

FEDERAL ELECTION
COMMISSION

2012 OCT 31 PM 2:05

OFFICE OF GENERAL
COUNSEL

October 26, 2012

VIA FEDERAL EXPRESS

Anthony Herman, General Counsel
Office of General Counsel
Federal Election Commission
999 E. Street, N.W.,
Washington, D.C. 20463

MUR # **6678****Re: Complaint Regarding Violation of Federal Election Campaign Act**

Dear Mr. Herman:

I am one of the proponents of Los Angeles County Measure B, a citizen-sponsored initiative on the November 6, 2012 general election ballot, and President of AIDS Healthcare Foundation, sponsor of the Yes on B committee. On behalf of the proponents and supporters of Measure B, we urge the Federal Election Commission ("FEC" or "Commission") to exercise its authority under 2 U.S.C. section 437c(b), and commence enforcement proceedings against Manwin Licensing International S.A.R.L., Manwin USA, Inc., Fabian Thylmann, Andrew Link, and No on Government Waste, No on Measure B-Major Funding by Manwin USA Committee, for violations of the prohibition against foreign national contributions contained in the Federal Election Campaign Act ("FECA"), as amended, and Commission regulations.

FACTS

The November 6, 2012 election in Los Angeles County, California features Measure B, the County of Los Angeles Safer Sex in the Adult Film Industry Act. This initiative, if approved by the voters, would, among other things, require producers of adult films occurring in the County to obtain public health permits prior to filming, and would require actors to wear condoms during the production of those films.

The "No on Government Waste, No on Measure B-Major Funding by Manwin USA" committee (Cal. FPPC I.D. No. 1350444) ("No on B Committee") is a local ballot measure committee formed to oppose the passage of Measure B. As its name suggests, major funding for the No on B Committee comes from Manwin USA, Inc., a Delaware corporation ("Manwin USA").

Manwin USA's parent company, Manwin Licensing International S.A.R.L. ("Manwin International") was incorporated in Luxembourg by Mr. Thylmann in 2007. Manwin International lists its address as 32 Boulevard Royal, L-2449 Luxembourg City, Luxembourg, on

its website. Manwin is one of the leading distributors of pornographic materials in the world. In an article last year, *New York* magazine referred to Mr. Thylmann, Manwin's founder, as a "German" who is "likely the biggest porn tycoon on the planet." (See Benjamin Wallace, *The Geek-Kings of Smut*, New York Magazine, Jan. 30, 2011, copy enclosed.) Based on public resources, I am informed and believe that Mr. Thylmann resides in Aachen, Germany, about 145 kilometers from Brussels, Belgium.

According to the Statement of Information that Manwin USA filed with the California Secretary of State on May 24, 2012, Manwin USA's Chief Executive Officer is Fabian Thylmann. (See Statement of Information, copy enclosed.) The address listed for Mr. Thylmann on that form is 1950 Kraainem, Chaussée de Malines, 455 Brussels, Belgium. Manwin USA's only other officer is Andrew Link, who is listed as the company's Secretary and Chief Financial Officer. His address is listed as 7777 Decarle Blvd., Suite 300, Montréal, Québec, Canada HP 2H2. Based on information and belief, both Mr. Thylmann and Mr. Link are non-citizens of the United States. In fact, in a search of public records, Mr. Thylmann does not appear in any databases identifying him as a U.S. citizen, a registered alien, or having a residence in the United States.

According to the Committee's Recipient Committee Campaign Statement (California FPPC Form 460, copy enclosed) filed on October 10, 2012 and covering the period from January 1, 2012 through September 30, 2012, the Committee received a total of \$118,835.00 in contributions. (See Form 460, filed Oct. 10, 2012, at p. 3, copy enclosed.) Of this total amount, Manwin USA contributed \$75,000, which the Committee reported receiving on September 16, 2012. (See Form 460, at p. 4.) Manwin USA is by far the largest campaign contributor to the Committee and is, in fact, the "sponsor" of the Committee under state campaign finance rules. (See Form 460, at 4-6; Cal. Gov. Code § 82048.7, copy enclosed.)

In addition to the monetary contributions made to the Committee, Manwin USA operates a number of sexually explicit adult entertainment websites, many of which are currently carrying banner ads for the No on Measure B campaign. (See www.pornhub.com.) The ads link to the main No on Measure B website. (See www.noongovernmentwaste.com.) On its campaign report, Manwin USA lists its address as 2300 W. Empire Ave., 7th Floor, Burbank, CA 91504.¹

ANALYSIS

Section 441e of the FECA prohibits foreign nationals from making contributions, directly or indirectly, in federal, state and local elections. Section 441e provides:

(a) Prohibition

It shall be unlawful for -

(1) a foreign national, directly or indirectly, to make -

(A) a contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation, in connection with a Federal, State, or local election;

¹ Manwin USA's May 2012 Statement of Information listed its principal executive office as 2706 Media Center Drive, Los Angeles, CA 90065. However, this office is vacant.

(B) a contribution or donation to a committee of a political party; or
(C) an expenditure, independent expenditure, or disbursement for an electioneering communication (within the meaning of section 434(f)(3) of this title); or
(2) a person to solicit, accept, or receive a contribution or donation described in subparagraph (A) or (B) of paragraph (1) from a foreign national.

(b) "Foreign national" defined

As used in this section, the term "foreign national" means -

(1) a foreign principal, as such term is defined by section 611(b) of title 22, except that the term "foreign national" shall not include any individual who is a citizen of the United States; or
(2) an individual who is not a citizen of the United States or a national of the United States (as defined in section 1101(a)(22) of title 8) and who is not lawfully admitted for permanent residence, as defined by section 1101(a)(20) of title 8.

(2 U.S.C. § 441e.)

If Manwin USA derives all or some of its profits and/or funds from Manwin International's operations, Manwin International is directly or indirectly funding the No on B Committee through Manwin USA. Thus, Manwin International would be in violation of the prohibitions contained in Section 441e.

Moreover, according to 11 CFR 110.20(i):

A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person, such as a corporation, labor organization, political committee, or political organization with regard to such person's Federal or non-Federal election-related activities, such as decisions concerning the making of contributions, donations, expenditures, or disbursements in connection with elections for any Federal, State, or local office or decisions concerning the administration of a political committee.

Mr. Thylmann and Mr. Link, who we believe are both foreign nationals, are *the* decision-makers for Manwin USA. Manwin USA is the sponsor of the No on B Committee, a political committee established to defeat County Measure B. Manwin USA has made substantial monetary contributions to the No on B Committee, and is funding banner ads that oppose Measure B and provide a link to a website operated by the Committee for the purpose of defeating Measure B at the polls. By making decisions regarding Manwin USA's contributions to the No on B

Committee and other expenditures in opposition to Measure B, Mr. Thylmann and Mr. Link, have violated the provisions of Section 441e and 11 CFR 110.20(i).

Moreover, as the sponsor of the No on B Committee, Manwin USA and its principals by definition are involved in decision-making regarding the solicitation of contributions and the making of expenditures by the political committee. (See Cal. Gov. Code § 82048.7.) Therefore, Manwin USA, Thylmann and Link are violating the federal prohibitions as a result of their decision-making roles with the No on B Committee.

Finally, according to 11 CFR 110.20(h):

- (1) No person shall knowingly provide substantial assistance in the solicitation, making, acceptance, or receipt of a contribution or donation prohibited [by this section] [and]
- (2) No person shall knowingly provide substantial assistance in the making of an expenditure, independent expenditure, or disbursement prohibited [by this section]

In the present case, the No on B Committee has knowingly provided substantial assistance in the solicitation, making, acceptance, or receipt of prohibited contributions, expenditures or disbursements by Thylmann, Link, Manwin USA or Manwin International. Moreover, Thylmann, Link and Manwin USA knowingly assisted the No on B Committee with soliciting, accepting or receiving contributions prohibited under FECA.

