OFFICE OF
GENERAL COUNSEL

Federal Election Commission
Office of Complaints Examination and Legal Administration
Attn: Donna Rawls, Paralegal
999 E Street, NW
Washington, D.C. 20463

2018 JAN 26 PM 1:32

MUR # 7306

**BY E-MAIL & MAIL**

RE: MUR 7306

January 17, 2018

**ADDENDUM TO COMPLAINT**

Dear Mr. Jeff S. Jordan:

This letter is written in response to additional evidence of Todd Watson's failure to disclose expenditures made in furtherance of his campaign for the United States Senate. Complainant requests that this letter and attached documentation[1] be added to MUR 7306.

As referenced in the initial complaint, there is documentation demonstrating that Watson for Senate, Todd Watson's campaign committee, spent "*at least*" $5,836.90 on radio advertisements without filing a Statement of Candidacy or reporting these expenditures to the FEC.[2] Importantly, Complainant warned that "it is unclear what additional expenditures have been made."

Unfortunately for the voters of Nebraska, it has become clear that additional expenditures were, in fact, made by Watson for U.S. Senate long before it filed anything with the FEC.[3] According to the attached evidence, Watson for U.S. Senate purchased $2,473.50 of radio advertising in the Omaha area from IHeartMedia as early as November 21, 2017.[4] As indicated on pages 2, 4, 6, and 8, candidate Todd Watson personally signed these expenditure requests on November 21, 2017.[5]

Specifically, Invoice 3911717174 reflects a purchase of $1,236.75 and Invoice 3911755638 reflects a second purchase in the amount of $1,236.75. In total, this comes out to $2,473.50, as reflected on Order 1108258354.[6]

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[1] Complainant has labeled this new attached evidence as Exhibit D.
[2] See initial complaint for MUR 7306 dated December 12, 2017.
[3] http://docquery.fec.gov/pdf/001/201801020200000001/201801020200000001.pdf.
[4] *See* Exhibit D.
[5] *Id.* at 2, 4, 6, 8.
[6] *Id.* at 11.

Put simply, Todd Watson has engaged in even more undisclosed spending than Complainant had knowledge of when filing the initial complaint.

As such, Complainant respectfully asks for the Commission to update MUR 7306 and to hold Todd Watson accountable for his failure to be transparent in his campaign for the U.S. Senate.

