



1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
McLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

RECEIVED

2014 JUL -7 PM 3:36

FEC MAIL CENTER

July 7, 2014

Michael E. Toner
202.719.7545
mtoner@wileyrein.com

RECEIVED
FEDERAL ELECTION
COMMISSION
2014 JUL -8 AM 10:06
OFFICE OF GENERAL
COUNSEL

BY HAND DELIVERY

Jeff S. Jordan, Esq.
Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
999 E Street NW
Washington, DC 20463

Re: MUR 6816 – Americans for Job Security and Stephen DeMaura

Dear Mr. Jordan:

This office represents Americans for Job Security (“AJS”) and Stephen DeMaura (“Mr. DeMaura”), in his capacity as President of AJS (collectively, the “Respondents”), in the above-captioned MUR.

We have reviewed the Complaint filed by Citizens for Responsibility and Ethics in Washington (“CREW”) on May 7, 2014. The Complaint alleges that AJS failed to disclose the Center to Protect Patient Rights, Inc. (“CPPR”) as a donor or contributor on its electioneering communications and independent expenditure reports filed with the Federal Election Commission (“FEC” or “Commission”) in 2010. As is detailed below, the Complaint is patently frivolous and procedurally defective, and there is no reason to believe that the Respondents violated the Federal Election Campaign Act of 1971, as amended (“FECA” or “Act”), or Commission regulations. Accordingly, the Commission should promptly dismiss the Complaint.

FACTS

Founded in 1997, AJS is a business league that operates under Section 501(c)(6) of the Internal Revenue Code. AJS is an independent, bipartisan, pro-business advocacy organization that promotes free market, pro-jobs, and pro-growth public policies on behalf of its members.

Stephen DeMaura is the President of AJS and has served in that capacity since 2008. Affidavit of Stephen DeMaura ¶ 1 (Exhibit 1). Mr. DeMaura has broad institutional knowledge of AJS’ operations and practices. *Id.* AJS engages in a large number of programmatic activities to further its tax-exempt purpose of promoting pro-business policies, including the dissemination of issue advocacy

1600474001125

Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 2

communications as well as electioneering communications and independent expenditures within the meaning of FECA and FEC regulations. *Id.* ¶ 2. During the 2010 election cycle, AJS sponsored a wide variety of public communications, including electioneering communications and independent expenditures advocating for the election of candidates who supported free market approaches to business issues and for the defeat of candidates who did not. *Id.*

AJS has hundreds of members who support AJS' programmatic activities. *Id.* ¶ 3. During its 2008 fiscal year (November 1, 2008 – October 31, 2009) and 2009 fiscal year (November 1, 2009 – October 31, 2010), AJS received \$16,016,137 in dues from its members. *Id.* See also Americans for Job Security, IRS Form 990 for FY 2008 (Nov. 1, 2008 – Oct. 31, 2009) at 1 (Exhibit 2); Americans for Job Security, IRS Form 990 for FY 2009 (Nov. 1, 2009 – Oct. 31, 2010) at 1 (Exhibit 3). CPPR joined AJS in August 2010 and subsequently paid AJS a total of \$4,800,000 in dues, which comprised only 30% of the total funds that AJS received during its 2008 and 2009 fiscal years. DeMaura Aff. ¶ 3; AJS IRS Form 990 for FY 2008 at 1; AJS IRS Form 990 for FY 2009 at 1.

AJS has a longstanding, strict policy of not soliciting or accepting dues payments or donations that are earmarked, designated, or encumbered for any particular program or activity, including for electioneering communications and independent expenditures. DeMaura Aff. ¶ 4. See also AJS IRS Form 990 for FY 2008 at Schedule O; AJS IRS Form 990 for FY 2009 at Schedule O ("The organization has over 100 members which pay membership fees that are deposited into the general fund and will support the broad mission and efforts of the organization. The allocation of dues to the various activities of the organization will be determined by the professional staff and the board of directors.").

In accordance with AJS' longstanding, strict policy of not soliciting or accepting earmarked funds, AJS did not make any solicitations specifically or generally requesting dues or donations to pay for electioneering communications or independent expenditures during 2009 – 2010. DeMaura Aff. ¶ 5. During 2009 – 2010, AJS likewise did not accept any dues or donations that were specifically or generally designated by the member or donor to pay for electioneering communications or independent expenditures. *Id.*

1604400114



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 3

During 2009 – 2010, potential new members were made aware of AJS' longstanding, strict policy of not soliciting or accepting dues payments or donations earmarked for any particular program or activity, which was explained in AJS' "Membership Guidelines" as follows:

- "Membership dues will be deposited into the general fund of AJS and will support the broad mission and efforts of the organization."
- "The allocation of membership dues to the various activities of AJS is [at] the sole discretion of the professional staff and board of directors."

AJS Membership Guidelines (Exhibit 1-A). New AJS members were also provided and requested to sign a "Membership Agreement," which likewise stated that:

- "Membership dues will be deposited into the general fund of AJS and will support the broad mission and efforts of the organization."
- "The allocation of membership dues to the various activities of AJS is [at] the sole discretion of the professional staff and board of directors."

AJS Membership Agreement (Exhibit 1-A).

