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February 5, 2021

**VIA EMAIL**

Jeff S. Jordan, Esq.  
Assistant General Counsel  
Complaints Examination & Legal Administration  
Federal Election Commission  
[cela@fec.gov](mailto:cela@fec.gov)

**Re: MUR 7865**

Dear Mr. Jordan:

We write as counsel to Ditch Fund (“**DF**”) and Jennifer May in her capacity as Treasurer of DF (collectively, “**Respondents**”) in response to the December 17, 2020 complaint (the “**Complaint**”) filed by Campaign Legal Center and Margaret Christ (“**Complainants**”), which alleges two violations of the Federal Election Campaign Act of 1971, as amended (the “**Act**”) and Federal Election Commission (the “**Commission**” or “**FEC**”) regulations.

The gravamen of the Complaint is that DF and Amy McGrath for Senate (the “**Campaign**”) used a “common vendor” to purchase advertising time. But the evidence before the Commission—this response and the attached exhibits, including sworn declarations from the key factual witnesses, along with the exhibits attached to the Complaint—establishes that the commercial vendor operated pursuant to a written firewall policy and, most importantly, did not use or convey nonpublic information about the Campaign’s plans, projects, activities, or needs, or information used previously in providing services to the Campaign, in the course of providing services to DF. Accordingly, the conduct prong was not met and there was no “coordinated communication” under 11 C.F.R. § 109.21.

The Commission should find no reason to believe that a violation of the Act has occurred and promptly close this matter.

**I. FACTUAL BACKGROUND**

Ditch Fund is a nonconnected political committee with a non-contribution account, otherwise known as a “Carey PAC.”<sup>1</sup> During the 2020 cycle, DF paid for and disseminated independent

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<sup>1</sup> See Ditch Fund, Statement of Organization, FEC Form 1 (amended Oct. 14, 2020). Contrary of Complainants’ assertion that DF was founded as a Carey PAC, *see* Compl. ¶ 7, DF was founded as a traditional nonconnected PAC

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expenditures supporting the Democratic U.S. Senate candidate in Kentucky, Amy McGrath, and opposing her Republican opponent, Senator Mitch McConnell. DF retained Beacon Media (“*Beacon*”) to create and produce television ads, and it retained Targeted Platform Media, LLC (“*TPM*”) to purchase the airtime. TPM is owned by Catherine Herrick and is a subsidiary of Buying Time, LLC (“*Buying Time*”), also owned by Ms. Herrick.<sup>2</sup>

After retaining TPM, DF and Beacon were informed that TPM and Buying Time had implemented a firewall policy to separate personnel who work with groups sponsoring independent expenditures (such as DF) from personnel who work with candidates and political parties.<sup>3</sup> DF and Beacon were told that Kate Welsh would provide services to DF and that they were precluded from working with Ms. Herrick because she worked directly with candidates.<sup>4</sup> As a result, Ms. Welsh was the only person at TPM or Buying Time with whom DF and Beacon had any discussions regarding the placement of DF’s advertisements in 2020; no such discussions were held with Ms. Herrick or any other person at TPM or Buying Time.<sup>5</sup> And according to the declaration of Beacon partner Philip de Vellis—the person who dealt with Ms. Welsh most frequently—Ms. Welsh did not share with DF or Beacon any nonpublic information about the Campaign’s plans, projects, activities, or needs.<sup>6</sup>

In their declarations, Ms. Herrick and Ms. Welsh affirm that TPM and Buying Time operated pursuant to a strict firewall policy.<sup>7</sup> Under this policy, for the 2020 election cycle, Ms. Welsh was “strictly limited to providing services to organizations that were engaged in activities that were independent of any candidate or party committee,”<sup>8</sup> while Ms. Herrick’s “role for strategic planning and advice to clients was restricted to clients who were candidates for office.”<sup>9</sup> To provide additional separation, Ms. Herrick set up TPM as a separate entity from Buying Time to “establish a clear division between [her] candidate clientele and other clients who wish[] to operate independently of candidates.”<sup>10</sup> Buying Time and TPM maintain separate staffs who provide strategic services to clients, and those staffs work in separate office spaces.<sup>11</sup>

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in 2018 and only opened its noncontribution account a year later. *See* Ditch Fund, Statement of Organization, FEC Form 1 (Oct. 3, 2018); Ditch Fund, Statement of Organization, FEC Form 1 (amended Sept. 18, 2019). Additionally, contrary to Complainants’ assertion that DF primarily paid for its 2020 independent expenditures, including the ones at issue in this Complaint, with its non-contribution account, the vast majority of the independent expenditures that it made in 2019 and 2020, including the ones at issue in this Complaint, were paid for with DF’s hard money account.

