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July 6, 2018

Federal Election Commission  
Office of Complaints Examination & Legal Administration  
Attn: Kathryn Ross and Christal Dennis, Paralegals  
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[cela@fec.gov](mailto:cela@fec.gov)

**Re: MUR 7350, 7351 and 7382 – Response of Alexander Nix**

Dear Ms. Ross and Ms. Dennis:

I write on behalf of Alexander Nix in response to the complaints filed in Matters Under Review 7350, 7351 and 7382 (collectively, the “Complaints”). As discussed below, the Complaints are constructed on an amalgamation of newspaper articles, which in turn rely on the self-serving diatribes of a disgruntled and discredited former employee of Mr. Nix’s company. Not a single allegation is premised on the personal knowledge of either the complainant or an identified third party source. Even if complaints were on their face sufficient to sustain reason to believe campaign finance violations had occurred, however, Mr. Nix wholly and unequivocally denies that he ever (1) improperly participated in any person’s decisions concerning election-related activities or authorized or approved such participation by any foreign national; or (2) served as a conduit of nonpublic information or otherwise facilitated the coordination of expenditures between a federal candidate and any third party.

## **I. The Complaints’ Allegations Are Deficient and Not Credible**

To merit referral for investigation, a complaint must supply an articulable “reason to believe that a respondent has violated a statute or regulation over which the Commission has jurisdiction.” 11 C.F.R. § 111.9; *see also* 52 U.S.C. § 30109(a)(2). Importantly, a complaint’s declaratory say-so that campaign finance infractions occurred is an inadequate predicate for an investigation. Rather, “[t]he Commission may find ‘reason to believe’ only if a complaint sets forth sufficient specific facts, which, if proven true, would constitute a violation of the [Federal Election Campaign Act].” MUR 4960 (In re Hillary Rodham Clinton, *et al.*), Statement of Reasons of Commissioners Mason, Sandstrom, Smith, and Thomas, at 1. In this vein, “[u]nwarranted legal conclusions from asserted facts or mere speculation, will not be accepted as true.” *Id.* at 2.

### **A. Reliance on Allegations by Christopher Wylie**

The gravamen of the Complaints is that various foreign nationals employed by Cambridge Analytica, a consulting and data analysis firm of which Mr. Nix previously served as president, improperly participated in the activities and operations of U.S. political committees. Notably, however, rather than directly posit

particularized facts derived from the complainants' personal knowledge, *see* 11 C.F.R. § 111.4(c) (requiring complainants to identify facts based on personal knowledge), the complaints largely regurgitate excerpts from newspaper articles. These media accounts in return rely almost exclusively on the representations of Christopher Wylie, a former employee of Cambridge Analytica.<sup>1</sup> *See* MUR 7350 Compl. ¶ 27; MUR 7351 Compl. ¶¶ 22, 27, 30.

As an initial matter, Mr. Wylie could not have possessed personal knowledge of the ostensible events he related to the media for the simple reason that they postdated his termination from Cambridge Analytica. Mr. Wylie's employment with Cambridge Analytica spanned only eleven months and concluded in July 2014. *See* Declaration of Alexander Nix ("Nix Decl.") ¶¶ 6, 18. Notably, Mr. Wylie had no contact with Mr. Nix or Cambridge Analytica (other than in the context of a legal dispute, described in more detail below) and would have had no means of witnessing, or accessing information concerning, Cambridge Analytica's operations or client engagements after July 2014. *See id.* ¶¶ 18, 19. Thus, Mr. Wylie's tales to reporters were at best the erroneous products of hearsay and at worst arrant fabrications. Either way, Mr. Wylie's misrepresentations, as recounted in the Complaints, were not predicated on personal knowledge.

More generally, "before making a reason to believe determination, the Commission must assess . . . the credibility of the facts alleged." MUR 6296 (In re Kenneth R. Buck, *et al.*), Statement of Reasons of Commissioners Hunter, McGahn and Petersen at 5. In this vein, the veracity of Mr. Wylie's inflammatory accusations can be soundly evaluated only when juxtaposed against his acrimonious relationship with Mr. Nix and Cambridge Analytica. Breaching contractual non-disclosure and non-compete commitments, Mr. Wylie founded a competing data analytics firm immediately following his departure from Cambridge Analytica and misappropriated Cambridge Analytica's intellectual property to sustain his fledgling company. *See* Nix Decl. ¶¶ 12-13, 17; Ex. 2. The ensuing legal dispute ended with Mr. Wylie's agreement to destroy all illicitly retained Cambridge Analytica intellectual property and the resulting failure of his company. *See id.* ¶¶ 14-15.

Subsequently, the disaffected Mr. Wylie began a campaign of retribution against Cambridge Analytica and Mr. Nix, contriving false narratives that were consumed by a receptive media. For example, Mr. Wylie sensationally accused Cambridge Analytica of "harvesting" Facebook data on 87 million people. In reality, this data was collected by an unrelated company managed by a respected academic, which in turn properly licensed only a subset of the information to Cambridge Analytica. *See* Nix Decl. ¶ 21, Ex. 1. Mr. Wylie's other traduccements of Cambridge Analytica include his claim that the company improperly assisted the Brexit campaign—a notion the U.K. Electoral Commission has categorically refuted; an assertion (published and then retracted by *The Guardian* newspaper) that Cambridge Analytica was the alter ego of a Canadian company; fabricated allegations that Cambridge Analytica produced racially charged propaganda videos in Nigerian and Kenyan elections; and even bizarre insinuations concerning the accidental death of a former colleague. *See* Nix Decl. ¶ 22. Indeed, an exhaustive independent internal investigation concluded that Wylie's claims and obloquies simply were not "borne out by the facts." *Id.* This litany of fictions fatally undermines Mr. Wylie's credibility and reliability, and the Commission should discount accordingly all allegations in the Complaints attributed to him.

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<sup>1</sup> For purposes of this response, Cambridge Analytica and its parent company, SCL Elections Ltd, are collectively referred to as "Cambridge Analytica," unless otherwise specified.

**B. Anonymous Sources**

In addition to Mr. Wylie, the underlying newspaper articles relied on sources that are largely anonymous or unnamed. *See* MUR 7351 Compl. ¶¶ 16, 18, 27-29. As the Commission has repeatedly recognized, however, it “must have more than anonymous suppositions, unsworn statements, and unanswered questions before it can vote to find RTB and thereby commence an investigation.” MUR 6056 (In re Protect Colorado Jobs, *et al.*), Statement of Reasons of Commissioners Petersen, Hunter and McGahn at 1-2, 6 n.12 (noting that “the newspaper article functioned essentially as a second, unsworn complaint consisting of unsubstantiated allegations of dubious reliability, made by anonymous sources”); *see also* MUR 5845 (In re Friends of Mike Sodrel, *et al.*) Factual & Legal Analysis at 5 (concluding that “purported information from ‘several anonymous sources on the campaign trail’ regarding allegations of coordination can and should be afforded no weight as no details are provided and there is no way to verify the information”); MUR 5866 (In re Friends of Conrad Burns – 2006, *et al.*), Factual & Legal Analysis at 2-3 (dismissing complaint that relied primarily on newspaper article quoting anonymous sources).

In sum, the Complaints are merely a catalogue of selected newspaper articles that in turn rely almost exclusively on the accounts of a resentful former employee and unnamed sources whose credibility is impossible to ascertain. Accordingly, they are deficient on their face and present no reason to believe Mr. Nix violated any provision of federal law.

**II. Mr. Nix Did Not Participate in the Decision-Making of Any U.S. Political Client**

Even if the Complaints were facially sufficient, Mr. Nix never made, directed, facilitated or participated in the making of any contribution, expenditure or electioneering communication, or authorized or approved such conduct by any foreign national.

**A. Overview of the Prohibition on Contributions and Expenditures by Foreign Nationals**

Congress has prescribed that foreign nationals may not “directly or indirectly” make contributions or expenditures or sponsor electioneering communications in connection with federal and state elections. *See* 52 U.S.C. § 30121(a). In implementing this statutory directive, the Commission’s regulations provide that foreign nationals may not furnish “substantial assistance” in the making of a contribution or expenditure, and similarly may not “direct, dictate, control, or directly or indirectly participate in the decision-making process of any person . . . with regard to such person’s Federal or non-Federal election-related activities.” 11 C.F.R. § 110.20(h), (i).

The Commission has interpreted these edicts as precluding foreign nationals from exercising any decision-making authority over an organization’s decisions concerning its contributions or expenditures (to include the nature, amount, timing, recipients, and purpose of such transactions). *See, e.g.*, Adv. Op. 2006-15 (TransCanada) (board of directors that included foreign nationals must delegate to U.S. citizens or permanent residents “the authority to select the individual or individuals who will exercise all other decision-making authority over political donations and disbursements”); Adv. Op. 2000-17 (Extendicare) (“[F]oreign nationals, who are either on the corporate board or hold other positions with the corporation, may not vote on the selection of individuals who would operate the PAC or exercise decision-making authority with respect to contributions and expenditures by the PAC, or by the domestic corporation itself in non-federal elections”); Adv. Op. 2004-26 (Weller) (foreign national could not “be involved in the management of” candidate’s campaign).

Importantly, however, campaigns and other political organizations are not prohibited from hiring foreign nationals or retaining them as independent contractors to provide *bona fide* vendor services. Similarly, foreign nationals' inability to exercise decision-making authority does not necessarily foreclose their substantive involvement in campaign operations or activities. *See, e.g.*, Adv. Op. 2007-22 (Hurysz) (concluding that campaign could use committee funds to hire Canadian citizens to work as campaign staff). Indeed, the Commission has expressly countenanced foreign nationals' attendance at internal campaign meetings concerning political strategy, provided that such individuals do not exercise any decision-making authority. *See* Adv. Op. 2004-26 (Weller). More broadly, the Commission has rejected arguments that Section 110.20 prohibits foreign nationals from "engaging in conduct that merely '*influences* the decision making process' of a political committee," countering that "the regulation does not impose such universal or near-universal restrictions." MUR 6959 (In re Democratic National Committee, *et al.*), Factual & Legal Analysis at 4 & n.17 (finding no reason to believe committee violated the foreign national prohibition by hiring an intern who, *inter alia*, performed online research, reviewed social media pages and translated documents). Stated differently, prohibited "participation" for purposes of Section 110.20 connotes the possession or exercise of partial or plenary decision-making authority over a political committee's expenditures. *See* Adv. Op. 2006-15 (company directors who were foreign nationals could not vote on decisions regarding political donations and disbursements). It does not encompass foreign nationals' provision of information, analysis or other input to U.S. citizens, who in turn exercise their own independent judgment concerning the committee's resources and activities.

Thus, any construction of Section 110.20 that purports to proscribe foreign nationals, acting as *bona fide* vendors receiving fair market compensation, from supplying factual information or data analyses to the U.S. citizens responsible for making decisions concerning a political organization's expenditures would untether the regulation from its statutory foundation and raise serious constitutional questions. *See infra* Section II.D. That such services may incidentally influence the organization's financial or operational determinations is immaterial, provided that all decision-making authority is exclusively vested in, and exercised by, U.S. citizens (or lawful permanent residents).

## **B. Mr. Nix Did Not Participate In, or Authorize Participation By Other Foreign Nationals In, Any Political Committee's Expenditures or Election Related Activities**

The Complaints' depiction of Cambridge Analytica's policies and practices is simply false. Throughout its existence, Cambridge Analytica endeavored diligently and in good faith to observe Section 110.20's restrictions on foreign nationals' participation in American election activities. Further, even if the Complaints sufficiently alleged specific, discrete instances where such safeguards may have gone unheeded by individual employees (and they do not), Mr. Nix himself was not a party to, and never authorized or approved, such deviations from company policy.

### **1. Mr. Nix Was Not Personally Involved in American Clients' Political Operations**

Cambridge Analytica did not wield control over its clients' decision-making concerning contributions, expenditures or other election-related activities. The company was a commercial vendor of information services to political clients; to that end, it provided public opinion research, performed data analyses, and provided tools to interpret data and formulate messaging concepts in return for fair market value consideration. *See* Nix Decl. ¶ 27. Fundamentally, Cambridge Analytica's role was to furnish data and

information to enable its client to make informed decisions, and then to execute and administer the decisions made by the client. *See id.* ¶ 28.

If individual Cambridge Analytica employees ever impermissibly directed the decisions of the company's American political clients, they did so without the participation or knowledge of Mr. Nix. As the founder and president of Cambridge Analytica,<sup>2</sup> Mr. Nix managed the business facet of the company, to include overseeing budgets, hiring, marketing and similar matters. *See* Nix Decl. ¶ 24. While Mr. Nix customarily would meet with prospective clients and pitch the company's services and capabilities,<sup>3</sup> he had little to no knowledge of, or involvement in, the day-to-day management of Cambridge Analytica's U.S. client relationships or such clients' operations. *See id.* ¶ 25. Indeed, Mr. Nix's disengagement from on-the-ground client activities is evidenced by the relative infrequency of his travel to the U.S. During the height of the 2014 midterm election season, Mr. Nix spent an aggregate of approximately two weeks in the United States, which were devoted almost exclusively to business development meetings. *See id.* ¶ 26. Similarly, his involvement with Senator Cruz's presidential campaign entailed only a single, one-hour sales meeting in the United States, and he never once visited the Trump campaign offices in San Antonio, where Cambridge Analytica had deployed employees. *See id.*

Other former Cambridge Analytica personnel have corroborated Mr. Nix's lack of participation in U.S. clients' political operations. Molly Schweickert, Cambridge Analytica's former Head of Digital, and Emily Cornell, who served as the company's senior vice president, both have represented under oath that Mr. Nix never "directed the content, method, or audience for our advertising work." *See* Response of Make America Number 1 PAC to MUR 7350 and 7351, Ex. B, ¶ 11; Ex. C, ¶ 14. Julian Wheatland, Cambridge Analytica's Chief Operating Officer, likewise affirmed that "[a]t no point during [his] tenure at Cambridge did Alexander Nix . . . work for any of our federal election clients" and that Mr. Nix's involvement was limited to "marketing services to our clients, as well as contracts and billing issues as such occurred." *Id.* Ex. D, ¶ 5.