Respectfully Submitted,

1/17/18

John Paul Sabby

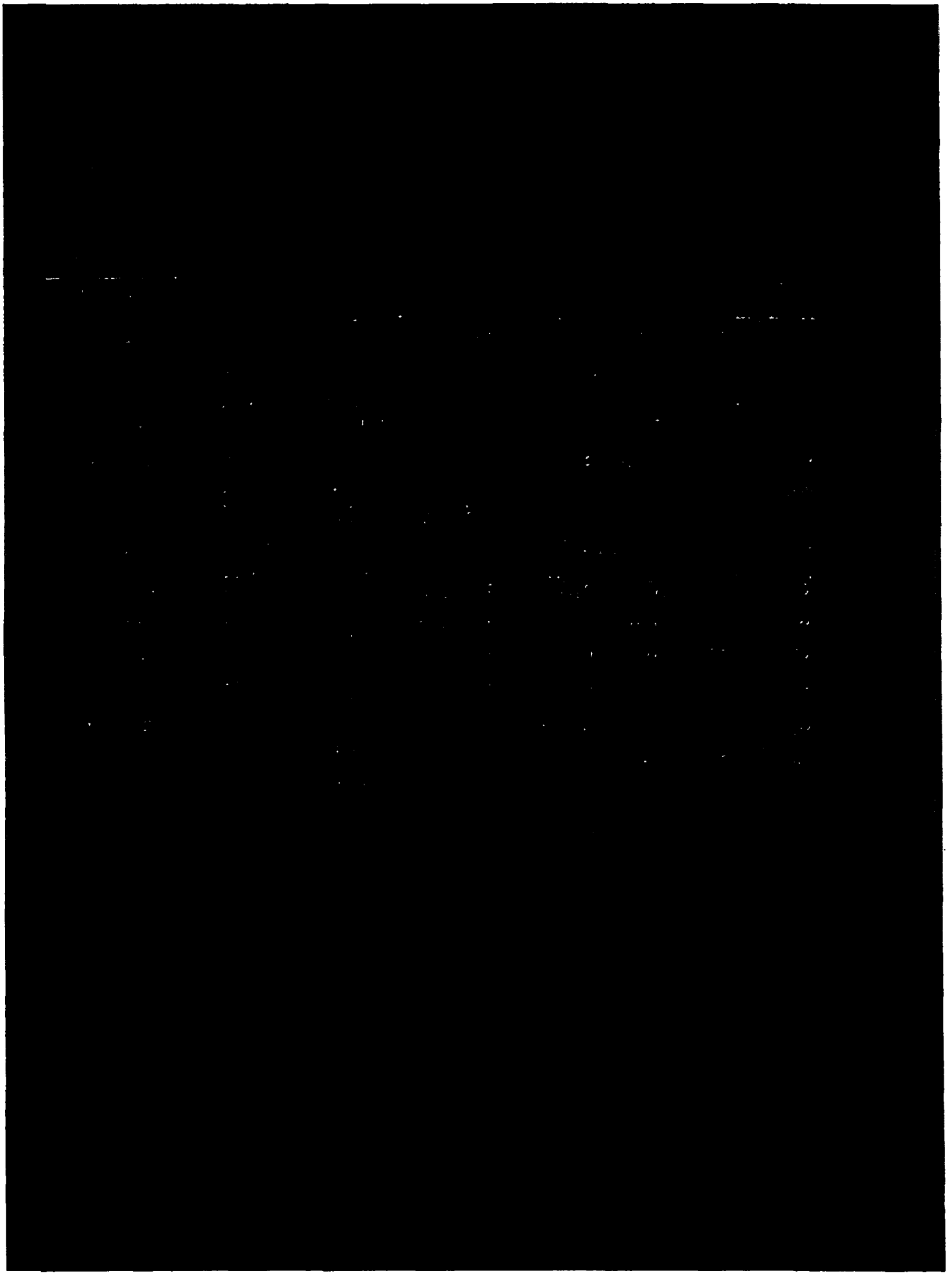
Lincoln, NE 68506

State of Nebraska
County of Lancaster

Subscribed and sworn before me
this 17 day of January, 2018
Caitlin Holman, Notary Public

Caitlin Holman

GENERAL NOTARY - State of Nebraska
CAITLIN HOLMAN
My Comm. Exp. June 22, 2019



[redacted]

iHeartMEDIA

**Invoice No: 3911717174**

| | |
|---|---|
| Client ID: | 582607 |
| Invoice Date: | 11/30/17 |
| Payment Due: | 11/30/17 |
| Amount Paid: | $1,236.75 |
| Amount Due: | $0.00 |