<sup>2</sup> Herrick Decl. ¶¶ 1, 3.

<sup>3</sup> de Vellis Decl. ¶ 5.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* ¶¶ 5, 6; Welsh Decl. ¶ 2.

<sup>6</sup> de Vellis Decl. ¶ 7.

<sup>7</sup> Herrick Decl. ¶ 5; Welsh Decl. ¶ 4; *see also* Ex. 1 (Firewall Policy).

<sup>8</sup> Welsh Decl. ¶ 4.

<sup>9</sup> Herrick Decl. ¶ 8.

<sup>10</sup> *Id.* ¶ 3.

<sup>11</sup> *Id.* ¶ 4.

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Because of these strict protocols, Ms. Welsh:

- Was not “privy to. . . any non-public information about the plans, projects, activities or needs of any candidate or candidate’s committee”;
- “[D]id not engage in any substantive discussions with any BT employee that provided any strategic services to any candidate for United States Senate in Kentucky . . . regarding [the] candidate’s plans, projects, activities, or needs”; *and*
- “[D]id not have any access to any files or documents that BT would have had in its possession that contained such information.”<sup>12</sup>

Ms. Welsh’s declaration therefore confirms that she did *not* use or convey any information about the Campaign’s nonpublic plans, projects, activities, or needs to DF or its agents. Likewise, Ms. Welsh affirms that “[a]ny strategic decision-making services that I would have provided in connection with these elections to our PAC clients would have been guided by information provided to me by the PAC client or my own background and expertise in media placement and not by any non-public materials provided by a candidate or used by BT or TPM to provide services to a candidate.”<sup>13</sup> Notably, the universe of information used or conveyed by Ms. Welsh in providing services to DF does *not* include any nonpublic information used previously by Buying Time in providing services to the Campaign.<sup>14</sup>

TPM submitted Agreement Forms for Non-Candidate/Issue Advertisements (NAB Form PB-18 Issues) to television stations on behalf of DF.<sup>15</sup> Similarly, Buying Time submitted Candidate Advertisement Agreement Forms on behalf of the Campaign.<sup>16</sup> Because Ms. Herrick is the President of both Buying Time and TPM, her electronic signature was affixed to both DF’s and the Campaign’s agreement forms. This practice, however, is not probative of whether the conduct prong was met.

Indeed, it does not take a handwriting expert to see that these signatures were not affixed *by Ms. Herrick at the time of the purchase*. The date on each form that accompanies Ms. Herrick’s signature is May 26, 2020, which in most cases is months before the ads were ordered and aired. Moreover, the signature on each form is identical, to the pixel, and is even located in the exact same spot on each form as the graphic below demonstrates:

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<sup>12</sup> Welsh Decl. ¶ 5.

<sup>13</sup> *Id.* ¶ 6.

<sup>14</sup> *Id.*

<sup>15</sup> Herrick Decl. ¶ 7.

<sup>16</sup> *See id.*

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*Signature from Complaint Exhibit B (WLKY Agreement Form)*

TO BE SIGNED BY ISSUE ADVERT.  
5/26/2020  
Date Signature

*Signature from Complaint Exhibit I (WDRB Agreement Form)*

TO BE SIGNED BY ISSUE ADVERT.  
5/26/2020  
Date Signature

*Signature from Complaint Exhibit J (WDRB Agreement Form)*

TO BE SIGNED BY ISSUE ADVERT.  
5/26/2020  
Date Signature

*Signature from Complaint Exhibit M (WLWT Agreement Form)*

TO BE SIGNED BY ISSUE ADVERT.  
5/26/2020  
Date Signature

*Signature from Complaint Exhibit P (WSAZ Agreement Form)*<sup>17</sup>

TO BE SIGNED BY ISSUE ADVERT.  
5/26/2020  
Date Signature

In other words, this signature is a bit like the “autopen” in the office of any Member of Congress—it is the principal’s actual signature, but the principal does not personally affix it each time it is used. And in fact, Ms. Herrick’s sworn declaration states that she does not review the forms submitted to each station and that it is her assistant—rather than Ms. Herrick—that affixes the signature before it is sent to the station.<sup>18</sup> Ms. Herrick also affirms, under penalty of perjury, that she did not convey to DF any nonpublic strategic information from the Campaign or otherwise provide any strategic advice to DF regarding the plans, projects, or needs of the Campaign.<sup>19</sup>

<sup>17</sup> See Compl. Exs. B, I, J, M, P.