As Cambridge Analytica's principal officer, Mr. Nix was of course responsible for ensuring that the company took steps to comply with all applicable laws, including the FECA's strictures on foreign nationals' participation in U.S. elections. To this end, Mr. Nix consistently sought out and relied upon the advice of issue experts to ensure that the company fully adhered to the Commission's prohibitions on the making of contributions or expenditures by foreign nationals and the coordination of expenditures with federal candidates. *See* Nix Decl. ¶ 41. Foreign national employees were prohibited from participating in any manner in U.S. political clients' decision-making with respect to election related disbursements or activities. *See id.* ¶ 29. Further, adopting an approach more conservative than that required by Section 110.20, Cambridge Analytica provided, as a matter of internal policy, that no foreign national employee could render strategic advice to any U.S. political client. *See id.* All Cambridge Analytica staff tasked with providing services to U.S.

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<sup>2</sup> Although Mr. Nix himself is a British national and not a citizen or permanent resident of the United States, American investors have held majority control of Cambridge Analytica (which is incorporated in Delaware) since approximately mid-2014. *See* Nix Decl. ¶ 4.

<sup>3</sup> In one such meeting with undercover journalists posing as prospective clients, Mr. Nix and a colleague indicated that Cambridge Analytica utilized "honey traps" and other underhanded means of embarrassing political opponents. As Mr. Nix has since acknowledged, however, these statements were inappropriate marketing hyperbole; Cambridge Analytica in fact never engaged in, and never intended to undertake, such tactics. *See* Nix Decl. ¶¶ 32-36.

clients during the 2014 and 2016 election cycles were clearly instructed on these policies and were encouraged to “ask before acting” if they were unsure whether particular activities were permissible. *See id.* ¶¶ 30-31.

## 2. 2014 Midterm Elections

As noted above, it was the company’s unambiguous policy that foreign nationals could not provide strategic advice to U.S. political clients or engage in their decision-making processes. This directive was encapsulated in a special internal memorandum that was distributed in July 2014 and again in September 2014 to all staff assigned to U.S. political work. *See* Nix Decl. ¶ 41. To the best of Mr. Nix’s knowledge, this policy was fully implemented and consistently observed throughout the 2014 (and 2016) election cycle. *See id.* ¶ 40.

In struggling to depict violations of Section 110.20 during the 2014 election cycle, the Complaints focus primarily on Cambridge Analytica’s engagements with Thom Tillis’ U.S. Senate campaign in North Carolina and with the John Bolton Super PAC. Although Mr. Nix was not personally involved in the provision of services to either client, *see* Nix Decl. ¶¶ 25, 74, the available information furnishes no reason to believe that foreign nationals employed by Cambridge Analytica ever participated in the electoral decision-making of these organizations.<sup>4</sup>

### *i. Tillis Campaign*

Cambridge Analytica was merely one of several vendors retained by the Tillis campaign to provide data collection services, to include preparing voter lists based on partisanship, ideology and issues of interest. *See id.* ¶ 43. To Mr. Nix’s knowledge, the Tillis campaign—which was managed entirely by U.S. citizens—would use data provided by Cambridge Analytica to independently make decisions concerning voter targeting and messaging; foreign nationals employed by Cambridge Analytica never exercised any decision-making authority in connection with the Tillis campaign’s expenditures, finances or operations. *See id.* ¶¶ 44, 46. In the same vein, while the complaint in MUR 7382 quotes Timothy Glister, a British national formerly employed by Cambridge Analytica, as crediting himself with creating certain advertisements for the Tillis campaign, Mr. Glister’s self-serving puffery is simply inaccurate. Although Mr. Nix did not personally supervise Mr. Glister’s work, Mr. Nix’s understanding is that Mr. Glister served as the functional equivalent of a graphic designer, and merely implemented decisions previously made by campaign management concerning general campaign themes and messaging. *See id.* ¶ 45; MUR 6959, *supra* at 2 (foreign national intern could provide services that did not entail decision-making). If Mr. Glister ever participated in the Tillis campaign’s financial or operational decision-making, he did so without the knowledge or authorization of Mr. Nix.

### *ii. John Bolton Super PAC*

At some point in the 2014 election cycle, the John Bolton Super PAC hired Campaign Solutions, a U.S. based firm that appears to be managed and operated solely by U.S. citizens, to formulate messaging and creative content. Cambridge Analytica was subsequently retained to support Campaign Solutions by providing services such as field research and data analysis. *See* Nix Decl. ¶ 47. To the best of Mr. Nix’s knowledge, Campaign Solutions was exclusively responsible for creating and disseminating creative content on behalf of the John Bolton Super PAC. *See id.* ¶ 48. No foreign national employed by Cambridge Analytica ever provided strategic

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<sup>4</sup> One of the Complaints also cites Cambridge Analytica’s engagement with Art Robinson’s congressional campaign in Oregon, *see* MUR 7351, ¶ 31, but the referenced *Washington Post* article expressly acknowledged that the company’s services were “channeled through US nationals on the [Cambridge Analytica] team.”

advice directly to the John Bolton Super PAC or otherwise participated in any of the organization's decisions concerning its expenditures, finances or operations. *See id.*

*iii. Colorado Engagements*

One Complaint also intimates that Cambridge Analytica violated Section 110.20 in connection with its engagements by certain conservative groups in Colorado during the 2014 election cycle. *See* MUR 7351 Compl. ¶ 17. In actuality, all activities and services performed by foreign national employees in these projects were managed and overseen by Linda Campbell, a U.S. citizen. To the best of Mr. Nix's knowledge, Ms. Campbell was solely and exclusively responsible for interfacing with client campaign teams in Colorado, and no foreign nationals employed by Cambridge Analytica ever participated in the Colorado clients' decision-making in connection with U.S. election activities. *See* Nix Decl. ¶ 49.

**3. 2016 Presidential Election**

It was Cambridge Analytica's unequivocal and settled policy during the 2016 election cycle that any substantive decision-making regarding messaging, fundraising and similar matters in connection with U.S. client engagements must be performed by U.S. citizens. *See* Nix Decl. ¶ 54. To the extent foreign nationals were involved in the provision of such services, they were required to be supervised by U.S. citizens possessing the authority and discretion to accept, reject or modify any work provided by foreign nationals. *See id.* To the best of Mr. Nix's knowledge, this directive was consistently observed throughout all of Cambridge Analytica's client engagements during the 2016 election cycle. *See id.*

*i. Cruz Presidential Campaign*

One of the Complaints infers—without any articulable factual basis—illicit activities from Senator Ted Cruz's presidential campaign's retention of Cambridge Analytica to provide data services. *See* MUR 7351, Compl. ¶¶ 36-37. As an initial matter, Mr. Nix's personal involvement with the Cruz campaign engagement did not extend beyond a single one-hour sales meeting and initial introductory communications. *See* Nix Decl. ¶¶ 26, 52. Indeed, far from facilitating improper intervention by foreign nationals in campaign activities, Mr. Nix's early correspondence with the Cruz campaign in December 2014 expressly informed the campaign that Cambridge Analytica was legally constrained from providing certain services. *See id.* ¶ 50; Ex. 3. In subsequent communications, Cambridge Analytica shared its internal compliance policies with the campaign team and both sides worked diligently to ensure scrupulous adherence. *See id.* ¶ 51. It is Mr. Nix's understanding that, in accordance with these policies, all creative and messaging support services provided by Cambridge Analytica to the Cruz campaign were delivered exclusively by U.S. citizens. *See id.* ¶ 53.

*ii. Trump Presidential Campaign*

Proceeding from the undisputed premise that the Trump campaign retained Cambridge Analytica, the Complaints conclude, without any factual predicate, that its services were rendered by foreign nationals. Even if it were illegal for foreign nationals to provide data analysis or strategic advice to U.S. campaigns (and, as discussed below, it is not), all such analytical or strategic services performed by Cambridge Analytica were carried out by U.S. citizens.

Preliminarily, the Complaints attempt to extrude wrongdoing from news accounts quoting Mr. Nix as claiming that he had met with President Trump many times and that Cambridge Analytica's work was integral to the

campaign's success. *See* MUR 7350, Compl. ¶ 17; MUR 7351, Compl. ¶¶ 18, 19, 38-40. Notwithstanding that these allegations do not delineate any violation of any law, they are not true. In fact, Mr. Nix met with Mr. Trump on only two occasions, once on Election Night 2016 and again at a Christmas party the following month. Both interactions consisted of merely a brief exchange of pleasantries; Messrs. Trump and Nix never discussed political strategy, campaign activities or similar matters. *See* Nix Decl. ¶ 58. Similarly, boasts by Mr. Nix and Mark Turnbull (SCL's former Managing Director) that Cambridge Analytica was pivotal to the campaign's success were concededly marketing hyperbole that overstated and misrepresented the limited nature and extent of the engagement. *See* Nix Decl. ¶ 56; MUR 7350 and 7351, Response of Make America Number 1 PAC, Ex. E (Decl. of Mark Turnbull), ¶¶ 3, 7.

Although Mr. Nix was not personally involved in the provision of services to the Trump campaign and never even visited the campaign's San Antonio office (where Cambridge Analytica personnel had been deployed), to the best of his knowledge, no foreign national employees of Cambridge Analytica ever participated in the campaign's decision-making processes. *See* Nix Decl. ¶¶ 25-26, 31, 54. Indeed, while the Complaints trumpet the statement of a Trump campaign staffer, Brad Parscale, that Cambridge Analytica had provided a full-time employee to "sit next to [him] all day," MUR 7350, Compl. ¶ 27, the referenced employee was almost certainly Matt Oczkowski, who is a U.S. citizen. *See* Nix Decl. ¶ 59. Mr. Oczkowski was in turn supported by Molly Schweickert, also a U.S. citizen who was Head of Digital for Cambridge Analytica; to the best of Mr. Nix's knowledge, Ms. Schweickert's team was composed entirely of U.S. citizens. *See id.*

### *iii. Make America Number 1 PAC*

The response of Make America Number 1 PAC in MURs 7350 and 7351 comprehensively and convincingly refutes any allegation that foreign nationals ever participated in substantive decision-making in connection with Make America Number 1 PAC's political activities, to include the "Defeat Crooked Hillary" ad campaign, and is incorporated by reference herein. To Mr. Nix's knowledge, any services supplied to the PAC by Cambridge Analytica that entailed the provision of strategic advice or participation in the organization's decision-making were delivered by U.S. citizens who were employed in the company's U.S. offices and managed by Emily Cornell, a U.S. citizen. *See* Nix Decl. ¶ 62.

### **C. Mr. Nix Cannot Be Vicariously Liable for Employees' Unauthorized Breaches of Company Policy**

The controlling statute, 52 U.S.C. § 30121, attaches liability to foreign nationals who personally make or direct contributions, expenditures or electioneering communications. It does not contemplate any variant of accomplice liability, *see Fed. Election Comm'n v. Swallow*, -- F. Supp. 3d --, 2018 WL 1725429 (D. Utah Apr. 6, 2018) (invalidating Commission regulation imposing liability on persons who aid or abet a contribution in the name of another, explaining that "a person who 'makes a contribution' is the one who makes it, not a person whose role is limited to helping or assisting the actual contributor"), nor does it permit holding a corporate officer vicariously responsible for the actions of the organization's employees. For this reason, the Commission has levied civil penalties against individual foreign nationals only upon finding that they personally and directly participated in the unlawful making of contributions or expenditures. *See, e.g.*, MUR 4884 (In re Future Tech, *et al.*), Conciliation Agreement, ¶¶ 2, 5, 20-41; MUR 4530 (In re Longevity Int'l Enterprises Corp. *et al.*), Conciliation Agreement, ¶¶ 2, 13.

Even according to them the most liberal possible construction, the Complaints allege that certain foreign nationals employed by Cambridge Analytica may have participated in the decision-making of U.S. political



clients to a degree or in a manner not permissible under federal law. Not only do the Complaints not articulate any facts indicating that Mr. Nix personally participated in the operational or financial decisions of U.S. political clients, but any such inference is foreclosed by Mr. Nix's declaration and by the sworn affirmations of at least three company officers, *see* Response of Make America Number 1 PAC to MUR 7350 and 7351, Ex. B, ¶ 11; Ex. C, ¶ 14; Ex. D, ¶ 5. *See* MUR 6276 (In re Weiser, *et al.*), Factual & Legal Analysis at 8 (sworn declarations rebutted complaint predicated on news article).

Even if the Commission were to conclude that Mr. Nix was negligent in monitoring compliance with Cambridge Analytica's internal policies, such a finding would not beget any personal liability. The Commission traditionally has imputed personal responsibility for organizational offenses only to the treasurers of political committees, a distinction attributable to the treasurer's "unique role in a political committee." *Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings*, 70 Fed. Reg. 3-01, 3 (Jan. 3, 2005). Even in that context, personal liability generally attaches only upon proof that the treasurer knowingly and willfully violated campaign finance laws or recklessly eschewed his or her official obligations. *Id.* at 4. Thus, assuming *arguendo* that Mr. Nix failed to observe due care in auditing the activities of Cambridge Analytica's foreign national employees deployed to U.S. campaigns (and he did not), there still would be no statutory basis for the Commission to proceed against Mr. Nix personally.

