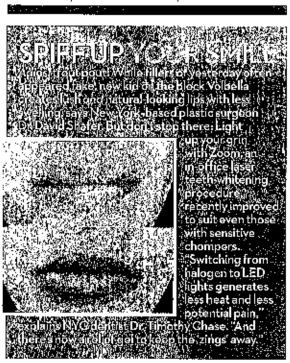
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OK! BUZZ

## HOW TO SHINE AL

Model and fitness personality **Karen McDougal** teamed up with cuttingedge experts to got the scoop on the
latest products and procedures



#### RESURFACE YOUR FACE

Dr. Kenneth Mark is my go-to when I need a refresh, and his Exfoliating & Hydroting Mask (\$85, KonnothMarkMD.com) helps lighten, firm and reduce wrinkles, as well as promote cell turnover. Amore Pacific's Enzymo Pool (\$60, Amore Pacific .com) is another must-have and gentle enough to use every day.





#### SOOTHE SKIN AFTER LASERS

Illove a good chemical peel or laser treatment, but hiding Indoors for days after isn't realistic. Oxygenetix makeup uses aloe and minerals not only to cover redness but to relieve raw skin as well. A good hydrator is Glenn Avenue Soap Company's Healing Blend Body Butter (\$14, GlennAveSoap.com), made with all organic ingredients. And remember, the sun isn't your friend! EltaMD's new UV Glear Broad-Spectrum SPF 46 sunscrean (visit EltaMD.com for purchase info) not only fights rays, it combats acne and discoloration.

### Body Butter

#### FRFF7F THF FROWN

Botox is great, but many people become "immune" to it after years of treatment. Fortunately, you may not have that problem with Xeomin, the newest injectible that's great for getting rid of fine lines and wrinkles à la Botox and it will run you about 5100 less!

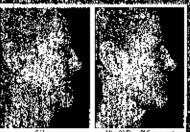
HROMKARENON SOCIAL MEDIAL TWITTER

TWITTER.

@KAREMYCDDUGAL98.

@KAREMYCDDUGAL98.

@KAREMYCDDUGAL



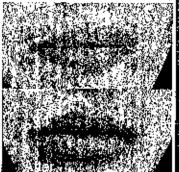
FDA approved nonsurgical procedure for lifting the lower face and ditching the dreaded jowls: that dan make you look so much older. There sho downtime and minimal discomfort, "says plastic surge on Di Shafer," Its far less invasive than a face lift.

## MSM?

Model and fitness personality Karen McDougal teamed up with cutting-edge experts to get the scoop on the latest products and procedures!

#### FREEZE THE FROWN

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A-OK for those wit sensitive champer "Switching from halogen to LED lights generates less heat and less potential

pain," explains NYC dentist Dr. Timothy Chase. "And there's now a relief gel to keep the 'zings' away."

#### LIFT SAGGING SKIN

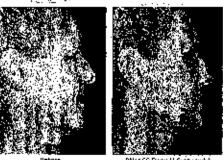
I swear by Ultherapy, the only FDA-approved nonsurgical procedure for lifting the lower face. and ditching the dreaded "jowls" that can make you look so much older. "There's no downtime and minimal discomfort," shares plastic surgeon Dr. Shafer. "It's far less invasive than a face-lift."



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Pogward Karen keej Dermaplanin where a speci blade (painlessly unwanted hair t reveal a smooth

radiant surface

Best Fac

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SEE MORE FROM KAREN ON SOCIAL MEDIAL

Twitter: @KarenivicDoi:

Bugging out overs kirli season? atoms experts teamed up with nimess model **Karen** McDougal to get yoursummer leady ASAP

#### IF YOU HAVE WEEKS

Shed pounds fast with Karen's easy workout routine — no gym membership required! "Interval training is amazing for fat burning," says Karen, who recently graced the cover of *Muscle & Fitness Hers*. She advises alternating 30 seconds of sprints with 30 seconds of jogging to burn the most calories, plus weighted lunges and planks to lean out your legs and

core. To flatten that turniny, Karen cuts out processed carbs and sticks to leafy veggies, salmon and eggs. "To boost metabolism, I love apple cider vinegar and green tea!" she says. "And I drink several liters of water a day."

A juice cleanse can also help kickstart weight loss before you hit the sand, but if sweating or sipping just isn't your style, New York plastic surgeon Dr. Jennifer Levine says non-invesive SculpSure promises a 25 percent reduction of belly fat and love handles after each session: "Patients can get back into their normal routine as soon as they leave my office," explains Dr. Levine. "There's no downtime."

## east of Cattle Note that the cattle To maintain her fab figure, Karen swears by algaeased Fucoxanthin

supplement.

"It specifically
attacks fat," raves
the fit 46-year-old.



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VersaSpa's Soufflé Bronzer bydrates and rejuvénates skin EAVE

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Kenneth Cole, 599 Ashley Swimsuite

Kenneth
Cole, 599

Trina Turk, \$160

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Ashley Graham x
Swimsuits for All, \$84

Salty
Mermaid, \$120

Yandy
Swim, \$44

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# BEACII HACKS!

BUGGING OUT OVER BIKINI SEASON? FITNESS MODEL KAREN MCDOUGAL CAN GET YOU READY IN A HURRY

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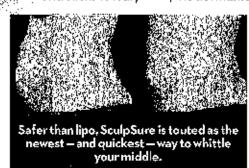
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fat," rayes the fit processed carbs 46-year-old





Pressed Vibrance's five-day juice regime will melt pounds and clear up your skin.





Star's lifestyle expert Karen McDougal offers her top tips for crafting a sizzling summer soiree!

## PICK A THEME

"I send out invites that incorporate the theme. so guests can get an idea of what the party will be like beforehand," shares Karen, who loves to mix this: season's palm leaf trend with fun flamingo details: "It's a cłassy yet unfussy vibe."

And ditch the "Kiss The Cook" apron! "3e sure to take a moment to get yourself together," she advises. "Hove a nice flowy dress in a solid colo*r* so it wan't compete with the decor."

# summer!

lask guests to write their worite summertime song avonte suitmer time song Zon the RSVP, then add that to the playlist on my phone," notes Karen. I go for Top 40 with some country music mixed in."



Sunday Forever

Tribe Candle, \$48,

sundayforever.com

Plates, \$20, tjmaxx.com

# Arlington Designs,

ijoy Pakin Leaf Platter, \$10, t/maxx.com 3 27874

# aix up the menu

Tlike to serve a blend of healthy and classic foods. My summer salad lettuce mixed with mandarin oranges, berries, wa)nuts, avocado and a

poppyseed dressing - Is always a hit," adds Karen. "But halso make. crockpot BBQ meatballs with: Sweet Baby Ray's sauces, and of course something from the grill!"

A signature cocktail will take your cookout from casual to chic, so whip up a pitcher ahead of time. so you can "flamingle," not play mixologist!

## KEEP THE **KIDDOS** HAPPY

"Children are always welcome at my parties," says Karen, who occupies little ones with a dessert they can build AND eatl

Flamingo Print "It's called 'dirt Liquid Case, 530. bucket pudding" the skinnydiplandan.com model tells Star. "Hayer a ƙid's sandi pali with vanilla pudding and crushed Orcos, then top it with a few guinniy worms and an edible flower."

Skinnydip

Sticky hands? Lure little ones into the pool with fun floats!

#### Funboy

Flamingo Festiva! Float \$99, funbay.com



az Corona Light 🦠 oz. Casa Noble Crystal Tequila l oz. lime julce

4 oz. agave nectar inish with lime wed





OM: BUZZ

'ESTYLE EXPERT KAREN MCDOUGAI OFFERS HER TOP TIPS FOR HOSTING A REFINED YET FESTIVE LABOR DAY SOIREE

# **PICKATHEME**

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Sunday Forever tribe Candle, 848, sundayforevencom

Arlington Designs Sago Palm Round





"I like to serve a bland of: healthy and classic foods. My go-to salad – lettuce mixed with mandarin oranges, bernies, walnuts, avocado and a poppyseed dressing — is a ways a hit," şays Karen, "But l also make crockpot BBQ meatballs with Sweet Baby Ray s sauces and of course. something from the grill. 'A signature cocktail will take yöyr cookout from: casual to chic, so whip up a pitcher ahead of time soyoù can mingle, not playmixologist.

#### CORONA SLIMORGANIC MARGARITA

- •12 oz. Corona Light
- 20z. Casa Noble Crystal Tequila
- 1 oz. lime juice. 3/4 oz. agave nectar
- Gamishwith fime





3 oz. pre-made Old Fashioned mix, watershed distillery.com

Add a splash of club sada, and gamish with orange and chorry

Date for the Box of the

# KEEPTHE HAPPY

rests to write vorite song on /P, then add tha

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music mixed in

"Chi<sup>‡</sup>dren are a!ways welcome at my parties," says Karen, who occupies little ones with a dessert they can build and oat! "It's called 'dirt bucket pudding," she says." layera kid's sand pail with vanilla pudding and crushed Oreos, then top it with a few gummy worms and an edible flower."



**\$kinnydip** Flaming o Priot Liquid Case, \$30, us. skinnydiplondon.com

#### na na taonik njedicile za ovezvina rajvenskih SEE MORE FROM KARENON SOCIAL MEDIA!

Twitter: @KarenMcDougal98, Instagram & Facebook: @KarenMcDougal

# AGELESS Beauty:

# OVER 40? WE'RE SHARING THE BEST MAKEUP AND TECHNIQUES TO KEEP YOU FOREVER YOUNG!

hink the hottest new makeup is only for millenials?
Wrong! Star teamed up with model **Karen McDougal**and her makeup artist, Kimberly Carlson, to reveal
the best products to help you look as vivacious as you feel.
Prepare to get carded, ladies...

## I. HYDRATE

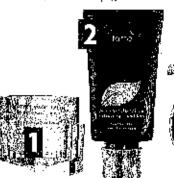
KIM SAYS: Hydrated skin is the key to beautiful makeup. Charlotte Tilbury's Magic Cream (\$100, charlottetilbury .com) is a must and Glycelene Eye Repair Oil (\$68, glycelene, com) reduces puffiness.

**STAR LOVES:** Tatcha Ageless Revitalizing Eye Cream (\$135, tatcha .com) helps keep crow's feet at bay.

#### 2. LIGHTEN UP

**KFM SAYS:** Heavy makeup will settle into wrinkles, but for full coverage without caking, try tarte's Amazonlan Clay Foundation (\$39, sephora.com).

STAR LOVES: IT Cosmetics' Bye Bye Lines Foundation (\$38, Itcosmetics .com) uses patented blurring technology, whise Luminess' goof-proof Epic 2 Airbrush Machine (\$299, luminessair.com) delivers smooth, buildable pigment.





## 3 PÓWDER LIKE A PRO

imeless l'ips

facials, lots of SPF and

her makeup artist share

exclusively with Star!

At 46 (!) Karen looks half her age thanks to regular

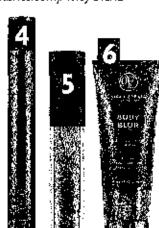
these beauty hacks she and

KIM SAYS: Sweep Vita Liberate Trystral Pressed Minerals Bronzer (\$35, sephora.com) along habline and temples, and Artist Couture Diamond Glow Powder (\$27, artistcouture.com) on cheekbones to mimic the glow of your girlhood!

**STAR LOVES:** Top your foundation with Perricone MD's No Makeup Instant Blur Powder (\$55, sephora.com) to create a soft focus that crases lines.

#### 4. LASH OUT

**KIM SAYS:** Full lashes create that fresh-faced look and I love House of Lashes' Le Petit Double (\$7. house of lashes.com). They blend



naturally and are easy to apply!

SYAR LOVES: I cave the smokey eye to millenials but borrow their bushy brow trend — a key marker of youth — with Laura Mercier's Brow Dimension Fiber Infused Colour Gel (\$24, jauramercler.com).

#### 5. KISS UP TO GLOSSES

KIM SAYS: Matte lipsticks can minimize mature lips, but Buxom's Wildly Whipped Lipstick (\$21, sephora.com) provides moisture and color, all while plumping up your pout.

**STAR LOVES:** MAC's Pro Longwear Lip Liner (\$21, maccosmetics .com) — topped with the brand's coordinating Lipglass (\$17) — will keep color from creeping into fine lines around the mouth.

#### 6. THINK OUTSIDE THE FACE!

KIM SAYS: Get a full-body sheen courtesy of Vita Liberata's cult favorite Body Blur beloved by Victoria's Secret models! It reflects light for a photo-ready finish.

**STAR LOVES:** Boost thinning hair with RPZL.com's clip-in extensions (\$250) that come in 16 shades.

SEEMORE FROM KAREN ON SOCIAL MEDIAL Twitter: @KarenMcDougal98; \\ Instagram & Facebook: @KarenMcDougal

## **CK! BUZZ**

# geless

OVER 402 CHECK OUT PROJGRADE MAKEUP AND TECHNIQUES THAT LE KEEP YOU LOOKING FOREVER YOUNG

he hottest new makeup isn't just for millennials. Here, model and OK! lifestyle contributor Karen McDougal teams with her makeup artist, Kimberly Carlson, to reveal the best products to help you look as vivacious as you feel.



KIMBERLY SAYS: Hydrated skin is the key to beautiful makeup, (1) Charlotte's Magic Cream (\$100, charlottetilbury.com) is a must, and Glycelene Eye Repair Oil (\$68, glycelene.com) reduces puffiness.