Bill To: TODD WATSON FOR SENATE
2855 S 70th St Ste 200
Lincoln NE 68506

## Order Details

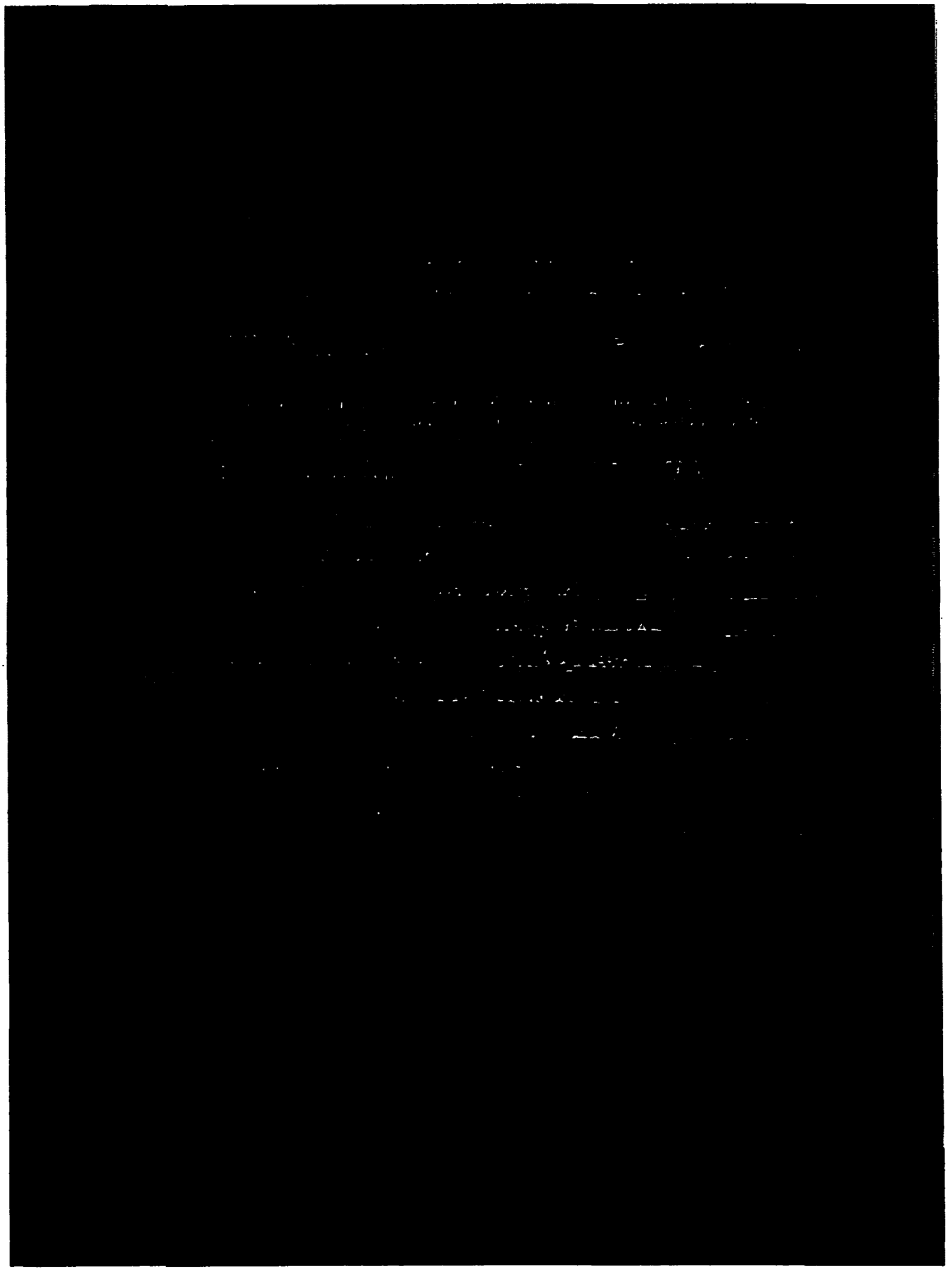
| | | | | | |
|---|---|---|---|---|---|
| Advertiser | TODD WATSON FOR SENATE | Station | KFAB-AM | [redacted] | |
| Order # | 1108258354 | Market | Omaha | Billing Period | Nov 2017 |
| Contract # | | Start Date | 11/01/17 | Schedule | Calendar |
| AE | | End Date | 11/30/17 | Terms | CIA |
| Bill Product | Radio | | | | |