When CPPR joined AJS in August 2010, Mr. DeMaura, in accordance with AJS' standard practice, sent a "thank you" letter to CPPR reiterating that:

Your membership in Americans for Job Security has been deposited into our *general fund*. We appreciate your support of our broad mission and would like to remind you that *the allocation of membership dues to our various projects is at the sole discretion of our professional staff and board of directors*.

DeMaura Aff. ¶ 7; Letter from S. DeMaura to S. Noble (Aug. 25, 2010) (Exhibit 1-B) (emphasis added). Mr. DeMaura's letter also included a copy of AJS' Membership Guidelines and Membership Agreement. *Id.*

CPPR included a transmittal letter with each dues payment that it made to AJS during 2010, which confirmed that CPPR's dues payment was for "general support" purposes. DeMaura Aff. ¶ 8. *See, e.g.,* Letter from S. Noble to S.

160344400-1-15



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 4

DeMaura (Aug. 24, 2010) (Exhibit 1-C). At no point did CPPR otherwise indicate to Mr. DeMaura that its dues payments were being made for the purpose of financing AJS' electioneering communications or independent expenditures. DeMaura Aff. ¶ 8. AJS also did not solicit or accept dues payments from CPPR for the specific or general purpose of financing its electioneering communications or independent expenditures. *Id.* ¶ 9.

During 2009 – 2010, AJS' board of directors and professional staff exercised sole discretion over how AJS' funds were spent, including for its electioneering communications and independent expenditures. *Id.* ¶ 10. The Complaint focuses on CPPR and Mr. Noble's alleged orchestration of third party advertising in connection with U.S. House races during the 2010 election cycle, but fails to note that AJS spent \$3,183,080 on electioneering communications in connection with U.S. Senate races in 2010. See Complaint ¶¶ 2, 29-34, 37, 40-41; FEC Electioneering Communications Reports for Americans for Job Security, available at <http://docquery.fec.gov/cgi-bin/fecimg/?C30001135>.

During the 2010 election cycle, AJS retained several different media vendors, including Crossroads Media, LLC ("Crossroads Media"), McCarthy Marcus Hennings, Ltd. ("MMH"), and Mentzer Media Services, Inc. ("Mentzer Media"), to manage AJS' television advertising, both educational and political, which included making recommendations on the content, timing, and placement of the advertising. DeMaura Aff. ¶ 11. However, AJS and its professional staff supervised the work of its media vendors and ultimately made the final decisions concerning the content, timing, and placement of all AJS advertising, including AJS' electioneering communications and independent expenditures. *Id.* AJS was actively involved in the development of its advertising, which included reviewing draft scripts and making substantive revisions. *Id.* ¶ 12. Mr. DeMaura also attended several commercial filming shoots and made substantive changes to the content of the commercials during the shoots. *Id.* Along with AJS' outside counsel, Mr. DeMaura reviewed and gave final approval for each advertisement before it was publicly disseminated. *Id.*

Although CPPR's dues payments constituted an appreciable portion of AJS' receipts during the 2010 election cycle, the amounts were not so large that AJS lacked funds from other supporters to pay for its electioneering communications and independent expenditures disseminated during 2009 – 2010. During its 2008

10047400-110

Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 5

and 2009 fiscal years (November 1, 2008 – October 31, 2009 and November 1, 2009 – October 31, 2010, respectively), AJS:

- Raised \$16,016,137 in total from dues;
- Received \$4,800,000 from CPPR;
- Received \$11,216,137 from other sources;
- Spent \$3,349,324 for electioneering communications; and
- Spent \$4,908,847 for independent expenditures.

See DeMaura Aff. ¶ 3; AJS IRS Form 990 for FY 2008 at 1; AJS IRS Form 990 for FY 2009 at 1; FEC Electioneering Communications Reports for Americans for Job Security, available at <http://docquery.fec.gov/cgi-bin/fecimg/?C30001135>; FEC Independent Expenditure Reports for Americans for Job Security, available at <http://docquery.fec.gov/cgi-bin/fecimg/?C90011669>. See also Ctr. for Responsive Politics, Americans for Job Security: Outside Spending Summary 2010, <http://www.opensecrets.org/outsidespending/detail.php?cmfc=Americans+for+Job+Security&cycle=2010>.

THE LAW

When an entity other than a political committee makes independent expenditures aggregating in excess of \$250 during a calendar year, the entity must file certain disclosure reports including, among other things, “[t]he identification of each person who made a contribution in excess of \$200 . . . *for the purpose of furthering the reported independent expenditure.*” 11 C.F.R. § 109.10(e)(1)(vi) (emphasis added). Thus, under the plain meaning of the regulation, only contributions that are made to the entity for the purpose of furthering the specific independent expenditure being reported must be disclosed.

Similarly, when an entity other than a political committee makes electioneering communications aggregating in excess of \$10,000 during a calendar year, the entity must file certain disclosure reports including, among other things, “the name and address of each person who made a donation aggregating \$1,000 or more . . . since

16044400117

Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 6

the first day of the preceding calendar year, which was made *for the purpose of furthering electioneering communications.*" *Id.* § 104.20(c)(9) (emphasis added).