<sup>18</sup> See Herrick Decl. at 7.

<sup>19</sup> See *id.* ¶ 8.

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## II. LEGAL DISCUSSION

Communications such as television advertisements are only considered in-kind contributions to candidates if they qualify as “coordinated communications” under the three-pronged test set forth at 11 C.F.R. § 109.21.<sup>20</sup> The payment prong is satisfied if an individual or entity other than the candidate or candidate’s committee pays for the communication.<sup>21</sup> The content prong is satisfied if, for example, the communication expressly advocates for the election or defeat of a clearly identified federal candidate.<sup>22</sup> Neither the payment prong nor the content prong is at issue in this matter.

The Complaint alleges that the “conduct prong” was met through the use of a “common vendor,” as set forth in 11 C.F.R. § 109.21(d)(4). But the sworn, uncontroverted evidence before the Commission does not allow for a “reason to believe” finding that the “common vendor” test has been satisfied. Because the Complaint does not allege any other factual or legal basis to find that the conduct prong was met, the Complaint must be dismissed. The ads in question are “independent expenditures”—*not* “coordinated communications”—and were correctly reported as such.

### A. The commercial vendor’s use of a firewall precludes a finding that the conduct prong has been satisfied under 11 C.F.R. § 109.21(h)

To find that the common vendor test of the conduct prong has been met, three elements must be satisfied:

- The person paying for the communication (e.g. DF) or an agent of the person “contracts with or employs a commercial vendor . . . to create, produce, or distribute the communication”;
- That “commercial vendor, including any owner, officer, or employee of the commercial vendor” has provided certain enumerated services to the candidate clearly identified in the communication, such as “[d]evelopment of media strategy, including the selection or purchasing of advertising slots”; “[s]election of audiences”; and “[c]onsulting or otherwise providing political or media advice”; *and*
- That commercial vendor “uses or conveys to the person paying for the communication” either “[i]nformation about the campaign plans, projects, activities, or needs of the clearly identified candidate, the candidate’s opponent, or a political party committee, and that information is material to the creation, production, or distribution of the

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<sup>20</sup> See 11 C.F.R. § 109.21.

<sup>21</sup> *Id.* § 109.21(a)(1).

<sup>22</sup> *Id.* § 109.21(c)(3).

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communication” or “[i]nformation used previously by the commercial vendor in providing services to the candidate who is clearly identified in the communication, or the candidate’s authorized committee, the candidate’s opponent, the opponent’s authorized committee, or a political party committee, and that information is material to the creation, production, or distribution of the communication.”<sup>23</sup>

In 2006, the Commission amended its regulations to provide that the common vendor test is *not* met if the vendor has established and implemented a firewall policy that: (1) is “designed and implemented to prohibit the flow of information between employees or consultants providing services for the person paying for the communication and those employees or consultants currently or previously providing services to the” campaign or political party; and (2) is “described in a written policy that is distributed to all relevant employees, consultants, and clients affected by the policy.”<sup>24</sup>

The firewall policy bars an investigation by the Commission unless “specific information indicates that, despite the firewall, information about the candidate’s or political party committee’s campaign plans, projects, activities, or needs that is material to the creation, production, or distribution of the communication was used or conveyed to the person paying for the communication.”<sup>25</sup> Notably, “[t]he safe harbor provision does not dictate specific procedures required to prevent the flow of information referenced in [] 109.21(h) because a firewall is more effective if established and implemented by each organization in light of its specific organization, clients, and personnel.”<sup>26</sup>

Here, Buying Time and TPM established and implemented a firewall policy designed to prohibit the flow of information between employees or consultants providing services to the person paying for the communication and those employees or consultants currently or previously providing services to the campaign or political party.<sup>27</sup> The firewall policy is described in a written policy that was distributed to Ms. Herrick and Ms. Welsh, the two persons affected by it within Buying Time and TPM. DF and Beacon were informed of the policy and, most importantly, were instructed that they could not communicate with Ms. Herrick about DF’s account.<sup>28</sup> Accordingly, there was substantial compliance with 11 C.F.R. § 109.21(h).