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TIMELESS TIPS At 46, Karen looks haif

her age, thanks to regular

facials, lots of SPF and the

beauty hacks she and her makeup artist share here!

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OK! LOVES: Leave the smoky eye to

the younger crowd but borrow their bushy brow trend - a key marker of youth - with (4) I aura Mercier's Brow Dimension Fiber Infused Colour Gel (\$24, lauramercior.com).



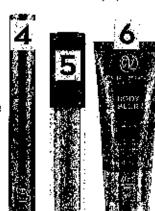
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#### 6. GO HEAD TO TOE

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OK! LOVES: Boost thinning hair. with RPZL.com's clip-in extensions. (\$250), which come in 16 shades.









# Party-going, Perfected

From what to wear to what to bring, Karen has the answers!

SÉE MORE FROM KAREN ON SOCIAL MEDIA! Twitter: @Karen McDougal 98. Instagram 8: Facebook @Karen McDouga

"No matter how casual a get-together, a host has worked hard to prepare, so always RSVP and arrive on time for a sitdown dinner, 15 to 20 minutes later for all other soirees," advises Karen, adding that you don't need to bring a casserole to show your appreciation. "Avoid things that need to be heated up or put in a vase — the host has enough to do," she says. "Opt for a nice wine, candle, or quality chocolates. I also love fancy olive oil — just toss it in a cute gift bag and go!"

STAR TEAMS UP WITH MODEL AND LIFESTYLE EXPERT KAREN MCDOUGAL FOR TIPS ON HOW TO BE THE PARTY GUEST HOSTS WILL LOVE THE MOST!

# **NIFTY GIFTING**



Tobi Tobin Grande Box of Checolates, \$138



regardo conserva A 100 a esperante de

Gaea Fresh

Voluspa Classic Masion Candle Crisp Champagne, \$27.

# Sterling Vineyards

Napa Valley Cabernet 5auyignon 2014, \$25

#### Kim Crawford

Sauvignon Blanc Hollday Bottle, \$17.99

#### Moët Impérial

Golden Sparkle Bottle, \$39.99



Best Home Fashion uxe baux Mink Fur

COCKTAILPART HOLI-DATE





## Coldwater Creek

Go With The ow Tunic, \$79.95

#### COUP

Day & Night carrings, \$350.

#### Birdies

The Wren slippers, \$140

#### Spanx

Faux Leather Moto Leggings, \$110



#### Grana

5ilk Too Dress, \$85

#### LC Lauren Conrad

for Kohl's Starbuzst necklace, \$18

#### JustFab

Adina Heeled Boot, \$42.95



#### Selfie Leslie

lvy Lace Up Bodycon Dress, \$64.99

#### Iris Apfel for HSN

Rara Avis Mongolian Fur Reader's Wrap, 799.95

#### Steve Madden

Carabu heels, \$99.95



# ETIQUETTE IS EVERYTHING

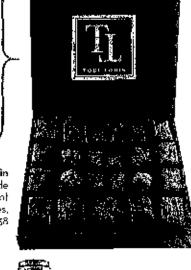
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# of HONOR

MODEL AND
LIFESTYLE EXPERT
KAREN McDOUGAL
ON HOW TO BE
THE PARTYGOER
HOSTS WILL LOVE
THE MOST



**Fabi Tabin** Grande Box of Chocolates, \$138



Voluspa Classic Moison Candle Crisp Champagno,



Sterling Vineyards
Nepa Valley
Caberner
Sauvignon



Best Home Foshion Luxe Facx Fur Pom Poin Throw, 880

> SEĽ MORE FROM KAREN ONSOCIAL MEDIA Twięten @KarenMcDougalo8, Instagrand Bracabook: @KaranMcDougal

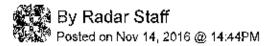
Exhibit 10

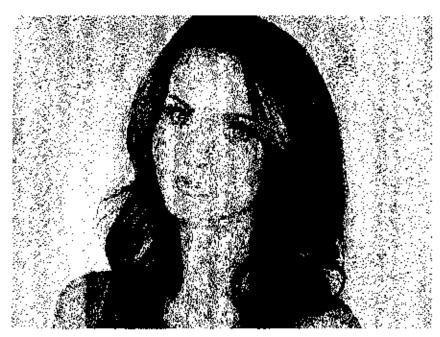
Special Pullout Workout Poster PREE Muscles finess በ 2 ም የ ላ ያ ት ዜ ያልቁጥ የ የ የ እ ም ነ ነ ነ MODEL & FITNESS PERSONALITY KAREN MCDOUGAL Learn Her Secrets To Ageless Beauty! ABS PLA

# Exhibit 11

## FEEL GOOD!

# Karen McDougal's Map To Living Well And Feeling Better!



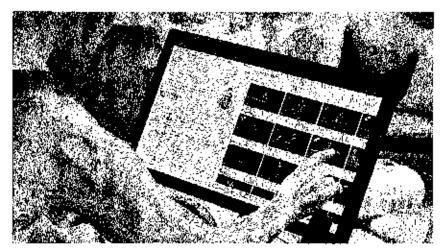


Fitness is a passion and a way of life for model, actress and sports radio personality **Karen McDougal**. The first-ever female cover model for **Men's Fitness** credits a healthy lifestyle for a fulfilling life and successful career. "Fitness has made kept me healthy, happy and youthful!" she says. "But everybody has the ability to achieve the same results. It just takes knowledge and discipline." The good news is that Karen is happy to share her health and welfness secrets with you. "I want everyone to have the tools to reach their goals to experience the best life possible!"

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Physicians - Visit The Official Website To Learn About Now Approved FASENRA, www.fasenrahop.com

How important is what you eat to how you feel?



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# Experience The Energy Of Live Studio Cycling Taught By Elite Instructors, On Your Time.

This new year, experience the rush of studio cy...

SEG MONE

"Diet is critical to feeling good and being healthy. Eating well maximizes your potential to perform at a peak level physically, mentally AND emotionally. My four meals a day are sensible and fairly clean. I always start with a good breakfast — a bowl of oatmeal with brown sugar, protein powder and almond milk. My other meals center around lean chicken, salmon and a daily shake with protein powder, spinach, blueberries, a veggie powder and coconut water. I allow myself one coffee a day and three-to-five green teas! When I'm weak, I allow myself a snack. But it's important that you have a high protein and nutrient-filled diet to fuel your body and give you the energy to take on your daily tasks. Keep alcohol and soda to a minimum...and you'll lose weight AND feel better. Tip? Give yourself one cheat meal a week to keep your body from craving and YOU from binging."

#### Trending Articles



"BACHELOR" STAP, BHAYNG LAMAS FOR STA HPARTBREAKING NETSSAGE.



## How do you work in working out?

"I hit the gym five times a week and rotate body parts to focus on. On Monday and Thursday's I do 10 minutes of cardio and move onto working my lower body with squats, lunges, hamstring curls, and other leg exercises. Tuesdays and Fridays I do 30 minutes of cardio and then work my triceps and biceps with free weights and cables. On Wednesdays I make sure to do 30 minutes of cardio and then work my shoulders, back and chest. The results are amazing. My doctor marvels at my heart health. It helps keep a positive attitude and overcome depression. It helps me feel healthy from the inside out."

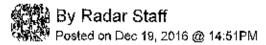
## How do you combat the aging process?

"I'm a big believer in moisturizing and protecting your skin. During the day I use a high sunscreen to protect my skin. It helps reduce wrinkles and makes your skin soft, strong and smooth! Also make sure to use a moisturizer to keep the skin fresh, and prevent dryness and flaking. At night I make sure to wash off my makeup and use a face and eye cream to allow the skin to breath and rejuvenate while I sleep. Adequate rest is critical for you body and brain to achieve peak performance ... and for you to be at your best to take on the day!"

## **EXCLUSIVE INTERVIEW**

# Top Five Secrets For Staying Slim During The Holiday Season!

Model-actress Karen McDougal shares her favorite diet tips.



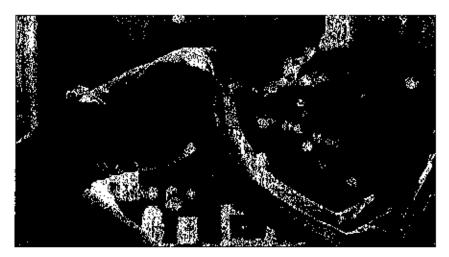


The holidays are the toughest time of the year to eat well and stay fit. But model, actress and sports-radio personality **Karen McDougal** tells RadarOnline.com **that you don't need to limit yourself to eating coal** from your Christmas stocking! Just follow her five simple strategies to stay on track well into the New Year.

#### Official HCP Website - FASENRA® (benralizumab)

Learn More About FASENRA & How It May Help Your Patients.www.fasenrahep.com

The first rule of thumb is to never gorge in an attempt to save calories for a big holiday party at night.



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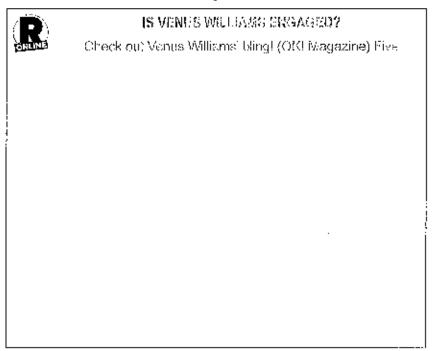
# Even Runners Can't Get Enough Of This

This new year, experience the rush of studio cy...

SEE MORE

"The better move is to eat three to five small meals throughout the day," said McDougal. "This will help you make healthier food choices, limit your cravings and boost your body's fat-burning potential."

Trending Articles



Powered By

And when at the holiday buffet table, make sensible choices to limit the damage and maximize the benefit. "Lean proteins (fish, chicken, eggs) and high-fiber foods (avocados, pears, berries) are delicious and lower in bad fats than casseroles and cakes," McDougal noted.

Another good idea is to snack smart.

"You'll have plenty of big meals throughout the holiday season, so keep snacking to a minimum," said

McDougai.

But if you do find yourself nibbling?

"Avoid carb-heavy breads or sugary cookies," she said, recommending to load up instead on fresher.

options, like figs, dates or nuts.

Unfortunately, one of the tricklest holiday dangers to try to avoid are calorie-filled drinks.

"Sodas are packed with sugar or unhealthy sweeteners - and so are cocktails," said McDougal. "If you

want to celebrate the season with an alcoholic beverage, limit your intake to one glass of wine, or

choose a clear alcohol like vodka, which is low in sugar and has fewer calories than that creamy cup of

eggnog."

And the last important rule for slimming down while surviving the holidays is to always be sure to

hydrate, hydrate, hydrate," McDougal told Radar.

"Having a one glass of water in between each cup of holiday cheer will help you keep your wits while

everyone is donning lampshades, and will help flush out excess calories," she explained. "Down one

more glass of water before bed to wake up fresh and well-rested."

For more on McDougal's advice, follow her on social media:

Twitter: @karenmcdougal98

Instagram: KarenMcDougal

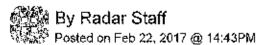
Facebook: Karen McDougal

## PICTURE PERFECT!

# Model Karen McDougal Reveals Tips To Make ANYONE Photogenic

Want to follow all the celebrity drama? Download the RadarOnline App to get it directly on your phone! Get App Now

From makeup products to posing advice and more!





As a model and fitness personality, **Karen MacDougal**knows a thing or two about looking your best in photos. And with awards season in full swing, who better to dish out tips on how to emulate your favorite red carpet stars? Read on for some can't-miss tips on how to pose like pro either at a big soiree or for a simple selfie!

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Physicians - Visit The Official Website To Learn About Now Approved FASENRA, www.fasenrahcp.com

Know Your Angles!



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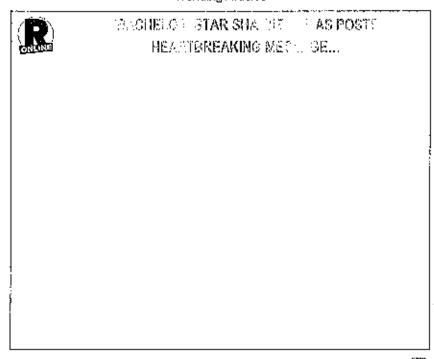
# **Bundle And Save**

A 30-year mortgage means 30 years of mortgage p...

舒明 練坊子

Celebs spend a ton of time taking practice snapshots to find their ideal angles. Using a webcam or a pal, snap a ton of trial photos with your head at different angles and get (honest!) feedback on which ones look best. Usually, a quarter turn with your chin tilted slightly down is the most flattering.

Trending Articles



When posing with a large group, it can be tempting to sacrifice yourself and squat in the front row, but don't—the closer you are to the camera the bigger you'll look! End spots will offer the most slimming angles, and always pose with your hand on your hip, shoulders down, elbows pointing behind you, to look the leanest. Pressing your arm against your body makes it look as wide as your head.

If you can't snag the end spot, opt for the middle: put your arms around your pals' waists, and stand with your legs crossed to elongate them.

#### Smile Small

When it comes to smiling, less is more. A too-wide, ultra-LOL smile will accentuate wrinkles and make you look crazed. To look happy and not nutty, celebs put their tongue against the back of their teeth as it prevents an overzeafous grin.

#### Light It Up!

Stars swear by backlighting—especially at dusk—since it illuminates you without being too harsh. If you're a selfie star, invest in a light-up cell phone case like the LuMee (\$60), a celeb favorite.