When the Commission enacted the foregoing regulation concerning electioneering communications in 2007, the Commission noted that "[t]he 'for the purpose of furthering' standard in 11 CFR 104.20(c) is drawn from the reporting requirements that apply to independent expenditures made by persons other than political committees." *Explanation and Justification for Final Rules on Electioneering Communications*, 72 Fed. Reg. 72899, 72911 n.22 (Dec. 26, 2007). As was noted above, the FEC's independent expenditure reporting regulation only requires the disclosure of contributions that were made "for the purpose of furthering *the reported independent expenditure.*" 11 C.F.R. § 109.10(e)(1)(vi) (emphasis added).

Although there is little published guidance on what it means to make a contribution or donation "for the purpose of furthering" an independent expenditure, in the context of electioneering communications the Commission has explained that "[d]onations made for the purpose of furthering an EC [electioneering communication] include funds received in response to solicitations *specifically* requesting funds to pay for ECs as well as funds *specifically* designated for ECs by the donor." *Electioneering Communications E&J*, 72899 Fed. Reg. at 72911 (emphasis added). During the 2007 rulemaking concerning the donor disclosure requirements of entities sponsoring electioneering communications, the Commission expressly rejected requiring such entities to disclose all of the donors that made donations to the entity. *See id.* (noting that non-profit corporations receive funds from a wide range of persons and entities that support the corporation's mission but "[t]hese investors, customers, and donors do not necessarily support the corporation's electioneering communications"). In light of the foregoing, the Commission concluded that "the policy underlying the disclosure provisions of BCRA is properly met by requiring corporations and labor organizations to disclose and report only those persons who made donations for the purpose of funding ECs." *Id.*

Since the 2007 electioneering communications regulation was promulgated, three Commissioners have concluded that when an entity disseminates an electioneering communication, the entity is required to disclose donations over the \$1,000 reporting threshold "only if such donations are made for the purpose of furthering

1004400-118



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 7

the electioneering communication that is the subject of the report.” See Statement of Reasons of Chairman Petersen and Commissioners Hunter and McGahn in MUR 6002 (Freedom’s Watch) at 5 (Aug. 13, 2010). In reaching that conclusion, the foregoing Commissioners noted “the myriad ways in which corporations and labor organizations receive funds – including from investors, customers, and donors – and the difficulties that would arise in tracking the sources and amounts of such funding if it had to be reported” *Id.* at 4. The three Commissioners further emphasized that in enacting the electioneering communications regulation in 2007, the FEC determined that “requiring disclosure of funds received only from those persons who donated specifically for the purpose of furthering ECs [electioneering communications] appropriately provides the public with information about those persons who actually support the message conveyed by the ECs” *Id.* at 4-5 (quoting *Electioneering Communications E&J*, 72899 Fed. Reg. at 72911).¹

Two Commissioners have taken a different position concerning the disclosure of donors to entities disseminating electioneering communications, stating that “[n]either the statute nor the regulation requires that specific donations be explicitly tied to specific communications.” Statement of Reasons of Vice Chair Bauerly and Commissioner Weintraub in MUR 6002 (Freedom’s Watch) at 5 (Sept. 16, 2010).

Although there have been two competing Commissioner interpretations of the circumstances under which entities that disseminate electioneering communications are required to disclose their donors under 11 C.F.R. § 104.20(c), the two differing Commission standards do not control the outcome of this matter. As is detailed below, under either Commission standard there is no reason to believe that AJS violated the law given that AJS did not solicit or accept any donations that were made for the general purpose of furthering electioneering

¹ The Commissioners also concluded that the same donor disclosure standard applies to entities that make independent expenditures. See Statement of Reasons of Chairman Petersen and Commissioners Hunter and McGahn in MUR 6002 (Freedom’s Watch) at 5.

19047480119



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 8

communications or for the specific purpose of furthering any particular electioneering communications.

DISCUSSION

I. AJS Was Not Required to Report CPPR as a Contributor or Donor on Its 2010 Electioneering Communications and Independent Expenditure Reports.

The Complaint alleges that AJS failed to identify CPPR as either a contributor or donor on its electioneering communications and independent expenditure reports filed in 2010, yet fails to provide any specific evidence in support of this allegation. Instead, the Complaint primarily relies upon one reporter's account of the alleged involvement of CPPR and Sean Noble, its executive director, in the 2010 election. This one reporter's news story, published over three years after the events at issue took place, contained numerous generalized and vague statements and did not provide direct, on-the-record sources for many of the statements and assertions in the news article.

By contrast, AJS is providing the Commission with sworn testimony and contemporaneous written evidence establishing that AJS did not solicit or accept any contributions or donations from CPPR that were made for the purpose of furthering any electioneering communications or independent expenditures that were disseminated during the 2010 election cycle. An examination of AJS' fundraising and spending during the relevant time period further reinforces the following un rebutted facts:

First, AJS has a longstanding, strict policy of not soliciting or accepting dues payments or donations that are earmarked or designated for any particular program or purpose, including for electioneering communications and independent expenditures. DeMaura Aff. ¶ 4. Moreover, this strict policy is documented throughout AJS' membership materials, and AJS adhered to this policy throughout 2009 and 2010. *AJS Membership Guidelines and Membership Agreement* (Exhibit 1-A); DeMaura Aff. ¶¶ 5-6.