The mere fact that Ms. Herrick’s administrative assistant affixed her signature to DF’s NAB Form PB-18 is immaterial. The Commission has emphasized that “common leadership or overlapping administrative personnel does not defeat the use of a firewall. Moreover, mere

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<sup>23</sup> *Id.* § 109.21(d)(4).

<sup>24</sup> *Id.* § 109.21(h).

<sup>25</sup> *Id.*; see also MUR 5506 (EMILY’s List), First General Counsel’s Report at 5–8.

<sup>26</sup> Explanation & Justification, 71 Fed. Reg. 33,190, 33,206 (June 8, 2006).

<sup>27</sup> See Herrick Decl. ¶ 5; Welsh Decl. ¶ 4; de Vellis Decl. ¶ 5.

<sup>28</sup> de Vellis Decl. ¶¶ 5, 6.

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contact or communications between persons on either side of a firewall does not compromise the firewall, as long as the firewall prevents information about the candidate's or political party committee campaign plans, projects, activities or needs from passing between persons on either side of the firewall."<sup>29</sup> Both Ms. Herrick and Ms. Welsh have affirmed, under penalty of perjury, that information about the Campaign's plans, projects, activities or needs did not pass between persons on either side of the firewall.<sup>30</sup> Mr. de Vellis has also affirmed that Ms. Welsh did not share with him any information about the Campaign's plans, projects, activities or needs.<sup>31</sup> Accordingly, the affixing of Ms. Herrick's signature to DF's NAB Form PB-18 by her administrative assistant does not negate the firewall under 11 C.F.R. § 109.21(h).

**B. The commercial vendor did not use or convey information about the Campaign's nonpublic plans, projects, activities, or needs, or information used previously in providing services to the Campaign**

Even if the Commission does not invoke the regulatory safe harbor under section 109.21(h),<sup>32</sup> it still must dismiss the Complaint. The sworn, uncontroverted evidence before the Commission establishes that the commercial vendor did not use or convey to DF information about the Campaign's nonpublic plans, projects, activities, or needs, or information used previously in providing services to the Campaign. Accordingly, the Commission is barred from finding "reason to believe" that the common vendor test has been met.

As noted above, Ms. Welsh has affirmed that she was the only person at TPM or Buying Time with whom DF and Beacon had any discussions regarding the placement of DF's advertisements.<sup>33</sup> Ms. Welsh also affirms that she was not privy to the Campaign's nonpublic plans, projects, activities, or needs, and therefore did not use or convey such information in the course of providing services to DF.<sup>34</sup> Mr. de Vellis's declaration corroborates Ms. Welsh's on both points.<sup>35</sup> Finally, Ms. Welsh also affirms in her sworn declaration that "[a]ny strategic decision-making services that I would have provided in connection with these elections to our PAC clients would have been guided by information provided to me by the PAC client or my

<sup>29</sup> Explanation & Justification, 71 Fed. Reg. 33,190, 33,207 (June 8, 2006).

<sup>30</sup> See Herrick Decl. ¶ 8; Welsh Decl. ¶¶ 5, 6.

<sup>31</sup> See de Vellis Decl. ¶ 7.

<sup>32</sup> The Commission has repeatedly made clear that the firewall is a regulatory *safe harbor*, not a regulatory requirement. Explanation & Justification, 71 Fed. Reg. 33,190, 33,207 (June 8, 2006) ("[T]he addition of this firewall safe harbor provision to the coordinated communication rules does not require commercial vendors, former employees and political committees to use a firewall. The Commission will not draw a negative inference from the lack of such a screening policy."). Indeed, the regulation neither prohibits the use of a common vendor nor does it establish a presumption of coordination when a common vendor is used. Explanation & Justification, 68 Fed. Reg. 421, 437 (Jan. 3, 2003) ("The final rule does not require the use of any confidentiality agreement or ethical screen because it does not presume coordination from the mere presence of a common vendor.").

<sup>33</sup> Welsh Decl. ¶ 2.

<sup>34</sup> See *id.* ¶¶ 5, 6.

<sup>35</sup> See de Vellis Decl. ¶¶ 4, 7.