#### Ditch Double Chins

A sharp jawline is a hallmark of hotness so to prevent the dreaded double chin, press your tongue against the roof of your mouth while focusing on elongating your neck and pushing your face slightly forward.

#### Make Makeup Your Ally

While mineral makeup is great for your skin, the silica in them creates a dull look in photos, so stick to HD foundations—I love Revion Photoready Airbrush Effect (\$14), Marc Jacobs Beauty Re(marc)able Full Cover Foundation Concentrate (\$55, Sephora.com) and Kat Von D Lock-It Foundation (\$35, Sephora.com)).

Make sure you choose the proper shade: too-pale makeup will look even more pronounced under a camera flash.

To stave off shine, pat forehead, nose and chin with a blotting paper like Palladio's Rice Paper (\$4) or in a pinch, a toilet seat cover will do!

Steer clear of dark matte lip tooks—they'll minimize your mouth, so opt for a bright or shiny shade instead.

And make sure your lashes and brows are on point; filled-in brows and curled, mascara-coated lashes will help frame your face and create a youthful look.

The Eyes Have It

Always blinking in pics? Close eyes and open slowly as the photographer counts to three. And if you're always the victim of red-eye, glance at a light before the photo is taken—it will shrink your pupil and keep you from looking like a possum.

C'mon Get Appy!

Think Kim + co really are that flawless? Ha! There's nothing wrong with giving your pics a little 21st century help—for \$3, the Facetune applets you smooth out skin to create a line-free look.

Find Your Prints Charming

Hove a good fun print, but if you're going to be at an event with busy setting (like a kids party or holiday bash), stick to solids so the photo doesn't look too busy. Don't always believe the hype that black is better: it tends to stand out against any backdrop, so if you're trying to look slimmer (and who isn't) navy or brown are minimizing without being as stark.

Shoulder The Burden

You mama was right: posture, posture, posture! No matter how much you suck in are or how expensive. that blouse was, you'll never get a good pic if you don't stand up straight!

See more from Karen on social media!

Twitter: @KarenMcDougal98.

Instagram & Facebook: @KarenMcDougal

TERRIFYING!

# First Ever Men's Fitness Cover-Girl Reveals She Had To Get Breast Implants Removed

Want to follow all the celebrity drama? Download the RadarOnline App to get it directly on your phone! Gel App New

'I truly thought I was dying,' revealed Karen McDougal.



By Radar Staff Posted on Mar 7, 2017 @ 17:52PM









# \*WARNING GRAPHIC PHOTOS\*

As a model and fitness personality, **Karen McDougal** has built a career off her enviable body, but after a decade of mysterious illnesses, she finally realized her beauty had come at a frightening cost!



PHOTO CREDIT: GETTY IMAGES







In an exclusive interview with OK!, Karen revealed that eight years after getting breast implants, she began experiencing a series of scary ailments, including "thyroid issues, fatigue, [and] severe allergies."



PHOPO CREDIT: GETTY MAIGCS









At first, Karen thought her sudden and unexplainable issues were simply the result of aging, but in January 2016, things grew worse when she started having migraines; blurred vision, noise sensitivity, and was blacking out multiple times a day.



PHOTE CHEET SETTY INAGES









By October, she was bedridden. "I truly thought I was dying," she said. While doctors insisted she was fine, a friend suggested Karen's breast implants may be to blame.



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Can't get comfortable at right?

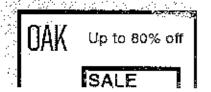




"I blew him off—it seemed so crazy," she admitted, Still, Karen did some research, and discovered a frightening reality, Breast implant litness, which affects thousands of people.



PRIORD LICEUR, WARRAN WILDOWSKE





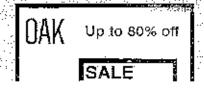




A month later, Karen admits she misses her old self but knows her health is worth the adjustment. "Hey, small boobs and braiettes are having a moment," she said with a smile. "I'm totally in fashion."



<sup>1</sup> РАФЛО СКЕЩТЫЛАРЫ МСДОЙЕНЬ









She soon turned to Dr. **David Rankin** of Aqua Plastic Surgery in Jupiter, FL, to remove her implants, and immediately, her health improved. "I wasn't dizzy, no migraines, no noise sensitivity—it felt like a miracle," she said.

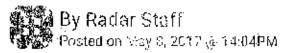


**BEAUTY TIPS** 

# New Season, New You! Karen McDougal Reveals Latest Products & Procedures

Want to follow all the celebrity drama? Download the RadarOnline App to get it directly on your phone!

Get all of the fitness guru and model's summer secrets.





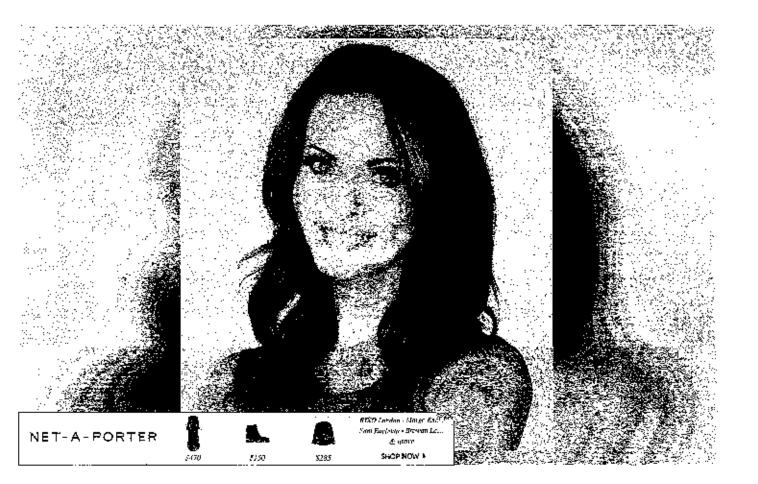




Model and fitness personality: **Karen McDouga**l teamed up with cutting-edge experts to get the scoop on the latest products and procedures!







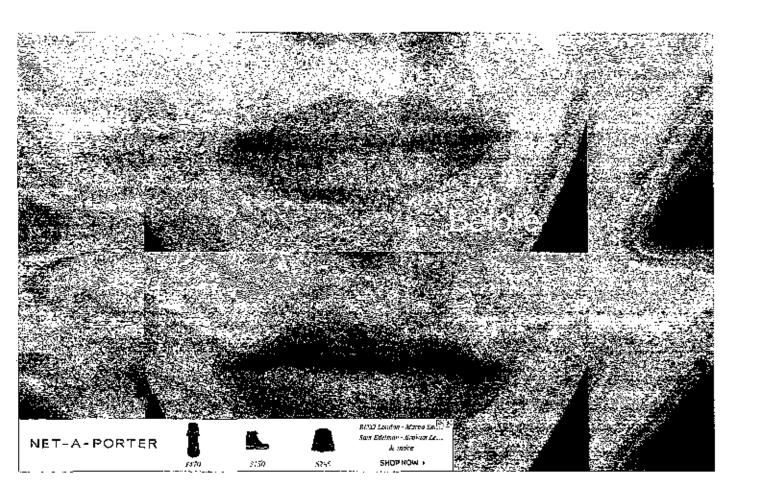




Freeze the Frown: Botox is great, but many people become "immune" to it after years of treatment, Fortunately, you may not have that problem with Xeomin, the newest injectible that's great for getting rid of fine lines and wrinkles a la Botox — and it will run you about \$100 less!









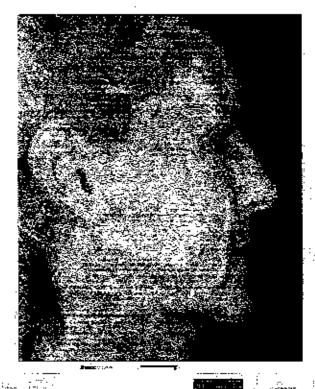


Spiff Up Your Smile: Adios, trout pout! While fillers of yesteryear often appeared fake, new kid on the block Volbella creates lush and natural-looking lips with less swelling, says Dr. David Shafer, But don't stop there: Light up your grin with Zoom laser teeth whitening, now updated so it's A-OK for those with sensitive chompers. "Switching from halogen to LED lights generates less beat and less potential pain," explains: NYC dentist Dr. Timothy Chase, "And there's now a relief gel to keep the 'zings' away."

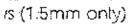




# SECTIVE SERVICE OF RECOME











Lift Sagging Skin: I swear by Ultherapy, the only FDA-approved nonsurgical procedure for lifting the lower face and ditching the dreaded "jowis" that can make you look so much older. "There's no downtime and minimal discomfort," shares plastic surgeon Dr. Shafer. "It's far less invasive than a face-lift."







NET-A-PORTER







ESTO Landon - Marie Est. 7. Sam.Eddman - Roman La.,

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Resurface Your Face: Dr. Kenneth Mark is my go-to when I need a refresh, and his Exfoliating & Hydrating Mask (\$85,... KennethMarkMD.com) helps lighten, firm and reduce wrinkles, as well as promote cell turnover. Amore Pacific's Enzyme Peel (\$60, AmorePacific.com) is another must-have and gentle enough to use every day!





NORDSTROM

**AERIN** Beetity Hibiseus Palm







Look Good After Lasers: I love a good chemical peel or laser treatment, but hiding indoors for days after isn't an option! Oxygenetix makeup uses aloe and minerals to not only cover redness but soothe raw skin as well. A good hydrator is Glenn Avenue Soap Company's Healing Blend Body Butter (\$14, GlennAveSoap.com), made with all organic ingredients. And remember, the sun isn't your friend! IlitaMD's new UV Clear Broad-Spectrum SPF 46 sunscreen (visit EltaMD.com for purchase info) not only fights rays, it combats acre and discoloration!



NORDSTROM

AERIN Beauty Hitiseus Pain





See more from Karen on social media! Twitter:

@KarenMcDougal98, instagram & Facebook: @KarenMcDougal

Enjoy 6 months to pay on every purchase of \$99±.

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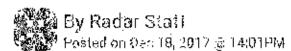


**GUEST OF HONOR** 

## STAR MAGAZINE GETS HOLIDAY PARTY ADVICE FROM KAREN MCDOUGAL

Want to follow all the celebrity drama? Download the RadarOnline App to get it directly on your phone! Sel App Now.

MODEL & LIFESTYLE EXPERT TELLS US HOW TO BE THE PARTY GUEST HOSTS WILL LOVE THE MOST

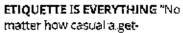








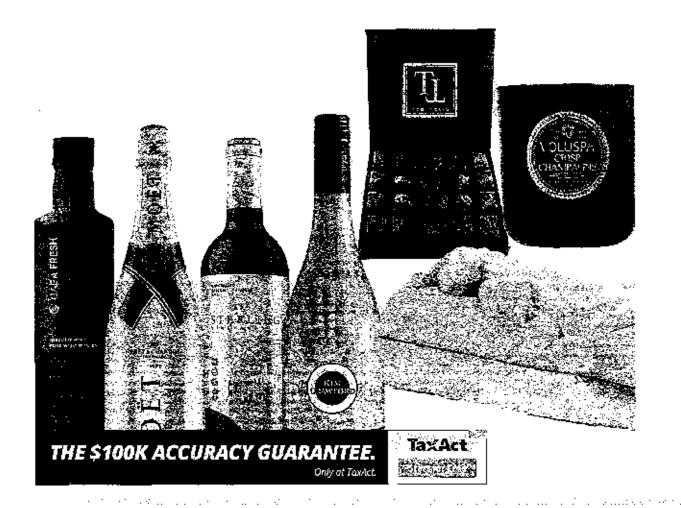




matter how casual algettogether, a host has worked hard to prepare, so always RSVP and arrive on time for a sitdown dinner, 15 to 20 minutes later for all other soirees," advises Karen, adding that you don't need to bring a casserole to show your appreciation. "Avoid things that need to be heated up or put in a vase — the host has enough to do/ she says. "Opt for a nice wine, candle, or quality chocolates. I also love fancy ofive oil — just toss it in a cute gift bag and go."