Second, consistent with its strict policy concerning earmarked dues payments and donations, AJS did not solicit any dues payments or donations from CPPR for the purpose of financing electioneering communications or independent expenditures

1604400120



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 9

in general, or for the purpose of financing any specific electioneering communications or independent expenditures. DeMaura Aff. ¶ 9.

Third, CPPR included a transmittal letter with each dues payment made to AJS confirming that the funds provided were for "general support" purposes. *Id.* ¶ 8. *See, e.g.*, Letter from S. Noble to S. DeMaura (Aug. 24, 2010) (Exhibit 1-C).

Fourth, AJS sent a thank you letter to CPPR after it became an AJS member in 2010, reiterating that CPPR's dues payment "has been deposited into our *general fund*" and also that "*the allocation of membership dues to our various projects is at the sole discretion of our professional staff and board of directors.*" DeMaura Aff. ¶ 7; Letter from S. DeMaura to S. Noble (Aug. 25, 2010) (Exhibit 1-B) (emphasis added).

Fifth, beyond the grant transmittal letters, CPPR did not otherwise indicate to Mr. DeMaura that CPPR's dues payments were to be used or were intended to finance a particular electioneering communication or independent expenditure or AJS' electioneering communications or independent expenditure activities in general. DeMaura Aff. ¶ 8.

Sixth, AJS and its staff controlled and determined the content, timing, and placement of AJS' advertising in 2010, including AJS' electioneering communications and independent expenditures. *Id.* ¶ 10. AJS retained several media vendors, including Crossroads Media, MMH, and Mentzer Media, to manage all of the organization's television advertising, both educational and political, which included making recommendations on the content and placement of advertising. However, AJS and its staff ultimately made such decisions. *Id.* ¶ 11. Moreover, AJS was actively involved in the development of its advertising, which included reviewing draft scripts and making substantive revisions. *Id.* ¶ 12. Mr. DeMaura also attended several commercial filming shoots and made substantive changes to the content of the commercials during those shoots. *Id.* Along with AJS' outside counsel, Mr. DeMaura reviewed and gave final approval for each advertisement before it was publicly disseminated. *Id.*

The un rebutted facts in the present matter stand in stark contrast to the allegations that were before the Commission in the only other closed enforcement action to examine this donor disclosure issue. In MUR 6002, the Democratic Congressional Campaign Committee ("DCCC") filed a complaint against Freedom's Watch, a

1100444001-1

Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 10

Section 501(c)(4) social welfare organization, for failing to disclose any donors on its electioneering communications reports. The DCCC's complaint was based on a *New York Times* article in which an operative stated that a single donor effectively financed the organization and dictated the organization's activities. *See* First General Counsel's Report in MUR 6002 (Freedom's Watch, Inc.) at 4-5 (Mar. 15, 2010). The Complaint in this matter contains no such concrete and particularized allegation. Although CPPR was a valuable member of AJS, CPPR's dues payments represented only a small portion (30%) of AJS' overall financial support during its 2008 and 2009 fiscal years (November 1, 2008 – October 31, 2009 and November 1, 2009 – October 31, 2010, respectively). DeMaura Aff. ¶ 3; AJS IRS Form 990 for FY 2008 at 1 (Exhibit 2); AJS IRS Form 990 for FY 2009 at 1 (Exhibit 3). Moreover, AJS — and not any of its vendors or members — dictated and determined how AJS spent its funds and determined the content, timing, and placement of all of AJS' advertising, including its electioneering communications and independent expenditures. DeMaura Aff. ¶ 10. *See also AJS Membership Guidelines and Membership Agreement* (Exhibit 1-A); Letter from S. DeMaura to S. Noble (Aug. 25, 2010) (Exhibit 1-B); AJS IRS Form 990 for FY 2008 at Schedule O (Exhibit 2); AJS IRS Form 990 for FY 2009 at Schedule O (Exhibit 3).²

Put simply, the un rebutted facts in this matter clearly demonstrate that during the 2010 election cycle (1) CPPR did not make any donations to AJS for the purpose of furthering a particular electioneering communication or electioneering communications generally, and (2) CPPR did not make any contributions to AJS for the purpose of furthering a particular independent expenditure or independent expenditures generally. Accordingly, AJS was not required as a matter of law to disclose any contributors or donors on its electioneering communications and independent expenditure reports filed with the Commission.

² AJS' autonomous and independent decision-making apart from CPPR and Mr. Noble is further demonstrated by the fact that AJS spent over \$3.1 million on electioneering communications in connection with U.S. Senate races in 2010. *See* FEC Electioneering Communications Reports for Americans for Job Security, available at <http://docquery.fec.gov/cgi-bin/fecimg/?C30001135>. According to the Complaint and the news articles upon which the Complaint relies, U.S. Senate races were not a priority for CPPR and Mr. Noble. Complaint ¶¶ 2, 29-34, 37.

Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 11

II. In Any Event, the Complaint Fails to Meet the “Reason to Believe” Threshold.

Commission regulations provide that a complaint “should contain a clear and concise recitation of the facts which describe a violation of a statute or regulation over which the Commission has jurisdiction.” 11 C.F.R. § 111.4(d)(3). In addition, a “reason to believe” finding that a violation occurred is only appropriate when a complaint sets forth specific facts that, if proven true, would constitute a violation of the Act. *See id.* § 111.4(a), (d). “Unwarranted legal conclusions from asserted facts, or mere speculation, will not be accepted as true.” Statement of Reasons in MUR 4960 (Hillary Rodham Clinton for U.S. Senate Exploratory Committee) at 2 (Dec. 21, 2000) (internal citations omitted). *See also* Statement of Reasons in MUR 5141 (Moran for Congress) at 2 (Mar. 11, 2002) (“A complainant’s unwarranted legal conclusions from asserted facts will not be accepted as true.”).

The Complaint in this matter, which is primarily based on a single *National Review Online* article written over three years after the relevant events occurred, consists of little more than groundless speculation and innuendo. The Complaint relies heavily upon the generalized, unsourced contention that “[Sean] Noble coordinated the disbursement of over \$50 million to several other groups that paid to put the ads on the air,” including “Americans for Job Security.” Complaint ¶ 32. Beyond such vague and unsourced speculation and innuendo, the Complaint fails to provide any credible evidence that CPPR made dues payments to AJS to further any specific electioneering communications or even to finance AJS’ electioneering communications in general. The Complaint likewise does not provide any credible evidence that CPPR made dues payments to AJS to further any specific independent expenditures or even to finance AJS’ independent expenditure activities in general.

Because it fails to meet the “reason to believe” threshold and minimum procedural requirements, the Complaint should be dismissed on this ground alone.

100444001



Jeff S. Jordan, Esq.
Federal Election Commission
July 7, 2014
Page 12

CONCLUSION

For all the reasons set forth above, the Commission should find no reason to believe that AJS and Mr. DeMaura violated FECA and Commission regulations and should promptly dismiss the Complaint.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael E. Toner".

Michael E. Toner
Brandis L. Zehr

16044400124

TABLE OF EXHIBITS

Affidavit of Stephen DeMaura	Exhibit 1
Americans for Job Security "Membership Guidelines" and "Membership Agreement"	Exhibit 1-A
Letter from S. DeMaura to S. Noble (Aug. 25, 2010)	Exhibit 1-B
Letter from S. Noble to S. DeMaura (Aug. 24, 2010)	Exhibit 1-C
Americans for Job Security, IRS Form 990 for FY 2008 (November 1, 2008 – October 31, 2009)	Exhibit 2
Americans for Job Security, IRS Form 990 for FY 2009 (November 1, 2009 – October 31, 2010)	Exhibit 3

16044001-25

EXHIBIT 1
Affidavit of Stephen DeMaura

19044500-140

BEFORE THE FEDERAL ELECTION COMMISSION

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF BUCKS)

MUR 6816

AFFIDAVIT OF STEPHEN DEMAURA

Stephen DeMaura, first being duly sworn, deposes and says:

1. My name is Stephen DeMaura and I am the current President of Americans for Job Security ("AJS"). I have served in that capacity since 2008. AJS is a business league that operates under Section 501(c)(6) of the Internal Revenue Code. I have personal knowledge about AJS' institutional operations and practices, including the electioneering communications and independent expenditures that AJS disseminated during the 2010 election cycle.

2. AJS engages in a large number of programmatic activities to further its exempt purpose of promoting pro-business policies, including the dissemination of issue advocacy communications as well as electioneering communications and independent expenditures. During the 2010 election cycle, AJS sponsored a wide variety of public communications, including electioneering communications and independent expenditures advocating for the election of candidates who supported free market approaches to business issues and for the defeat of candidates who did not

3. AJS has hundreds of members and relies upon dues from its members to finance its various programmatic activities. During AJS' 2008 fiscal year (11/1/2008 - 10/31/2009) and 2009 fiscal year (11/1/2009 - 10/31/2010), AJS members paid dues totaling \$16,016,137. The Center to Protect Patient Rights, Inc. ("CPPR") joined AJS in August 2010 and subsequently paid AJS a total of \$4,800,00 for dues, which comprised only 30% of the total funds that AJS received during its 2008 and 2009 fiscal years.

4. AJS has a longstanding, strict policy of not soliciting or accepting dues payments or donations that are earmarked, designated, or encumbered for any particular program or activity, including for electioneering communications and independent expenditures.

5. In accordance with AJS' longstanding, strict policy of not soliciting or accepting earmarked funds, AJS did not make any solicitations specifically or generally requesting dues or donations to pay for electioneering communications or independent expenditures during 2009 - 2010. During 2009 - 2010, AJS likewise did not accept any dues or donations that were specifically or generally designated by the member or donor to pay for electioneering communications or independent expenditures.

6. AJS' longstanding, strict policy concerning earmarked dues payments or donations is documented in many of the membership materials that are distributed to potential and new members. True and correct copies of AJS' "Membership Guidelines" and "Membership

Agreement") that were distributed to potential and new AJS members in 2009 – 2010 are attached hereto as Exhibit A.

7. After CPPR joined AJS in August 2010, I sent a "thank you" letter to CPPR and its executive director, Sean Noble, in accordance with AJS' standard practices. My letter to Mr. Noble reiterated that CPPR's membership dues were "deposited into our general fund" and that "the allocation of membership dues to our various projects is at the sole discretion of our professional staff and board of directors." A true and correct copy of my letter to Mr. Noble is attached hereto as Exhibit B.