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own background and expertise in media placement and not by any non-public materials provided by a candidate or used by BT or TPM to provide services to a candidate.”<sup>36</sup> Accordingly, the Commission has before it sworn, uncontroverted evidence that the commercial vendor did not use or convey to DF information about the Campaign’s nonpublic plans, projects, activities, or needs, or information used previously in providing services to the Campaign.

Nothing in the Complaint undermines or even impeaches this evidence. The Complaint leans heavily on the presence of Ms. Herrick’s electronic signature on DF’s NAB Form PB-18. But as explained in detail above, Ms. Herrick does not review the forms before they are submitted to each station.<sup>37</sup> Ms. Herrick has affirmed, under penalty of perjury, that she did not convey to DF any nonpublic strategic information from the Campaign or otherwise provide any strategic advice to DF regarding the plans, projects, or needs of the Campaign.<sup>38</sup> Far from indicating that Ms. Herrick had any substantive involvement with DF’s purchases, or even that she was approving these purchases before they were made, these forms merely indicate that Ms. Herrick electronically signed—or authorized her assistant to electronically sign—a template form in May 2020 that could be used by her assistant for the rest of the cycle. This ministerial act by Ms. Herrick’s assistant was unaccompanied by any use or conveyance of nonpublic information about the Campaign plans, projects, activities, or needs, or information used previously in providing services to the Campaign.

The only “evidence” marshalled by the Complainants for the proposition that Ms. Herrick used or conveyed restricted information is that the Campaign and DF both purchased ad time on popular television stations in the Louisville area (where more than a quarter of Kentuckians live) a few weeks before early voting began in the primary and general elections, and that both the Campaign and DF purchased ad time in the Cincinnati market (where approximately a tenth of the electorate lives) in mid-October of an election year. The fact that the Campaign and DF purchased advertising time on television stations that voters watch during the period when voters decide whom to vote for is not evidence of coordination. It is simply an indication that their ad buyers did not engage in gross campaign malpractice. The Commission has consistently rejected the argument that mere similarities between ad programs are evidence of coordination, explaining with regard to two ads that “contain similarities reasonably attributed to the common sense conclusion that most parties and candidates will be addressing a defined set of campaign issues in their advertising,” that “[t]he Commission has no legal basis to assign a legal consequence to these similarities without specific evidence of prior coordination with regard to the specific content, timing and placement of the advertisements.”<sup>39</sup> That Complainants felt compelled to include such a specious argument reveals the emptiness of the Complaint itself.

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<sup>36</sup> Welsh Decl. ¶ 6.

<sup>37</sup> See Herrick Decl. ¶ 7

<sup>38</sup> See *id.* ¶ 8.

<sup>39</sup> See, e.g., MUR 5369 (Rhode Island Republican Party), Statement for the Record, Commissioners Mason, Smith, and Toner at 5–6 (Aug. 15, 2003).



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Finally, Complainants argue that the Commission may find reason to believe if the first two elements of the common vendor test have been met and then authorize an investigation into the third prong. For this proposition, Complainants cite to two older MURs where the Commission agreed to commence investigations based on the satisfaction of those two elements alone.<sup>40</sup> But setting aside whether the Commission may find reason to believe where *no evidence* is offered on the third prong, the Commission recently made clear that it will not find reason to believe where respondents offer sworn, uncontroverted evidence *refuting* that the third prong has been satisfied and the complaint offers no evidence to show that the third prong has been met.

In that matter, resolved in 2017, the Commission declined to find reason to believe *even when the same individual provided services to both the person paying for an independent expenditure, a political party, and the federal candidate referenced in the ad*, explaining that “absent some additional evidence,” the fact that the campaign and the person paying for the independent expenditures hired the same consultant “does not, alone, support a reason to believe finding” where the consultant submitted a sworn affidavit affirming that he did not use or convey any restricted information.<sup>41</sup> Finding reason to believe here, where there is sworn, uncontroverted evidence refuting that the third prong has been satisfied, would undermine the Commission’s stated policy that the hiring of a common vendor does not lead to a presumption of coordination.<sup>42</sup>

For the reasons set forth above, the Complaint should be dismissed and the file closed.

Very truly yours,



Jonathan S. Berkon  
Andrea T. Levien  
*Counsel to Respondents*

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<sup>40</sup> See Compl. ¶ 26.

<sup>41</sup> See MUR 6924 (Andrew Winer), Factual and Legal Analysis at 6–7 (Aug. 21, 2017).