SUMMARY

The proponents and supporters of Measure B seek a full and immediate investigation into the above violations of the FECA and Commission regulations by Manwin International, Manwin USA, Fabian Thylmann, Andrew Link, and the No on B Committee. Immediate action is necessary to protect the integrity of the November 6, County of Los Angeles election, and to prevent further violations of the FECA and Commission regulations by these foreign principals.

We thank you for your prompt attention to this matter.

Sincerely,

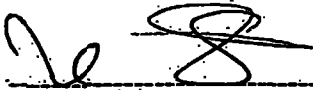
Michael Weinstein
President
AIDS Healthcare Foundation
6255 W. Sunset Blvd. 21st Fl.
Los Angeles, CA 90028
USA

Cc: Daniel A. Petalas, Associate General Counsel for Enforcement

VERIFICATION

I hereby verify that the statements in the attached complaint above are true and accurate to the best of my knowledge, information and belief.

Sworn pursuant to 18 U.S.C. § 1001.

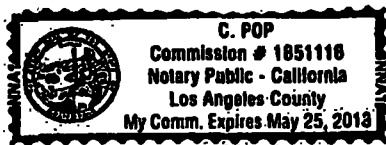



Michael Weinstein

Signed and sworn to before me on this 26 day of October, 2012.



Notary Public



State of California, County of Los Angeles
Subscribed and sworn to (or affirmed) before me
on this 26 day of October, 20 12.
by Michael Weinstein
proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.
Signature: 

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On October 26, 2012 before me,

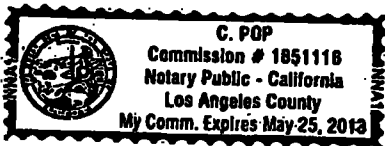
C. Pop, Notary Public

Here Insert Name and Title of the Officer

personally appeared

Michael Weinstein

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

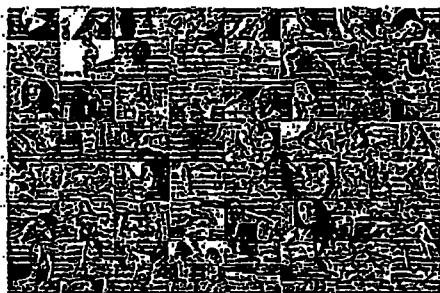
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New York

The Geek-Kings of Smut

After once being the best thing that ever happened to porn, the Internet is now wreaking havoc: destroying some fortunes, making bigger ones, and serving as a stimulus plan, in more ways than one.

By Benjamin Wallace Published Jan 30, 2011



For one brief moment here at the 2011 Adult Video Awards in Las Vegas, America's porn performers can forget about the Golden Decade of the Teen Wanker and remember when they were stars. Tonight, all of them, the whole porn carnival, are vamping down the red carpet at the Palms Casino.

There are actual midgets. There is self-styled fakir Murrugun the Mystic, who has been nominated for Most Outrageous Sex Scene: swallowing a sword "while she swallows my sword," as he puts it. There are the Oscar-ishy glammed-up ladies with titanic breasts and twitchy Restylane smiles. There is—yes, here he comes—Ron "The Hedgehog" Jeremy: The starriest living male porn star ambles along the carpet in a sad, grubby collar and with an air of existential depletion. And now, the announcer is introducing Joslyn James as "Tiger Woods's ex-girlfriend," fresh from her appearance in the scandal-milking *The Eleventh Hole*.

Maybe you've seen it. Did you pay for it? This evening, if only for a few hours, the industry is doing its best to ignore the explosion of free porn online that has made the early-21st century such a bonanza for masturbators. It's difficult. The Adult Entertainment Expo taking place simultaneously at the Sands has scaled back dramatically; Vivid and Adam & Eve, two of the best-known companies in the business, didn't even have booths on the main floor this year. There are no Jenna Jamesons on this red carpet, and even the idea of a porn A-list seems dated. Performers are making less money, working harder for it, getting fewer jobs. "It doesn't affect me that much—well, I guess less work—but my friends with companies are being put out of business," Ron Jeremy says, pausing before the media gauntlet. He mentions one who has been forced to diversify into "cookies, penis pills, and a blender."

For a decade or so, to the porn industry, the Internet looked like the best thing ever invented—a distribution chute liberating it from the trench-coat ghetto of brown paper wrappers and seedy adult bookstores, an E-Z Pass to a vast untapped bedroom audience. If it was equally apparent that the web would prove as destabilizing as it has for other media, the money was so good that the industry could ignore the warning signs. Now the reckoning has arrived.

The chief culprits in the eyes of the porn Establishment are the "tube sites," YouTube-like repositories of content that is often free, and often pirated. "Tubes are going to destroy our industry," says Sunny Leone, 29, an Indian-American knockout who is celebrating eight nominations this evening. "Fans don't understand that if they don't pay for porn, we can't make a living. They'll have to watch crazy European porn."

Farther along the red carpet, as the porn parade navigates the throng of gawkers to enter the Pearl Theater, actor James Bartholet shouts to the onlookers, "Buy your porn, don't download it illegally!" During the impressively slick ceremony, piracy is an anxious leitmotif. "Thank you for paying for porn," says Joanna Angel, accepting the award for Best Porn Star Website. Then, with a less-carrot-more-stick approach, an anti-piracy PSA plays on the big screen, ending with the admonition: "Buy the fucking movies."

The audience erupts in cheers.

There you are, Porn Surfer, Googling your way to a little adult material—you know, a little plain-vanilla, middle-of-the-road *grown-up content*—when, wham, you've dropped acid and been astrally projected into a triple-X pachinko parlor. One minute you're trawling for a simple NSFW divertissement, and the next you're in free fall through this insane, cross-linking wilderness-of-mirrors chaos of pop-ups and pop-unders and portals and paysites. And, wait, why is someone named Jasmin talking to you in that browser window that just opened, as if you'd accidentally paid for a live cam show? Even after you figure out that she's a canned come-on for a streaming site, you're still befuddled. You click on an image, only to find yourself being shuttled from one site to another, unsure of what's free and what's not, what's a destination and what's merely a billboard for one, who's an amateur and who's a pro, who owns what and how it's all connected. You start to nurse a deep suspicion that there's more going on here than you can see—that there is some intricate, invisible web of revenue-sharing and traffic-trading and content-licensing at work. Which, of course, there is.

Until the invention of the tubes, online porn was relatively simple to watch and lucrative to sell. With very little money and a *For Dummies*-level understanding of HTML code, anyone could put up a web page featuring a list of text links to other porn websites. If a surfer clicked on one of the links, he would be directed to a paysite; the paysite would pay the referring site a tiny amount for the traffic, and kick back a more substantial amount if the surfer ended up subscribing to the site. Over time, link collections evolved to the more visual formats of "thumbnail-gallery pages" and "movie-gallery pages," where instead of a list of text links, you'd see a mosaic of snapshot links or, say, eight-second movie-clip links. TGP's, as they were called, drew more traffic than link collections and "converted" better—that is, a higher percentage of surfers signed up for billed memberships. MGP's were more effective still. The paysites would supply these "affiliates" with the snapshots and clips for free, and the online porn universe came to consist of a relatively small number of paysites surrounded by many thousands of affiliates.



1500-1530 Noon

1500-1530 Noon

1500-1530 Noon

1500-1530 Noon

1500-1530 Noon

1500-1530 Noon

In fact, Youssef had already helped launch a tube site of his own. In January 2007, Matt Keezer, another of Brazzers' creators, had bought the domain name pornhub.com for \$2,750 from a speculator Keezer had met the previous year at the Playboy Mansion. PornHub went online as a tube site in early 2007. It was owned by a separate company called Interhub, but the Brazzers group were silent partners. Brazzers and the tube sites were owned by the same people and run out of the same office.