8. CPPR paid a total of \$4,800,000 in dues to AJS during 2010. CPPR included a transmittal letter with each dues payment that it made to AJS during 2010, which confirmed that CPPR's dues payment was for "general support" purposes. A true and correct copy of such a transmittal letter from CPPR to AJS is attached hereto as Exhibit C. At no point did CPPR otherwise indicate to me that its dues payments were being made for the purpose of financing AJS' electioneering communications or independent expenditures.

9. In accordance with AJS' longstanding, strict policy of not soliciting or accepting earmarked dues payments or donations, AJS did not solicit dues or donations from CPPR for the specific or general purpose of financing electioneering communications or independent expenditures, and CPPR's dues payments to AJS were not earmarked or designated for any particular program or activity, including electioneering communications and independent expenditures.

10. During 2009 – 2010, AJS' board of directors and professional staff exercised sole discretion over how AJS' funds were spent, including its electioneering communications and independent expenditures.

11. During the 2010 election cycle, AJS retained several different media vendors, including Crossroads Media, LLC, McCarthy Marcus Hennings, Ltd., and Mentzer Media Services, Inc., to manage AJS' television advertising, both educational and political. AJS' media vendors made recommendations to AJS about the content, timing, and placement of the advertising. However, AJS and its staff supervised its media vendors and ultimately made the final decisions concerning the content, timing, and placement of all AJS advertising, including AJS' electioneering communications and independent expenditures.

12. AJS was actively involved in the development of its advertising, including its electioneering communications and independent expenditures. For example, I reviewed draft scripts and made substantive edits. I also personally attended a number of filming shoots for AJS' television commercials and frequently made substantive content decisions during the filming shoots. AJS' outside counsel and I also reviewed and gave final approval for each advertisement before it was publicly disseminated.

The above information is true and correct to the best of my knowledge and belief.

Stephen DeMaura
Stephen DeMaura

Commonwealth of Pennsylvania – County of Bucks

Subscribed and sworn to before me this 7 day of July, 2014.

Joshua J. McCormick
Signature of Notary Public
My Commission Expires: 12/20/2015

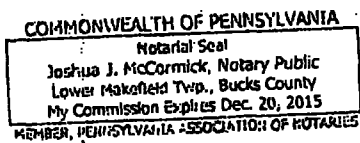


EXHIBIT 1-A
Americans for Job Security
“Membership Guidelines” and “Membership Agreement”

10044400-100



Membership Guidelines

Thank you for considering membership in Americans for Job Security. As you are aware Americans for Job Security engages in a wide range of activities in order to promote and protect pro-growth, pro-jobs economic policies which will further the "common business interests" of our members.

Before choosing to join AJS there are five points below you should be aware of:

- A. Membership dues will be deposited into the general fund of AJS and will support the broad mission and efforts of the organization.
- B. AJS does not discuss or disclose our membership.
- C. The allocation of membership dues to the various activities of AJS is the sole discretion of the professional staff and board of directors.
- D. Membership assessments are allocable to expenditures for lobbying or other expenditures described in section 162(e)(1) of the Internal Revenue Code.
- E. No portion of membership assessments are deductible as a business expense or charitable contributions for federal income tax purposes.

107 South West Street
PMB 551
Alexandria, VA 22314

703-535-3110
703-535-3111 FAX
info@savejobs.org

1-800-444-0011



Americans for Job Security Membership Agreement

Thank you for your trust in the mission of Americans for Job Security. As you are aware Americans for Job Security engages in a wide range of activities in order to promote and protect pro-growth, pro-jobs economic policies which will further the "common business interests" of our members. Please let this agreement serve as a reminder of what your membership dues will be put toward.

THIS AGREEMENT is made this _____ day of _____, 2010, by and between Americans for Job Security (hereinafter called "AJS") and _____ (hereinafter called "Member"). The Member hereby represents that no portion of its dues, assessments, or contributions to AJS are designated for any activities or communications.

- A. Membership dues will be deposited into the general fund of AJS and will support the broad mission and efforts of the organization.
- B. The allocation of membership dues to the various activities of AJS is the sole discretion of the professional staff and board of directors.
- C. Membership dues are allocable to expenditures for lobbying or other expenditures described in section 162(e)(1) of the Internal Revenue Code.
- D. No portion of membership dues are deductible as a business expense or charitable contributions.

Member

Name:

Organization:

Title:

Signature:

Americans for Job Security

Name: Stephen DeMaura

Title: President

Signature: 

107 South West Street
PMB 551
Alexandria, VA 22314

703-535-3110
703-535-3111 FAX
Info@savejobs.org

100444001M

EXHIBIT 1-B

Letter from S. DeMaura to S. Noble (Aug. 25, 2010)

19044400-1MM



August 25, 2010

Sean Noble
The Center to Protect Patients Rights
P.O. Box 72465
Phoenix, AZ 85050

Mr. Noble:

Thank you for your membership in Americans for Job Security (AJS). Your membership will allow AJS to continue to be the leading advocate for pro-business, pro-paycheck policies across America.