<sup>42</sup> Explanation & Justification, 71 Fed. Reg. 33,190, 33,207 (June 8, 2006) (“The Commission will not draw a negative inference from the lack of such a screening policy.”).

**BEFORE THE  
FEDERAL ELECTION COMMISSION**

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IN RE

Ditch Fund  
March On PAC

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) MURs 7865, 7866  
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**Declaration of Catherine Herrick**

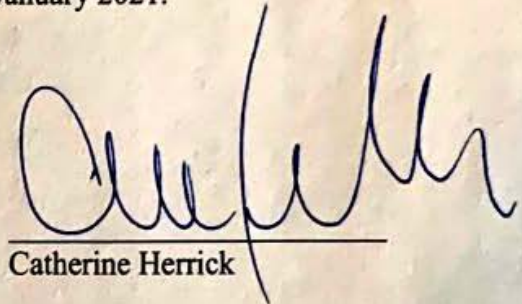
1. My name is Catherine Herrick. I am the sole owner of Buying Time, LLC ("BT") and Targeted Platform Media, LLC ("TPM"). BT and TPM are for profit, single member limited liability companies. I am the sole member of each LLC.
2. BT was established on April 30, 1999 and provides media planning and buying services to political campaigns, political committees, and non-profit organizations.
3. On February 1, 2014, I created TPM as a subsidiary to BT, to establish a clear division between my candidate clientele and other clients who wished to operate independently of candidates. It should be noted that TPM and BT do share employees that provide administrative and ministerial functions to its clients and companies.
4. BT and TPM have separate office space for their strategic staff and do not have overlapping employees that work on strategic services for its clients.
5. In addition, BT and TPM operate under a strict firewall, in accordance with 11 C.F.R. § 109.21(h), that ensures that neither company's employees discuss or otherwise share any non-public strategic information regarding the other's clients. In addition, the firewall policy provides for separation of document access and storage, as well as internal lists.
6. As sole owner of BT and its subsidiaries, I am the President and chief executive officer of both BT and TPM.
7. As a general matter, a media buyer is required to provide a standard form created by the Federal Communications Commission to any television or radio station for which a purchase of political advertising is made. As President of BT and TPM, my signature is affixed to these forms. As a general matter, this signature is



stamped onto the form by my assistant. I do not review each form that is provided to a station and such signature does not provide any proof that I had specific knowledge of any specific purchase of time made by BT or TPM on behalf of their clients.

8. For purposes of providing strategic advice to clients during the 2020 cycle, my role for strategic planning and advice to clients was restricted to clients who were candidates for office in accordance with the BT firewall policy. Therefore, under the policy, neither I, nor to my knowledge any other employee of BT, provided any non-public strategic information, or otherwise provided any strategic advice regarding the plans, projects, or needs of any candidate committee to Ditch Fund or March On PAC during the 2020 cycle.

I declare under penalties of perjury that the foregoing is true and correct to the best of my present knowledge, information, and belief. Dated this 8th day of January 2021.



Catherine Herrick

**BEFORE THE  
FEDERAL ELECTION COMMISSION**


	)	
IN RE	)	
	)	MURs 7865, 7866
Ditch Fund	)	
March On PAC	)	
	)	

**Declaration of Kathryn Welsh**

1. My name is Kathryn Welsh. I am currently and have been the Media Director for Buying Time, LLC ("BT") and Targeted Platform Media, LLC ("TPM") since 2019. From 2015 through 2019 I was a Senior Media Buyer for BT and TPM.
2. During the 2020 election cycle I provided strategic and media placement advice to two independent expenditure only committees, Ditch Mitch and March On PAC. During the 2020 cycle, I was the only person at BT or TPM that provided any strategic or media placement advice to Ditch Mitch or March On PAC. These PACs disseminated advertisements in connection with United States Senate races in Kentucky and Mississippi, respectively. These clients were serviced exclusively by TPM during the 2020 calendar year.
3. It is also my understanding that BT was retained by Amy McGrath and Mike Espy, who were candidates for office in each of these elections, to provide similar media placement services.
4. During the 2020 cycle, both BT and TPM operated under a strict internal firewall policy that was developed by BT in 2016. Under the policy that was in effect during 2020, I was strictly limited to providing services to organizations that were engaged in activities that were independent of any candidate or party committee.
5. Under the firewall policy I was not privy to, nor did I use, any non-public information about the plans, projects, activities or needs of any candidate or candidate's committee in Mississippi or Kentucky. Furthermore, under the firm firewall policy, I did not have any access to any files or documents that BT would have had in its possession that contained such information. In addition, I did not engage in any substantive discussions with any BT employee that provided any strategic services to any candidate for United States Senate in Kentucky or Mississippi regarding those candidate's plans, projects, activities, or needs.