The Brazzers founders had gotten their start in the industry four years earlier, as 22-year-old Montreal techies bonding over a bar game. Youssef and Stephane Manos, friends at Concordia University, had met Keezer on, of all places, the competitive-Foosball circuit. Keezer was the best player and biggest enthusiast—he had helped stream live Foosball-training sessions online, and drawn praise for his wicked push shot—but all three liked to play, and Keezer and Youssef traveled across the States to compete. In 2003, while still students, Keezer, Manos, and Youssef, along with Youssef's brother and another friend from Concordia, started some TGP and MGP sites including Jugg World, Ass Listing, KeezMovies, and XXX Rated Chicks. At first, they focused on busty women, "because the big-tits niche was so cheap," explains Feras Antoon, the company's current CEO. Then "they saw, wow, that tit niche is huge. Then they realized that the MILF niche—the older-woman niche—is even bigger. And they became the masters of the big-tit-MILF niche."

They were making good, easy money, and they rapidly expanded, creating their own affiliate network (Jugg Cash) and their own paysite, Brazzers. Several of the founders were of Middle Eastern extraction, and the name was their private joke, a throaty immigrant-Arabonics version of "brothers." They contracted with producers in Los Angeles, and later Las Vegas and Miami, to create content (which they charged for), and Brazzers drew notice for its high-quality productions. "They changed the face of porn," says Lux Alptraum, editor of *Fleshbot*, who ascribes the resurgence of breast implants in the industry to the Brazzers signature look.

"They never imagined they would grow that big," Antoon says. "Who would have?" Soon Brazzers was rolling out more sites: JugFuckers, DoctorAdventures, RacksAndBlacks ... Eventually, in addition to the Brazzers paysites, the company would build a second network, Mofos, featuring lesser-known girls doing more-extreme things. They slept in the office, worked weekends, bought houses near each other in the Montreal suburb of Laval. As their need for manpower exploded, they hired friends, neighbors, classmates—loyalists who could learn on the fly and pitch in as needed (Antoon, for instance, is Manos's brother-in-law). Every year, the company nearly doubled in size. They had 80 employees in 2007, 150 in 2008, 250 in 2009. Youssef was the business visionary, Manos the salesman and motivator, Keezer the savant of search-engine optimization. "He's a master," Antoon says. "By far the best in the world, in my opinion. Who can get 'porn' and 'sex' to be No. 1? We're the No. 1 result [for each]. You know how hard that is?" (In a recent search, Pornhub.com came up as the No. 2 Google result for "sex" and No. 3

for "porn.")



AlphaHarlot (real name: Liz) on xTube.

In December 2007, the same month that Vivid sued PornoTube, rumors began to circulate in the industry that Brazzers also owned the increasingly successful and much-loathed PornHub. When GFY's amateur sleuths turned up connections between domain names and corporate registrations that suggested common ownership, "Brazzer" (a.k.a. Youssef) responded vaguely that he had been "approached" about starting a tube

site but had "refused" because "it would be 100 percent against the core interests of our business." This answer did nothing to dispel suspicions, and Brazzers quickly came to be viewed by its many industry critics as an almost *The Firm*-like criminal corporation. On GFY, the founders were scorned as "thieves," "a cancer," and "foosball faggots." At trade shows they kept a low profile. "They'd probably get their asses beat," says Jason Quinlan, from LordsOfPorn.com, who says traffic to his company's paysites has declined 40 percent in the last four years.

But the Brazzers crew, who were adding other tube sites to their portfolio (Tube8, ExtremeTube), took it all in stride. And plenty of companies did do business with PornHub, unable to resist the lure of its traffic. "We call them keyboard warriors," Antoon says of the GFY trash talkers. "When we see them, they buy us drinks."

The woman on my MacBook screen, whose username is xTattooSurprisex, has punky two-tone hair and wears a scoop-neck top that reveals her ample chest and a clavicle tattoo reading BEAUTIFUL DISASTER. I chose xTattooSurprisex for my "private chat" because she looked American. (Most of the girls on LiveJasmin.com, the biggest cam site, seem to be from Russia.) When I tell her I'm a journalist and just want to talk, Roxy, as she introduces herself, immediately types that she is camming "not by choice."

Roxy moved to New Mexico from Washington State to get away from her alcoholic mother, who, she says, was stalking her and caused her to lose her job at the Cheesecake Factory. She's 20, and has been doing this since July. She says that she was going to lose her house if she didn't get a job, and the money's not bad. I'm paying LiveJasmin \$1.99 per minute, of which Roxy receives about 70 cents. She tells me she might make \$1,200 a month. She doesn't want to do this forever, but at times it can be fun, most of the guys are nice, and she just ignores the mean ones. Some of her orgasms are fake, she says, and some are real.

Unlike recorded porn, live cams are immune to piracy, which has made them especially successful as a business proposition. In this sense, the cams function as anti-tubes, but the two technologies have together opened up an entirely new

frottage industry, so to speak: a grassroots, DIY porn democracy where anyone with a bedroom, a cam, and a web connection can set up as a one-woman or -man operation. LiveJasmin has some 40,000 registered cammers. "Today," porn distributor Farrell Timlake says, "cams are the closest thing to amateur."

"Amateur" is a semantically slippery term, as Timlake will tell you. A graduate of the Kent School in Connecticut, he spent a good deal of the early nineties submitting his own home sex tapes to Homegrown Video, which functioned as a kind of VHS video exchange for swingers. In 1992, he and his brother Moffitt (Exeter and Stanford), bankrolled by their mother, bought out the company, which they run together and which has, so they plausibly claim, the largest library of amateur videos in the world. Since then, Farrell and Moffitt have watched "amateur" move from almost a fringe fetish to one of pornography's most popular aesthetics—and, as such, one co-opted by the pros.

Pretty much all the porn labeled "gonzo" and "reality" these days is a put-on, Timlake insists. In the Dancing Bear series, a male stripper wearing an enormous bear head performs for a bachelorette party until several fairly respectable-looking women suddenly lose control and start fellating him. "That stuff looks pretty real," he says. "It takes a minute, but where are there roomfuls of women willing to have sex with a guy?" Watch a few of them, and you'll notice the same women reappearing. Another series, Dare Dorm, claims to pay real college kids for tapes of campus orgies, but Timlake isn't buying it. "I can always tell, because most college kids can't afford as many tattoos as those people have." Occasionally, as in Fuck Team Five and Fuck a Fan, a series will be a pro-am hybrid, in which porn stars have sex with civilians (though even they are likely cast). A recent vogue for "ex-girlfriend porn"—purportedly uploaded by vengeful former boyfriends—democratizes the celebrity sex tape but is also phony (actual unauthorized home videos would pose legal risks to the hosting websites).

If you expand the idea of amateur, though, to encompass a whole new set of outsiders for whom cam sites and tubes have provided a cheap, almost barrierless way to make, distribute, and sell videos of themselves having sex, well, then, we're living in a grand age of micro-smut, a burgeoning empire of lemonade-stand porn. xTube, for instance, offers a mix of straight and gay movies, some of which are free, others pay-per-view. The majority of xTube's content was made by a professional studio, but the site's "amateur" section allows any of its visitors to upload content. A frequent uploader with the username Tnhotbtm has been on the site for six months. "I enjoyed the videos I was viewing personally, so I decided to add my own," says Tnhotbtm, whose real name is Rob. "I never really liked mainstream porn. I always like guys that look like you could walk up and talk to them in a club, not the perfect shaved guys that never give you the time of day." Rob had dabbled in shooting his own, self-starring movies, and for the last ten years he had sold them as DVDs through his website atticmen.com or streamed through video-on-demand companies. Then he lost his job as a corporate auditor and started trying to use the

tubes to do this full-time. Rob lives in a "small, small town" in the Bible Belt, and when people ask him what he does, he says he shoots wedding and special-event videos. ("If they only knew how special ...")