#### **D. The Interpretation of Section 110.20 Advanced by the Complaints Would Compel Its Invalidation under *Chevron***

When delineating the scope of Congress' prohibition on activities by foreign nationals in connection with U.S. elections, precision is paramount and nuanced distinctions can be dispositive. Specifically, foreign nationals may not "make" contributions or expenditures or sponsor electioneering communications in connection with U.S. elections. *See* 52 U.S.C. § 30121(a). To ensure that this prohibition is not circumvented by, for example, the use of American conduits or nominally American organizations that are functionally controlled by foreign nationals, the statute forbids "indirect[]" as well as "direct[]" contributions, expenditures or electioneering communications by foreign nationals. Stated differently, foreign nationals may not (1) spend their own money to make contributions, expenditures or electioneering communications, or (2) control—either unilaterally or in concert with American or foreign third parties—the resources of an organization in connection with U.S. election activities.

Mr. Nix does not controvert the validity of the underlying statute. Notably, however, 11 C.F.R. § 110.20 "does not simply 'parrot' [the statute], but rather prohibits specific types of election-related activities for foreign nationals." *Bluman v. Fed Election Comm'n*, 766 F. Supp. 2d 1, 4, (D.D.C. 2011). The regulation's elastic prohibition on foreign nationals "directly or indirectly participat[ing] in the decision-making of any person" is a valid implementation of Congress' directive only if it is interpreted to preclude foreign nationals from exercising full or partial control over any political committee's funds. *See generally Chevron U.S.A., Inc. v. Nat'l Resources Defense Council, Inc.*, 467 U.S. 837 (1984). In this vein, it appears to be undisputed that Cambridge Analytica was a *bona fide* third-party vendor that provided data analysis and consulting services to political committees on an arms-length basis in return for fair market value compensation. The Complaints, however, depend on a far more capacious construction of Section 110.20, and posit that by furnishing substantive information, analysis or strategic recommendations to U.S. political clients, foreign nationals employed by Cambridge Analytica have violated federal law.

As the Commission has recognized, however, "conduct [by a foreign national] that merely 'influences the decision making process' of a political committee" does not contravene Section 110.20. MUR 6959, *supra* at

4 n.17. The distinction is conceptually sound and legally pivotal; the “making” of a contribution or expenditure necessarily denotes an element of legal control over such funds. A foreign national’s provision of information, data, advice or recommendations, which is then mediated through the independent judgment of U.S. citizens making decisions concerning a political committee’s resources and operations, simply does not constitute the “making” of a contribution or expenditure. Indeed, in no other circumstance has the Commission ever held that if A advises B on how to spend B’s own funds, then A has himself “made” an expenditure. The import of the Complaints’ argument to the contrary is significant; every vendor (whether or not a U.S. national) that provides analytical or strategic services to a political committee would be deemed to have “made” its clients’ resulting expenditures. Such a construction is untethered from the statutory text, the Commission’s own precedents, and foundational axioms of campaign finance law. *See, e.g.*, Adv. Op. 2009-13 (Black Rock Group) (commercial vendor does not itself make expenditures or qualify as a political committee where communications are financed with the client’s funds and the client “retain[s] ultimate control over the timing, content, [and] method of communication”).

Because the Commission itself possesses no legislative power, its regulations can derive force of law only from an underlying statutory enactment. It follows that “[i]f the intent of Congress is clear, that is the end of the matter; for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress.” *Chevron*, 467 U.S. at 842-43. Alternatively, “[i]f Congress has explicitly left a gap for the agency to fill, there is an express delegation of authority to the agency to elucidate a specific provision of the statute by regulation.” *Id.* at 843-44. In this context, Congress has already spoken with specificity: foreign nationals may not “make” contributions or expenditures—*i.e.*, they cannot use their own funds, or exert partial or plenary legal control over the resources of an organization, to effectuate contributions or expenditures. A more expansive prohibition that forbids foreign nationals from advising or influencing U.S. citizens who control campaign resources may or may not be a sound policy, but it certainly is not the law enacted by Congress.

Thus, if and to the extent Section 110.20 is construed to prevent foreign nationals from providing data analyses or strategic advice to U.S. citizens, who in turn possess sole authority and control over a political committee’s resources, it exceeds the scope of the Commission’s rulemaking prerogatives and hence is unenforceable, at least as applied to Mr. Nix. *See generally Emily’s List v. Fed. Election Comm’n*, 581 F.3d 1, 20 (D.C. Cir. 2009) (“The FEC runs roughshod over the limits of its statutory authority when it presumes that any public communications that merely ‘refer’ to a federal candidate necessarily seek to influence a *federal* election.”); “Statement of Commissioners Petersen, Hunter and McGahn Regarding *Emily’s List v. FEC*” at 2 (“[W]hile the Commission has the power to promulgate rules to carry out the provisions of the statute and to defend the statute in court, it is not our duty to defend fundamentally flawed regulations that . . . are promulgated without any statutory basis”); *Me. Right to Life v. FEC*, 914 F. Supp. 8, 13 (D. Me. 1996) (concluding that part of regulatory definition of “express advocacy” exceeded Commission’s authority), *aff’d*, 98 F.3d 1 (1st Cir. 1996).

#### **E. The Complaints’ Proposed Interpretation of Section 110.20 Would Present Acute Constitutional Concerns**

“Living under a rule of law entails various suppositions, one of which is that [all persons] are entitled to be informed as to what the State commands or forbids.” *Papachristou v. Jacksonville*, 405 US. 156, 162 (1972) (internal quotation omitted). Integral to the constitutional regime of due process is the principle that the government’s regulatory apparatus cannot be wielded against a defendant who lacked prior notice that his conduct was legally prohibited. This so-called “void for vagueness” doctrine “addresses at least two connected

but discrete due process concerns: first, that regulated parties should know what is required of them so they may act accordingly; second, precision and guidance are necessary so that those enforcing the law do not act in an arbitrary or discriminatory way.” *Fed. Comm’n Comm’n v. Fox Television Stations, Inc.*, 567 U.S. 239, 253 (2012).

Although the archetypal “void-for-vagueness” dispute takes the form of a facial challenge to a criminal statute, the Supreme Court has expressly confirmed that the demands of fair notice extend to civil enforcement processes and regulatory proceedings as well. *See id.* Further, the constitutional commitment to furnish fair notice is not contingent upon the nature of the punishment imposed; the government’s capacity to invoke impermissibly vague regulatory directives, compounded with the “reputational injury” exacted on those subject to its public scrutiny, presents a constitutionally significant burden. *See id.* at 255. Indeed, the Commission itself has recognized that fair notice is an indispensable prerequisite to regulatory action, adding that “[t]his concern is particularly acute where First Amendment rights are at stake.” *See* MURs 6485, 6487, 6488, 6711, and 6930 (In re W Spann, LLC, *et al*), Statement of Reasons of Commissioners Petersen, Hunter and Goodman, at 14 (concluding that Commission’s regulations and past guidance did not provide clear notice concerning whether and when closely held corporations and LLCs may constitute straw donors in the independent expenditure context).<sup>5</sup>

Here, the Commission has mitigated the vagueness inherent in Section 110.20(i)’s amorphous phrase “directly or indirectly participate in the decision-making process” by consistently representing that the provision prohibits foreign nationals from spending their own money, or exercising control over the funds of an organization, in connection with U.S. election-related activities. *See infra* Section II.A. Any newfound interpretation of Section 110.20 that ensnares merely the provision of information or advice to U.S. political committees, or that imposes vicarious liability on corporate officers who did not personally engage in or authorize any prohibited conduct, would offend foundational due process norms and imperil the regulation’s constitutional validity. *See Christopher v. SmithKline Beecham Corp.*, 567 U.S. 142, 158-59 (2012) (holding that Department of Labor could not retroactively apply newly formed regulatory position, explaining that “[i]t is one thing to expect regulated parties to conform their conduct to an agency’s interpretations once the agency announces them; it is quite another to require regulated parties to divine the agency’s interpretations in advance or else be held liable when the agency announces its interpretations for the first time in an enforcement proceeding and demands deference”); *Bluman v. Fed. Election Comm’n*, 800 F. Supp. 2d 281, 292 (D.D.C. 2011) (upholding what is now 52 U.S.C. § 30121 as constitutional but noting the concern that “Congress could prohibit foreign nationals from engaging in speech other than” contributions or expenditures and cautioning that “[o]ur holding does not address such questions, and our holding should not be read to support such bans”).

### **III. There is No Reason to Believe That Mr. Nix Engaged in or Authorized the Coordination of Expenditures**

Relying on Cambridge Analytica’s provision of services to both Senator Tillis and the John Bolton Super PAC, which supported the former’s candidacy, the complaint in MUR 7382 declares that the company must have engaged in prohibited coordination as a common vendor. *See* MUR 7382, Compl. at 6-9. This *ipse dixit* cannot

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<sup>5</sup> A federal court recently affirmed the controlling bloc of Commissioners’ reasoning. *See Campaign Legal Ctr. v. Fed. Election Comm’n*, 1:16-CV-00752 (TNM), 2018 WL 2739920, at \*6 (D.D.C. Jun. 7, 2018).

sustain the Complaint's illusory coordination theory, which is intrinsically defective for at least three independent reasons.

First, the Complaint identifies no specific public communication sponsored by the John Bolton Super PAC that it maintains was the product of coordination. This deficiency alone compels the Complaint's dismissal. *See* MUR 5869 (In re Montana Education Association-Montana Federation of Teachers) Factual & Legal Analysis at 6 (dismissing complaint, noting that despite generalized allegations of coordination, "[t]he complaint neither provides nor identifies any communications made by [labor union] that would meet one or more of the content standards" for a coordinated communication); MUR 6540 (In re Rick Santorum), Statement of Reasons of Commissioners McGahn and Hunter at 22-23 (supporting dismissal of complaint that presented generalized suspicion of coordination but "fail[ed] to identify any of these alleged in-kind contributions with any specificity").<sup>6</sup>

Second, coordination through a common vendor necessarily entails the vendor's use or conveyance of nonpublic information concerning a federal candidate's campaign plans, projects, activities, or needs. *See* 11 C.F.R. § 109.21(d)(4)(iii). Here, the Complaint alleges only that Cambridge Analytica used *its own* proprietary models and concepts in connection with its work for both the Tillis campaign and the John Bolton Super PAC. *See* MUR 7382 Compl. at 8. There is no evidence whatsoever that any Cambridge Analytica personnel appropriated nonpublic information possessed by the Tillis campaign concerning its own strategic matters to inform subsequent projects for the John Bolton Super PAC. *See, e.g.*, MUR 6120 (In re Republican Campaign Committee of New Mexico, *et al.*), Factual & Legal Analysis at 11-12 ("The complaint only states the use of a mutual vendor 'further suggests' information sharing, but does not indicate what information...was actually shared."); MUR 6570 (In re Berman for Congress, *et al.*), First General Counsel's Report at 12-13 (reasoning that "the Complaint does not present any allegation of specific conduct...Given the conclusory nature of the Complaint's allegations regarding the conveyance of information by a common vendor, the Complaint is essentially relying on a presumption of coordination, precisely the inferential leap the [Commission's guidance] disfavors"). Because the Complaint does not even posit the existence of—let alone identify with any specificity—nonpublic information particular to the Tillis campaign that was then utilized by Cambridge Analytica to facilitate the John Bolton PAC's public communications, it must be dismissed.

Third, even if the Complaint's allegations were facially sufficient, they are false. Pursuant to the Commission's regulatory safe harbor, *see* 11 C.F.R. § 109.21(h), Cambridge Analytica had implemented a firewall policy during the 2014 election cycle. *See* Nix Decl. ¶¶ 65-66. In accordance with this directive, no Cambridge Analytica employee that provided services to the Tillis campaign was involved in the provision of services to the John Bolton Super PAC. *See id.* ¶ 67. More broadly, Mr. Nix never authorized, approved or had knowledge of any conduct by any Cambridge Analytica employee that would constitute a violation of the company's firewall policy. *See id.* ¶¶ 68-70. Any inference of coordination accordingly is conclusively foreclosed. *See* 11 C.F.R. § 109.21(h); *see also* MUR 5823 (In re Wahlberg for Congress, *et al.*), Factual & Legal Analysis at 12-13 (dismissing complaint and finding that common vendor's sworn statements that it did not internally share sensitive campaign information "sufficiently refute the speculative allegations of common vendor coordination"); MUR 6077 (In re Larson), Factual & Legal Analysis at 7 (dismissing coordination complaint premised partly on common vendor theory, noting that "Complainant's inferences are convincingly refuted

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<sup>6</sup> The *New York Times* article upon which the Complaint relies references a YouTube video allegedly posted by the John Bolton Super PAC. Even if the video is the communication upon which the Complaint's coordination allegation is predicated, content placed on free social media outlets such as YouTube are not "public communications" subject to the coordination regulations. *See* 11 C.F.R. §§ 100.26, 109.21.

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by the available information including [the respondent's] Response, which denies knowledge of [other organizations'] actions. . .and denies any coordinating activity.”).

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In sum, there is no reason to believe that Mr. Nix ever (1) directly or indirectly made a contribution or expenditure or authorized any such conduct by any foreign national in violation of 52 U.S.C. § 30121 and 11 C.F.R. § 110.20; or (2) engaged in, authorized or facilitated the coordination of expenditures between a federal candidate and any third party in violation of 52 U.S.C. § 30116(a)(7)(B)(i) and 11 C.F.R. § 109.21. Accordingly, the Complaints should be dismissed in their entirety without further action.

Respectfully,

A handwritten signature in cursive script, appearing to read "Thomas J. Basile", is written over a horizontal line.