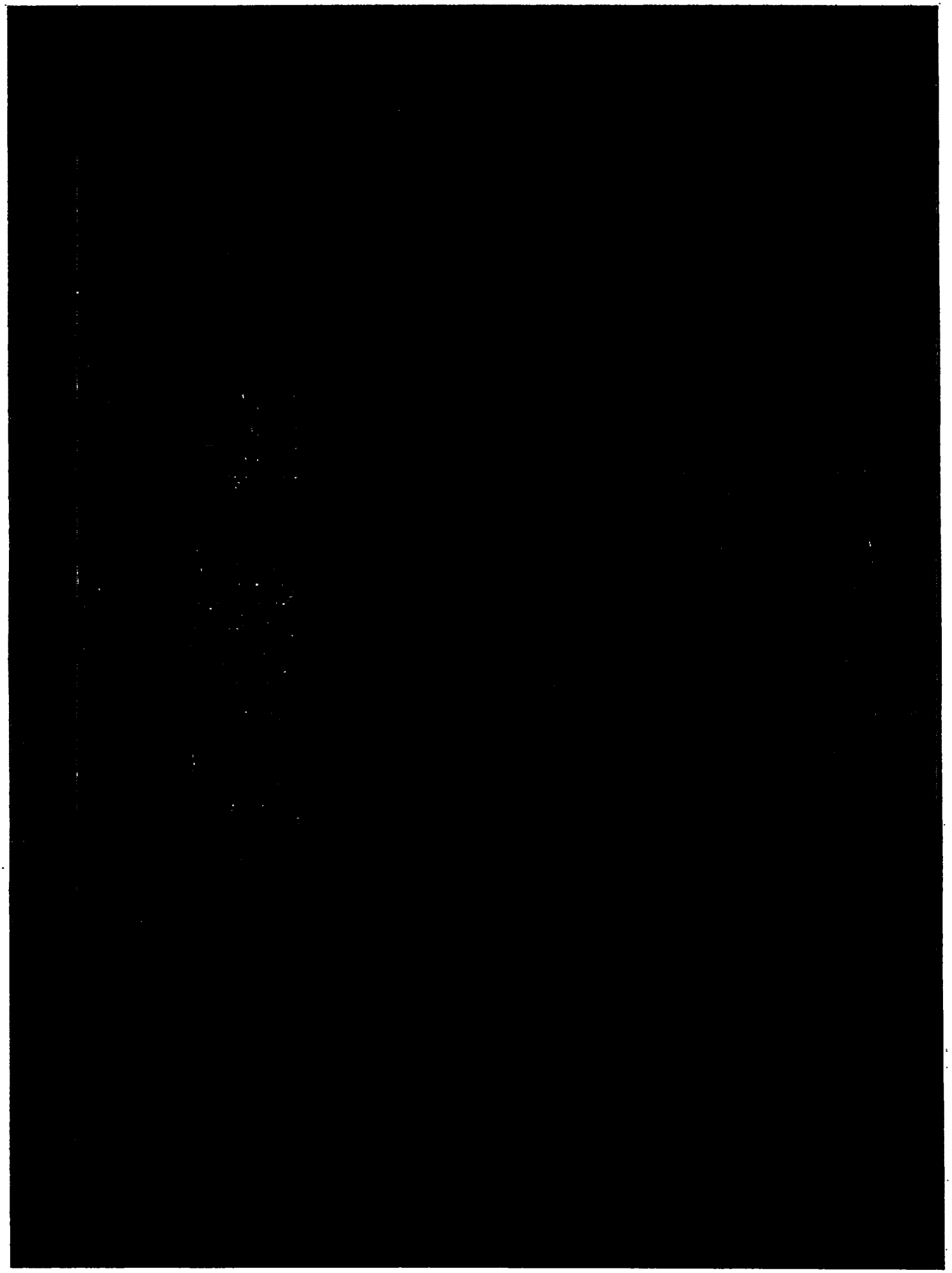
Note 1: KFAB POLITICAL CANDIDATE WATSON FOR SENATE
Note 2: PAID BY CC 11/22/2017

## Invoice Summary

| Product Type | Billable Units | Gross Amount | Sales Tax | Net Due |
|---|---|---|---|---|
| Spot | 15 | $1,236.75 | $0.00 | $1,236.75 |
| Misc | 0 | $0.00 | $0.00 | $0.00 |
| Total | 15 | $1,236.75 | $0.00 | $1,236.75 |

[redacted]





**ORDER TERMS AND CONDITIONS**

The Term "Advertiser" shall include advertiser and any agency or buying service named in Order Confirmation, and all persons and entities included within Advertiser agree that they are jointly and severally liable for all obligations of Advertiser under this contract regardless of who is billed, except any agency is liable for invoice payments only to the extent the agency has been paid by the advertiser. The term "Station" means the specific station set out in the Order Confirmation, or, if not identified there, iHeartMedia + Entertainment, Inc.