On xTube, he puts up free previews meant to lure viewers to his pay-per-view content, which he sells for 50 cents a minute. Rob says the average viewer watches ten minutes; of that \$5, he gets to keep 50 percent, minus a small processing charge. A video he uploaded the week before we speak has been viewed 2,470 times, but a lot of the viewers watched only the free preview, so he has made just \$125 from it. But he says he's earning around \$1,500 every two weeks from xTube, more than he was making in his corporate gig. "The key is keeping new stuff up and answering your friend requests and private messages," he says. "It's good to know just how much they like my stuff, and what they would like to see in the future."

If Rob is just getting started on xTube, a Boston male couple who go by the names Cole Maverick and Hunter are its Tila Tequilas. Cole, a former welder who got his masters in psychology, met Hunter, who had grown up in a devout Mormon family, when he was a college freshman. They've been together for ten years. Cole had always been a compulsive picture-taker, and four years ago, on a whim, he uploaded a few snapshots to xTube, followed by some movie clips and, later, movies featuring them with other men, often fans. They weren't prepared for the enormous popularity that has ensued. Their videos have been viewed more than 90 million times on xTube, where they are currently the "most favorited" submitter. "I remember the first time we posted one and got our first check. I said, 'Why doesn't everyone do this?'" Cole says. They now film full-time and clear "a nice six-figure income," according to Hunter.

"Our main goal," Cole says, "was to take gay sex out of the dark, leathery guilt-ridden realm, into fun sex, in the sun, in an honest, open relationship. We get so many inspiring messages from guys and girls who love what we're doing."

Paradoxically, as Cole and Hunter have thrived on the tubes, they have experienced the underbelly as well, increasingly finding their films pirated on tube sites, including xTube and PornHub. "They're big thieves," Cole says of the tubes.

In October 2009, the U.S. Secret Service's Organized Fraud Task Force in Atlanta seized about \$6.4 million in funds from two Fidelity bank accounts controlled by Mansef, the Brazzers holding company. By this point, the company was already experiencing internal troubles. Matt Keezer had left earlier that year; his brother Phil then joined as CEO, only to leave within a few months. At least some of the founders had grown concerned for their safety and hired security guards, who for several months patrolled their neighborhood 24 hours a day in SUVs with tinted windows.

In response to the asset seizure, Mansef claimed that it had opened the Fidelity accounts simply to ease payment processing in the U.S., but the Feds said that more than \$9 million had been wired into the two accounts over a three-month period from banks in Israel and other countries on financial-fraud watch lists. The

founders decided it was time to sell the company and get out of the industry altogether, and within a few months, the auteurs behind TeensLikeItBig and InGangWeBang had receded into a search-engine-optimized fog of web spam and redundant social-media profiles. One of Ouissam Youssef's LinkedIn appearances states that he obtained his M.B.A. from the Wharton School of Business and is a special consultant at Accenture Plus Limited in Monaco. (Wharton has no record of his attendance, Accenture Plus Limited doesn't exist, and plain old Accenture says he has never worked for the firm.) Only near the bottom of page three of Stephane Manos's well-scrubbed Google results does one glimpse his connection to Brazzers. Meanwhile, you wouldn't believe how philanthropic these guys are. Youssef hopes to build "a foundation that will help impoverished children play organized sports," his website announces. Manos, per his blog, is a "charity contributor." As for Matt Keezer, he "strongly believes in our children of the world and supports UNICEF's Canadian programs."

Mansef's and Interhub's assets were sold to a German named Fabian Thylmann. One of the less heralded aspects of the migration of the world's skin flicks online has been a sociological shift among those who make and distribute them. Unlike the gold-chain-wearers of yesteryear—the *Boogie Nights*-style performers turned directors and photographers turned producers—the new pornographers are as likely to be software engineers: masters of affiliate marketing, search-engine optimization, and traffic-conversion ratios. The Brazzers founders were hardly lady-killers. (According to Antoon, not one ever set foot on a porn set.) And Thylmann is blunt when talking about how he got into the business: "I was a geek," he says, from his home in Aachen, Germany.

Thylmann has been programming since he was 17. He began writing software to collect Internet-traffic statistics, and because porn was generating most of the web's traffic, he ended up getting work writing code for adult websites. In the early aughts, he wrote an affiliate-tracking software package called NATS that came to dominate the industry. By late 2006, he had cashed out of the company he had co-founded and started looking around for other companies to buy.

His first purchase was PrivatAmateur, a micro-smut site that "was doing tube-ish logic, it just wasn't free." He found that by making some simple tweaks he was able to double profits within three months. "That's basically where I figured out that it seems to be an awfully good thing to buy adult websites in the current climate, because you can get things cheap, and there are obvious ways to improve what they're doing." In the last few years, Thylmann has been on an acquisitions tear. He bought another European amateur site (MyDirtyHobby), a cam site (Webcams.com), and xTube. By March 2010, he owned both Mansef's and Interhub's assets, too, including the Brazzers and Mofos paysite networks and four tube sites. GFYers gossiped that he spent \$140 million on the purchase, which Thylmann confirms is "close enough."

"I get excited making videos. xTube gave me another outlet for my sexual energy, so I stopped slutting around in real life."

Since then, the company has been making a strong bid for respectability. Right away, Thylmann changed the corporate name to Manwin and sponsored a safe-sex campaign, "Get Rubber," featuring porn-star PSAs and a billboard in Times Square. He spent \$1 million to license nonexclusive content, buying 22,000 DVDs containing 100,000 scenes, and adopted anti-piracy digital-fingerprinting software.

Between December 2009 and December 2010, Manwin says, its pretax earnings increased more than 40 percent. The tube sites are responsible for half of that growth—and now for half of the company's bottom line. But Manwin is also diversifying, from a Fleshbot-style industry blog called ZZ Insider to more mainstream fare. In June, Manwin launched Videobash.com, a Funny or Die knockoff, and in November it rolled out TMZ-like Celebs.com. The company is also one of the two leaders in mobile-phone porn in North America, handling 4.5 million visitors a day. And Thylmann has continued to make acquisitions, both within the Manwin corporate umbrella (a tube site named Spankwire) and without (a company called Eurorevenue, with a network of European paysites). Thylmann now has 500 employees, including 324 in the Manwin office in Montreal. He owns four of the ten most trafficked tube sites. His Brazzers and Mofos brands shoot around 120 scenes a month. At 32, he is likely the biggest porn tycoon on the planet.

"It's a huge misconception that the industry is doing badly," Feras Antoon tells me over rib eye and lobster tail at Delmonico, the Emeril Lagasse steakhouse at the Venetian in Las Vegas. "It's moved on. It's as simple as that." And he insists that the tubes haven't cannibalized paid content: People who consume only free porn, he argues, are people who, in the past, would not have consumed any. The people who paid for porn then will still pay for it now. Plus the tube sites have so vastly enlarged the total universe of porn consumers that the number of those who pay has ballooned along with it. Ten years ago, total daily adult-site traffic averaged less than 1 million unique visitors—on the entire Internet; today Manwin's tube sites alone get 42 million daily uniques. "I personally have one or two memberships," Antoon says jovially, "and I still go to the tubes. I get my appetizer on the tubes, my main course on one of the sites."

This line of reasoning makes sense to Farrell Timlake, who uploads sponsored clips to PornHub and credits the brand exposure with a 50 percent increase in "organic" traffic—the desirable, high-converting surfers who start by typing a paysite's name into a Google search box—and a 100 percent increase in video submittals to Homegrown. "One thing is for sure," he says. "'Free porn' has not killed the industry. It has killed those unwilling to realize that it was just as easy to jerk off for free to the TGP-MGP stuff."