Kory Langhofer  
Thomas Basile

**MURs 7350, 7351, 7382**

## DECLARATION OF ALEXANDER NIX

I, Alexander Nix, depose and state as follows:

1. I am over 18 years of age and am competent to testify in this matter.
2. I make this declaration based upon my own personal knowledge.
3. I was a Director and CEO of SCL Elections Limited (“SCLE”) and President and Founder of Cambridge Analytica LLC (“CA”) throughout the period from 2014 through April of 2018.
4. CA was formed in 2013, as a U.S. company in Delaware; in mid-2014, U.S. investors became the majority owners and CA remained a US company until closure of operations on 1<sup>st</sup> May 2018.
5. Cambridge Analytica, Ltd. is apparently a management consulting firm organized in England. Neither it, nor its listed organizers have ever worked at or with CA or SCLE, nor does it have any relationship whatsoever with CA, SCLE, or me.

**I. Relationship between SCLE and Christopher Wylie**

6. In August of 2013, Christopher Wylie became a consultant to SCLE; Mr Wylie was retained as a Director of Research and one of his primary tasks was to interface with professors at Cambridge University on a project that promised to enhance data analysis regarding individuals’ preferences in commercial and political settings.
7. SCLE contracted with Global Science Research Limited (“GSR”) to license certain data that they had collected from Facebook users. Such licensing was agreed subject to clear assurances that Dr Aleksandr Kogan (Founder and CEO of GSR) had properly obtained the data that he had collected and that he (and GSR) had the right to provide it to SCLE. SCLE relied upon these written contractual commitments (see Ex. 1 (GSR Contract dated 4-6-14).
8. Mr Wylie was GSR’s primary contact at SCLE. He was responsible for managing the relationship between SCLE and Dr Kogan, and SCLE relied on him to ensure the proper conduct and execution of the contract.
9. As a condition of his consultancy engagement with SCLE, on 1<sup>st</sup> January 2014 Mr Wylie entered into a standard Non-Disclosure Agreement that included clauses prohibiting him from taking or using any confidential information from SCLE, including its intellectual property, client lists, and business documents together with

soliciting employees and targeting SCLE's clients. A copy of the non-disclosure agreement is attached as Exhibit 2.<sup>1</sup>

10. I have subsequently learned that, whilst he was still at SCLE, Mr Wylie started to discuss with other employees setting up his own company – he was quoted as saying that: “he wanted to replicate CA without [Alexander] Nix” and to “create the NSA’s wet dream”. In the summer of 2014, he set up Arg.us, and developed a pitch which he took to Silicon Valley to raise \$15m-\$20m for a 20% stake.
11. According to newspaper reports he was agnostic about where the money came from and he even courted Russians, stating that he found the idea of working for a “crazy evil Russian” quite intriguing. One San Francisco–based investor who spoke to Mr Wylie about his startup in January 2014, but declined to invest, showed BuzzFeed News an email that he received about the startup. That note reportedly claimed Mr Wylie's technology had been tested on political clients and could profile someone’s real-world personality and motivations based on what they did online.
12. Mr Wylie breached the terms of the NDA with SCLE: in mid-2015 SCLE became aware of the fact that he had created a new company, Eunoia Limited, which was established to deliver similar or exactly the same services as SCLE/CA. Moreover, according to Dr Kogan’s written evidence submitted to the UK Parliamentary Select Committee, Mr Wylie had obtained from GSR the same data-sets that SCLE had licensed, and in addition he obtained approximately 96% more data from the same source. See *Written-evidence-Aleksandr-Kogan*, available at <https://www.parliament.uk/documents/commons-committees/culture-media-and-sport/Written-evidence-Aleksandr-Kogan.pdf>

“For clarity, there is a substantial difference between the data SCL and Mr Wylie’s company were provided. SCL was never given, at least by GSR, access to the raw Facebook data containing all of the Likes. SCL received only demographic information (if available, name, birth date, location (city and state), gender) and personality predictions and, later in 2015, the limited set of 500 page likes specified in 2015, representing 4% of the overall Likes. This is in contrast with the contract with Mr. Wylie’s entity Eunoia, where Eunoia received all of the page like data as well as dyads.”
13. Mr Wylie further violated the NDA when he sought to offer his services in direct competition to SCLE/CA, including to the Trump campaign in or around the summer of 2015, and apparently continued to use SCLE/CA’s intellectual property.
14. After an exchange of legal correspondence, Mr Wylie entered into a written agreement pursuant to which he promised to destroy any data or intellectual property improperly taken from SCLE/CA and not to use any SCLE/CA customer lists, intellectual property, and marketing material.

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<sup>1</sup> Although I do not have access to a signed copy of the agreement, the attached unsigned version accurately reflects the terms agreed to by the parties.

15. It is my understanding that this exchange of correspondence and the ensuing agreement that was entered into on 10<sup>th</sup> August 2015 effectively bankrupted Mr Wylie's business, which fell dormant shortly thereafter and was subsequently struck off the company register.
16. In late 2015, SCLE was contacted by Facebook regarding the data provided by GSR (under licence agreements entered into on 4<sup>th</sup> June 2014 and 28<sup>th</sup> January 2015). SCLE/CA agreed to delete all the questionable data and did so, certifying to Facebook that this data had been deleted. SCLE/CA also took legal action against Dr Kogan and GSR for licencing to SCLE data that had been obtained in breach both of Facebook's terms and conditions and the licence agreement that SCLE/CA had signed with GSR.
17. To the best of my knowledge the documents given to the press relating to CA/SCLE's work in 2014 were made public by Mr Wylie, and perhaps his associates in the ill-fated Eunoia as part of a vendetta against SCLE/CA. Upon terminating his employment with SCLE, Mr Wylie had certified that he had destroyed or returned all copies of any such documents; it now appears that certification was false.
18. Mr Wylie did not work for or with SCLE or CA after July 2014, nor did he have any contact with me or CA's business activities, other than in the course of our efforts to make him cease and desist from violating his written agreements and engaging in unlawful acts to the detriment of SCLE/CA.
19. Mr Wylie did not have direct access to any data or work performed by, SCLE/CA after July 2014. I can think of no reason for him to have any direct knowledge of SCLE/CA's business in 2015, 2016, 2017, or 2018. His many statements to the contrary are simply false.
20. On 19<sup>th</sup> March 2018 the UK media started publishing articles about SCLE/CA that were based on interviews and false information provided by Mr Wylie. These articles contained many allegations of illegal, improper or unethical activities undertaken by SCLE/CA that have since proven to have been false.
21. Examples of these false allegations include Mr Wylie's claim that SCLE/CA 'harvested' Facebook data on 87 million people. It has since been proven that SCLE/CA did not collect any data on Facebook users, but rather that the data was collected by a company (GSR) run by an eminent Cambridge University academic, who then licensed a subset of the data that he collected to SCLE/CA. In fact, it was Mr Wylie himself who was the only person to receive the entire data set that was collected by GSR, which he then went on to try to commercialize through his company Eunoia Limited.



22. Mr. Wylie’s other false allegations, which are not directly at issue in the proceedings before the FEC but which nonetheless reflect on his credibility more broadly, include the following:
- a. For the last 18 months it has been alleged by certain parts of the media that SCLE/CA were involved in the BREXIT Campaign. These allegations gained global traction and were often accompanied with suggestions that our involvement was illegal. In May 2018 the UK Electoral Commission published the result of its 18-month enquiry into BREXIT which confirmed it found no evidence (as we have maintained) that SCLE/CA was involved in the campaign.

“The Commission is satisfied that Leave.EU did not receive donations or paid-for services from Cambridge Analytica...the evidence shows that the relationship did not develop beyond initial scoping work and no contract was agreed between them. The Commission saw no evidence that Cambridge Analytica had any input into Leave.EU’s referendum campaign.” (See U.K. Electoral Commission, *Report on an Investigation in Respect of the Leave.EU Group Limited*, available at [https://www.electoralcommission.org.uk/\\_data/assets/pdf\\_file/0018/243009/Report-on-Investigation-Leave.EU.pdf](https://www.electoralcommission.org.uk/_data/assets/pdf_file/0018/243009/Report-on-Investigation-Leave.EU.pdf))

Mr Wylie is the original source of this false story, and indeed testified in front of the UK Parliamentary Select Committee’s inquiry into fake news on 27<sup>th</sup> March 2018 stating that:

“Cambridge Analytica played an absolutely pivotal role in BREXIT; that is really important for people to understand.”

What seems now to be the widely accepted narrative is in fact little more than a conspiracy theory. A conspiracy theory promoted by a jealous and resentful former contractor (see Ex).

- b. Mr Wylie also informed the media and the UK Parliamentary Select Committee that SCLE/CA used its data to perform “psychographics” on US voters on behalf of the Trump campaign. As I understand it, however, the data that we used for the Trump campaign came from the Republican National Committee (RNC) and not any of SCLE/CA’s own data sets, and we did not perform any “psychographics” for the Trump Campaign. These facts were corroborated by a statement from a representative of the Trump Campaign.
- c. Mr Wylie was also the source for numerous articles in the UK’s Guardian newspaper (picked up by other media and disseminated globally) alleging that SCLE and the Canadian company, Aggregate IQ (AIQ), are one and the same company. On 1 April 2018, the Guardian published a retraction and confirmed that the two entities are separate and independent of each other. AIQ’s CEO made it clear when he attended

both the UK Parliamentary Select Committee and the Commons Privacy and Ethics Committee in Ottawa that AIQ is a separate and independent company that existed before SCLE/CA carried out any work with it.

- d. Mr Wylie has also suggested in the media and before the UK Parliamentary Select Committee that somehow SCLE/CA had become involved in Russian attempts to influence the 2016 US Presidential election. As part of an 18-month inquiry, The US House Intelligence Committee investigated this allegation and found no support for it.
- e. Mr Wylie alleged that SCLE/CA was responsible for producing and disseminating racially charged propaganda videos in support of the Presidential election campaign of Uhuru Kenyatta in Kenya. It has since been proven that SCLE/CA had no involvement with these videos, which were in fact produced and disseminated by the US digital-media agency Harris Media. This fact has since been acknowledged by the media and corroborated by a spokesperson for President Kenyatta's campaign.
- f. Mr Wylie alleged that SCLE/CA was responsible for producing and disseminating racially charged propaganda videos in support of Goodluck Jonathan's Presidential election campaign in Nigeria. This allegation has also been proven to be false, and it is now clear that these videos were not produced by SCLE/CA but were given to SCLE/CA and their consultants by their Nigerian clients with the instruction to disseminate them on the internet. An instruction that, as far as I know, was refused.
- g. Mr Wylie claimed that the death of a former colleague at SCLE, Dan Muresan, whilst working on a campaign in Kenya, was caused by deliberate poisoning and was connected to the fact that "politics in a lot of African countries, if a deal goes wrong, you can pay for it." This tragic event was thoroughly investigated at the time by the police and by representatives from the Romanian Embassy (Dan was a Romanian national). It was concluded that Dan died from suffocating on his vomit after a heavy night's drinking. There was nothing suspicious about his death.
- h. Julian Malins, QC<sup>2</sup>, addressed Dan's death in his report as follows:

"His death was certainly unexpected, but I have found nothing in the circumstances to suggest that he was murdered. None of those closely involved at the time (the police and family and embassy staff) thought that he was murdered. The autopsy findings do not suggest murder. His death was in fact the kind of very sad event that can happen to a young man on a Saturday night, who has been

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<sup>2</sup> Julian Malins QC is a former UK barrister-at-law and Queen's Counsel. He and his team of legal professionals were brought in by the Board of Cambridge Analytica LLC to independently investigate the numerous allegations made by the Christopher Wylie, and disseminated by the media. His mandate was to help the Board understand if management had acted improperly or illegally.

drinking. To suggest to the world's press that he was murdered was an irresponsible act, no doubt causing pain to his loved ones.”

- i. Mr Wylie also stated to the UK Parliamentary Select Committee that “The company (SCLE/CA) has data on British citizens” and “It would all be sensitive data”. It is a matter of fact that we do not hold any data on UK citizens. This fact will be proved in due course by an enquiry currently being undertaken by the UK's Information Commissioner's Office.
  - j. Despite numerous further allegations of ethical misconduct and wrongdoing made by Mr Wylie and published in the media, in April 2018 Julian Malins QC published an independent report following a 7-week investigation into the CA's ethics and practices. This report concluded that the allegations against CA were simply not “borne out by the facts.”
23. I trust that, in evaluating the current allegations, the FEC will give due weight to this pattern of material false statements by Mr. Wylie against SCLE/CA.

## **II. SCLE/CA's Engagements with Political Clients**

### **A. Generally**

24. I ran the business of both CA and SCLE, meaning I was in charge of budgets, hiring, marketing, and other overall business matters. That said, I did not personally engage in substantive work regarding the conduct of individual political campaigns for any of CA or SCLE's United States political clients.
25. In general, I would meet with potential clients and provide information about SCLE/CA's services and capabilities. After clients engaged SCLE/CA, I would periodically monitor the general status of the business relationship but, to my recollection, never subsequently communicated directly with U.S. candidates or campaign teams. As a matter of course, I had little to no knowledge of, or involvement in, the day-to-day management and operation of SCLE/CA's client engagements in the United States.
26. Because my role was limited to high-level management of the companies, I spent relatively little time in the United States and communicating with U.S.-based clients. For example, in 2014 I spent a total of only two weeks in the US between 1st July - 31st December (the main period of the 2014 midterm elections), largely undertaking business development. This travel agenda (including meetings) is well documented and did not include visiting or meeting with any campaign that SCLE/CA was providing services to. In 2015/16 I only visited the Cruz campaign office on a single occasion during the 15-month campaign. This was for a brief, one-hour sales meeting. And in 2016 I did not visit the Trump campaign offices in San Antonio, Texas at any time (either during the election period or otherwise).