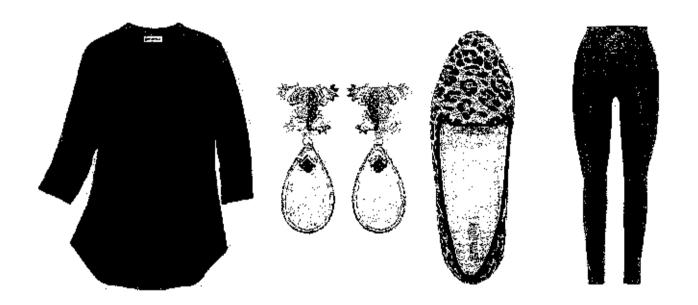




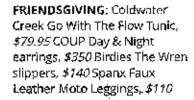
NIFTY GIFTING: Voluspa Classic Masion Cándle Crisp Champagne, \$27Tobi Tobin Grande Box of Chocolates, \$138 Gaea Fresh Extra Virgin Olive Oil, \$18.99 Best Home Fashion Luxe Faux Mink Fur Throw, \$47.99 Sterling Vineyards Napa Valley Cabernet Sauvignon 2014, \$25 Kim Crawford Sauvignon Blanc Holiday Bottle, \$17.99 Moet Imperial Golden Sparkle Bottle. \$39.99



















**HOLI-DATE:** Grana Silk Tee Dress, \$851C Lauren Conrad for Kohi's Starburst neckläce, \$18 JustFab Adina Heeled Boot, \$42.95









COCKTAIL PARTY: Selfie Leslie Ivy Lace Up Bodycon Dress, \$64,991rls Apfel for HSN Rara Avis Mongolian Fur Reader's Wrap, \$299.95 Steve Madden Carabu heels, \$99.95









Dress dilemma? "An LBD with heels is always right!" says Karen.. Party-going, Perfected! From what to bring, Karen has the answers! SEE MORE FROM KAREN ON SOCIAL MEDIA! Twitter: @KarenMcDougal98, Instagram & Facebook: @KarenMcDougal



# Lee E. Goodman Declaration

] ()

 I, Lee E. Goodman, declare as follows:

- I am a partner of Wiley Rein LLP, co-counsel for defendant American Media, Inc. ("AMI") in the action entitled *Karen McDougal v American Media, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. BC 698956. I am an attorney in good standing and authorized to practice in the Commonwealth of Virginia and the District of Columbia, and I will be applying to appear *pro hac vice* on behalf of AMI in this action. The facts stated below are true of my own personal knowledge.
- 2. I was appointed to the Federal Election Commission ("FEC") by President Barack Obama on October 21, 2013, and swom into office on October 22, 2013. I served as Chairman of the FEC in 2014 and Vice Chairman in 2013. I departed the FEC on February 16, 2018.
- 3. The complete, publicly-available administrative records for the FEC enforcement matters—called Matters Under Review ("MUR") that are cited in this motion are available directly on the FEC's website using the following links:
  - MUR 5562/5570 (Sinclair Broadcast Group, Inc.):
     <a href="https://www.fec.gov/data/legal/matter-under-review/5562/">https://www.fec.gov/data/legal/matter-under-review/5562/</a>
  - MUR 5540 (CBS Broadcasting, Inc.):
     https://www.fcc.gov/data/legal/matter-under-review/5540/
  - MUR 5569 (John and Ken Show on KFI-AM 640):
    <a href="https://www.fcc.gov/data/legal/matter-under-review/5569/">https://www.fcc.gov/data/legal/matter-under-review/5569/</a>
  - MUR 4929 (Los Angeles Times, et al.): https://www.fec.gov/data/legal/matter-under-review/4929/
- 4. In addition, we have attached as exhibits to this motion selected key decisional documents from these MURs, which apply the Press Exemption of the Federal Election Campaign Act of 1971, as amended. The attached exhibits are true and accurate copies of the identified materials and were taken directly from the FEC's official website.

-2-

SPECIAL MOTION TO STRIKE

28



#### FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

## SENSITIVE

#### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	MUR 5540
CBS Broadcasting, Inc.,	Ś	1110110010
Kerry-Edwards 2004, Inc., and	j	
Robert Farmer, in his official	)	
capacity as treasurer	)	
In the Matter of	)	
	)	MUR 5545
Dan Rather, CBS News,	)	
CBS, and Viacom, Inc.	)	
In the Matter of	)	
<b>-</b>	í	MUR 5562
Sinclair Broadcast Group, Inc.	ý	
In the Matter of	)	
	í	MUR 5570
Sinclair Broadcast Group, Inc.,	Ś	•
Mark Hyman, and Frederick G. Smith	Ś	

## STATEMENT FOR THE RECORD OF COMMISSIONER ELLEN L. WEINTRAUB

I agreed with the General Counsel's conclusions and voted to approve the recommendations. I believe it important to emphasize that the press exemption shields press entities from investigations into alleged coordination. This agency cannot and should not attempt to arbitrate claims of media bias or breaches of journalistic ethics.<sup>1</sup>

It is unclear to me why commissioners who argue so persuasively in one statement that "the press exemption protects each respondent, specifically against the claims of bias, professional irresponsibility, or suspect motivations raised in the complaints" would then issue a separate statement assuming all those claims to be true.

It is not the role of the Federal Election Commission to determine whether a news story issued by a press entity is legitimate, responsible, or verified. When faced with allegations against the press, the FEC need only determine whether the press entity is owned or controlled by a party or candidate and whether the press entity was acting as a press entity in disseminating the story or commentary at issue. Reader's Digest Ass'n, Inc. v. FEC, 509 F. Supp. 1210, 1214-15 (S.D.N.Y. 1981). That is the absolute limit of the FEC's investigative reach into a press entity's activities. "No inquiry may be addressed to sources of information, research, motivation, connection with the campaign, etc. Indeed all such investigation is permanently barred by the statute unless it is shown that the press exemption is not applicable." Id.

Whether particular broadcasts were fair, balanced, or accurate is irrelevant given the applicability of the press exemption. Whether the media entities communicated with political parties or candidates before the airing of the broadcasts is similarly irrelevant. Indeed, it is difficult to fathom how journalists could cover campaigns if they had to worry that communicating with campaign workers could trigger a government investigation into supposed improper coordination. Merely investigating such allegations would intrude upon Constitutional guarantees of freedom of the press.

Ellen L. Weintraub, Commissioner

ommissioner / D



## FEDERAL ELECTION COMMISSION WASHINGTON D C 20463

SENSITIVE

### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	MUR 5540
CBS Broadcasting, Inc.,	j j	
Kerry-Edwards 2004, Inc., and	}	
Robert Farmer, in his official capacity as treasurer	)	
In the Matter of	)	MUR 5545
Dan Rather,	)	
CBS News,	)	
CBS, and	)	
Viacom, Inc.	)	
In the Matter of	}	MUR 5562
Sinclair Broadcast Group, Inc.	ý	
In the Matter of	}	MUR 5570
Sinclair Broadcast Group, Inc.	- (	MOR 3310
Mark Hyman	ί.	
Frederick G. Smith	΄ ΄	•
Prederior C. Ottigui	,	

#### STATEMENT OF REASONS OF COMMISSIONERS DAVID M. MASON AND BRADLEY A. SMITH

This statement of reasons ("SOR") addresses four matters under review ("MURs").

- The Center for Individual Freedom filed the complaint in MUR 5540 against Respondents CBS Broadcasting, Inc., Kerry-Edwards 2004, Inc., and Robert Farmer, in his official capacity as treasurer.
- Jeffrey Smith filed the complaint in MUR 5545 against Respondents Dan Rather, CBS News, CBS, and Viacom, Inc.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 2 of 10

- The Democratic National Committee filed the complaint in MUR 5562 against Respondent Sinclair Broadcasting Group, Inc.
- Sam Osborne filed the complaint in MUR 5570 against Respondents Sinclair Broadcast Group, Inc., Mark Hyman, and Frederick G. Smith.

The Commission unanimously found no reason to believe that any of the respondents in the four MURs violated the Federal Election Campaign Act ("FECA"), 2 U.S.C. § 431 et seq., and closed the files. We agree with the analyses of the Office of General Counsel ("OGC") in these matters and write separately to emphasize that the press exemption protects each respondent, specifically against the claims of bias, professional irresponsibility or suspect motivations raised in the complaints. Under the First Amendment of the United States Constitution, U.S. CONST. amend. I (1789), and the "news story, commentary, or editorial" exemption, designed to incorporate First Amendment press freedoms into FECA, see 11 C.F.R. § 100,73 (2002) (exemption from the definition of "contribution"); 2 U.S.C. § 431(9)(B) (2002) (exemption from the definition of "expenditure"); id. § 434(f)(3)(B) (2002) (exemption from the definition of "electioneering communication"), the government simply has no role or authority in policing alleged mendacity, bias or unprofessional conduct by the media.

#### I. BACKGROUND

#### A. CBS MURS

CBS Broadcasting, Inc., a subsidiary of Viacom, Inc., owns the CBS television network, including CBS News. On September 8, 2004 – shortly before the 2004 presidential and vice-presidential election between President George W. Bush and Vice President Dick Cheney, and Senators John Kerry and John Edwards – 60 Minutes Wednesday, a CBS News program, broadcast a segment unfavorable toward President Bush. Subsequent reports discredited the broadcast.<sup>1</sup>

It later came to light that there had been contact among the CBS segment's producer, a senior Kerry-Edwards advisor and a CBS source for the segment. The source "said he would be more forthcoming with documents if he were allowed to communicate with the Kerry campaign." The producer spoke with the senior advisor, who then called the source. The senior advisor said he and the source did not discuss the documents. Rather, he said he listened to campaign advice from the source.

None of the respondents is owned or controlled by a political party, committee or candidate.4

The complaint in MUR 5540 alleges (1) the broadcast was a prohibited electioneering communication that was (2) coordinated with the Kerry-Edwards campaign, and thereby became a

<sup>&</sup>lt;sup>1</sup> First General Counsel's Report in MURs 5540 and 5545 ("OGC Report on CBS") at 3-4.

<sup>&</sup>lt;sup>2</sup> Id. at 4 (citation omitted).

<sup>&</sup>lt;sup>3</sup> Id. (citation omutted).

<sup>&</sup>lt;sup>4</sup> See id. at 5.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 3 of 10

prohibited contribution. Further, the complaint alleges (3) the campaign should have reported the broadcast as a contribution, and CBS should have reported it as an expenditure.<sup>5</sup>

The complaint in MUR 5545 alleges the broadcast was an independent expenditure and a prohibited contribution.  $^6$ 

Both complaints assert that the press exemption does not apply.<sup>7</sup>

#### B. Sinclair MURs

The complaint in MUR 5562 alleges Sinclair Broadcasting, Inc. ("Sinclair") was about to broadcast a film unfavorable toward Senator Kerry. The complaint alleged this would be a prohibited electioneering communication and a prohibited in-kind contribution. However, Sinclair did not broadcast the film.

The complaint in MUR 5570 alleges Sinclair, as well as corporate officers Frederick G. Smith and Mark Hyman, <sup>10</sup> made a corporate contribution by broadcasting comments unfavorable to Senator Kerry<sup>11</sup> on KGAN, a Sinclair station in Cedar Rapids, Iowa. OGC has concluded that these comments appear to have been made during a news broadcast.<sup>12</sup>

None of the respondents is owned or controlled by a political party, committee or candidate. 13

#### H. DISCUSSION

#### A. Sinclair MUR 5562

Because Sinclair did not broadcast the film that is the subject of MUR 5562, OGC has correctly concluded, without investigating the substance of the complaint, that there is no reason to believe that Sinclair violated FECA, as alleged in the complaint.<sup>14</sup> Furthermore, because the complaint was wholly speculative when filed, it should have been rejected on that basis alone, see 2 U.S.C. § 437g(a)(1)

<sup>&</sup>lt;sup>5</sup> Id. at 2.

<sup>6</sup> Id

<sup>&</sup>lt;sup>7</sup> Id. at 2-3.

<sup>&</sup>lt;sup>8</sup> First General Counsel's Report in MURs 5562 and 5570 ("OGC Report on Smelair") at 2, 3-4.

<sup>9</sup> Id. at 4.

<sup>10</sup> Id. at 5.

<sup>11</sup> Id. at 2.

<sup>12</sup> Id at 6.

<sup>13</sup> See 1d. at 3.

<sup>14</sup> Id. at 4-5.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 4 of 10

(2002); see In the Matter of Phillip Morris Cos., MUR 4766, SOR of Comm'r Mason at 3-5 (Fed. Election Comm'n May 5, 2000). 13

#### B. CBS MUR 5540, CBS MUR 5545, and Sinclair MUR 5570

#### 1. The Statute and Regulations

#### a. Contributions and the Press Exemption

This MUR involves corporate respondents. FBCA prohibits corporations from making contributions. 2 U.S.C. § 441b(a) (2002).

#### FECA defines "contribution" as:

- (i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or
- (ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

Id. § 431(8)(A).

There are exceptions to the definition of "contribution." One exception, found in Commission regulations, provides:

Any cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station (including a cable television operator, programmer or producer), newspaper, magazine, or other periodical publication is not a contribution unless the facility is owned or controlled by any political party, political committee, or candidate, in which case the costs for a news story:

- (a) That represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility; and
- (b) That is part of a general pattern of campaign-related news accounts that give reasonably equal coverage to all opposing candidates in the circulation or listening area, is not a contribution.

11 C.F.R. § 100.73. In other words, for our purposes here, what may otherwise be a contribution is not a contribution if (1) it is a "cost incurred in covering or carrying a news story, commentary, or

While there may be some argument that the Commission may consider a complaint alleging a violation of FECA has not, but is about to occur, see 2 U.S.C. § 437g(a)(2), the Commission could not rely on a complaint, such as that in MUR 4960, with nothing more than speculation and hearsay as the basis to investigate an allegedly contemplated violation. See In re Hillary Rodham Clinton for US Senate Exploratory Crite, MUR 4960, SOR of Comm'rs Mason, Sandstrom, Smith and Thomas at 2-3 (Fed. Election Comm'n Dec. 21, 2000). Doing so would amount to investigating an allegation that a broadcaster (in this case) is considering doing something that might violate the law.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 5 of 10

editorial[,]" (2) the news story, commentary, or editorial is carried or covered by broadcasting station, newspaper, magazine, or other periodical, and (3) the facilities are not "owned or controlled by any political party, political committee, or candidate ...." *Id*.

#### b. Expenditures and the Press Exemption

FECA also prohibits corporations, with an exception not applicable in this matter, from making expenditures. 2 U.S.C. § 441b(a).

#### FECA defines "expenditure" as:

- (i) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and
- (ii) a written contract, promise, or agreement to make an expenditure.