But this is hardly the consensus opinion. Allie Chase, operator of solo-site NaughtyAllie.com, takes issue even with the five-minute trailers that plenty of producers deliberately upload to tube sites in the hope of whetting appetites. "Do you honestly think that your average guy watching a five-minute porn, or several of them, won't be able to get off? Of course he will. And once he's shot his load all over his keyboard after watching my free five-minute video, he certainly isn't going to be pulling out a credit card to join my site." Manwin, in fact, has studied the question of optimal clip length. "We tested one minute, three minutes, five minutes," Antoon says. "The best converting for the content owner is three minutes. The best for the tube sites—for the surfer to come back and back—is five minutes. So we always ask for three to five. We don't mind if they send us seven to nine."

It's also unclear whether piracy can ever be contained. Besides tube sites, the industry must contend with torrent sites and cyberlockers. And for every tube that goes legit, a hundred new rogue ones pop up. Vivid's Steven Hirsch sees it as a cat-and-mouse game. Under the DMCA, the onus is on piracy victims to monitor tube sites and send takedown notices. Hirsch has nothing bad to say about Manwin ("My dealings with them have been very fair, and our stuff isn't up on Pornhub, so I take them at their word," he says), but even if the sites are good about complying, the content can be reuploaded minutes later. Hirsch holds out hope for legislation, passed by a Senate panel in November, that would allow victims to get pirate sites shut down entirely.

Marc Randazza, a San Diego-based First Amendment lawyer who represents porn companies and sued Manwin in November, citing pirated content on Spankwire, remains unconvinced by Manwin's conversion to solid corporate citizen. "I guess they're trying to come to the surface," he says, "but I still think they have a toxic business model." We are sitting at a cluster of slot machines in the Venetian and discussing the woes of Porn Valley, as the traditional bricks-and-mortar, L.A.-based industry is known. For all the work-from-home opportunities afforded by the new universe of micro-smut, professional porn continues to hold an allure. A few minutes into our conversation, a middle-aged guy in a plaid shirt walks hesitantly toward us, leering at our trade-show lanyards printed with the logo bang bros. Almost shyly, he asks, "How would I get into that?"

"You mean become a performer?" Randazza asks.

The man nods.

Randazza looks at him wearily, like he gets this all the time. "Honestly," Randazza says, "the gay side's where all the money is. There might be 30 straight guys who can make a living at it, but if you're willing to get fucked in the ass, I can get you five grand right now."

The man's smile quavers, and he backs away.

However the industry ultimately reshapes itself to accommodate the twin threats of free and stolen content, the broader legacy of the tubes may have

little to do with the high-gloss, professionally made porn that they have imperiled. More than anything, the tubes have the potential to change the viewer's relationship to erotica itself. On some tubes, gigabytes of home movies are being uploaded and streamed without any money changing hands. There, consumers can also be producers. Posting can be as arousing as watching. We are all porn stars, if we want to be. Maybe porn isn't even really the right word for it anymore, as it evolves from something made to be watched to something made to be shared.

On xTube, of the videos submitted to the amateur portion of the site, only 20 percent are pay-per-view; the other 80 percent are evidently uploaded for kicks. Consider AlphaHarlot, a regular contributor to the site. Her real name is Liz. She's 30 and lives in Clifton, New Jersey, where by day she works as an accountant. Two years ago, she started uploading videos to xTube, which her boyfriend at the time had done. "When I joined I was in kind of a weird place," she says, "dating that guy plus a bunch of others that were more like one-night stands than relationships. And xTube gave me another outlet for that sexual energy, so I stopped slutting around in real life. xTube made me feel better about myself."

She eased into it, starting with photos. After loving the response she got, she moved to faceless videos, and ultimately to showing her face. She now has over 4,000 "friends" following her on xTube. She has been recognized twice in public, once in the Bath & Body Works at the Garden State Plaza. Some of the nearly 150 videos she has posted show her with a woman or with a man—she lives "a polyamorous lifestyle"—but most show her alone, masturbating or performing a fetish at the request of one of her fans.

Liz has never sought to make money from her videos. "I get excited making them, posting them, and seeing how people react," she says. She fears it would be less fun—more like a job—if she charged. "xTube is my family. It has completely altered how I see people. It's made me realize there are people out there who understand there's more to the world than black-and-white sexuality, that everyone fits in somewhere."

Still, even Liz, who lets people watch her videos for free, doesn't like to see her content show up on other websites. A few times a month, one of her vigilant xTube fans will alert her to an instance of piracy. Usually, after she contacts a site, they'll remove the video; sometimes they argue. "You want control of where your stuff appears," she says. "Stolen porn irks the hell out of me." She tries, at least once a month, to buy a DVD from an adult video store, "so I feel like I'm giving back a little."

Note: This article has been updated with the following correction. Vivid Entertainment's online revenue projections are off 50 percent, not its online revenues.

12-067612



State of California Secretary of State

F

Statement of Information (Foreign Corporation)

FEES (Filing and Disclosure): \$25.00.
If this is an amendment, see instructions.

IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FILED
In the office of the Secretary of State
of the State of California

MAY 24 2012

1. CORPORATE NAME
MANWIN USA, INC.

2. CALIFORNIA CORPORATE NUMBER 3395522

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.
☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to item 13.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

	CITY	STATE	ZIP CODE
4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE 2706 Media Center Drive	Los Angeles	CA	90065
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY 2706 Media Center Drive	Los Angeles	CA	90065
6. MAILING ADDRESS OF THE CORPORATION, IF DIFFERENT THAN ITEM 5 2706 Media Center Drive	Los Angeles	CA	90065

Names and Complete Addresses of the Following Officers: (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

	ADDRESS	CITY	STATE	ZIP CODE
7. CHIEF EXECUTIVE OFFICER/ Fabian Thylmann	1950 Kraalnem	Chausee de Malines 466	Brussels, Belgium	
8. SECRETARY Andrew Link	7777 Decarie Blvd., Suite 300	Montreal, Quebec	CAN	H4P 2H2
9. CHIEF FINANCIAL OFFICER/ Andrew Link	7777 Decarie Blvd., Suite 300	Montreal, Quebec	CAN	H4P 2H2

Agent for Service of Process If the agent is an individual, the agent must reside in California and item 11 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and item 11 must be left blank.

10. NAME OF AGENT FOR SERVICE OF PROCESS

CT Corporation System

C016 8404

11. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY

STATE ZIP CODE
CA

Type of Business

12. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
Entertainment

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

5/18/12
DATE

Andrew Link

Secretary

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE

SI-350 (REV 01/2012)

APPROVED BY SECRETARY OF STATE

41.27917

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "MANWIN USA, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SECOND DAY OF JULY, A.D. 2011.


AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.



5012472 8300

110849687

You may verify this certificate online
at corp.delaware.gov/authvar.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8920856

DATE: 07-22-11

3395522

**Statement and Designation
by Foreign Corporation**

FILED
in the office of the Secretary of State
of the State of California

JUL 22 2011

Manwin USA, Inc.

(Name of Corporation)

_____, a corporation organized and existing under the
laws of Delaware, makes the following statements and designation:
(State or Place of Incorporation)

1. The address of its principal executive office is 2706 Media Center Drive
Los Angeles, CA 90065
2. The address of its principal office in the State of California is 2706 Media Center Drive
Los Angeles, CA 90065 (If none, leave item 2 blank.)

Designation of Agent for Service of Process in the State of California
(Complete either item 3 or item 4.)

3. (Use this paragraph if the process agent is a natural person.)
_____, a natural person residing in the State of
California, whose complete street address is _____

_____, is designated as agent upon whom process directed to
this corporation may be served within the State of California, in the manner provided by law.