27. SCLE/CA was a vendor of information services to U.S. political clients. Specifically, it conducted public opinion research, performed data analyses, and provided tools to interpret data and formulate messaging concepts.
28. Fundamentally, SCLE/CA's role was to equip the client with data and information to enable informed decision-making, and then to execute and administer the decisions made by the client.
29. Consistent with FEC regulations, it was SCLE/CA's policy that if and to the extent the companies provided strategic advice to U.S. political clients or participated in any way in their organizational decision-making, only U.S. nationals could be involved in the provision of such services.
30. All SCLE/CA staff assigned to provide services to U.S. clients during the 2014 and 2016 election cycles were clearly instructed on the company's policies prohibiting foreign nationals from participating in U.S. clients' decision-making concerning U.S. election activities, and were encouraged to "ask before acting" if they were unsure about whether particular activities were permissible.
31. I never authorized, approved, or had knowledge of any engagement in which foreign nationals employed by SCLE/CA possessed or exercised authority over a U.S. political client's decisions concerning election-related operations, strategies, or disbursements.
32. Early in 2018, my colleague Mark Turnbull and I were lured into "undercover" meetings with purportedly Sri Lankan business people seeking services to assist with health and technology infrastructure programmes in Sri Lanka, but initially to engage in surveys and field work to understand public opinion and collect information relevant to the wide project.
33. Over the course of several meetings, the purported clients began raising very different requests than those which were discussed in the first meeting. In the final meeting the purported clients began asking about outrageous activities, including the use of "honey traps" against political figures using foreign women, other acts of possible entrapment against opposing candidates (such as offering 'sweetheart' deals on property) and other activities intended to expose corrupt political candidates.
34. Rather than terminate the conversation (and with it the promise of a contract for business), I humoured the purported client by addressing his questions about what could be done to discredit a politician. However, I specifically caveated my answers by saying:

**"The answers are hypothetical and that's really important.** Please don't pay too much attention to what I am saying because I'm just giving you examples of what can be done....

35. The above quote is taken from a selected transcript, provided to SCLE/CA by the news agency responsible for the undercover meetings. Crucially, the words in bold were excluded from the final edit that was aired on television.
36. While I deeply regret the error in judgement in making such inappropriate statements, I did so believing I was engaging in a foolish exercise in marketing hyperbole knowing that neither CA nor SCLE would ever engage in the activity the purported clients requested, and that neither I nor any of my colleagues would have any additional contact with the purported clients. I recognize now that my remarks unfortunately and inaccurately implied that Mark Turnbull and I possessed far greater knowledge about these “dark arts” than we actually had.
37. Mr Nigel Oaks is a founder and CEO of SCL Group Limited. Between October 2012-23<sup>rd</sup> January 2018 SCL Group was a different entity and entirely independent of SCLE or CA. It had a different Board, different management, different employees, different offices in a different country and provided different services to different clients. SCL Group Limited was a defence contractor that serviced allied militaries with soft power solutions. As far as I know, Mr Oakes did not engage in any management role, fundraising, strategic guidance, or other similar services for any US campaign on behalf of SCLE or CA.
38. Dr. Alexander Tayler joined SCLE as a data scientist in January 2014 and was Chief Data Officer from August 2015 to April 2018. As far as I recall, he did not engage in any fundraising or strategic work on behalf of any US campaign during the period 2014 to 2018. Rather, Dr. Tayler was in charge of the technical work, servers, and data scientists.
39. CA was created to enter into the US markets, initially focusing on the political and issue advocacy work, but also with an ability to represent commercial interests in the US. By 2017 the majority of CA’s work in the US was for commercial clients.

**B. 2014 Mid-Terms**

40. It is important to understand that over this period SCLE/CA was staffed by both US and non-US nationals. To the best of my knowledge, all of SCLE/CA’s staff working on campaigns in the US in strategic or decision-making roles were US nationals, with non-US staff only working in support or functionary roles.
41. Our work during this time included research, data analysis and marketing support for campaigns. Also, during this period of time, I, together with SCLE/CA’s then COO, on behalf of SCLE/CA, consistently sought out and relied upon the advice of area experts to ensure our efficient and proper operations in the U.S. Specifically, this advice centred on regulations prohibiting foreign nationals from donating funds, or actively participating in making any decisions on strategy or fundraising/expenditures in connection with any political campaign activity. We also received separate advice

on the FEC's regulations on coordination. This advice on foreign nationals and coordination was incorporated into a special internal memorandum and shared with all staff involved in US political work. This advice was circulated initially in July 2014 and then again in September 2014, shortly before staff deployed to the US to assist campaigns.

42. The company, having reached a certain size, implemented compliance training for its employees and adopted a customary firewall policy for its work on political campaigns. This firewall policy was adopted by CA's then COO and was then signed by all employees and contractors in the Company that were involved, directly or indirectly, in any political work in the US in 2014.

### **1. Thom Tillis Campaign**

43. SCLE/CA was one of several vendors retained by Thom Tillis' 2014 campaign committee to provide data collection services, to include preparing lists of voters based on partisanship, ideology and issues of interest, in connection with Mr. Tillis' campaign for U.S. Senate in North Carolina.
44. My understanding is that the Tillis campaign, which to the best of my knowledge was managed entirely by U.S. citizens, would use the data provided by SCLE/CA to independently make decisions about which voters to target, through what means, and with what messages.
45. The complaint in MUR 7382 alleges that Timothy Glister, a British national previously employed by SCLE/CA, created certain advertisements for the Tillis campaign. Although I did not personally oversee Mr. Glister's work for the Tillis campaign and have no personal knowledge of his activities in that capacity, my understanding is that Mr. Glister's role was akin to that of a graphic designer and involved distilling general themes and messages decided upon by campaign management into appealing and compelling messages. To the best of my knowledge, Mr. Glister merely implemented decisions previously made by U.S. citizens managing the Tillis campaign and never possessed any control or decision-making authority over the Tillis campaign's expenditures, finances or operations.
46. I had no personal involvement in SCLE/CA's provision of services to the Tillis campaign, but to the best of my knowledge, no foreign national employed by SCLE/CA ever possessed or exercised any decision-making authority over the Tillis campaign's expenditures, finances or operations.

### **2. John Bolton Super PAC**

47. In or around 2014, the John Bolton Super PAC hired Campaign Solutions, which I believe to be a U.S. firm that is owned, operated and managed solely by U.S. nationals, to formulate messaging and creative content for the PAC. SCLE/CA was

retained to support Campaign Solutions by providing services such as field research (e.g., polling) and data analysis.

48. To the best of my knowledge, Campaign Solutions was responsible for creating and disseminating all creative content on behalf of the John Bolton Super PAC, and no foreign national employed by SCLE/CA ever provided strategic advice directly to the John Bolton Super PAC or otherwise participated in any of the organization's decisions concerning its expenditures, finances or operations.

### 3. Colorado Engagements

49. The complaint in MUR 7351 alleges that SCLE/CA provided services to "conservative groups in Colorado" during the 2014 election cycle. All activities and services performed by foreign nationals employed by SCLE/CA in these engagements were managed and overseen by Linda Campbell, whom I understand to be a U.S. citizen. To the best of my knowledge, Ms. Campbell was solely and exclusively responsible for interfacing with client campaign teams in Colorado, and no foreign nationals employed by SCLE/CA ever participated in the Colorado clients' decision-making in connection with U.S. election activities.

#### C. 2015-2016 Presidential Primaries

50. **On 16<sup>th</sup> December 2014**, I wrote to Senator Ted Cruz's (STC) Presidential Primary campaign team to explain to them exactly what services CA could and could not deliver to the campaign in order to be fully compliant with FEC regulations. This letter, a copy of which is attached as Exhibit 3, clearly sets out both our intention and commitment to follow the regulations to the letter and, more generally, underscores that SCLE/CA integrated compliance protocols into our commercial and operational decision making.
51. **On 28<sup>th</sup> December 2014**, as we began to explore working on the US presidential primaries CA's then COO once again recirculated to all staff direction on foreign national involvement in U.S. elections. CA's then COO also shared our policies with the Cruz Presidential Primary campaign team as part of our exploratory conversations with them regarding the provision of services to the campaign. Even at this early stage in the discussions all parties were keen to ensure that the provision of all services by CA to the campaign were fully compliant with the FEC regulations.
52. **On the 24<sup>th</sup> March 2015**, CA adopted a firewall policy to specifically cover our work in support of the STC campaign. To the best of my knowledge, this policy was signed by all employees and contractors involved in the campaign and was updated as staff rotated or were replaced. Even though I was responsible for managing the business relationship and had no direct role in managing the work performed on the STC campaign, as a Board member of CA I was also advised to sign this policy and to be bound by its covenant.

53. To the best of my knowledge, all creative and messaging support services provided by SCLE/CA to the Cruz campaign were delivered exclusively by U.S. nationals.

#### **D. 2016 Presidential Election**

54. As I understand it, in the 2016 election cycle all substantive decision making regarding messaging, fundraising, and similar matters performed by CA was either performed by US citizens or green card holders, or supervised by such US citizens who had the discretion to accept, reject, or modify any such work. Moreover, all such work was presented to the various campaigns, with each campaign setting its own budget and target audience, determining its messaging, and making all final decisions regarding the use of CA generated data.

##### **1. Trump Campaign Engagement**

55. As already mentioned, I was not directly or indirectly involved in the operations or activities of the Trump campaign. I did not visit the campaign office in San Antonio, Texas and did not direct, manage, supervise or contribute to the work that was being undertaken on behalf of the campaign by CA employees and consultants.
56. The complaints cite to newspaper articles that quote Mark Turnbull and myself claiming that CA was responsible for the election of Donald Trump as President of the United States; and that we coordinated and developed the messaging for both the President's campaign and the Super PAC "Make America Number 1." In truth, we engaged in no such coordination or message development, and neither Mr Turnbull nor I engaged in substantive work on behalf of any United States candidate or political committee during the 2016 election cycle. Any statements to the contrary were marketing hyperbole and did not accurately represent the actual facts.
57. To the best of my knowledge, Mr Turnbull never engaged in any election activity on behalf of any US candidate or PAC during his tenure with SCLE/CA. To the best of my knowledge he only travelled once to the US in 2016 – to visit CA's 'commercial' office based in NYC.<sup>3</sup> Thus, I believe he had no personal knowledge of what occurred in any US campaign and was engaging in a flight of fancy in his various statements to the undercover reporters which implied the contrary.
58. The complaint in MUR 7350 alleges that I stated that I had met President Trump "many times." In actuality, I have spoken with President Trump on only two occasions, once on Election Night in 2016 and again at a Christmas party in December 2016. On both occasions, my interactions with Mr. Trump consisted of

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<sup>3</sup> In my declaration in support of Make America Number 1 PAC's response to MUR 7350 and 7351, I stated that, to the best of my knowledge, Mr. Turnbull had not made any trips to the United States in 2016. Although I believed that statement to be accurate at the time, I have since learned that Mr. Turnbull did visit the United States on one occasion during this time period.



merely a brief exchange of pleasantries; we never discussed political strategy, campaign activities, or any related matters.

59. The complaint in MUR 7350 quotes Brad Parscale, a Trump campaign staffer, as stating that “Cambridge actually provided a full-time employee that could sit next to me all day.” To the best of my knowledge, the referenced employee was Matt Oczkowski, who is a U.S. citizen. Mr. Oczkowski’s was supported by Molly Schweickert, also a U.S. citizen who was Head of Digital for SCLE/CA. To the best of my knowledge, Ms. Schweickert’s digital team was composed entirely of U.S. citizens.

## **2. Make America Number 1 PAC Engagement**

60. I was not directly or indirectly involved in the operations or activities of Make America Number 1 PAC; I did not direct, manage, supervise or contribute to the work that was being undertaken on behalf of the PAC by CA employees and consultants.
61. My understanding is that no foreign nationals employed by SCLE/CA ever participated in decision-making or provided strategic advice in connection with the PAC’s “Defeat Crooked Hillary” ad campaign.
62. To the best of my knowledge, the majority of SCLE/CA staff assigned to the Make America Number 1 PAC engagement were U.S. citizens based in SCLE/CA’s offices in New York and Washington, D.C. These teams were managed and overseen by Emily Cornell, a senior project manager is a U.S. citizen. While some foreign national employees in our London office may have provided support services (*e.g.*, graphic design) to the U.S. teams, to the best of my knowledge, none of these foreign nationals ever communicated directly with the PAC’s management, provided any strategic advice, or otherwise participated in the PAC’s decision-making.
63. My understanding is that all video creative content was prepared and provided to Make America Number 1 PAC by Glittering Steel, which, as far as I know, is a U.S. firm that is managed and operated by U.S. citizens.
64. To the best of my knowledge, Mark Turnbull was not involved in any manner in SCLE/CA’s engagements with U.S. political clients, to include the provision of services to Make America Number 1 PAC.

## **E. Anti-Coordination Policies and Practices**

65. As discussed above, during the 2014 election cycle SCLE/CA developed and implemented a firewall policy to ensure that, as a common vendor to various politically oriented clients, it remained in compliance with the FEC’s prohibitions on coordination between federal candidates and organizations that make independent expenditures.

66. To the best of my knowledge, all SCLE and CA employees consistently adhered to the firewall policy.
67. To the best of my knowledge, no SCLE/CA employee that provided services to the Tillis campaign was involved in the provision of services to the John Bolton Super PAC during the 2014 election cycle.
68. To the best of my knowledge, no SCLE or CA employee has ever relied upon non-public information concerning one client's plans, projects, activities, or needs to inform services provided to another SCLE or CA client.
69. To the best of my knowledge, no SCLE or CA employee has ever shared non-public information concerning one client's plans, projects, activities, or needs with any other client of SCLE or CA or such client's agent.
70. I never authorized, approved, or had knowledge of conduct by any SCLE or CA employee that would constitute a violation of the companies' firewall policy.