6. Any strategic decision-making services that I would have provided in connection with these elections to our PAC clients would have been guided by information provided to me by the PAC client or my own background and expertise in media placement and not by any non-public materials provided by a candidate or used by BT or TPM to provide services to a candidate.

I declare under penalties of perjury that the foregoing is true and correct to the best of my present knowledge, information, and belief. Dated this 4th day of February 2021.

  
Kathryn Welsh

**BEFORE THE FEDERAL ELECTION COMMISSION****MUR 7865 (Ditch Fund)  
Declaration of Phillip de Vellis**

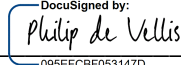
I, Phillip de Vellis, declare under penalties of perjury that the following is true and correct to the best of my knowledge, information, and belief.

1. I am a partner at Beacon Media (“*Beacon*”), a media and advertising consulting firm.
2. Ditch Fund hired Beacon to create and produce independent expenditures related to the 2020 U.S. Senate election in Kentucky. It hired Targeted Platform Media, LLC (“*TPM*”) to purchase television airtime for the ads.
3. Kate Welsh at TPM provided strategic buying services to Ditch Fund. As Ditch Fund’s media consultant, I served as the primary point of contact between Ditch Fund and TPM.
4. The only individual at TPM (or at its affiliate Buying Time, LLC) with whom I discussed the substance of Ditch Fund’s ad buys or the U.S. Senate race in Kentucky in 2020 was Kate Welsh.
5. Cathie Herrick, the owner of Buying Time and TPM, told me that the companies were operating under a firewall policy in 2020, and that under the policy, Ms. Herrick would be providing services to Amy McGrath’s Senate campaign through Buying Time, and not to persons paying for independent expenditures in that race.
6. In accordance with that policy, neither I nor my colleagues at Beacon discussed the U.S. Senate race in Kentucky or Ditch Fund’s ad purchases in Kentucky with Ms. Herrick at any point in 2020. The only discussions we ever had with Ms. Herrick about our work with Ms. Welsh for Ditch Fund in 2020 concerned the agency commission fee TPM would charge Ditch

Fund. We did not discuss the budget for the ad purchases with Ms. Herrick; we only discussed the commission percentage.

7. Ms. Welsh did not share with me and my colleagues at Beacon, nor, as far as we know, with anyone at Ditch Fund, any nonpublic information about the McGrath campaign's plan, projects, activities, or needs.

Signed this: February 5, 2021

Signature:   
095EFCBF053147D...

Phillip de Vellis



# EXHIBIT 1

## (Firewall Policy)



# Buying Time

650 Massachusetts Ave. NW, Suite 210  
Washington, DC 20001  
202.965.5060  
202.965.5066 fax  
www.buying-time.com

## MEMORANDUM

To: Buying Time Employees

From: Cathie Herrick

Date: March 9<sup>th</sup>, 2016

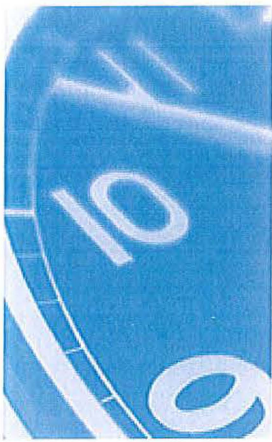
RE: FEC Compliance

Consistent with the Federal Election Commission's rules governing "coordinated communications," Buying Time LLC and its subsidiaries, Targeted Platform Media have adopted the following policies and procedures designed to prevent improper coordination.

As an overview, in order to avoid excessive or prohibited contributions to federal candidates or party committees, the Federal Election Commission's rules restrict certain coordination between candidates seeking federal office and outside spending organizations such as **\*\*EMILY's LIST or the LEAGUE OF CONSERVATIVE VOTERS.\*\*** The rules also restrict certain coordination between political party committees such as the **DNC or the DCCC** and outside spending organizations. And the rules also restrict certain coordination between candidates and the IE-arm of the party committees. The rules are designed to prevent the exchange of non-public information regarding strategy and messaging.