4. (Use this paragraph if the process agent is another corporation.)
CT Corporation System

_____, a corporation organized and existing under the laws of Delaware
is designated as agent upon whom process directed to this corporation may be served within the State
of California, in the manner provided by law.

5. It irrevocably consents to service of process directed to it upon the agent designated above, and to
service of process on the Secretary of State of the State of California if the agent so designated or the
agent's successor is no longer authorized to act or cannot be found at the address given.

(Signature of Corporate Officer)

Fabian Thylmann President
(Typed Name and Title of Officer Signing)

If an individual is designated as the agent for service of process, include the agent's business or residential street address in California (a P.O. Box address is not acceptable). If another corporation is designated as the agent for service of process, do not include the address of the designated corporation. Note: Corporate agents must have complied with California Corporations Code section 1505 prior to designation, and a corporation cannot act as its own agent.

Secretary of State Form
S&DC-STOCK/NONPROFIT (REV 04/2010)

CAMS - 0324/2010 CT System Online

CONFIDENTIAL

Recipient Committee
Campaign Statement
Cover Page

RECEIVED BY
LOS ANGELES COUNTY

COVER PAGE

CALIFORNIA
FORM 460

Page 1 of 11

For Official Use Only

Date Stamp
2012 OCT 19 AM 9:56

Date of Election if applicable
11/06/2012

Statement covers period
from 01/01/2012
through 09/30/2012

1. Type of Recipient Committee

- ☐ Officeholder, Candidate Controlled Committee
☐ State Candidate Election Committee
☐ Recall
☐ General Purpose Committee
☐ Sponsored
Small Contributor Committee
Political Party/Central Committee
- ☒ Primary Formed Ballot Measure Committee
☐ Controlled
☐ Sponsored
☐ Primary Formed Candidate/Officeholder Committee

2. Type of Statement

- ☒ Pre-election Statement
☐ Semi-Annual Statement
☐ Termination Statement
☐ Amendment
- ☐ Quarterly Statement
☐ Special Odd-Year Statement
☐ Supplemental Pre-election Statement - Attach Form 495

3. Committee Information

I.D. Number 1350444

COMMITTEE NAME

No on Government Waste, No on Measure B, major funding by Manwin USA

STREET ADDRESS (NO PO BOX)
6380 Wilshire Blvd # 1612

CITY
Los Angeles

STATE ZIP CODE AREA CODE/PHONE
CA 90048 323/655-4065

MAILING ADDRESS (IF DIFFERENT)

Treasurer(s)

NAME OF TREASURER

Diane Duke

STREET ADDRESS

6380 Wilshire Blvd # 1612

CITY

Los Angeles

NAME OF ASSISTANT TREASURER, IF ANY

STREET ADDRESS

CITY

STATE ZIP CODE

CITY

STATE ZIP CODE AREA CODE/PHONE

OPTIONAL: FAX/E-MAIL ADDRESS

OPTIONAL: FAX/E-MAIL ADDRESS

4. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 10/4/12

By

SIGNATURE OF TREASURER OR ASSISTANT TREASURER

Executed on

By

SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT OR RESPONSIBLE OFFICER OF SPONSOR

Executed on

By

SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT

Executed on

By

SIGNATURE OF CONTROLLING OFFICER/HOLDER, CANDIDATE, STATE MEASURE PROPONENT

Recipient Committee Campaign Statement Cover Page - Part 2

COVER PAGE - PART 2

CALIFORNIA
FORM 460

Page 2 of 11

Statement covers period
from 01/01/2012
through 09/30/2012

5. Officeholder or Candidate Controlled Committee

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD (INCLUDE LOCATION AND DISTRICT NUMBER IF APPLICABLE)

RESIDENTIAL/BUSINESS ADDRESS (NO. AND STREET) CITY STATE ZIP

Related Committees Not Included in this Statement: List any committees not included in this statement that are controlled by you or are primarily formed to receive contributions or make expenditures on behalf of your candidacy.

COMMITTEE NAME

I.D. NUMBER

NAME OF TREASURER

CONTROLLED COMMITTEE ?

☐ YES ☐ NO

COMMITTEE STREET ADDRESS (NO P.O. BOX)

CITY

STATE ZIP CODE

AREA CODE/PHONE

COMMITTEE NAME

I.D. NUMBER

NAME OF TREASURER

CONTROLLED COMMITTEE ?

☐ YES ☐ NO

COMMITTEE STREET ADDRESS (NO P.O. BOX)

CITY

STATE ZIP CODE

AREA CODE/PHONE

6. Primarily Formed Ballot Measure Committee

NAME OF BALLOT MEASURE
Measure B

BALLOT NO. OR LETTER JURISDICTION
B County of Los Angeles

☐ SUPPORT
☒ OPPOSE

Identify the controlling officeholder, candidate, or state measure proponent, if any.

NAME OF OFFICEHOLDER OR CANDIDATE OR PROPOONENT

OFFICE SOUGHT OR HELD

DISTRICT NO. IF ANY

7. Primarily Formed Candidate/Officeholder Committee

List names of officeholder(s) or candidate(s) for which this committee is primarily formed.

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD

☐ SUPPORT
☐ OPPOSE

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD

☐ SUPPORT
☐ OPPOSE

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD

☐ SUPPORT
☐ OPPOSE

NAME OF OFFICEHOLDER OR CANDIDATE

OFFICE SOUGHT OR HELD

☐ SUPPORT
☐ OPPOSE

Campaign Disclosure Statement
Summary Page

SUMMARY PAGE

CALIFORNIA
FORM 460

Page 3 of 11

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

ID. NUMBER

1350444

Statement covers period		from 01/01/2012 through 09/30/2012	
Calendar Year Summary for Candidates Running in Both the State Primary and General Elections.		1/1 through 6/30	7/1 to Date
20. Contributions Received	\$	111,375.00	\$
21. Expenditures Made	\$	7,460.00	\$
22. Cumulative Expenditures Made *	\$	107,925.84	\$

Expenditure Limit Summary
for State Candidates

22. Cumulative Expenditures Made *
(If Subject to Voluntary Expenditure Limits)

* Amounts in this Section may be different from amounts reported in Column B.

Contributions Received	Column A TOTAL THE PERIOD (FROM ATTACHED SCHEDULES)	Column B CALENDAR YEAR TOTAL TO DATE
1. Monetary Contributions	Schedule A, Line 3 \$ 111,375.00	\$ 111,375.00
2. Loans Received	Schedule B, Line 3 0.00	0.00
3. SUBTOTAL CASH CONTRIBUTIONS	Add Lines 1 + 2 \$ 111,375.00	\$ 111,375.00
4. Nonmonetary Contributions	Schedule C, Line 3 7,460.00	7,460.00
5. TOTAL CONTRIBUTIONS RECEIVED	Add Lines 3 + 4 \$ 118,835.00	\$ 118,835.00
Expenditures Made		
6. Payments Made	Schedule E, Line 4 \$ 107,925.84	\$ 107,925.84
7. Loans Made	Schedule H, Line 3 0.00	0.00
8. SUBTOTAL CASH PAYMENTS	Add Lines 6 + 7 \$ 107,925.84	\$ 107,925.84
9. Accrued Expenses (Unpaid Bills)	Schedule F, Line 3 19,554.85	19,554.85
10. Nonmonetary Adjustment	Schedule G, Line 3 7,460.00	7,460.00
11. TOTAL EXPENDITURES MADE	Add Lines 8 + 9 + 10 \$ 134,940.69	\$ 134,940.69

Current Cash Statement

12. Beginning Cash Balance	Previous Summary Page, Line 16 \$ 0.00
13. Cash Receipts	Column A, Line 3 above 111,375.00
14. Miscellaneous Increases to Cash	Schedule I, Line 4 0.00
15. Cash Payments	Column A, Line 8 above 107,925.84
16. ENDING CASH BALANCE	Add Lines 12 + 13 + 14, then subtract Line 15 \$ 3,449.16
17. LOAN GUARANTEES RECEIVED	Schedule B, Part 2 \$ 0.00