**1. PAYMENT**

(a) Advertiser agrees to pay in advance for the distribution of advertising referred to in this contract (collectively "transmissions") unless otherwise expressly agreed in writing.

(b) If Station has extended credit, Station shall render invoices monthly. Payment by Advertiser is due within 30 days unless invoice is sent to agency or buying service, then net payment is due within 45 days. Past due accounts shall be charged interest at the rate of 1% per month (12% annual percentage rate) or, if less, the highest rate allowed by applicable law, from the date of the invoice. If Advertiser notices any error on an invoice, Advertiser must contact Station in writing within 7 days of the invoice date, stating the invoice number, amount and detail plan of alleged error, and including any supporting documentation as may be required by Station. All invoice charges will be considered bill if no written dispute from the Client is received by Station within the 7 day period.

(c) On Advertiser's request, Station shall furnish certificates of performance to Advertiser at the time of billing, but unless requested prior to billing the furnishing of such certifications shall not be a condition of payment or time of payment.

(d) If Advertiser is past due in payment of any amount, Station may change the terms of payment for further transmissions by giving Advertiser written notice. If Station refers this contract for collection, Advertiser shall pay reasonable attorney's or collector's fees and any court costs incurred by Station.

**2. TERMINATION AND BREACH**

(a) This contract may be terminated by either party giving the other party 14 days prior written notice. If Advertiser so terminates this contract, Advertiser will pay Station at Station's rate card rate (without discount for the number of remaining transmissions) for transmissions made through the date of termination. If Station so terminates this contract, Advertiser shall pay Station for transmissions made through the date of termination and shall have the benefit of any discounts it would have received had this contract not been so terminated.

(b) Station may terminate this contract at any time upon failure by Advertiser to timely make any payment, or upon other material breach by Advertiser of this contract. On such termination (i) Advertiser will pay Station at Station's rate card rate (without discount for the number of transmissions) for all transmissions made through the date of termination and (ii) all payments due by Advertiser shall become immediately due and payable.

(c) Advertiser may cancel this contract at any time upon material breach by Station of this contract and shall be liable only for transmissions made in accordance with this contract through the date of termination with the benefit of any discounts it would have received had this contract not been so terminated.

(d) If Station has contracted to purchase other program material ("Third Party Material") during the term of this contract in reliance on the agreement of Advertiser and prior to the end of the term of this contract Station terminates (pursuant to paragraph 2(b)) or Advertiser pursuant to paragraph 2(c), Advertiser agrees to pay Station all costs and expenses incident to the acquisition of Third Party Material. After such payment, Station shall credit Advertiser for any net amounts obtained if Station is able to resell such Third Party Material, but Station shall not be obligated to make or solicit any sale.

(e) To the extent provided by law, neither party shall be liable to the other party (including liability for incidental, indirect or consequential damages or lost profits, whether or not advised of the possibility of such damages and punitive damages) other than as specified in this contract.

**3. REPRESENTATIONS & WARRANTIES/INDEMNIFICATION AND HOLD HARMLESS**

(a) Advertiser represents, warrants and agrees that: (i) Station's use of the Advertiser Materials (defined below) as authorized by Advertiser including, but not limited to broadcast of the Advertiser Materials over the facilities of the Station shall not violate or infringe upon the rights of others; provided, however, that the foregoing representations and warranties shall not apply to any material furnished or added to the Advertiser Materials after delivery to Station by any party other than Advertiser, and (ii) Advertiser (and the Advertiser Materials) shall comply with all applicable federal, state and local laws and regulations, including, but not limited to, those of the FCC (e.g., necessary EAS compliance and all other FCC regulations).

(b) Advertiser shall defend, hold harmless and indemnify Station, its parents and affiliates, and their respective officers, directors, employees and agents from any and all claims, actions, causes of action, liabilities, demands, damages or costs (including reasonable attorney fees) of whatsoever name or nature, including but not limited to (i) defamation, unfair/ill competition or trade practice, infringement of intellectual property or other property or personal rights (including but not limited to public performance rights with respect to music, spoken word or any other copyrightable material embodied in Advertiser Materials). (ii) any breach or violation of any act of the representations and warranties described in Section 3(a); or (iii) claims arising from the products, services, operations, representations or warranties relating to, directly or indirectly, any material furnished by Advertiser pursuant to this contract ("Advertiser Material") or to Advertiser's business, services, operations or prices (if any) relative to Order. Station shall defend, hold harmless and indemnify Advertiser and its officers, directors, employees and agents from damages relating to, directly or indirectly, programming transmitted by Station other than Advertiser Material.