Since our founding more than ten years ago, AJS has been at the forefront of an explosion of the marketplace of Ideas. During this time, AJS has spent more than \$60 million dollars putting forth a pro-growth, pro-jobs message to the American people.

Your membership in Americans for Job Security has been deposited into our general fund. We appreciate your support of our broad mission and would like to remind you that the allocation of membership dues to our various projects is at the sole discretion of our professional staff and board of directors.

Also, just a reminder that all of your membership assessments are allocable to expenditures for lobbying or other expenditures described in section 162(e)(1) of the Internal Revenue Code. Therefore, no portion of your membership assessment is deductible as a business expense. In addition, contributions, dues and assessments are not deductible as charitable contributions.

You will find enclosed both a membership agreement and membership guidelines. If you could please sign and return the membership agreement at your convenience it would be greatly appreciated.

Again, thank you for your trust in the mission of Americans for Job Security. If you have any questions, please do not hesitate to call me at 703-535-3110.

Sincerely,

107 South West Street
PMB 551
Alexandria, VA 22314

703-535-3110

Stephen A. DeMaura
President

16047480-1M7

EXHIBIT 1-C

Letter from S. Noble to S. DeMaura (Aug. 24, 2010)

16044400135



THE CENTER ^{to}
**PROTECT
PATIENTS'
RIGHTS**

August 24, 2010

Americans for Job Security
Mr. Steve DeMaura
107 South West Street, PMB 551
Alexandria, VA 22314

Dear Mr. Steve DeMaura,

The Center to Protect Patient Rights, Inc. is pleased to make a general support grant in the amount of \$1,000,000 to support Americans for Job Security. Our federal tax ID number is 26-4683543. The Center to Protect Patient Rights is a 501(c)(4) organization.

Sincerely,

Sean Noble
Executive Director

10044400-1M9

EXHIBIT 2
Americans for Job Security, IRS Form 990 for
FY 2008 (November 1, 2008 – October 31, 2009)

10044400-M

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008Open to Public
Inspection**A** For the 2008 calendar year, or tax year beginning **NOV 1, 2008** and ending **OCT 31, 2009**

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization AMERICANS FOR JOB SECURITY		D Employer identification number 52-2062978
		Doing Business As		E Telephone number (703) 535-3110
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 107 SOUTH WEST STREET, PMB 551		G Gross receipts \$ 3,625,918.
		City or town, state or country, and ZIP + 4 ALEXANDRIA, VA 22314		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
F Name and address of principal officer: STEPHEN DEMAURA SAME AS C ABOVE				
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (6) (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ WWW.SAVEJOBS.ORG				
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶				
L Year of formation: 1998 M State of legal domicile: DC				

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION PERMITS BUSINESSES TO WORK TOGETHER TO PROMOTE A STRONG JOB-CREATING ECONOMY		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	5
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	4
	5 Total number of employees (Part V, line 2a)	5	1
	6 Total number of volunteers (estimate if necessary)	6	4
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	12,251,555.	3,624,654.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	21,610.	1,264.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,273,165.	3,625,918.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	121,000.	201,386.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		6,105.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	12,222,781.	3,283,056.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	12,343,781.	3,490,547.
19 Revenue less expenses. Subtract line 18 from line 12	<70,616.>	135,371.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	571,859.	706,529.
	22 Net assets or fund balances. Subtract line 21 from line 20	571,859.	706,529.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer
STEPHEN DEMAURA
 Type or print name and title

Date

Paid**Preparer's Use Only**
 Preparer's signature
TRONCONI SEGARRA & ASSOCIATES LLP
6390 MAIN STREET, SUITE 200
WILLIAMSVILLE, NY 14221

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

EIN ▶

Phone no. ▶ **716-633-1373**May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

832001 12-18-08

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

16004400-100

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Employer identification number
52-2062978

AMERICANS FOR JOB SECURITY

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IN WHICH WORKERS HAVE GOOD JOB OPPORTUNITIES AND BUSINESSES CAN THRIVE.

THE ORGANIZATION PROMOTES GOVERNMENTAL POLICY THAT REFLECTS ECONOMIC
ISSUES OF THE WORKPLACE.

FORM 990, PART VI, SECTION A, LINE 6: THE ORGANIZATION HAS OVER 100

MEMBERS WHICH PAY MEMBERSHIP FEES THAT ARE DEPOSITED INTO THE GENERAL FUND
AND WILL SUPPORT THE BROAD MISSION AND EFFORTS OF THE ORGANIZATION. THE
ALLOCATION OF DUES TO THE VARIOUS ACTIVITIES OF THE ORGANIZATION WILL BE
DETERMINED BY THE PROFESSIONAL STAFF AND THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 10: A COPY OF THE FORM 990 IS PRESENTED
TO THE ORGANIZATION'S PRESIDENT AND BOARD OF DIRECTORS AND IS ALSO REVIEWED
WITH THE ASSISTANCE OF AN ATTORNEY BEFORE IT IS FILED.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION WILL PROVIDE
COPIES OF EXEMPTION APPLICATION AND THE LAST THREE FORM 990'S. IN
ADDITION, THE ORGANIZATION WILL ALSO PROVIDE COPIES OF ORGANIZATION
DOCUMENTS THAT WERE EXHIBITS OR ATTACHMENTS TO THESE DOCUMENTS BUT NOT
OTHER DOCUMENTS OR POLICIES.