Cash Equivalents and Outstanding Debts

18. Cash Equivalents	\$ 0.00
19. Outstanding Debts	Add Lines 2 + Line 9 in Column B above \$ 19,554.85

SCHEDULE A

Schedule A
Monetary Contributions Received

CALIFORNIA
FORM
460

Statement covers period
from 01/01/2012
through 09/30/2012

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I.D. NUMBER
1350444

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
08/29/2012	Flyntc Management Group LLC 8484 Wilshire Blvd. #900 Beverly Hills, CA 90211	OTH		10,000.00	10,000.00	
09/13/2012	Manwin USA 2300 W Empire Ave 7th Fl Surbank, CA 91504	OTH		75,000.00	75,000.00	
09/28/2012	Taylor Marr 1827 Wilcox Ave. #105 Los Angeles, CA 90028	IND	Editor T Group Productions	100.00	100.00	
09/28/2012	Jose Medina 12113 Beverly Blvd. #0 Whittier, CA 90601	IND	Webmaster JEND Group Inc.	200.00	200.00	
08/23/2012	PHE Inc. 302 Meadowland Dr. Hillsborough, NC 27278	OTH		10,000.00	10,000.00	

SUBTOTAL \$ 95,300.00

Schedule A Summary

- Amount received this period - itemized contributions
(Includes all Schedule A subtotals) \$ 111,300.00
- Amount received this period - unitemized \$ 75.00
- Total monetary contributions received this period.
(Add Lines 1 and 2. Enter here and on the Summary Page, Column A Line 1) **TOTAL \$ 111,375.00**

Contributor Codes
IND - Individual
COM - Recipient Committee (other than PTY or SCC)
OTH - Other
PTY - Political Party
SCC - Small Contributor Committee

FPPC Form 460 (Jan/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC

Schedule A (Continuation Sheet) **Monetary Contributions Received**

SCHEDULE A

CALIFORNIA
460

Statement covers period
 from 01/01/2012
 through 09/30/2012

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LD. NUMBER
 1350444

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER LD. NUMBER)	CONTRIBUTOR CODE	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1- DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
09/27/2012	Paul Pilcher 3402 N. 26th Place F Phoenix, AZ 85016	IND	Producer Paul Pilcher	1,000.00	1,000.00	
09/06/2012	Vivid Entertainment LLC 3599 Cahuenga Blvd. W 4th Fl. Los Angeles, CA 90068	OTH		10,000.00	10,000.00	
09/11/2012	WMN Holdings LLC 500 Archdale Dr Charlotte, NC 28217	OTH		5,000.00	5,000.00	

SUBTOTAL \$ 16,000.00

Contributor Codes: IND - Individual COM - Receipt Committee (other than PTY or SCC) OTH - Other PTY - Political Party SCC - Small Contributor Committee

SCHEDULE C

Schedule C
Nonmonetary Contributions Received

CALIFORNIA
FORM **460**

Statement covers period
from 01/01/2012
through 09/30/2012

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NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

I.D. NUMBER
1350444

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR	CONTRIBUTOR CODE	OCCUPATION & EMPLOYER OR COMMITTEE ID NO.	DESCRIPTION OF GOODS OR SERVICES	AMOUNT/FAIR MARKET VALUE	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
09/27/2012	Benjamin Banks 526 S. Genesee Ave. F Los Angeles, CA 90036	IND	Actor Benjamin Banks	Spokesperson Services	400.00	400.00	
09/24/2012	Axel Braun 3599 Cahuenga Blvd. W 4th Fl. F Los Angeles, CA 90068	IND	Director Axel Braun Productions	PR Video	5,000.00	5,000.00	
09/27/2012	Piracy Stops Here 2785 PCH #130 F Torrance, CA 90505	OTH		Logo Art	220.00	220.00	
09/27/2012	Remmet Studios LLC 8633 Remmet Ave. F Canoga Park, CA 91304	OTH		Production & Post Production Services	400.00	400.00	
09/28/2012	Stagliano John Inc. dba E.A. Productions 14141 Covello St. #8C F Van Nuys, CA 91405	OTH		Website Design	1,440.00	1,440.00	

SUBTOTAL \$ 7,460.00

Schedule C Summary

1. Amount received this period - itemized contributions

(Includes all Schedule C subtotals) \$ 7,460.00

2. Amount received this period - unitemized

..... \$ 0.00

3. Total nonmonetary contributions received this period.

(Add Lines 1 and 2. Enter here and on the Summary Page, Column A Lines 4 and 10.) **TOTAL \$ 7,460.00**

Contributor Codes
IND - Individual
COM - Recipient Committee (other than PTY or SCC)
OTH - Other
PTY - Political Party
SCC - Small Contributor Committee

FPPC Form 460 (Jan/05)
FPPC Toll-Free Helpline: 866/ASK-FPPC

Schedule E Payments Made

Statement covers period from 01/01/2012 through 09/30/2012		CALIFORNIA FORM 460
Page 7 of 11		I.D. NUMBER 1350444

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA.

CODES: If one of the following accurately describes the payment, you may enter the code. Otherwise, describe the payment.

- | | | |
|---|---|---|
| CMP campaign paraphernalia/misc. | MBR member communications | RAD radio airtime and production costs |
| CNS campaign consultants | MTG meetings and appearances | RFD returned contributions |
| CTB contribution (explain nonmonetary) | OFC office expenses | SAL campaign workers' salaries |
| CVC civic donations | PET petition circulating | TEL tv or cable production costs |
| FIL candidate filing / ballot fees | PHO phone banks | TRC candidate travel, lodging and meals |
| FND fundraising expenses | POL polling and survey research | TRS staff/spouse travel, lodging and meals |
| IND independent expenditures supporting/opposing others | POS postage, delivery and messenger services | TSF transfer between committees of the same candidate/sponsor |
| LEG legal defense | PRO professional services (legal, accounting) | VOT voter registration |
| LIT campaign literature and mailings | PRT print ads | WEB information technology costs (internet, e-mail) |

NAME AND ADDRESS OF PAYEE	CODE or	DESCRIPTION OF PAYMENT	AMOUNT PAID
Burnside & Associates 1311 S. Tremaine Ave. Los Angeles, CA 90019	OFC		305.21
California Public Safety 30011 Ivy Glenn Dr., #223 Laguna Niguel, CA 92677 ID No: 1298740	LIT		7,102.00
COPS Voter Guide 705-2 E. Bidwell St. #370 Folsom, CA 95630 ID No: 599014	LIT		20,313.00
SUBTOTAL \$			27,720.21

Schedule E Summary

- Itemized payments made this period. (Include all Schedule E subtotals.) \$ 107,884.46
- Unitemized payments made this period of under \$100 \$ 41.38
- Total interest paid this period on loans. (Enter amount from Schedule B, Part 1, Column (e).) \$ 0.00
- Total payments made this period. (Add Line 1, 2, and 3. Enter here and on the Summary Page, Column A, Line 6.) TOTAL \$ 107,925.84

Schedule E (Continuation Sheet) Payments Made

Statement covers period from 01/01/2012 through 09/30/2012		CALIFORNIA FORM 460
Page 8 of 11		
NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA		ID. NUMBER 1350444

CODES: If one of the following accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airline and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL tv. or cable production costs
FIL candidate filing / ballot fees	PHO phone banks	TRC candidate travel, lodging and meals
FND fundraising expenses	POL polling and survey research	TRS staffspouse travel, lodging and meals
IND independent expenditures supporting/opposing others	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (Internet, e-mail)