#### Id. § 431(9)(A).

There are limits on the definition of "expenditure." For example, as a matter of statutory construction to avoid unconstitutional overbreadth and vagueness, see McConnell v. FEC, 540 U.S. 93, 191-92 (2003); Anderson v. Spear, 356 F.3d 651, 663-66 (6th Cir.), cert. denied, 125 S.Ct. 453 (2004), the Supreme Court has limited the term "expenditure" to words expressly advocating the election or defeat of a clearly identified candidate. See FEC v. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 248-49 (1986) ("MCFL") (applying the express-advocacy test to corporations (citing Buckley v. Valeo, 424 U.S. 1, 42, 44 n.52, 80 (1976) (establishing the express-advocacy test))). Moreover, the statute itself includes the press exemption, which provides:

#### The term "expenditure" does not include-

(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate ....

2 U.S.C. § 431(9)(B). In other words, what may otherwise be an expenditure is not an expenditure if (1) it is a "news story, commentary, or editorial[,]" (2) it is "distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication," and (3) the facilities are not "owned or controlled by any political party, political committee, or candidate ...." *Id*.

In the context of alleged corporate expenditures, one court has held that there is an additional limit on the press exemption: The press activity must (4) "fall broadly within the press entity's legitimate press function." Reader's Digest Ass'n, Inc. v. FEC, 509 F. Supp. 1210, 1214 (S.D.N.Y. 1981). However, "legitimate press function" is a broad concept. For example, another court held that the press exemption applies to a solicitation letter seeking new subscribers to a publication. FEC v. Phillips Publishing, Inc., 517 F. Supp. 1308, 1313 (D.D.C. 1981).

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 6 of 10

#### c. Electioneering Communications and the Press Exemption

FECA prohibits corporations other than *MCFL* corporations, see *McConnell*, 540 U.S. at 209-11, from making electioneering communications. FECA defines "electioneering communication" as follows:

- (i) The term "electioneering communication" means any broadcast, cable, or satellite communication which—
  - (I) refers to a clearly identified candidate for Federal office;
  - (II) is made within-
    - (aa) 60 days before a general, special, or runoff election for the office sought by the candidate; or
    - (bb) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate; and
  - (III) in the case of a communication which refers to a candidate for an office other than President or Vice President, is targeted to the relevant electorate.

2 U.S.C. § 434(f)(3)(A).

The press exemption for electioneering communications is similar to the press exemption for expenditures. Thus, FECA provides:

The term "electioneering communication" does not include—

- (i) a communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate ....
- Id. § 434(f)(3)(B). In other words, what may otherwise be an electioneering communication is not an electioneering communication if (1) it is in a "news story, commentary, or editorial[,]" (2) it is "distributed through the facilities of any broadcasting station," and (3) the facilities are not "owned or controlled by any political party, political committee, or candidate ...." Id.

#### 2. Applying the Press Exemption

The MUR 5440 complaint asserts that the press exemption does not apply to the 60 Minutes Wednesday broadcast because CBS did not verify its sources. Similarly, the MUR 5445 complaint

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 7 of 10

asserts that the press exemption does not apply to the broadcast because it, in the complainant's view, expressly advocated the defeat of President Bush. 16

#### a. The Statute and Regulations

However, neither of these factors – verification or express advocacy – affects whether the press exemption applies. See 11 C.F.R. § 100.73 (contributions); 2 U.S.C. § 431(9)(B)(i) (expenditures); id. § 434(f)(3)(B) (electioneering communications). Neither the statute nor the regulations speak of a "verified news story, commentary or editorial," nor do they speak of a "news story, commentary or editorial that does not expressly advocate." The statute, for example, requires only that the news story, commentary or editorial be distributed through the specified facilities and that such facilities not be "owned or controlled by any political party, political committee, or candidate ...." Id. § 431(9)(B)(i); see also id. § 434(f)(3)(B). Nor do regulations on the press exemption speak of verification or express advocacy. See 11 C.F.R. § 100.73 (contributions); id. § 100.132 (2002) (expenditures); id. § 100.29(c)(2) (2002) (electioneering communications).

Neither the statute nor the regulations require that for the press exemption to apply, the press verify its stories, be accurate, be fair or be balanced. See In re KBHK Channel 45, ABC News et al., MURs 5110 and 5162, SOR of Chairman McDonald, Vice Chairman Mason and Comm'rs Sandstrom, Smith and Wold at 3 (Fed. Election Comm'n July 24, 2001).

And even if a news story, commentary, or editorial in the press contains express advocacy, the press exemption still applies. If this were not so, then an incorporated newspaper would violate FECA every time it ran an editorial endorsing a federal candidate. That cannot be. The content of the news "is beyond the jurisdiction of this agency." *Id*.

#### b. Previous MURs

SORs in several other MURs affirm these principles either directly or indirectly.

In a MUR involving the appearance of former Congressman and new congressional candidate Robert Doman as a guest host on radio talk shows, four commissioners observed that allegations of what Congressman Doman said on the programs are irrelevant to determining whether the press exemption applies. In the Matter of Robert K. Doman, MUR 4689, SOR of Vice Chairman Wold and Comm'rs Elliott, Mason and Sandstrom at 4 (Fed. Election Comm'n Dec. 20, 1999).

A separate SOR noted the press exemption has no requirement of fairness or equal access. *Id.* SOR of Comm'r Mason at 7 and n.6 (Fed. Election Comm'n Feb. 14, 2000). The press exemption also is not limited by express advocacy or a solicitation. *Id.* at 11. Moreover, an investigation into a press entity's editorial policies has no place. *See id.* at 6, 9. "It is difficult to imagine an assertion more contrary to the First Amendment than the claim that the FEC, a federal agency, has the authority to control the news media's choice of formats, hosts, commentators and editorial policies ...." *Id.* at 6.

<sup>&</sup>lt;sup>16</sup> OGC Report on CBS at 2. The term "express advocacy" derives from Buckley, 424 U.S. at 44 & n.52.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 8 of 10

Five commissioners later struck a similar chord, holding that the press exemption protects unbalanced reporting and commentary. In re ABC, CBS, NBC, New York Times, Los Angeles Times, Washington Post et al., MUR 4929, 5006, 5090, 5117, SOR of Chairman Wold, Vice Chairman McDonald and Comm'rs Mason, Sandstrom and Thomas at 3 (Fed. Election Comm'n Dec. 20, 2000). Allegations that Republican National Committee suggestions may have influenced coverage did not suffice to find reason to believe that the New York Times violated FECA, because the press exemption protected the newspaper, id. at 3-4, regardless of whether it credulously or recklessly accepted and reported claims by a political party or candidate. Id. at 4.

On another occasion, a complaint alleged that the respondents' biased news broadcasts had advocated the election of individual candidates and political groups. In the Matter of CBS News, et al., MUR 4946, SOR of Chairman Wold and Comm'r Mason at 1 (Fed. Election Comm'n June 30, 2000). The SOR recalled that courts have held that the press exemption applies when the press operates within its "legitimate press function." Id. at 1-2 (citing Reader's Digest, 509 F. Supp. at 1214; Phillips Publishing, 517 F. Supp. at 1313). The reasoning of the SOR rejected the complaint as a threshold matter by noting that the content of any news story, commentary, or editorial is irrelevant to determining whether the press is exercising its legitimate press function. See id. at 2. Political bias in news reporting does not violate FECA. See id.

In a MUR involving candidate debates, an SOR noted that the press exemption allows the press to use whatever criteria it deems appropriate to select candidates, regardless of how slanted the debate may be. In re Union Leader Corp., et al., MURs 4956, 4962 and 4963, SOR of Comm'r Mason at 2 (Fed. Election Comm'n Feb. 13, 2001). The press exemption covers express advocacy in debates. Id. at 3 (citation omitted).

Still another SOR noted the importance of the press exemption even in matters of lesser significance. The Commission's proper course is not merely to take no action and close the file under Heckler v. Chaney, 470 U.S. 821 (1985). Rather, the Commission should find no reason to believe that the respondents violated FECA, and then close the file. See in the Matter of Clear Channel Communications, Inc., Nick Lampson for Congress and William S. Leonard, as treasurer, MUR 5261, SOR of Vice Chairman Smith and Comm'rs Mason, McDonald and Toner at 2 (Fed. Election Comm'n Oct. 9, 2003).

#### c. Court Orders

The Reader's Digest court properly concluded that the press exemption is important because

freedom of the press is substantially eroded by investigation of the press, even if legal action is not taken following the investigation. Those concerns are particularly acute where a governmental entity is investigating the press in connection with the dissemination of political matter. These factors support the interpretation of the statutory exemption as barring even investigation of press activities which fall within the exemption.

509 F. Supp. at 1214. Thus, "until and unless the press exemption were found inapplicable, the FEC is barred from investigating the substance of the complaint." *Id.* at 1215. The press exemption "authorizes court intervention if the FEC oversteps the limit[]," *Id.* at 1214.

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 9 of 10

That does not mean the Commission may not conduct an investigation limited to determining whether the exemption applies. It may, see id., if there is a need for additional information to determine whether the exemption applies. See Phillips Publishing, 517 F. Supp. at 1313 (citing FEC v. Machinists Non-Partisan Political League, 655 F.2d 380, 396 (D.C. Cir. 1981) ("MNPL")).

In addition, before any such limited investigation, there must be "a threshold showing of wrongdoing" on the part of the respondent. In assessing whether this threshold is met,

"mere 'official curiosity' will not suffice as the basis for FEC investigations, as it might in others," MNPL, supra at 388, and the Supreme Court has warned that "the power of compulsory process (must) be carefully circumscribed when the investigative process tends to impinge on such highly sensitive areas of freedom of speech or press, freedom of political association, and freedom of communication of ideas." Sweezy v. New Hampshire, 354 U.S. 234, 245 (1957).

Phillips Publishing, 517 F. Supp. at 1314 (alteration in original) (parallel citations omitted).

There should be no misunderstanding of the "legitimate press function" criterion of Reader's Digest as somehow limiting the "news story, commentary, or editorial" exemption, 11 C.F.R. § 100.73; 2 U.S.C. § 431(9)(B); id. § 434(f)(3)(B), to "legitimate" news stories, commentaries or editorials. Rather, news stories, commentaries or editorials carried in broadcast programming or in the pages of publications are absolutely exempt. Reader's Digest, 509 F. Supp. at 1214-15, and Phillips Publishing, 517 F. Supp. at 1312-14, both involved press activities outside the pages of the publications at issue. The courts held, and the Commission has long conceded, that the exemption should be construed to include such activities beyond actual broadcasts or outside the pages of a publication, including (in these cases) publicity or subscription solicitations for the publications involved. The Reader's Digest court contrasted such efforts with a hypothetical example of a newspaper hiring persons to denounce alleged illegal acts of a candidate. 509 F. Supp. at 1214. Thus the "legitimate press function" criterion goes to the nature of the activity at issue, not to the veracity, professionalism or motivation of the publisher, editor, producers, reporters or writers. There is no question that investigations into past activities of political candidates is a "legitimate press function."

#### d. Applying the Press Exemption Here

The assertions regarding verification and express advocacy are incorrect, and the press exemption applies.

Regarding the allegations of corporate contributions, in CBS MURs 5540 and 5545 and Sinclair MUR 5570, the respondents (1) incurred costs in carrying a news story, commentary, or editorial (2) carried or covered by a broadcasting station that is (3) not "owned or controlled by any political party, political committee, or candidate ...." See 11 C.F.R. § 100.73.

Regarding the allegations of corporate expenditures, in CBS MUR 5545, the MUR involves (1) a news story, commentary, or editorial (2) distributed through the facilities of a broadcasting station (3)

Statement of Reasons in MURs 5540, 5545, 5562 and 5570 Page 10 of 10 -

not "owned or controlled by any political party, political committee, or candidate." See 2 U.S.C. §§ 431(9)(B)(i).

Regarding the allegations of corporate electioneering communications, in CBS MUR 5540, the MUR involves (1) a news story, commentary, or editorial (2) distributed through the facilities of a broadcasting station (3) not "owned or controlled by any political party, political committee, or candidate." See 2 U.S.C. §§ 434(f)(3)(B)(i).

#### III. CONCLUSION

For the foregoing reasons, in addition to those OGC stated, the Commission was correct in finding no reason to believe and closing the files in these matters.

July 12, 2005

David M. Mason,

Commissioner

Bradley A. Smith,

Commissioner

Exhibit 14



## FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

SENSITIVE

#### BEFORE THE FEDERAL ELECTION COMMISSION.

In the Matter of	).
	)
CBS Broadcasting, Inc.	)
Kerry-Edwards 2004, Inc., and	) MURs 5540 & 5545
Robert Farmer, in his officia	1)
Capacity as Treasurer	)
<u>-</u>	· ·

## STATEMENT OF REASONS OF VICE CHAIRMAN MICHAEL E. TONER AND COMMISSIONERS DAVID M. MASON AND BRADLEY A. SMITH

On June 7, 2005, by a vote of 6-0 the Commission accepted the Office of General Counsel's ("OGC") recommendation to find no reason to believe that CBS Broadcasting, Inc., Kerry-Edwards 2004, Inc. ("Campaign"), and Robert Farmer, in his official capacity as Treasurer, and the remaining respondents violated the Federal Election Campaign Act of 1971, as amended ("FECA" or "Act") in connection with the September 8, 2004 broadcast of 60 Minutes Wednesday ("Broadcast"). We voted to find no reason to believe in these matters because, even if the allegations in the complaint are true, the activities in question are protected by the Act's media exemption and require the complaints to be dismissed.