**4. INABILITY TO TRANSMIT AND SUBSTITUTION PROGRAMS**

(a) If, due to public emergency or necessity, force majeure, restrictions imposed by law, act of God, labor disputes, or for other cause, including mechanical breakdown beyond Station's control, Station shall be unable to transmit or otherwise distribute any program or announcement to be transmitted under the contract, that transmission shall be cancelled, and Station shall not be liable to Advertiser except as provided in paragraph (c) below.

(b) Station shall have the right to cancel any transmission or portion thereof to be made under this contract in order to transmit any program which it deems to be of public significance. Station will notify Advertiser in advance if reasonably possible or otherwise Station will notify Advertiser within a reasonable time after such scheduled transmission.

(c) Station shall transmit such cancelled transmission, subject to availability, in a comparable time period. If Station is unable to so transmit the cancelled transmission, Advertiser shall not have to pay for the cancelled transmission and the cancellation shall not affect any discounts under this contract.

**5. PROGRAM PRODUCTION AND COMMERCIAL MATERIAL**

(a) Unless otherwise noted in the contract, all material to be transmitted under the contract shall be furnished by Advertiser, and all expenses of delivery to Station and return to Advertiser, if so directed, shall be paid by Advertiser. If Station has not received Advertiser Material by 72 hours in advance of scheduled transmission, Station shall reasonably attempt to notify Advertiser.

(b) If Station has not received Advertiser Material by 48 hours in advance of scheduled transmission, Station may in its sole discretion cancel the transmission of such material or cancel such transmission, and in either case, Advertiser shall pay for the transmission as if transmitted as originally scheduled.

(c) Advertiser Material is subject to Station approval and Station may exercise a continuing right to reject such material, including a right to reject for unsatisfactory technical quality. If the material is unsatisfactory, Station shall notify Advertiser, and Advertiser must furnish satisfactory substitute material in advance of transmission or paragraph 4(b) shall apply. All program material must conform to the program and operating policies of Station and Station shall have the continuing right, in the public interest provided, however, that Station approval of such material shall not affect Advertiser's indemnity obligation under this contract.

(d) Station retains all property rights in any program material prepared or created by Station or by any of its employees for use in connection with material transmitted under this contract.

**6. NON-DISCRIMINATION**

In accordance with Paragraphs 46 and 48 of United States Federal Communications Commission Report and Order No. FCC 67-917, Station will not discriminate in any manner for advertising on the basis of race or ethnicity, and Station commercials will be available [illegible] on the date of airplay.

**7. GENERAL**

(a) This contract is for the transmission by [illegible] of programs [illegible] the payment of advertising the product [illegible] Commission and the Federal Trade Commission [illegible] contract, Station and Agent [illegible]

(b) If an agency or broker [illegible]

(c) Station [illegible]

(d) [illegible]

any [illegible]

(e) The [illegible]

(f) This [illegible]

[illegible]

[illegible]

1800444444
0044

iHeartMEDIA **Order Confirmation**



| | | | |
|---|---|---|---|
| Advertiser No: | 582607 | Order No: | 113252354 |
| Start Date: | 11/22/2017 | Dbcdp: | No |
| End Date: | 12/07/2017 | Package: | No |
| Month Type: | Calendar | Agency Comm: | 0% |
| Revision #: | 10 | | |
| CPE: | | | |
| AE: | HOUSE ACCOUNT | | |
| Entered: | 11/21/2017 11:27 AM by Fusion | | |
| Last Update: | 11/21/2017 4:59 PM by Fusion | | |
| Note: | KFAB / WATSON FOR SENATE | | |
| Note 2: | POLITICAL | | |
| Spl Req Inv: | | | |