NAME AND ADDRESS OF PAYEE	CODE OR	DESCRIPTION OF PAYMENT	AMOUNT PAID
Educate Your Vote	LIT		20,765.00
7904 Vista Guyaba Carlsbad, CA 92009 ID No: 1345655			
Goodwin Simon Strategic Research Inc.	POL		20,500.00
3451 Cattaraugus Ave. Culver City, CA 90232			
Los Angeles County RLVG	LIT		3,836.00
30011 Ivy Glenn Dr. #223 Laguna Niguel, CA 92677 ID No: 1285120			
Mr. Marcus	CNS		2,500.00
21143 Hawthorne #383 Torrance, CA 90503			
NTLC Newsletter	LIT		7,045.00
30011 Ivy Glenn Dr. #223 Laguna Niguel, CA 92677 ID No: 1306386			
SUBTOTAL \$			54,646.00

Schedule E (Continuation Sheet) Payments Made

SCHEDULE E

Statement covers period from 01/01/2012 through 09/30/2012		CALIFORNIA FORM 460
Page 9 of 11		I.D. NUMBER 1350444

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

CODES: If one of the following accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airline and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL t.v. or cable production costs
FIL candidate filing / ballot fees	PHD phone banks	TRC candidate travel, lodging and meals
FND fundraising expenses	POL polling and survey research	TRS staff/pouse travel, lodging and meals
IND independent expenditures supporting/opposing others	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (internet-e-mail)

NAME AND ADDRESS OF PAYEE	CODE or DESCRIPTION OF PAYMENT	AMOUNT PAID
The Lee Strategy Group Inc. 300 Bay St. #23 Santa Monica, CA 90405	CNS	11,000.00
The Lee Strategy Group Inc. 300 Bay St. #23 Santa Monica, CA 90405	Press Release Services	2,018.25
Voter Guide Slate Cards 6285 E. Spring St. #202 Long Beach, CA 90808 ID No: 1319578	LIT	12,500.00

SUBTOTAL \$ 25,518.25

FPPC Form 460 (January 105-SI)

**Schedule F
Accrued Expenses (Unpaid Bills)**

Statement covers period from 01/01/2012 through 09/30/2012		CALIFORNIA FORM 460
Page 10 of 11		I.D. NUMBER 1350444

NAME OF FILER No on Government Waste, No on Measure B, major funding by Manwin USA

CODES: If one of the following accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airtime and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL tv or cable production costs
FIL candidate filing / ballot fees	PHO phone banks	TRC candidate travel, lodging and meals
FND fundraising expenses	POL polling and survey research	TRS staff/pouse travel, lodging and meals
IND independent expenditures supporting/opposing others	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (internet,e-mail)

NAME AND ADDRESS OF CREDITOR	CODE OR DESCRIPTION OF PAYMENT	(a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Burnside & Associates 1311 S. Tremaine Ave. Los Angeles, CA 90019	OFC	0.00	437.85	0.00	437.85
Coalition for Senior Citizen Security 2350 Hidalgo Ave. F Los Angeles, CA 90039	LIT	0.00	10,034.00	0.00	10,034.00
SUBTOTALS \$		0.00 \$	10,471.85 \$	0.00 \$	10,471.85

Schedule F Summary

- Total accrued expenses incurred this period. (Include all Schedule F, Column (b) subtotals for accrued expenses of \$100 or more, plus total unitemized accrued expenses under \$100.)INCURRED TOTALS \$ 19,554.85
- Total accrued expenses paid this period. (Include all Schedule F, Column (c) subtotals for payments on accrued expenses of \$100 or more, plus total unitemized payments on accrued expenses under \$100.)PAID TOTALS \$ 0.00
- Net change this period. (Subtract Line 2 from Line 1. Enter the difference here and on the Summary Page, column A, Line 9.)NET \$ 19,554.85

**Schedule F (Continuation Sheet)
Accrued Expenses (Unpaid Bills)**

SCHEDULE F

Statement covers period from 01/01/2012 through 09/30/2012		CALIFORNIA FORM 460
NAME OF FILER No on Government Waste, No on Measure B; major funding by Manwin USA		Page 11 of 11
ID: NUMBER 1350444		

CODES: If one of the following accurately describes the payment, you may enter the code. Otherwise, describe the payment.

CMP campaign paraphernalia/misc.	MBR member communications	RAD radio airtime and production costs
CNS campaign consultants	MTG meetings and appearances	RFD returned contributions
CTB contribution (explain nonmonetary)	OFC office expenses	SAL campaign workers' salaries
CVC civic donations	PET petition circulating	TEL tv or cable production costs
FIL candidate filing / ballot fees	PHO phone banks	TRC candidate travel, lodging and meals
FND fundraising expenses	POL polling and survey research	TRS staff/spouse travel, lodging and meals
IND independent expenditures supporting/opposing others	POS postage, delivery and messenger services	TSF transfer between committees of the same candidate/sponsor
LEG legal defense	PRO professional services (legal, accounting)	VOT voter registration
LIT campaign literature and mailings	PRT print ads	WEB information technology costs (internet, e-mail)

NAME AND ADDRESS OF CREDITOR	CODE OR DESCRIPTION OF PAYMENT	(a) OUTSTANDING BALANCE BEGINNING OF THIS PERIOD	(b) AMOUNT INCURRED THIS PERIOD	(c) AMOUNT PAID THIS PERIOD	(d) OUTSTANDING BALANCE AT CLOSE OF THIS PERIOD
Council of Concerned Woman Voters 2350 Hidalgo Ave. F Los Angeles, CA 90039	LIT	0.00	9,083.00	0.00	9,083.00

SUBTOTALS \$ 0.00 \$ 9,083.00 \$ 0.00 \$ 9,083.00



DEERING'S CALIFORNIA CODES ANNOTATED
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*** This document is current with urgency legislation through Chapter 876 ***
of the 2012 Session and Proposition 28, approved by the electorate at the
June 5, 2012, Presidential Primary Election and the
2012 Governor's Reorganization Plan No. 2.

GOVERNMENT CODE
Title 9. Political Reform
Chapter 2. Definitions

GO TO CALIFORNIA CODES ARCHIVE DIRECTORY

Cal Gov Code § 82048.7 (2012)

§ 82048.7. "Sponsored committee"

(a) "Sponsored committee" means a committee, other than a candidate controlled committee, which has one or more sponsors. Any person, except a candidate or other individual, may sponsor a committee.

(b) A person sponsors a committee if any of the following apply:

(1) The committee receives 80 percent or more of its contributions from the person or its members, officers, employees, or shareholders.

(2) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

(3) The person, alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.

(4) The person, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures of committee funds.

HISTORY:

Added Stats 1985 ch 498 § 1, as *Gov C § 82048.5*. Renumbered by Stats 1988 ch 1155 § 1. Amended Stats 1991 ch 130 § 1 (AB 919); Stats 2005 ch 200 § 1 (AB 1755), effective January 1, 2006.

NOTES:

Amendments:

1991 Amendment:

Substituted "80 percent or more" for "all or nearly all" in subd (a)(1).

2005 Amendment:

Added comma after "the person" in subd (a)(3).

Note

Stats 1988 ch 1155 provides:

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of *Section 81012 of the Government Code*.

Stats 1991 ch 130 provides:

SEC. 2. The Legislature finds and declares that this act furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of *Section 81012 of the Government Code*.

Stats 2005 ch 200 provides:

SEC. 9. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of *Section 81012 of the Government Code*.

Collateral References:

Cal. Forms Pleading & Practice (Matthew Bender(R)) ch 242 "Election Campaigns".

7 Witkin Summary (10th ed) Constitutional Law § 275.

Hierarchy Notes:

Tit. 9 Note

Tit. 9, Ch. 2 Note

LexisNexis 50 State Surveys, Legislation & Regulations

Election Campaign Practices & Financing