#### Analysis and Conclusions

These matters arose out of complaints filed by the Center for Individual Freedom ("Complainant") alleging that the broadcast of a 60 Minutes Wednesday news story about President Bush's Texas Air National Guard Service was a prohibited electioneering communication under 2 U.S.C. § 434(f), that the electioneering communication was coordinated with the Kerry-Edwards campaign and was therefore a prohibited corporate contribution under 2 U.S.C. § 441b(a) and (c), that the electioneering communication should have been reported by CBS as a contribution and the Kerry-Edwards campaign as an expenditure under 2 U.S.C. § 434(f), and that the broadcast constituted an independent expenditure and a prohibited corporate contribution. Both complaints alleged that the broadcast was not entitled to the press exemption found at § 431(9)(B)(i) because CBS failed to thoroughly verify its news sources and improperly coordinated with the Kerry-Edwards campaign, and the broadcast did not fit the definition of a news story,

commentary, or editorial under 11 CFR §100.73 because it expressly advocated the defeat of President Bush.

FECA prohibits corporations from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b. Notwithstanding this prohibition, FECA's media exemption excludes from the definition of expenditure "any cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station, newspaper, magazine or other periodical publication." 2 U.S.C. § 431(9)(B)(i). See also 11 C.F.R. §§ 100.73 and 100.132. Additionally, any communication "appearing in a news story, commentary, or editorial distributed though the facilities of any broadcast station" is excluded from the definition of an electioneering communication. 2 U.S.C. § 434(f)(3)(B).

Federal courts, when considering whether an entity is within the Act's media exemption, have held that several factors must be present: the entity engaged in the activity must be a press entity; the press entity must not be owned or controlled by a political party or candidate; and the press entity must be acting as a press entity in conducting the activity at issue (i.e., the entity must be acting within its legitimate press function). See Reader's Digest Ass'n v. Fed. Election Comm'n, 509 F. Supp. 1210, 1215 (S.D.N.Y. 1981), Fed. Election Comm'n v. Phillips Publ'g, Inc., 517 F. Supp. 1308, 1312-12 (D.D.C. 1981).

In the present case, the complaint alleged that CBS and the Kerry-Edwards campaign had been in contact a few days before the broadcast aired, and that representatives of CBS News arranged a meeting between the key source of the story and a representative of the Kerry-Edwards campaign. Complaint at 4. The complaint also alleged that because "the broadcast segment lacked all of the hallmarks of a legitimate 'news story' and responsible journalism," the press exemption should not apply. Complaint at 10.

It is not for this agency to determine what is a "legitimate news story" or who is a "responsible journalist." In reviewing the allegations in these complaints, the Commission's inquiry is limited to determining whether a "press entity charged with a violation is owned or controlled by a party or candidate and whether the distribution complained of was of the type exempted by the statute... No inquiry may be addressed to sources of information, research, motivation, connection with the campaign, etc. Indeed all such investigation is permanently barred by the statute unless it is shown that the press exemption is not applicable." *Reader's Digest*, 509 F. Supp. at 1214-15. *See also* MUR 3624 Walter H. Shapiro (concluding that pro-Bush/Quayle broadcast by Rush Limbaugh fell within the media exemption even though the broadcast was arguably biased).

The initial inquiries as to whether CBS is owned or controlled by a party or a candidate and whether the airing of the 60 Minutes Wednesday broadcast was within the press exemption require no further investigation. CBS is not owned by a political party, committee or candidate and is in the business of disseminating news stories, commentary, and editorials to the public. First General Counsel's Report at 5. Additionally, 60

Minutes is one of CBS's regularly scheduled programs and the Broadcast appeared on a regularly scheduled 60 Minutes program. Id. Also significant is the fact that the Broadcast appeared to be similar in form and was distributed in the same manner as other 60 Minutes news stories. Id. at 6. Contra Fed. Election Comm'n v. Massachusetts Citizens for Life, 479 U.S. 238, 250 (1986) (noting that the publication at issue was not "comparable to any single issue of the newsletter [since] it was not published through the facilities of the regular newsletter... was not distributed to the newsletter's regular audience... [and did not have a] volume and issue number identifying it as one in a continuing series of issues").

Allegations of coordination are of no import when applying the press exemption. What a press entity says in broadcasts, news stories and editorials is absolutely protected under the press exemption, regardless of whether any activities occurred that might otherwise constitute coordination under Commission regulations.

For all the foregoing reasons, we voted in favor of the General Counsel's recommendation to find no reason to believe and close the files.

July 11, 2005

Michael E. Toner, Vice Chairman

David M. Mason, Commissioner

Bradley A. Szeith, Commissioner

# Exhibit 15



#### FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

## SENSITIVE

#### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)
	)
CBS Broadcasting, Inc	)
Kerry-Edwards 2004, Inc., and	) MURs 5540 & 5545
Robert Farmer, in his officia	al )
Capacity as Treasurer	)
	)
	)

## STATEMENT OF REASONS OF COMMISSIONER DAVID M. MASON AND COMMISSIONER BRADLEY A. SMITH

While we approve of the Counsel's recommendation to dismiss this case, and join in another Statement of Reasons<sup>1</sup>, we wish to add one short point.

Because of the legal position taken by the Commission, which we believe is inescapable, it was not necessary to investigate the validity of the allegations in the complaint. By dismissing without a factual investigation, the Commission essentially holds that even if the allegations in the complaints are true, there is no violation of the law. Taking those allegations as true, however, would mean that there was an intentional effort by CBS to sway the election against George W. Bush, undertaken in coordination with the rival Kerry campaign. In other words, if the allegations are true, a large corporation intentionally or recklessly put false documents on the nation's airwaves, in coordination with a candidate's campaign, with the knowledge that its story would directly reach millions of voters and indirectly reach millions more, all for the purpose of influencing the election, and could do so merely because the corporation claims to be "press." Given that, we can find no statutory, constitutional, or especially, policy justification that would deny the so-called press exemption to any periodical publisher of political news or views, whether publishing in print, by broadcast, or over the internet.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> See MUR 5540 & 5545 Statement of Reasons by Vice Chairman Toner and Commissioners Mason and Smith.

With the exception of those owned by a candidate or party, for which a statutory denial might be appropriate. See 2 U.S.C. 431(9)(B)(i), excluding from the exemption publications that are "owned or controlled by any political party, political committee, or candidate."

David M. Mason
Commissioner

Bradley A. Smith VW
Bradley A. Smith
Commissioner

## SENSITIVE



#### FEDERAL FLECTION COMMISSION

WASHINGTON, D.C. 20463

#### BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
John Kobylt	)	
Ken Chiampou	).	MUR 5569
KFI AM-640	)	
Cynthia Matthews	)	
Committee to Elect Cynthia Matthews	) ·-	
Kinde Durkee, in his official capacity as treasurer	)	

## STATEMENT OF REASONS OF CHAIRMAN MICHAEL E. TONER AND COMMISSIONERS DAVID M. MASON AND HANS A. von SPAKOVSKY

The National Republican Congressional Committee filed the complaint in this matter alleging that Respondents violated the Federal Election Campaign Act ("FECA"), 2 U.S.C. § 431 et seq. The Commission voted unanimously to adopt the Office of General Counsel ("OGC") recommendation to (1) find no reason to believe Respondents violated FECA and (2) close the file.<sup>1</sup>

While we agree with the recommendation, we write separately to clarify why the press exemption applies because the standard is easier to meet than the OGC analysis<sup>2</sup> might suggest and does not require any content analysis of the radio shows. *Cf. In re Dave Ross et al.*, MUR 5555, Statement of Reasons ("SOR") of Chairman Toner and Comm'rs Mason and von Spakovsky at 1 (March 17, 2006).

#### I. BACKGROUND

John Kobylt and Ken Chiampou host the John and Ken Show, a radio talk show on KFI AM-640 in Burbank, California,<sup>3</sup> that covers current events, politics, public policy, and other social and cultural topics.<sup>4</sup> The station is owned by Capstar Radio Operating Company, which is

<sup>&</sup>lt;sup>1</sup> First General Counsel's Report ("GCR") at 11 (Jan. 10, 2006). Voting affirmatively were Chairman Toner, Vice Chairman Lenhard, and Commissioners Mason, von Spakovsky, Walther, and Weintraub.

<sup>2</sup> Id. at 5-10.

<sup>3</sup> Id. at 1, 3.

<sup>4</sup> Id. at 7 (quoting KFI Resp. at 3).

#### Statement of Reasons in MUR 5569 Page 2 of 3

owned by Clear Channel Communications Corporation, Inc.<sup>5</sup> No political party, political committee, or candidate owns or controls the station.<sup>6</sup> KFI's signal reaches the district that Congressman David Dreier represents in the United States House of Representatives. Dreier was a candidate in 2004, and his opponent was Respondent Cynthia Matthews.<sup>7</sup>

In the months before the 2004 election, Kobylt and Chiampou expressly advocated the defeat of Dreier and Congressman Joe Baca during the show. Kobylt and Chiampou characterized this effort as "political human sacrifices." They also expressly advocated the election of Respondent Matthews. This extended to the station's and the show's websites. The complaint alleges that during an interview, Kobylt and Chiampou invited Matthews to give her website to get volunteers, money, and other support. In response, she provided her website and other contact information. On one occasion, Kobylt and Chiampou did a remote broadcast—called a "Fire Dreier' Rally" and a "Political Human Sacrifice Rally"—from outside Dreier's congressional-district office, where they interviewed Matthews. The complaint alleges that on—another occasion, they did a remote broadcast—another "political human sacrifice"—from Baca's "backyard."

The complaint has multiple allegations of illegal contributions and expenditures and asserts, without citation, that the express advocacy alleged in the complaint does not fall within the press exemption.<sup>12</sup>

#### II. DISCUSSION

All of the allegations in this matter involve (1) a "cost incurred in covering or carrying a news story, commentary, or editorial" (2) carried or covered by a radio station, and (3) the facilities are not "owned or controlled by any political party, political committee, or candidate ...." 11 C.F.R. § 100.73.

Under 2 U.S.C. § 431(9)(B), all of the allegations (1) involve a "news story, commentary, or editorial" (2) distributed through a radio station's facilities, and (3) the facilities are not "owned or controlled by any political party, political committee, or candidate ...." Once those facts were established, this should have ended the investigation of this matter.

<sup>2</sup> Id. at 3.

<sup>&</sup>lt;sup>6</sup> Id. at 6.

<sup>&</sup>lt;sup>7</sup> Id. at 3.

<sup>&</sup>lt;sup>8</sup> Id.

<sup>9</sup> Id. at 4.

<sup>&</sup>lt;sup>10</sup> /d.

<sup>11</sup> Id. at 5 (citing Compi. Exb. 2).

<sup>12</sup> Compl. at 4 (Oct. 14, 2004).

Statement of Reasons in MUR 5569 Page 3 of 3

Some facts that may be tempting to consider do not affect whether the press exemption applies. See Ross, SOR of Chairman Toner and Comm'rs Mason and von Spakovsky at 3. For reasons stated in Ross, id. at 3-6, in applying the press exemption, the political content of the show is immaterial. The OGC analysis also noted that Kobylt and Chiampou have "staged and broadcast public rallies on several occasions" before the remote broadcast outside Dreier's office. Under different facts, the Commission might need to distinguish a remote broadcast from a political rally. While the history of remote broadcasts here makes this issue an easy call, the fact that a broadcaster had never done such a remote broadcast would not necessarily remove such a broadcast from the press exemption. Otherwise it may be difficult for a press entity that has never done such a remote broadcast to start doing them without running outside the protection of the press exemption.

#### III. CONCLUSION \_\_\_\_

For the foregoing reasons, the Commission was correct in finding no reason to believe and closing the file in this matter.

March 17, 2006

Michael E. Toner

Chairman

David M. Mason

Commissioner

Hans A. von Spakovsky

Commissioner

<sup>13</sup> GCR at 7.

<sup>14</sup> Id. at 9.