TODD WATSON FOR SENATE

2865 S 70th St Ste 200

Lincoln, NE 68506

| Market Station | Bind To | Start Date | End Date | No Of Weeks | Rate Rev Type | Skip M | T | W | T | F | S | S | Spots/ Wk | Spot Length | Ord Spots | Ord Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 OMAHA KFAB-AM | 11:00-12:00 Commercial | 12/04/17 | 12/07/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 4 | 60 | 4 | 329.80 |
| 11 OMAHA KFAB-AM | 12:00-13:00 Commercial | 12/04/17 | 12/07/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 4 | 60 | 4 | 329.80 |
| 12 OMAHA KFAB-AM | 13:00-14:00 Commercial | 12/04/17 | 12/07/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 4 | 60 | 4 | 329.80 |
| 13 OMAHA KFAB-AM | 11:00-12:00 Commercial | 11/22/17 | 11/26/17 | 1 | 82.45 Local Direct-Political | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 60 | 1 | 82.45 |
| 14 OMAHA KFAB-AM | 12:00-13:00 Commercial | 11/22/17 | 11/26/17 | 1 | 82.45 Local Direct-Political | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 60 | 1 | 82.45 |
| 15 OMAHA KFAB-AM | 13:00-14:00 Commercial | 11/22/17 | 11/26/17 | 1 | 82.45 Local Direct-Political | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 60 | 1 | 82.45 |
| 16 OMAHA KFAB-AM | 11:00-12:00 Commercial | 11/27/17 | 12/01/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 5 | 60 | 5 | 412.25 |
| 17 OMAHA KFAB-AM | 12:00-13:00 Commercial | 11/27/17 | 12/01/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 5 | 60 | 5 | 412.25 |
| 18 OMAHA KFAB-AM | 13:00-14:00 Commercial | 11/27/17 | 12/01/17 | 1 | 82.45 Local Direct-Political | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 5 | 60 | 5 | 412.25 |

| | | | |
|---|---|---|---|
| 1 | Declined | Declined date: | 11/21/2017 |
| 2 | Confirmed | Confirmed date: | 11/21/2017 |
| 3 | Confirmed | Confirmed date: | 11/21/2017 |
| 4 | Confirmed | Confirmed date: | 11/21/2017 |
| 5 | Confirmed | Confirmed date: | 11/21/2017 |
| 6 | Confirmed | Confirmed date: | 11/21/2017 |
| 7 | Confirmed | Confirmed date: | 11/21/2017 |
| 8 | Confirmed | Confirmed date: | 11/21/2017 |
| 9 | Confirmed | Confirmed date: | 11/21/2017 |