### **III. Summary**

71. The overwhelming majority of newspaper articles that have been referenced as evidence in the complaints made to the Federal Election Commission concerning CA's involvement in elections in the US in 2014, 2015 and 2016 are based on false allegations made by Mr Wylie. These allegations, together with many other allegations concerning non-US work, are not borne out by the facts. Mr Wylie left the company in July 2014. After this date he had no access to our data, project plans, staffing records or other Company information.
72. SCLE/CA management worked diligently to ensure that we understood FEC regulations and complied with them.
73. To the best of my knowledge, all strategic roles undertaken on US campaigns between 2014-2016 were managed by US nationals. Non-US nationals only worked as functionaries, and all employees and consultants that worked on political campaigns in the US received unambiguous direction on the regulatory framework governing both the work they undertook and issues such as coordination. Furthermore, all employees and consultants that worked on political campaigns in the US were required to sign firewall policies confirming their understanding of the advice they had received.
74. Throughout all our political work conducted between 2014-2016 in the US, I always maintained my role as the president of, and chief marketing person at, SCLE/CA without participating materially in clients' decision-making process regarding message content, distribution, and strategy.

75. I followed the mandates of the firewall policy by not communicating any confidential information I may have learned about from one client to any other client or potential client. To be clear, information conveyed to me was for the purposes of billing or determining if additional services or staff resources were to be engaged, not for the purpose of engaging in strategic guidance.
76. To the best of my knowledge, all employees and consultants of CA & SCLE followed the same guidance and policies regarding the permissible work of foreign nationals in US political campaigns, and the guidance regarding the company firewall.
77. The documents I have supplied in support of this affidavit are only a small sample of the extensive paper-trail that documents our compliance with FEC regulations. Unfortunately, because Cambridge Analytica LLC is in Chapter 7 bankruptcy in the US, and SCLE Elections is in Administration in the UK we currently do not have access to our Company servers. This declaration is, therefore, of necessity based primarily on my recollection of events without the benefit of reviewing all my emails from the period of time in question. However, in due course if more information is required to further support our position this may become available.

Signed under penalty of perjury this 6th day of July, 2018.



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Alexander Nix

# **Exhibit 1**

**GS DATA AND TECHNOLOGY  
SUBSCRIPTION AGREEMENT**

*Between*

**GLOBAL SCIENCE RESEARCH LTD**

*And*

**SCL ELECTIONS LIMITED**

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**DATED: 4 JUNE 2014**

**PARTIES**

- (1) **GLOBAL SCIENCE RESEARCH LTD** (Company Number: 060785) whose trading office is at MAGDALENE COLLEGE, CAMBRIDGE CB3 0AG, United Kingdom (“**GS**” or “**Licensor**”)
- (2) **SCL ELECTIONS LIMITED** (Company Number: 08256225) whose trading office is at 108 New Bond Street, London W1S 1EF, United Kingdom (“**SCL**” or “**Licensee**”).

**Preliminary**

This GS Profiled Data and GS Technology Subscription Agreement (“**Agreement**”) is between Licensor (**GS**) and the Licensee (**SCL**) who wishes to use the licensed GS Technology and GS Profiled Data for use as an end user. This Agreement covers GS Technology, GS Profiled Data and any related Software and Documentation.

**1. Term and Access**

- 1.1 GS grants SCL a subscription Licence to use GS Technology and access GS Profiled Data in the Territory subject to the terms, rights, restrictions and limitations contained in this Agreement.
- 1.2 The subscription Licence will commence on the Commencement Date and continue until the earlier of (a) November 31, 2014 (the **Term**) or (b) such time as one party gives notice to the other in accordance with clause 10.
- 1.3 A Project and Specification Schedule (Schedule 2) has been prepared by GS and SCL that identifies any specific outcomes from the GS Technology or GS Profiled Data (the **Deliverables**) and the Fees to be paid by SCL to GS.
- 1.4 In addition to the GS Technology and GS Profiled Data, GS may carry out further duties or Services as agreed between the parties in writing from time to time.
- 1.5 This Agreement will prevail over any inconsistent terms or conditions contained, or referred to in any other communications, pre-contractual representations, mistakes, correspondence, terms or material supplied by either party, or by third parties, or implied by law, trade custom, practice or course of dealing.

**2. Fees**

- 2.1 SCL will pay to GS the Fees in accordance with the relevant Project and Specification Schedule.
- 2.2 The Fees will be payable within seven (07) Working Days of the date of invoice, to be invoiced by GS to SCL on a mutually agreed upon rolling basis throughout the course of the Term.
- 2.3 VAT or any other sales taxes (if any) will be excluded from the Fees.
- 2.4 All amounts due under this agreement will be paid by SCL to GS in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- 2.5 GS shall make available to SCL receipts of expenditures for review, inspection and final approval by SCL where such approval shall remain in the judgement of SCL. GS shall also submit weekly invoices in advance of spending monies on online harvesting exercises. For the avoidance of doubt, invoices shall contain

the receipts from online panels, online surveying utilities, online display networks or online recruitment sites, whichever the case may be, and the monetary amount listed on that receipt must match the monetary amount being requested by the GS invoice.

- 2.6 Unless otherwise approved by SCL, GS warrants that monies transferred to it shall only be used for the procurement or harvesting of samples from online panels, online surveying utilities, online display networks or online recruitment sites, whichever the case may be, to further develop, add to, refine and supplement GS psychometric scoring algorithms, databases and scores, and that no monies from SCL shall be spent by GS on salaries, consultant fees, personnel, office space, travel, promotions and advertising.
- 2.7 Where travel is required and necessary for the completion of the Project, GS must first seek advance written approval of such travel expenses from SCL.
- 2.8 Where there are reasonable costs that are not borne from data collection but are advantageous to the delivery of Project, such as IT security, GS must first seek advance written approval of such non-data expenses from SCL.

### **3. Standards**

- 3.1 GS will provide SCL use of the GS Technology and access to GS Profiled Data using a "Software-as-a-Service" model.
- 3.2 GS will reasonably endeavour to allocate sufficient resources, including qualified personnel, to carry out, manage and support the reliable functioning of the GS Technology, GS online social media databases and GS Profiled Data.
- 3.3 In the event that GS is unable to provide sufficient resources or personnel after reasonable efforts given the constraints set out in clause 2.6, SCL will support GS in procuring resources or personnel for GS to use as its own agents to temporarily carry out, manage and support the GS Technology, GS online social media databases and GS Profiled Data. GS shall not refuse such assistance unless GS determines that such assistance risks exposing or harming GS's Intellectual Property Rights.
- 3.4 For the avoidance of doubt, GS is entitled to use, at its discretion, third party contractors, subcontractors, vendors, affiliates and third parties to assist it with delivering this Project and/or with carrying out, managing and supporting the GS Technology, GS's online social media database and GS Profiled Data.

### **4. Licensee obligations**

SCL will:

- 4.1 co-operate with GS in all matters relating to the Project;
- 4.2 provide such information relating to SCL as GS may request and SCL considers reasonably necessary, in order to deliver the Project and carry out, manage and support the reliable functioning of the GS Technology and GS Profiled Data, in a timely manner, and ensure that it is accurate in all material respects; and
- 4.3 not attempt to appropriate, assert claim to, restrict or encumber the rights held in, interfere with, deconstruct, discover, decompile, disassemble, reconstruct or otherwise reverse-engineer the GS Technology, GS Profiled Data or GS's algorithms, current or future datasets or databases harvested using the GS Technology, methods, formulae, compositions, designs, source code, underlying



ideas, file formats, programming interfaces, inventions and conceptions of inventions whether patentable or un-patentable.

## **5. Change Control**

- 5.1 An authorised representative of SCL and an authorised representative of GS will meet at least once every week, either in person or via a virtual platform, to discuss matters relating to the Project. If either party wishes to change the scope of the Licence or execution of the Project, it will submit details of the requested change to the other in writing.
- 5.2 If either party requests a change to the scope of the Licence or execution of the Project, GS will, within a reasonable time (and in any event not more than five working days after receipt of SCL's request), provide a written estimate to SCL of:
- 5.2.1 the likely time required to implement the change;
  - 5.2.2 any necessary variations to the Fees arising from the change; and
  - 5.2.3 any other impact of the change on this agreement.
- 5.3 Unless both parties agree in writing to a proposed change, there will be no change to this Agreement.
- 5.4 If both parties agree in writing to a proposed change, the change will be made, only after agreement of the necessary variations to the Fees, the Project, the Licence and any other relevant terms of this Agreement to take account of the change that has been reached. The agreement must be varied in accordance with clause 13.

## **6. GS Licence**

- 6.1 GS grants to SCL a non-transferrable, non-sublicenseable, non-assignable, non-exclusive and limited subscription licence ("Licence") to use GS's online data harvesting and psychological profiling technology ("GS Technology") and to access psychological scores created by GS's underlying harvested datasets and algorithms ("GS Profiled Data") to further enhance or augment its political modelling of the population in eleven states within the Territory unless a future superseding agreement can be reached.
- 6.2 Notwithstanding anything to the contrary contained herein, except for the limited license rights expressly provided herein, GS has and will retain all rights, title and interest (including, without limitation, all patent, copyright, trademark, rights in underlying databases, trade secret, know-how and other Intellectual Property Rights) in and to the GS Technology, GS Profiled Data, and all copies, modifications, constituent data components and derivative works thereof. SCL acknowledges that it is obtaining only a limited license right to use the GS Technology and GS Profiled Data and that irrespective of any use of the words "purchase", "sale" or like terms hereunder no ownership rights are being conveyed to SCL under this Agreement or otherwise.
- 6.3 SCL shall not release, risk, deposit or otherwise make available any of GS's proprietary, sensitive or confidential information or data to the public or to SCL's clients, partners or affiliates, particularly if that information or data could be used to deconstruct, discover, decompile, disassemble, reconstruct or otherwise reverse-engineer the GS Technology, GS Profiled Data or GS's algorithms, current or future datasets or databases, methods, formulae, compositions, designs, source code, underlying ideas, file formats, programming interfaces,

inventions and conceptions of inventions whether patentable or un-patentable. SCL also shall not archive any of GS's Intellectual Property beyond the Term.

- 6.4 SCL shall keep all of GS's proprietary, sensitive or confidential information or data strictly confidential by using a reasonable degree of care, but not less than the degree of care used by it in safeguarding its own confidential information.
- 6.5 SCL acknowledges that any and all Intellectual Property Rights held or owned or otherwise controlled, utilised, developed, acquired, created or licensed by GS will continue to vest with GS. Nothing in this Agreement shall inhibit, limit or restrict GS's ability to exploit, assert, transfer or enforce any Intellectual Property Rights anywhere in the world.
- 6.6 Neither party will be entitled to use the other party's marks or logos (including in connection with any promotional or marketing material, or exercise any promotional or marketing rights) without, on each and every occasion, the other party's prior written approval.
- 6.7 Upon reasonable notice from GS, and in order to confirm or investigate compliance with the provisions of this Agreement, SCL shall provide access to, and the right to inspect, all records relating to the GS Technology, GS's social media database and GS Profiled Data, and access logs pertaining to any processing thereof. Unless otherwise agreed, any such inspection shall occur only at the business offices of SCL, during normal business hours, and shall be conducted by a mutually acceptable third-party inspector. The costs of any such inspection shall be paid by GS upon requesting such inspection unless a data default within the procedures and processes of SCL is discovered, in which case SCL will be obliged to reimburse the reasonable costs of GS and any relevant third parties.

## 7. Liability

- 7.1 Nothing in this agreement will operate to exclude or limit either party's liability for death or personal injury caused by its negligence, for fraud or for any other liability which cannot be excluded or limited under applicable law.
- 7.2 GS will not in any circumstances have any liability for any loss or damage which may be suffered by SCL, whether suffered directly or indirectly, whether immediate or consequential and whether arising in contract, tort (including negligence) or otherwise, which falls within any of the following categories:
- 7.2.1 special or indirect or consequential damage even if GS was aware of the circumstances in which such damage could arise; or
- 7.2.2 loss of profits (whether considered a direct or indirect loss).
- 7.3 GS's aggregate liability in respect of claims arising out of or in connection with this agreement or any collateral contract, whether in contract or tort or otherwise, will not exceed the Contract Fee paid by SCL to GS under this Agreement.
- 7.4 All conditions, warranties or other terms which might have effect between the parties or be implied or incorporated into this agreement or any collateral contract, whether by statute, common law or otherwise, are, to the extent permitted by law, excluded.

## 8. Confidentiality

- 8.1 Either party may disclose (**Disclosing Party**) confidential information to the other party (**Receiving Party**) in relation to other party's business, business practice,

employees or other confidential information relating to the other party's business affairs (**Confidential Information**).

- 8.2 For the avoidance of doubt, Confidential Information shall include, but not be limited to, Documentation or any information provided by GS to SCL pertaining to GS Technology and GS Profiled Data.
- 8.3 The Receiving Party will:
- 8.3.1 not use such Confidential Information other than for the purpose of performing its obligations under this agreement; and
- 8.3.2 not disclose such Confidential Information to a third party except with the prior written consent of the Disclosing Party or in accordance with clauses 8.4 and 8.5.
- 8.4 The Receiving Party may disclose Confidential Information to any of its directors, other officers, employees, agents, subcontractors and advisers (a **Recipient**) to the extent that disclosure is reasonably necessary for the purposes of this Agreement.
- 8.5 The Receiving Party will ensure that each Recipient is made aware of and complies with the Receiving Party's obligations of confidentiality under this agreement as if the Recipient were a party to this agreement.
- 8.6 The Receiving Party must not make any copies of Confidential Information without the express consent of the Disclosing Party and must maintain and protect the Confidential Information with the same degree of care as it uses to keep confidential its own proprietary information, but in any event with not less than a reasonable degree of care.
- 8.7 The provisions in this clause 8 do not apply to Confidential Information which:
- 8.7.1 at the date of this agreement or at any time after that date, becomes publicly known, other than by the Receiving Party's or a Recipient's breach of this agreement.
- 8.8 The Receiving Party will at the Disclosing Party's request and also upon any termination of this agreement:
- 8.8.1 return to the Disclosing Party all documents and other materials that contain any of the Confidential Information, including all copies made; and
- 8.8.2 permanently delete all electronic copies of Confidential Information from the Receiving Party's computer systems except pursuant to legal, regulatory or professional standards requirements.
- 8.9 Following termination of this agreement:
- 8.9.1 the Receiving Party will make no further use of the Confidential Information; and
- 8.9.2 the Receiving Party's obligations under this agreement will otherwise continue in force in respect of Confidential Information, disclosed without limit in time.
- 8.10 Any disclosure of Confidential Information pursuant to this agreement will not confer on the Receiving Party any Intellectual Property Rights in relation to the Confidential Information.