SENSITIVE

FEDERAL ELECTION COMMISSION SECRETARIAT 999 E Street, N.W. 2 1986 188 10 中 5:05 Washington, D.C. 20463 3 FIRST GENERAL COUNSEL'S REPORT 5 MUR: 5569 DATE COMPLAINT FILED: October 14, 2004 DATE OF NOTIFICATION: October 21, 2004 9 LAST RESPONSE RECEIVED: Nov. 23, 2004 10 DATE ACTIVATED: August 16, 2005 11 12 EXPIRATION OF SOL: July 1, 2009 13 14 COMPLAINANT: Donald F. McGahn, II 15 16 RESPONDENTS: John Kobylt 17 Ken Chiampou 18 The John and Ken Show 19 KFI AM-640 20 Cynthia Matthews 21 Committee to Elect Cynthia Matthews and Kinde Durkee, in her official capacity as treasures 23 24 RELEVANT STATUTES 25 AND REGULATIONS: 26 2 U.S.C. § 441i(e)(1)(A) 2 U.S.C. § 441b(a) 27 2 U.S.C. § 431(9)(B)(i) 28 11 C.F.R. § 109.21 29 11 C.F.R. § 100.73 30 11 C.F.R. § 100.132 31 32 INTERNAL REPORTS CHECKED: None 33 34 FEDERAL AGENCIES CHECKED: None 35 36

#### INTRODUCTION I.

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This matter arises from a complaint alleging that a radio talk show called "The John and 38 Ken Show," its hosts, John Kobylt and Ken Chiampou, and radio station RFI AM-640, violated 39 the Federal Election Campaign Act of 1971, as amended (the "Act"), by unlawfully providing 40 and coordinating corporate contributions to the benefit of Cynthia Matthews' campaign. The 41

complaint also alleges that Cynthia Matthews, a 2004 candidate for a seat in California's 26<sup>th</sup>

2 Congressional District and Matthews' principal authorized committee, the Committee to Elect

- 3 Cynthia Matthews and Kinde Durkee, in her official capacity as treasurer ("the Committee"),
- 4 violated the Act by unlawfully receiving and coordinating corporate contributions.
- 5 The complaint specifically alleges that (1) Cynthia Matthews directed and she and the
- 6 Committee received illegal corporate contributions in violation of 2 U.S.C. § 441i(e)(1)(A) and
- 7 11 C.F.R. § 300.62; (2) The John and Ken Show and KFI AM-640 made illegal corporate
- 8 expenditures in violation of 11 C.F.R. § 114.2(b)(2)(i), (ii), and (iii); (3) The John and Ken Show
- 9 and KFI AM-640 made illegal in-kind corporate contributions in violation of 2 U.S.C. § 441b(a)
- and 11 C.F.R. § 114.2(a); and (4) The John and Ken Show, KFI AM-640, and Cynthia Matthews
- participated in illegal corporate coordination in violation of 11 C.F.R. § 109.21. The complaint
- maintains that Respondents' alleged violations were knowing and willful.
- 13 In a joint response ("KFI Response"), KFI AM-640, John Kobylt and Ken Chiampou
- 14 assert that KFI AM-640's broadcasts of the Show fall within the legitimate press function of a
- 15 bona fide media entity, and are entitled to the Act's media exemptions. A joint response from
- 16 Cynthia Matthews and the Committee ("Matthews Response") denies coordination with the
- 17 station with regard to the station's programming. Kinde Durkee, the Committee's treasurer,
- 18 separately submitted a sworn declaration ("Durkee Decl.") denying knowledge of any in-kind
- 19 contributions from KFI AM-640 or any "intentional coordination" efforts between the
- 20 Committee and KFI AM-640 or The John and Ken Show. See Durkee Decl, at 2,

<sup>&</sup>lt;sup>1</sup> Counsel for KFI AM-640 represents that his client is Clear Channel Communications, Inc., the owner of Capstar, which in turn owns the radio station. In view of our recommended disposition, see discussion infra, we do not recommend generating Clear Channel Communications, Inc. as a respondent in this matter.

Because we conclude that the media exemption applies, this Office recommends that the Commission find no reason to believe that any of the Respondents violated the Act in connection with broadcasts of The John and Ken Show, and close the file.

# II. FACTS

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The "John and Ken Show" ("the Show") is a radio talk show hosted by John Kobylt and
Ken Chiampou ("John and Ken") on KFI AM-640 ("the station") in Burbank, California. KFI
AM-640 is owned by Capstar Radio Operating Company, which in turn is a wholly-owned
subsidiary of Clear Channel Communications, Inc. The station's daily programming features
regular news reports and 17 talk shows. By 2004, the station had been broadcasting the Show
for over ten years. KFI Response at 1-3.

Beginning in July 2004, the Show began to promote a segment entitled "Political Human Sacrifice." For the segment, John and Ken asked their listeners to select individual political candidates to be singled out for electoral defeat based on dissatisfaction with his or her position on illegal immigration. See KFI Response at 3. In September, John and Ken announced on the Show that listeners had selected sitting Congressmen David Dreier and Joe Baca to be the Show's "Political Human Sacrifices." John and Ken then began on-air discussions of the records of Congressmen Dreier and Baca with regard to illegal immigration, and began editorializing in opposition to their re-elections and in favor of their opponents' elections. Examples of such statements quoted in the complaint with respect to Congressman Dreier and his Democratic opponent in California's 26<sup>th</sup> District, Cynthia Matthews, include: "Cynthia Matthews, we don't mention her name enough and we should. Cynthia Matthews is running against Dreier and she is the one you ought to vote for;" "Dreier has to be taken out;" and "Cynthia Matthews is running against David Dreier. She's got our full support." See Complaint at 4.

The station and the Show carried references to the "Political Human Sacrifice" segments 1 on their web sites, and complainant alleges that those sites also included hyperlinks to Cynthia 2 Matthews' campaign web site.2 Complainant also states that, during a live, on-air interview of 3 Matthews, John and Ken told her to "[g]ive out a website if you want to get some volunteers, 4 money, some support, go ahead." To this, Matthews allegedly responded by providing her web 3 б address, phone number, the address of and directions to her campaign headquarters. 7 On September 16, 2004, the Show broadcast live from a location outside of Congressman 8 Dreier's district office. The broadcast was characterized on the Show's web site as a "'Fire Dreier' Rally" and a "Political Human Sacrifice Rally." Cynthia Matthews was invited to appear 9 at the broadcast location, where John and Ken again interviewed her regarding her position on ΙÐ illegal immigration. Enclosed with the complaint is an audio broadcast of this program, 11 featuring a voiceover introduction saying "We now take you live to Glendora, live, in the heart 12 of David Dreier's soon-to-be-former district," and including statements about how the hosts 13 14 "would love to climb right up there and just take [Dreier's] name off that office . . . because they won't need it after November 2<sup>nd</sup>." Also enclosed with the complaint are photographs apparently 15 printed from the station's web site, showing the hosts at the live broadcast interviewing 16 Matthews and members of the audience, and showing individuals holding signs showing 17 statements such as "Fire Dreier" and "Dreier Works for Terrorists Not America," 18 According to John Kobylt, in the months leading up to the 2004 election, Congressman 19 20 Dreier turned down invitations to be interviewed on the Show. Affidavit of John Kobylt, dated

Nov. 22, 2004 ("Kobylt Aff.") at 2. John and Ken allegedly also spoke out against the re-

<sup>&</sup>lt;sup>2</sup> Pages from the web site attached to the complaint include statements such as: "Congressman David Dreier (Rep.) and Joe Baca (Dem.) are the choices to be politically sacrificed. KFI listeners are encouraged to tell everyone to vote these two backs out of office."

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election of Congressman Baca and promoted the election of his Republican opponent during

- 2 broadcasts of the Show. They also held a live broadcast of the Show in Baca's "backyard." See
- 3 Complaint, Ex. 2 (stating that on October 7th "John & Ken will be taking Political Human
- 4 Sacrifice to the backyard of Congressman Joe Baca!"). The complaint, however, makes no
- 5 allegations regarding Respondents' dealings with the Baca campaign.

#### III. LEGAL ANALYSIS

candidate." 2 U.S.C. § 431(9)(B).

7 The Act prohibits corporations from making contributions or expenditures from their

8 general treasury funds in connection with any election of any candidate for Federal office.

2 U.S.C. § 441b(a). The Act defines "contribution" and "expenditure" to include "anything of

value" made for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)

and (9). The term "anything of value" includes in-kind contributions. 11 C.F.R. § 100.52(d)(1).

Contributions and expenditures must be disclosed under the Act. 2 U.S.C. §§ 432 and 434.

The Act's media exemption, however, excludes from the definition of expenditure "any news story, commentary, or editorial distributed through the facilities of any broadcasting station . . . unless such facilities are owned or controlled by any political party, political committee, or

Any party claiming the media exemption is subject to a two-part test. First, the Commission asks whether the entity engaging in the activity is a media entity within the meaning of the Act and the Commission's regulations. See Advisory Opinion 2005-16 (Fired Up) at 5 and other advisory opinions cited therein. Second, the Commission, in determining the exemption's scope, asks (a) whether the media entity is owned or controlled by a political party, committee, or candidate; and, if not, (b) whether the entity was functioning within the scope of a legitimate media entity at the time of the alleged violation. If the media entity is independent of

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- any political party, committee, or candidate, and if it was acting as a legitimate media entity at
- 2 the time of the alleged violation, it is exempt from the Act's restrictions on corporate
- 3 contributions and expenditures, and the Commission's inquiry should-end. See id.; see also
- 4 Reader's Digest Association v. FEC, 509 F. Supp. 1210, 1215 (S.D.N.Y. 1981); and FEC v.
- 5 Phillips Publishing, 517 F. Supp. 1308, 1312-13 (D.D.C. 1981).

In this matter, complainant alleges that the radio air time and live broadcast rally that expressly advocated the defeat of Congressman Dreier and the election of Cynthia Matthews amounted to illegal in-kind corporate contributions to the Matthews campaign.<sup>3</sup> Addressing the allegations, we first consider whether the station broadcasts from within the Show's studio qualify for the media exemption. Concluding the station qualifies for the media exemption for in-station broadcasts of the Show, the second question is whether the live broadcast "rally" falls within the legitimate press function of a *bona fide* media entity and therefore also qualifies for the media exemption. We again conclude that it does.

#### A. The In-Studio Broadcasts Qualify for the Media Exemption

In this case, "The John and Ken Show" is broadcast on KFI AM-640. That station is not owned or controlled by any party, candidate or committee but by Capstar Radio Operating Company ("Capstar"). Capstar, in turn, is a wholly-owned subsidiary of Clear Channel Communications, Inc., which operates approximately 1,182 radio and 37 television stations in the United States. See KFI Response at 2. Moreover, an affidavit from John Kobylt attests to the fact that he and Ken Chiampou "make all editorial decisions regarding the content" of the show, "subject only to editorial input from KFI-AM radio station and the extemporaneous,

Although the complainant refers to web site content in the complaint's factual background, his legal analysis only identifies radio broadcasts and the rally as activities that allegedly violated the Act.

- unscripted comments of the people" they interview on air and those who call in to the show.
- 2 Kobylt Aff. at 2.

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The Show "covers, among other social and cultural topics, current events, politics and public policy." KFI Response at 3. On the Show, John and Ken editorialize and comment on current events, political issues, and candidates for public office. They have focused "continuing news and editorial coverage" on "illegal immigration, the resulting demand for public services by non-citizens, and the costs imposed upon California taxpayers." See KFI Response at 3 and n. 16 therein. In this context, therefore, the Show's editorials and commentaries on the political platforms and records of Congressman Dreier, Congressman Baca and their opponents fall squarely within the legitimate press function of the radio station and are covered by the Act's media exemptions. See Advisory Opinion 2005-16 (Fired Up) at 6 (noting that "an entity otherwise eligible for the press exception would not lose its eligibility merely because of a lack of objectivity . . . even if the news story, commentary, or editorial expressly advocates the election or defeat of a clearly identified candidate for Federal office"). See also Statement of Reasons by Commissioner Weintraub in MURs 5540, 5545, 5562 and 5570 (CBS, Kerry/Edward 2004, Inc. and Sinclair Broadcasting) at 2 ("Whether particular broadcasts were fair, balanced, or accurate is irrelevant given the applicability of the press exemption."); Statement of Reasons by Commissioners Wold, McDonald, Mason, Sandstrom, and Thomas in MURs 4929, 5006, 5090 and 5117 (ABC, CBS, NBC, New York Times, Los Angeles Times and Washington Post) ("Unbalanced news reporting and commentary are included in the activities protected by the media exemption").

On-air interviews of candidates also fall within the bounds of the press exemption, and therefore, interviews of Cynthia Matthews, both in the station and at the live broadcast, are

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legitimate press functions of a media entity. See Advisory Opinion 2004-07 at 6-7 (MTV) (on-

- 2 air candidate interviews covered by media exemption); see also Advisory Opinion 1987-08 at 5-
  - 6 (U.S. News) (candidate interviews covered by news story exemption).

# B. "Legitimate Press Function" and the Live Broadcast/Rally

5 As noted above, editorials and commentaries supporting the election or defeat of specific

- 6 Federal candidates falls within the legitimate press function of a press entity. This matter,
- 7 however, presents the additional issue of whether the live broadcast and "rally" on location
- 8 outside Congressman Dreier's office also is covered by the media exemption.

According to the Supreme Court, considerations of consistency and form must be taken into account when determining the limits of the media exemption. FEC v. Massachusetts

Citizens for Life, Inc., 479 U.S. 238, 251 (1986) ("MCFL"). In that case, the Court found that a "special edition" newsletter was not "comparable to any single issue of the newsletter" because the audience reached, the absence of a masthead, and other "considerations of form" distinguished it as a campaign flyer rather than one in a series of a "regular" publication. It was therefore not within the media exemption. Id. See also Advisory Opinion 2005-16 (Fired Up) at 5 (a consideration in applying media exemption analysis is "whether the entity's materials are comparable in form to those ordinarily issued by the entity," citing MCFL).

In Advisory Opinion 2004-30, as part of the Commission's guidance that the media exception would not be available to Citizens United, it focused on "considerations of form," such as those referenced in *MCFL*. Citizens United had proposed to make and pay to telecast a documentary film containing references to John Kerry and John Edwards within 60 days of the 2004 general election. Because Citizens United did not "regularly produce documentaries or pay to broadcast them," its proposed paid broadcasts were not within the analogous electioneering

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communications media exemption at 11 C.F.R. § 100.29(c)(2). Cf. MURs 5540 (CBS) and 5345

2 (Kerry/Edwards 2004, Inc.) (Commission found no reason to believe that CBS violated the Act

where it was undisputed that 60 Minutes broadcast in question was similar in form to other 60

Minutes shows broadcast on the network).