iHeartMEDIA Order Confirmation

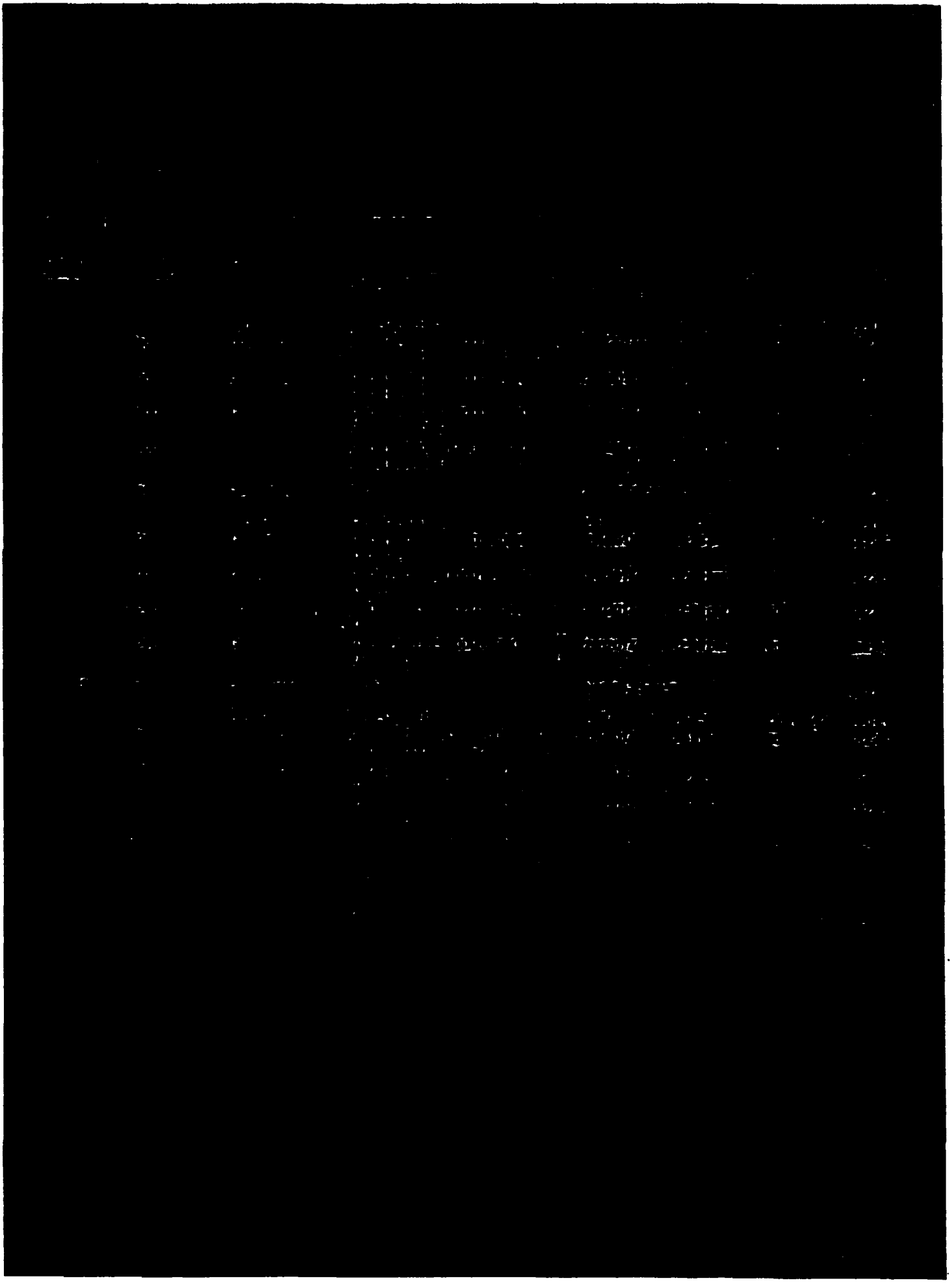
Order No: 1106258354

No. of Spots/Mac/Digital: 30/00

| | |
|---|---|
| Ordered Gross: | $2,673.50 |
| Agency Commission: | $0.00 |
| Ordered Net: | $2,673.50 |
| Total Net Due: | $2,673.50 |

| | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ant. Drs.: | 15 | [illegible] | [illegible] | [illegible] | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross: | 1,268.75 | 1,268.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net: | 1,268.75 | [illegible] | [illegible] | [illegible] | [illegible] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

[illegible] contract [illegible] shown, made with the owner of those stations, subject to those terms [illegible] this contract is executed by [illegible]



| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | 50 | 1 | [illegible] | 1 | 0 | 0 | 1 | $97 | $97 |
| [illegible] | 50 | 1 | [illegible] | 1 | 0 | 0 | 1 | $97 | [illegible] |
| [illegible] | 50 | 0 | [illegible] | 1 | 0 | 0 | 1 | $97 | $97 |
| [illegible] | 50 | 0 | [illegible] | 3 | 0 | 0 | 3 | | [illegible] |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | 50 | 1 | 1 | 1 | [illegible] | 1 | 5 | $97 | [illegible] |
| [illegible] | 50 | 1 | 1 | 1 | 1 | 1 | 5 | $97 | $485 |
| [illegible] | 50 | 1 | 1 | 1 | 1 | 1 | 5 | $97 | $485 |
| [illegible] | 50 | 3 | 3 | 3 | 3 | 3 | 15 | | $1455 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | 1 | [illegible] | [illegible] | 1 | 0 | 4 | $97 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 4 | $97 | [illegible] |
| [illegible] | 50 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | $97 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] |