- 8.11 To the extent that the Receiving Party may be required to disclose Confidential Information by order of a court or other public body that has jurisdiction over the Receiving Party, it may do so. Before making such a disclosure the Receiving Party will, if the circumstances permit, inform the Disclosing Party of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information).
- 8.12 Neither party may make any public announcement or disclosure regarding the existence or subject matter of this Agreement, unless it first obtains the other party's written consent.
- 8.13 For the avoidance of doubt, the Receiving Party's duty of confidence shall apply to any related prior communication or provision of Confidential Information by the Disclosing Party to the Receiving Party that occurred prior to the Commencement Date of this Agreement.

## 9. Data protection

- 9.1 The parties warrant and undertake to each other that, in relation to this agreement, they have complied with and will continue to comply with the provisions of all relevant personal information legislation, regulations and/or directives in all relevant territories, including, for the avoidance of doubt, the Data Protection Act 1998 and any safe harbour principles agreed between the United States Department of Commerce and the European Commission. Each of the parties warrants and undertakes that it will not knowingly do anything or permit anything to be done which might lead to a breach of any such legislation, regulations and/or directives by the other party.
- 9.2 GS warrants to SCL that the Terms and Conditions of the GS Technology and any other related data harvesting exercise it conducts shall seek out informed consent of the seed user engaging with the GS Technology and that GS shall materially and substantially conform its operations, procedures, databases and technologies to the eight Data Protection Principles as outlined in Schedule 1 of the Data Protection Act 1998.
- 9.3 Both parties to this Agreement assert and recognise that GS is the Data Controller per Section 1(1) of the Data Protection Act 1998 for any and all data harvested using the GS Technology or any GS online social media database and therefore GS shall be burdened with ensuring compliance with the Data Protection Act 1998 and the Information Commissioner's Office.
- 9.4 GS shall ensure it is duly registered with the Information Commissioner's Office and that it remains in good standing with all relevant administrative and regulatory bodies.
- 9.5 Upon reasonable notice from SCL, and in order to confirm or investigate compliance with the Data Protection Act 1998 and any safe harbour principles agreed between the United States Department of Commerce and the European Commission, GS shall provide access to, and the right to inspect, all SCL voter file records (SCL Data) transferred to GS for matching to GS online data or to be scored by the GS Technology, and access logs pertaining to any processing thereof. Unless otherwise agreed, any such inspection shall occur only at the business offices of GS, during normal business hours, and shall be conducted by a mutually acceptable third-party inspector. The costs of any such inspection shall be paid by SCL upon requesting such inspection unless a gross statutory compliance default within the procedures and processes of GS is discovered, in

which case GS will be obliged to reimburse the reasonable costs of SCL and any relevant third parties.

## 10. Termination

- 10.1 Either party may terminate this agreement with immediate effect at any time by notice in writing to the other if:
- 10.1.1 the other is in material or persistent breach of any provision of this Agreement, and the breach, if capable of remedy, is not remedied within 20 Working Days of receipt by the defaulting party of notice requiring the breach to be remedied; or
  - 10.1.2 the other party suffers an Insolvency Event.
- 10.2 SCL may terminate this agreement after the Trial Sample but before the full Project commences if:
- 10.2.1 the SCL voter file records transferred to GS, matched to GS online harvested data and scored by GS Technology do not meet minimum quality and coverage standards set forth in the Agreement as outlined in clause 10.3; and
  - 10.2.2 reasonable written notice is delivered to GS.
- 10.3 SCL warrants that it will be satisfied that GS has delivered sufficient quality and coverage if the Trial Sample delivered to SCL:
- 10.3.1 contains a minimum of 10,000 uniquely matched records in one or more of the States as defined in Schedule 2 of this Agreement;
  - 10.3.2 where no record contains fewer than 70% of the number of scores as agreed to in Schedule 2 of this Agreement; and
  - 10.3.3 where a matched record is defined as an entry that can only be matched to a unique single record in the SCL dataset and where unique is defined as a combination of the record's forename, surname, gender and, if available, birthday and/or location.
- 10.4 Upon the completion of the Project, GS shall delete any data transferred by SCL to its servers, or in the event where SCL data has been transferred by GS onto third party cloud computing services, GS shall order that cloud server to delete the data. However, SCL data may be used for academic research where no financial gain is made, so long as permission is granted by SCL to GS at the end of the Project where permission will not be unreasonably withheld. GS warrants to SCL that GS shall not commoditise any data transferred to GS by SCL unless SCL grants GS written permission to do so where permission shall be left at the sole and exclusive discretion of SCL.
- 10.5 In the event that GS is unable to provide SCL the minimum quality standards as stipulated in this Agreement, or where GS fails to deliver a minimum of two million (2,000,000) matches in the eleven States within the timeline outlined in Schedule 2 of this Agreement, then SCL shall not transfer to GS any of its data.
- 10.6 In the event that GS provides SCL with two million one hundred thousand matched records (=2,100,000) in the eleven States that also meet the minimum quality standards at an averaged cost of each matched record is at or below Fifty US Cents (USD \$0.50), then SCL will additionally transfer to GS a dataset of circa

one million (~ 1,000,000) citizens of Trinidad and Tobago for use in academic research.

- 10.7 For the avoidance of doubt, GS also warrants to SCL that GS shall further respect the terms of the "Master License and Services Agreement" between SCL and InfoGroup signed in March 2014 and not use the datasets for any financial gain. GS will also seek out written advance permission from Cambridge Analytica LLC, a Delaware limited liability company, where that data is to be published.
- 10.8 SCL shall retain ownership of its voter file datasets and nothing in this Agreement, including where SCL delivers to GS samples of voter data for matching to GS scores, shall be construed as a transfer of ownership from SCL to GS. For the avoidance of doubt, any SCL data used by GS to match GS's harvested online data and scores to the SCL voter roll or to SCL consumer data must be separated from the GS database and deleted after the matching exercise is completed unless permission is granted by SCL in writing to GS to retain that data on the conditions set out in clause 10.4 of this Agreement.
- 10.9 Upon completion of the Project, GS shall waive any moral rights held in the matched voter file records or message testing results outlined in Schedule 2 of this Agreement to SCL and GS shall not object to SCL taking credit for the records without any reference to GS when making copies of the records, messages or scores to be delivered to clients.
- 10.10 On termination of this agreement (however arising) clauses 6, 8, 9, 10, 14, 15, 16, 19, 21 and 23 will survive and continue in full force and effect.

## 11. Anti-Bribery

- 11.1 Both parties will:
- 11.1.1 comply with all applicable laws, statutes, regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (**Relevant Requirements**);
  - 11.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
  - 11.1.3 comply with SCL's anti-bribery policies that may update them from time to time (**Relevant Policies**); and
  - 11.1.4 have and will maintain in place throughout the term of this agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and clause 11.1.2, and will enforce them where appropriate.
- 11.2 GS must ensure that any person associated with GS who is performing services in connection with this agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on GS in this clause 11 (**Relevant Terms**). GS will be responsible for the observance and performance by such persons of the Relevant Terms, and will be directly liable to SCL for any breach by such persons of any of the Relevant Terms.
- 11.3 For the purpose of this clause 11, the meaning of adequate procedures and whether a person is associated with another person will be determined in

accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively.

## **12. Force majeure**

GS reserves the right to defer the date for performance or delivery of the GS Technology, GS Profiled Data or any additional Services if GS is prevented from, or delayed in, carrying on its business by acts, events, omissions or accidents beyond its reasonable control, including (without limitation) extremely low sample response rates out of GS's control given the temporal, financial or material constraints of this Project, strikes, lockouts or other industrial disputes (whether involving the workforce of GS or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

## **13. Variation**

No variation of this agreement will be valid unless it is in writing and signed by or on behalf of an authorised representative of each of the parties.

## **14. Waiver**

14.1 A waiver of any right under this agreement is only effective if it is in writing. No failure or delay by a party in exercising any right or remedy under this Agreement or by law will constitute a waiver of that (or any other) right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy will preclude or restrict the further exercise of that (or any other) right or remedy.

14.2 Unless specifically provided otherwise, rights arising under this agreement are cumulative and do not exclude rights provided by law.

## **15. Severance**

15.1 If any provision of this agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part provision will, to the extent required, be deemed not to form part of this agreement, and the validity and enforceability of the other provisions of this agreement will not be affected.

15.2 If a provision of this agreement (or part of any provision) is found illegal, invalid or unenforceable, the provision will apply with the minimum modification necessary to make it legal, valid and enforceable.

## **16. Entire agreement**

16.1 This Agreement and all schedules appended thereto, constitutes the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.

16.2 Nothing in this Agreement will limit or exclude any liability for negligence or fraud.

## **17. Assignment**

SCL will not, without the prior written consent of GS, assign, transfer, charge, mortgage, or deal in any manner with all or any of its rights or obligations under this agreement.

**18. No partnership or agency**

Nothing in this agreement is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between either of the parties, nor constitute either party the agent of the other party for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.

**19. Rights of third parties**

A person who is not a party to this Agreement will not have any rights under or in connection with it.

**20. Advice and counsel**

Both parties acknowledge and warrant to each other that they have read and fully understand the terms and provisions of this Agreement, have had an opportunity to edit, amend and negotiate the terms of this Agreement to reflect their wishes, have had an opportunity to review this Agreement with independent, qualified and competent legal counsel and with independent technical advice from subject matter experts, and have executed this Agreement based upon their own judgment and advice of independent counsel.

**21. Notices**

- 21.1 Any notice or other communication given under this agreement must be in writing (which for the purposes of this clause 20 includes email) and delivered personally, sent by first class post, or transmitted by fax or email to the relevant party's address specified in this agreement or to such other address or fax number or email address as either party may have last notified to the other. A confirmatory copy of any notice transmitted by fax or email must also be delivered or sent by first class post to the relevant party.
- 21.2 Any notice or other communication is deemed to have been duly given on the day it is delivered personally, or on the second Working Day following the date it was sent by post, or on the next Working Day following transmission by fax or email or, in the case of any notice or communication delivered by pre-paid airmail, providing proof of postage on the fifth Working Day following the due date it was sent by post.

**22. Dispute Resolution**

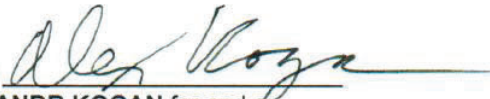
- 22.1 If any dispute arises in connection with this agreement, the parties will first attempt to resolve it in good faith as promptly as practicable. If such dispute cannot be resolved within 20 Working Days of notice of the dispute or within such further period as the parties may agree mutually, the parties will attempt to settle it by mediation in accordance with the London Court of International Arbitration (LCIA) under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.
- 22.2 The number of arbitrators shall be one (01).
- 22.3 The seat, or legal place, of arbitration shall be London, UK.
- 22.4 The language to be used in the arbitral proceedings shall be English.
- 22.5 The governing law of the contract shall be the substantive law of England and Wales.
- 22.6 Each party shall bear its own costs in connection with any mediation and the parties shall bear equally the costs of such mediation.



**23. Governing law**

- 23.1 This agreement, and any dispute or claim arising out of or in connection with it or its subject matter, will be governed by, and construed in accordance with, the law of England and Wales.
- 23.2 The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this agreement or its subject matter.

The parties have signed this agreement on the date set out above.

SIGNED by   
DR ALEKSANDR KOGAN for and on  
behalf of GLOBAL SCIENCE RESEARCH  
LTD in the presence of:

Witness:

Signature

: 

Name

: Joseph Chancellor

Occupation

: Co-director, GSR

Address

: 12 AINSWORTH PLACE CB2 2PG

SIGNED by \_\_\_\_\_  
ALEXANDER NIX for and on behalf of SCL  
Elections Limited in the presence of:

Witness:

Signature

:

Name

:

Occupation

:

Address


:


The parties have signed this agreement on the date set out above.

**SIGNED** by \_\_\_\_\_  
**DR ALEKSANDR KOGAN** for and on  
behalf of GLOBAL SCIENCE RESEARCH  
LTD in the presence of:

Witness:

Signature :  
Name :  
Occupation :  
Address :

  
**SIGNED** by  
**ALEXANDER NIX** for and on behalf of SCL  
Elections Limited in the presence of:

Witness:   
Signature :  
Name : **MARCUS BELTRAN**  
Occupation : **SCL EMPLOYEE**  
Address : **108 NEW BOND STREET  
LONDON W1S 1EF**

**Schedule 1**  
**Definitions and interpretations**

1. In this agreement, including the schedules, the following words and expressions have the following meanings:

<b>Authorised Person</b>	to be appointed by each party.
<b>Commencement Date</b>	the date of this agreement.
<b>Deliverables</b>	the services to be delivered by GS to SCL in accordance with Schedule 2.
<b>Documentation</b>	means any supporting product help and/or technical specifications documentation provided by GS to SCL.
<b>Fees</b>	the fees payable in respect of the Licence and Project payable as referred to in and in accordance with the Project and Specification Schedule.
<b>Insolvency Event</b>	where the relevant party: <ol style="list-style-type: none"> <li>1. has a receiver, administrative receiver, administrator, manager or official receiver appointed over its affairs;</li> <li>2. goes into liquidation, unless for the purpose of a solvent reconstruction or amalgamation;</li> <li>3. has distress, execution or sequestration levied or issued against any part of its assets and is not paid within seven days;</li> <li>4. is otherwise unable to pay its debts as they fall due within the meaning of section 123 Insolvency Act 1986; or</li> <li>5. is subject to any analogous event under the law of any relevant jurisdiction.</li> </ol>
<b>Intellectual Property Rights</b>	all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, rights in online data harvested by GS and in online social media data scored or collected by GS, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such

	rights, and all similar or equivalent rights or forms of protection in any part of the world.
<b>Licence</b>	the licence agreement entered into between GS and SCL on the date of this Agreement as specified in clause 6.
<b>Personal Data</b>	as defined in the Data Protection Act 1998.
<b>Project</b>	the project set out in the Project and Specification Schedule.
<b>Services</b>	any services provided GS to SCL in addition to the Licence as set out in Schedule 2, as may be amended by the parties from time to time.
<b>Territory</b>	United States of America
<b>Working Day</b>	a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London, UK.