The "John and Ken Show" has apparently staged and broadcast public rallies on several occasions prior to the "Political Human Sacrifice" rally outside Congressman Dreier's office,

Previous rallies include a live "recall rally" broadcast at the office of former Governor Gray

Davis to discuss the Governor's performance in office and a statewide recall effort; a live

"election day rally" show to call attention to criminal accusations about a local judge; a

broadcast "rally" in Orange County, followed by a caravan to Sacramento, to editorialize against

a proposed SUV tax; and an "anti-tax rally" broadcast in front of the New Jersey state capitol.

Additional remote broadcasts of the Show include a live show broadcast from the Democratic

National Convention in Los Angeles; a live show broadcast from the Republican National

Convention in San Diego; and "numerous" live shows in public places addressing issues such as

car taxes, vehicle license fees, and driver's licenses for illegal immigrants. Id. at 1-2. Thus, it

appears that because the rally was, in fact, broadcast, and because it was similar in form to other

broadcast events featured on the Show, it was within the Show's legitimate press function. As

such, the costs incurred in covering or carrying it - including the staging costs - are within the

media exemption.

#### C. Alleged Electioneering and Coordinated Communications

The Act also provides a media exemption for what would otherwise be considered an unlawful "electioneering communication." See 2 U.S.C. § 434(f)(3)(B); 11 C.F.R.

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§ 100.29(c)(2). Because Respondents' communications about the election appeared "in a news story, commentary, or editorial distributed through the facilities of any broadcast station," they

are excluded from the definition of "electioneering communication" under the Act.

The media exemption, where applicable, also encompasses what otherwise would be deemed "coordinated communication" between a candidate or committee and a *bona fide* corporate media entity, which might lead to violations of section 441b. See 11 C.F.R. §109.21(b); 11 C.F.R. §§ 100.73 and 100.132. Since the media exemption applies to the activity

in this case, the alleged coordinated communications do not violate the Act.

# D. "Soft Money" Allegations

Federal candidates and their agents, or entities directly or indirectly established, financed, maintained or controlled by, or acting on behalf of one or more candidates, are restricted from soliciting, receiving, directing, transferring, or spending "soft money," i.e., funds that are not subject to the limitations, prohibitions, and reporting requirements of the Act. See 2 U.S.C. §441i(e)(1)(A). Neither Matthews nor the Committee appear to be in violation of this statute. Though complainant charges that Matthews received free air time and editorial support from KFI-AM, John and Ken, and the Show for her campaign, because their activities are exempt from the definitions of "contribution" and "expenditure" under the media exemption, 11 C.F.R. §§ 100.73 and 100.132, neither she nor the Committee received illegal corporate contributions in violation of 2 U.S.C. § 441i(e)(1)(A).

Based on the above, this Office recommends that the Commission find no reason to
believe that John Kobylt, Ken Chiampou, the John and Ken Show, KFI-AM 640, Cynthia
Matthews, or the Committee to Elect Cynthia Matthews and Kinde Durkee, in her official
capacity as treasurer, violated the Act or the Commission's regulations, and close the file.

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# IV. RECOMMENDATIONS

- Find no reason to believe that John Kobylt, Ken Chiampou, the John and Ken Show and KFI-AM 640 violated the Federal Election Act of 1971, as amended, or the Commission's regulations in connection with the allegations in MUR 5569.
- Find no reason to believe that Cynthia Matthews or the Committee to Elect Cynthia Matthews and Kinde Durkee, in her official capacity as treasurer, violated the Federal Election Act of 1971, as amended, or the Commission's regulations in connection with the allegations in MUR 5569.
- Close the file.
- 4. Approve the appropriate letters.

Lawrence L. Calvert, Jr.

Deputy Associate General Counsel

for Enforcement

Susan L. Lebeaux

Assistant General Counsel

Stacey L. Bennett

Attomey

Exhibit 18



# FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

# **MEMORANDUM**

TO:

The Commissioners

Staff Director

Deputy Staff Director General Counsel

FROM:

Office of the Commission Secretary

DATE:

December 21, 2000

SUBJECT:

Statement of Reasons for MURs 4929, 5006,

5090, and 5117

Attached is a copy of the Statement of Reasons for MURs 4929, 5006, 5090, and 5117 signed by Chairman Darryl R. Wold, Vice Chairman Danny L. McDonald, Commissioner David M. Mason, Commissioner Karl J. Sandstrom, and Commissioner Scott E. Thomas.

This was received in the Commission Secretary's Office on

Wednesday, December 20, 2000 at 5:04 p.m.

cc: Vincent J. Convery, Jr. 1
Press Office
Public Information

Public Disclosure

Attachment



#### FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

## BEFORE THE FEDERAL ELECTION COMMISSION

	,	•
In re ABC, CBS, NBC, New York Times,	)	MURs 4929, 5006, 5090, 511
Los Angeles Times and Washington Post, et al.	)	
•	)	•

#### STATEMENT OF REASONS

On November 14, 2000, the Commission voted 5-0<sup>1</sup> to activate MURs 4929, 5006, 5090 and 5117, find no reason to believe (RTB) that the respondents in the aforementioned MURs violated the Federal Election Campaign Act (FECA) and close the files. The Commission took this action because the entities named in the complaints are clearly protected by the FECA's media exemption.

## Complaints

#### **MUR 4929**

In MUR 4929, Complainant alleges that ABC, CBS, NBC, the New York Times, Los Angeles Times and Washington Post are *de facto* political committees and are making illegal corporate campaign contributions by virtue of their news and commentary, which Complainant alleges is actually free advertising for the two major party presidential candidates.

#### MUR 5006

In MUR 5006, Complainant alleges that the television show "Hardball," hosted by Chris Matthews on CNBC, is a political committee or a committee affiliated with the Republican National Committee, George W. Bush's campaign committee and the exploratory Senate committee of Rudolph Guliani. In addition, Hardball is accused of violating the FEC's "equal time" rulings and of the corporate contribution ban. Finally, the complaint charges that Hardball is a corporate electronic voter guide.

#### **MUR 5090**

In MUR 5090, the complainant alleges that Mr. Harley Carnes, a "regular CBS newscaster," attacked Vice President Gore, Hillary Clinton and President Clinton during "regular" or "typical" newscasts on WCBS Radio 880. Complainant expresses concern that an "outside organization" may be

Commissioner Smith was absent.

responsible for Mr. Carnes' editorial statements on the Clintons and Gore or that CBS may be directing Mr. Carnes to "deliver these political attacks."

#### MUR 5117

In MUR 5117, the complainant alleges that the New York Times contributed corporate "public relations services" at the suggestion of the Republican National Committee by knowingly or recklessly publishing false statements in several news, editorial or opinion stories questioning Vice President Gore's honesty or veracity. The complainant alleges that the Times failed to exercise its "normal editorial function" in publishing these stories.

## **Analysis and Conclusions**

The Commission has civil enforcement jurisdiction only over violations of the FECA, the Presidential Election Campaign Fund Act and the Presidential Primary Matching Payment Account Act. Consequently, we have no authority over matters raised in Complainants' misplaced references to the FEC's "equal time" rulings (an apparent reference to Federal Communications Commission regulations) in MUR 4929 and to "pertinent FCC Regulations" in MUR 5090. The remaining allegations against all Respondents mentioned in these complaints are protected by the media exemption in 2 U.S.C. § 431(9)(B) and 11 CFR 100.7(b)(2) and 100.8(b)(2).

The FECA excludes from the definition of "expenditure" "any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate." 2 U.S.C. § 431(9)(B)(i); see also 11 CFR 100.7(b)(2) and 100.8(b)(2) (terms "contribution" and "expenditure," respectively, do not include "[a]ny cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station (including a cable television operator, programmer or producer), newspaper, magazine, or other periodical publication . . . unless the facility is owned or controlled by any political party, political committee, or candidate . . . .").

When considering complaints against media entities, courts have insisted that the Commission restrict its initial inquiry to whether the media exemption applies. Readers Digest Ass'n, Inc. v. FEC, 509 F. Supp. 1210, 1214 (S.D. N.Y. 1981); FEC v. Phillips Publishing, Inc., 517 F. Supp. 1308, 1312-13 (D. D.C. 1981). Only after concluding that the media exemption does not apply may the Commission commence an inquiry under its otherwise applicable "in connection with" (2 U.S.C. § 441b(a)) or "purpose of influencing" (2 U.S.C. § 431(8)(A),(9)(A)) standards.

This two-stage process was mandated because the media exemption represents a fundamental limitation on the jurisdiction of this agency, and even an investigation of publishers can trespass on the First Amendment. As the *Reader's Digest* court expressed it:

[F]reedom of the press is substantially eroded by investigation of the press, even if legal action is not taken following the investigation. Those concerns are particularly acute where a governmental entity is investigating the press in connection with the dissemination of political matter. These factors support the interpretation of the statutory

exemption as barring even investigation of press activities which fall within the exemption.

509 F. Supp. at 1214.

In determining whether the media exemption is applicable, the courts have held two questions to be relevant: whether the entity is owned or operated by a political party, candidate or political committee, and whether the entity is operating within its "legitimate press function." *Id.*; see also Phillips Publishing, 517 F. Supp. at 1313.

There is no doubt that none of the media Respondents is owned or controlled by any candidate, political party or political committee.

The complaints cite only the news stories and commentary of the Respondent entities, leading to a per se conclusion that the activities complained of fall within the statutory exemption of any "news story," editorial or commentary" and within the judicially-described "legitimate press function." The content of any news story, commentary or editorial is irrelevant to the determination of whether the media entity is exercising its valid press function. 509 F. Supp. At 1216.

This straightforward reading of the media exemption is consistent with our unanimous treatment of it in MUR 4863. There, the complainant alleged that a radio talk show host "expressly or implicitly advocated the reelection of Senator D'Amato and/or the defeat of Representative Schumer. He may have also replayed portions of D'Amato advertisements and commented on them." First General Counsel's Report at 8-9. Nonetheless, the Commission concluded that the "commentary apparently broadcast on the [radio talk show] would appear to be squarely within the "legitimate press function" of [the radio station]." Id. at 9. Moreover, this conclusion was "not altered by the possibility that D'Amato advertisements may have been rebroadcast... within the context of [the talk show host's] commentary on them." Id. (citing AO 1996-48). This analysis is also consonant with MUR 3624, in which the Commission determined that a radio station exercised its press function where it was alleged to have effectively broadcast unpaid advertising for Bush/Quayle via airing of the Rush Limbaugh program, which had endorsed Bush/Quayle. See also MURs 4946 (CBS News) and 4689 (Salem Radio Network).

Thus, in these MURs, the allegations that the various news stories, commentaries or editorials may be biased in favor of various candidates – even if assumed to be true – are simply insufficient to provide reason to believe that any violation of the FECA has occurred. Unbalanced news reporting and commentary are included in the activities protected by the media exemption.

The allegation in MUR 5090 that an "outside organization" may be responsible for the editorial attacks is belied by the complaint's assertion that the statements at issue were made during regular newscasts by a member of the regular team of newscasters. Nothing in the complaint even suggests that these statements were advertisements, and the assertion that "outside parties" may have been responsible is simply too vague to constitute a cognizable claim of a FECA violation or to provide any reason to believe that the broadcasts at issue were not within the station's legitimate press function.

The allegation in MUR 5117 that the New York Times may have been influenced in its news, opinion or editorial coverage by suggestions from the Republican National Committee does not provide

any reason to believe that the stories complained of were not within the Times' legitimate press function. Political parties and campaigns employ platoons of advisors, handlers and spokesmen charged with attempting to shape or influence media coverage of campaigns. Businesses, labor unions, interest groups and government agencies likewise attempt to influence press coverage of topics in which they are interested. It is clearly a part of the normal press function to attend to the competing claims of parties, campaigns and interest groups and to choose which to feature, investigate or address in news, editorial and opinion coverage of political campaigns. The question of whether a news organization may have credulously or recklessly accepted and reported the claims of one political party or candidate is the type of inquiry which the courts have held to be foreclosed by the FECA's media exemption.

For these reasons, there is no reason to believe the Respondents in MURs 4929, 5006, 5090 and 5117 violated the FECA.

Danny L. McDonald, Vice Chairman

Sandstrom, Commissioner

Darryl R. Wold, Chairman

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David M. Mason, Commissioner

Scott E. Thomas, Commissioner

December 20, 2000

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STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to this action. My business address is 800 Wilshire Blvd., Suite 800, Los Angeles, CA 90017.

On April 2, 2018, I served true copies of the following document(s) described as:

DEFENDANT AMERICAN MEDIA, INC.'S NOTICE OF MOTION AND SPECIAL MOTION TO STRIKE COMPLAINT PURSUANT TO C.C.P. § 425.16; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF KEVIN L. VICK WITH EXHIBITS 1-8; DECLARATION OF DYLAN HOWARD WITH EXHIBITS 9-11; DECLARATION OF LEE E. GOODMAN WITH EXHIBITS 12-18

on the interested party(ies) in this action as follows:

Peter K. Stris, Esq. STRIS & MAHER LLP

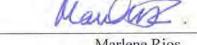
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Los Angeles, CA 90017

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I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 2, 2018, at Los Angeles, California.



Marlene Rios

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Case Number: BC698956

Case Title: KAREN MCDOUGAL VS AMERICAN MEDIA INC ET AL Party: AMERICAN MEDIA INC. (Defendant/Respondent)

Courthouse: Stanley Mosk Courthouse

Department: 62

Reservation T ype: Special Motion to Strike under CCP Section 425.16 (Anti-SLAPP motion)

Date: 4/30/2018 Time: 08:30 am

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