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: THE NOVEMBER COMPANY

(D) DESCRIPTION OF TRANSACTION: MICHAEL DUBKE IS THE OWNER OF THE
NOVEMBER COMPANY AND WAS A FORMER PRESIDENT OF AMERICANS FOR JOB SECURITY
AND NOW PROVIDES MANAGEMENT CONSULTING SERVICES TO THE ORGANIZATION.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

EXHIBIT 3

**Americans for Job Security, IRS Form 990 for
FY 2009 (November 1, 2009 – October 31, 2010)**

100044400-170

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning NOV 1, 2009 and ending OCT 31, 2010

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization AMERICANS FOR JOB SECURITY		D Employer identification number 52-2062978	
		Doing Business As			
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 107 SOUTH WEST STREET, PMB 551			
		City or town, state or country, and ZIP + 4 ALEXANDRIA, VA 22314			
		F Name and address of principal officer: STEPHEN DEMAURA SAME AS C ABOVE			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(6) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				G Gross receipts \$ 12,411,684.	
J Website: WWW.SAVEJOBS.ORG				H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other				H(c) Group exemption number	
				L Year of formation: 1998 M State of legal domicile: DC	

Part I	Summary
---------------	----------------

Activities & Governance		THE ORGANIZATION PERMITS BUSINESSES TO WORK TOGETHER TO PROMOTE A STRONG JOB-CREATING ECONOMY	
1	Briefly describe the organization's mission or most significant activities:	THE ORGANIZATION PERMITS BUSINESSES TO WORK TOGETHER TO PROMOTE A STRONG JOB-CREATING ECONOMY	
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	3
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	2
5	Total number of employees (Part V, line 2a)	5	1
6	Total number of volunteers (estimate if necessary)	6	4
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)		
9	Program service revenue (Part VIII, line 2g)	3,624,654.	12,411,053.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,264.	631.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,625,918.	12,411,684.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	201,386.	179,812.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	6,105.	
b	Total fundraising expenses (Part IX, column (D), line 25)		
17	Other expenses (Part IX, column (A), lines 11a, 11d, 11f-24f)	3,283,056.	12,237,997.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,490,547.	12,417,809.
19	Revenue loss expenses. Subtract line 18 from line 12	135,371.	<6,125.>
Net Assets or Fund Balances		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	706,529.	700,403.
21	Total liabilities (Part X, line 26)		
22	Net assets or fund balances. Subtract line 21 from line 20	706,529.	700,403.

Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer <u>Stephen A. DeMauro</u> Date <u>7/29/11</u>		Type or print name and title STEPHEN DEMAURA	
Paid Preparer's Use Only	Preparer's signature <u>Mildred CPA</u>	Date <u>7-20-11</u>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 TRONCONI SEGARRA & ASSOCIATES LLP 6390 MAIN STREET, SUITE 200 WILLIAMSVILLE, NY 14221			EIN <u> </u> Phone no. <u>716-633-1373</u>

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

AMERICANS FOR JOB SECURITY

Employer identification number
52-2062978

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IN WHICH WORKERS HAVE GOOD JOB OPPORTUNITIES AND BUSINESSES CAN THRIVE.

**THE ORGANIZATION PROMOTES GOVERNMENTAL POLICY THAT REFLECTS ECONOMIC
ISSUES OF THE WORKPLACE.**

**FORM 990, PART VI, SECTION A, LINE 6: THE ORGANIZATION HAS OVER 100
MEMBERS WHICH PAY MEMBERSHIP FEES THAT ARE DEPOSITED INTO THE GENERAL FUND
AND WILL SUPPORT THE BROAD MISSION AND EFFORTS OF THE ORGANIZATION. THE
ALLOCATION OF DUES TO THE VARIOUS ACTIVITIES OF THE ORGANIZATION WILL BE
DETERMINED BY THE PROFESSIONAL STAFF AND THE BOARD OF DIRECTORS.**

**FORM 990, PART VI, SECTION B, LINE 11: A COPY OF THE FORM 990 IS PRESENTED
TO THE ORGANIZATION'S PRESIDENT AND BOARD OF DIRECTORS AND IS ALSO REVIEWED
WITH THE ASSISTANCE OF AN ATTORNEY BEFORE IT IS FILED.**

**FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION WILL PROVIDE
COPIES OF EXEMPTION APPLICATION AND THE LAST THREE FORM 990'S. IN
ADDITION, THE ORGANIZATION WILL ALSO PROVIDE COPIES OF ORGANIZATION
DOCUMENTS THAT WERE EXHIBITS OR ATTACHMENTS TO THESE DOCUMENTS BUT NOT
OTHER DOCUMENTS OR POLICIES.**

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: THE NOVEMBER COMPANY

**(D) DESCRIPTION OF TRANSACTION: MICHAEL DUBKE IS THE OWNER OF THE
NOVEMBER COMPANY AND WAS A FORMER PRESIDENT OF AMERICANS FOR JOB SECURITY
AND NOW PROVIDES MANAGEMENT CONSULTING SERVICES TO THE ORGANIZATION.**