In general, the coordination restrictions apply –

- (1) If the advertisement expressly advocates the election or defeat of a clearly identified federal candidate or contains the functional equivalent of express advocacy;
- (2) If the advertisement is an electioneering communication;
- (3) If the advertisement republishes campaign materials prepared by the candidate or the candidate's committee;
- (4) If the advertisement refers to a Congressional candidate and is broadcast within 90 days before a Congressional primary or general election;
- (5) If the advertisement refers to a Presidential or Vice Presidential candidate and is broadcast in a jurisdiction between 120 days before a presidential primary or caucus in that jurisdictions and the general election;



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- (6) if the advertisement refers to a political party (but does not refer to a clearly identified federal candidate), is coordinated with a federal candidate's campaign, and is broadcast either within 90 days before a Congressional primary or general election (if the coordination is with a Congressional candidate's campaign) or between 120 days before a presidential primary or caucus and the general election (if the coordination is with a Presidential candidate's campaign); or
- (7) if the advertisement refers to a political party (but does not refer to a clearly identified federal candidate), is coordinated with a political party committee, and is broadcast between 120 days before a presidential primary or caucus and the general election.

Importantly, the coordination restriction encompasses all non-public communications regarding the content of television and radio Advertisements, as well as the timing, placement and frequency of Such advertising.

In order to prevent improper coordination, Targeted Platform Media and its subsidiaries are implementing the following procedures:

### (1) Division of Client Work Under Separate Entities

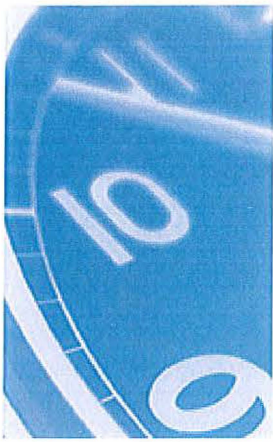
To facilitate separation of personnel and client activities, the following details areas of specialization for Targeted Platform Media LLC and its subsidiaries:

- Targeted Platform Media LLC to handle all federal candidate activity.
- Waterfront Strategies to handle all account work on behalf of SuperPACs and other 527 and 501© outside spending organizations.
- Great American Media to handle all party committee accounts.

### (2) Division of Labor

Should Targeted Platform Media LLC and its subsidiaries take on as clients both a candidate and an outside spending organization or party committee likely to make public communications expressly advocating for the candidate (or merely refereeing a candidate if the advertisement will be broadcast within the relevant time periods), different personnel shall be assigned responsibility for day-to-day management of these clients. Those individuals should provide services to these clients on the clear understanding that they may not communicate with each other – that is, those representing the candidate may not communicate with those representing the outside spending organization – about their work for their particular assigned clients. In addition, those representing a party committee may not communicate with those representing outside spending organizations about their work for their particular assigned clients with respect to the same candidate or election.





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### (3) Document Access and Storage

Client specific information, including, but not limited to, scripts, Polls, focus groups and records of media buys should not be available through shared libraries or files. To effectuate this policy, when a document or other work product is received or generated, Targeted Platform Media and its subsidiaries will identify the client and segregate the document or product accordingly. This identification should determine who in the firm has access to the item. Computer files should be password protected, enabling only authorized employees to have access. Printed documents and work product should be maintained in a manner that guarantees their security. Targeted Platform Media and its subsidiaries shall inform every client which individuals in the firm are authorized to discuss their account and to receive documents.

### (4) Team E-mail Lists

Targeted Platform Media and its subsidiaries shall establish internal client team e-mail lists to help prevent improper correspondence between staff representing different candidates, party committees, and outside spending organizations.

### (5) Confidentiality

Targeted Platform Media and its subsidiaries shall inform their clients of their confidentiality policies. The importance of these policies to both the client and the firm should be stressed. The firm shall send each client a separate letter confirming their confidentiality policy and advising clients not to circumvent the policy by disclosing proprietary information to unauthorized firm personnel.

### (6) Contact

In the event that an employee has questions about these procedures, he or she should contact Cathie Herrick, owner.

I have read and understood the above and agree to abide by these guidelines:

\_\_\_\_\_  
(Name—please print)

\_\_\_\_\_  
(Sign & Date)