2. Schedule and paragraph headings will not affect the interpretation of these Conditions.
3. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
4. The schedules form part of this agreement and will have effect as if set out in full in the body of this agreement and any reference to this agreement includes the schedules.
5. Words in the singular will include the plural and vice versa.
6. A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
7. Any obligation in this agreement on a person not to do something includes an obligation not to agree, allow, permit or acquiesce in that thing being done.
8. References to clauses and schedules are to the clauses of and schedules to this agreement.
9. Headings are for convenience only and are to be ignored in interpreting this agreement.

## Schedule 2 Project and Specification Schedule

### Background and Rationale

To infer psychological profiles, self-report personality test data, political party preference and moral value data are collected as described below in "Process Overview". After data is collected, models are built using psychometric techniques (e.g. factor analysis, dimensional scaling, etc) which use Facebook likes to predict people's personality scores. These models are validity tested on users who were not part of the training sample. Trait predictions based on Facebook likes are at near test-retest levels and have been compared to the predictions their romantic partners, family members, and friends make about their traits. In all previous cases, the computer-generated scores performed the best. Thus, the computer-generated scores can be more accurate than even the knowledge of very close friends and family members.

GS's methodology is different from most social research measurement instruments in that it is not solely based on self-reported data. Using observed data from Facebook users' profiles makes GS's measurement genuinely behavioural. Interviews, surveys, and long lists of Likert scales rely on using a respondent's answers in a specific situation as a proxy for observational data generated over long periods of tracking individuals. These types of data collection are frequently met with problems of interviewer bias, noise generated by anomalies in verbal presentation of survey questions, confounding influence of participant's mood, and the difficulties in estimating long-term personality behaviour from short and volatile psychometric questionnaires, among others. Furthermore, these methods rely on people being willing to respond to surveys--thus, creating a sample that is biased towards more altruistic and compliant members of society. Since this option is not reliant on people answering surveys, this bias is completely avoided.

GS's method represents a scalable, digital solution to psychometric profiling that avoids these concerns. Using Facebook data as a repository of observed online behaviours enables the analysing and modelling of said data to create robust personality psychology profiles on a scale that reaches into the millions, compared to less than 100 profiles generated by the laboratory-based personality observation methods of the past over a period of months. GS's methods also allow SCL to substantially gain value and benefit from insight derived from people who live outside the target eleven states, as their data is also used to create, refine and make more accurate human personality models that can then score those who live in the eleven target states.

The resulting deliverable is a less costly, more detailed, and more quickly collected psychological profile at the same or greater volume of individuals profiled than other options, like standard political polling or phone samples. GS's method relies on a pre-existing application functioning under Facebook's old terms of service. New applications are not able to access friend networks and no other psychometric profiling applications exist under the old Facebook terms.

### Geographic Scope ("States")

The GS Profiled Data will only be appended to voter file records (SCL Data) supplied to GS by SCL in the following eleven States in the Territory:

- |                            |                                  |
|----------------------------|----------------------------------|
| <p>1. <u>Arkansas</u></p>  | <p>6. <u>Nevada</u></p>          |
| <p>2. <u>Colorado</u></p>  | <p>7. <u>New Hampshire</u></p>   |
| <p>3. <u>Florida</u></p>   | <p>8. <u>North Carolina</u></p>  |
| <p>4. <u>Iowa</u></p>      | <p>9. <u>Oregon</u></p>          |
| <p>5. <u>Louisiana</u></p> | <p>10. <u>South Carolina</u></p> |

## 11. West Virginia

**Phased Implementation**

There will be two phases in this project:

**Phase I: "Trial Sample Phase"**

This phase will be used by SCL to assess the GS Technology and GS Profiled Data.

This phase will begin on the Commencement Date and last for seven (07) Working Days from that date.

**Phase II: "Full Sample Phase"**

This phase will be used by SCL for message testing and to generate a "Super Sample" for its political modelling project in the aforementioned eleven (11) States in the Territory.

This phase will begin the day following the end of Phase I and last for 20 Working Days.

**Optional Timeline Extension**

If SCL determines, at its sole and exclusive discretion, that GS is making genuine and reasonable efforts to deliver the Project, but constraints outside GS's reasonable control are delaying progress, SCL may choose to grant GS up to an additional 10 Working Days to complete the deliverables of this Project whereby for the purposes of this Agreement GS will be considered to have delivered the Project on time.

**Minimum Data Contents for Matched Records**

All matched records supplied by GS to SCL must contain the following:

- Forename
- Surname
- Gender
- Location
- Modelled GS Big Five Personality Scores (x5)
- Modelled GS Republican Party Support Score
- Modelled GS Political Involvement/Enthusiasm Score
- Modelled GS Political Volatility Score

**Additional Data Contents for Matched Records**

SCL recognises that not all its records matched to GS Data will contain the same information and that coverage of different data points will vary within the GS Data in the eleven States. However, where a matched record in one of the eleven States contains the following data, GS will also provide:

- Date of Birth (Partial or Complete)
- Zip Code
- Residential Address (or any component thereof)
- Answers to political surveys, if they completed one

**Quantity of GS Scored Records Matched to SCL Voter Records (Trial Sample Phase)**

The total size of the initial Trial Sample will range between ten thousand (10,000) and thirty thousand (30,000) respondents in the Territory.

### **Quantity of GS Scored Records Matched to SCL Voter Records (Full Sample Phase)**

The total number of GS records matched to SCL records in the eleven States will range between one and a half million (1,500,000) and two million (2,000,000) and GS will make reasonable efforts to provide two million (2,000,000) matched records, or as close to that quantity as possible.

### **Fees**

**Contract Fee:** Three Pounds Fourteen Pence (GBP £3.14).

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**Trial Sample Fee:** Fee shall not exceed Five US Dollars (USD \$5.00) per successful Seed Respondent.

---

**Full Subscription Fee:** To be established after the Trial Sample and where the total Subscription Fee, when divided by scored records successfully matched to SCL's voter file and consumer database, shall not exceed the price of Seventy-Five US Cents (USD \$0.75) per matched record.

### **Process Overview**

The approach has several steps:

1. GS generates an initial "seed sample" using online panels.

---

2. GS uses its battery of psychometric inventories to investigate psychological, dispositional and/or attitudinal facets of the sampled respondents.

---

3. GS guides respondents through its proprietary data harvesting technology (GS Technology) and upon consent of the respondent, the GS Technology scrapes and retains the respondent's Facebook profile and a quantity of data on that respondent's Facebook friends.

---

4. The psychometric data from the seed sample, as well as the Facebook profile and Facebook friend data is run through a proprietary set of algorithms that models and predicts psychological, dispositional and/or attitudinal facets of each Facebook record.

---

5. The output of step 4 is a series of scores for each record.

---

6. GS receives a dataset from SCL and conducts a matching exercise to append two million (2,000,000) records with GS scores.

---

7. GS exports the matched records back to SCL.

### **Phase I Training Set**

In order to effectively create psychological profiles based on relationships to Facebook data, a set of training data will be necessary. This data gathering will be composed of a full personality inventory and Facebook scrape for each individual included. Furthermore, procedures in the training set must meet the highest possible standards of normalised demographic distribution and satisfaction of statistical assumptions surrounding linear modelling analysis.



The ultimate product of the training set is creating a 'gold standard' of understanding personality from Facebook profile information, much like charting a course to sail. Once the procedure to produce personality profiles from Facebook data is finalised, some free radical factors will impact these predictions within a controlled error rate, just as a charted course to sail must be as perfect as possible account for multiple unknown tidal, meteorological, and geographic factors. Sampling in this phase will be repeated until assumptions and distributions are met.

### Assumptions of Linear Modelling

**Linearity:** Predictor variables must be correlated (related) to outcome variables in a linear fashion.

**Independence:** Residuals from terms of the regression must be independent (uncorrelated). We will use a Durbin-Watson test to produce independence test statistics.

**Homoscedasticity:** Each level of each predictor variable must be subjected to tests of variance and cross-compared. P-values produced from tests comparing variance results across predictor levels will determine violation or satisfaction of this assumption.

**Error distribution normality:** The residuals from the modelling procedure must be checked for normality. T-tests comparing means of the model and observed data must produce p-values that are insignificant.

**External variable independence:** All related data collected from individuals, which are not included in the models but are significantly correlated to outcome variables, must be uncorrelated to predictor variables.

### Message Testing

Throughout Phase II SCL's messaging concepts will be tested by appending message testing procedures to a subset of seed sample. This experimental design will be measured using a modified AD ACL neurological arousal measure to test emotional response to message stimuli. Testing in this manner will facilitate direct comparison of psychological profiles to message test outcomes for individuals matched to the SCL database as concurrent processes. This message testing procedure streamlines design by reducing call centre load and optimising cost through pre-matched online samples. For the avoidance of doubt, message testing shall occur concurrently to the Phase II Full Sample and political message testing shall be incorporated into the seed samples to reduce costs and optimise the timeline.

### Demographic Distribution Analysis

As matched psychological profiles from each cohort are received by SCL, frequency analysis on each of the aforementioned demographic variables will be conducted to ensure that the distribution of these variables matches the distribution of the complete voter database in each state. Should these skews be found, subsequent iterations will engage in targeted data collection procedures through multiple platforms to eliminate these biases, thus ensuring that psychological profiles cover all possible groups to emerge from target voter clustering. If necessary, brief phone scripts with single-trait questions will be conducted to polish off data gaps which cannot be filled in from targeted online samples.

## **Exhibit 2**

**scl**elections

108 New Bond Street,  
Mayfair, London, W1S 1EF  
United Kingdom

Tel: +44(0) 20 7408 0044

Fax: +44(0) 870 428 0844

info@scelections.com www.scelections.com

**Confidentiality, Non-Disclosure and  
Non-Circumvention Agreement**

Between

Christopher Wylie

And

SCL Elections Limited

THIS MUTUAL NON-DISCLOSURE AGREEMENT is dated:

BETWEEN:

- (1) SCL Elections Ltd. a company registered in England and Wales under company number 08256225 whose registered office is 1 Westferry Circus, Canary Warf, London E14 4HD United Kingdom (“SCL”); and
- (2) Christopher Wylie of Coventry House, Flat C, 5-6 Coventry Street, Soho, London W1D 6BW (“Contracting Party”)

WHEREAS

- (A) The parties wish to enter into discussions and provide information to each other relating to their respective expertise and services and they acknowledge that this will include the disclosure of Confidential Information (as defined below) belonging to each party.
- (B) The parties have agreed that any and all Confidential Information of one party will be kept confidential by the other pursuant to and in accordance with the terms of this mutual non-disclosure agreement.

IT IS HEREBY AGREED:

1. **INTERPRETATION**

In this Agreement –

- 1.1 Clause headings are for convenience and are not to be used in its interpretation;
- 1.2 Unless the context indicates a contrary intention –
  - 1.2.1 An expression which denotes –
    - 1.2.1.1 any gender includes the other genders;
    - 1.2.1.2 a natural person includes an entity with legal personality and vice versa;
    - 1.2.1.3 the singular includes the plural and vice versa;
    - 1.2.1.4 References to statutory provisions shall be construed as references to those provisions as replaced, amended or re-enacted from time to time (whether before or after the date of this agreement) and shall include any

provisions of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such provisions.

1.3 The following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings:

1.3.1 **“Confidential Information”** shall include, without limiting the generality of the term:

- Information relating to the Disclosing Party’s strategic objectives and planning for both its existing and future needs;
- Information relating to the Disclosing Party’s business activities, business relationships, products, services, customers and clients;
- Information contained in the Disclosing Party’s software and associated material documentation;
- Technical, scientific, commercial, financial and market information, know-how and trade secrets;
- Data concerning business relationships, architectural information, demonstrations, processes and machinery;
- Plans, designs, drawings, functional and technical requirements and specifications; and
- Information concerning faults or defects in the Disclosing Party’s systems, hardware and / or software or the incidence of such faults or defects;

but shall exclude information or data which –

- Is lawfully in the public domain at the time of disclosure to the Receiving Party; or
- Subsequently becomes lawfully part of the public domain by publication or otherwise; or
- Is independently arrived at or developed by the Receiving Party separate and independent from the disclosure made by the Disclosing Party provided that the onus shall at all times rest on the Receiving Party to establish that such information falls within the exceptions contained in this definition of Confidential Information and provided further that

information disclosed in terms of this Agreement will not be deemed to be within the foregoing exceptions merely because such information is embraced by more general information in the public domain or in a party's possession. Any combination of features will not be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in a party's possession, but only if the combination itself and its principle of operation are in the public domain or in a party's possession.

- is disclosed by the Receiving Party to satisfy the order of the court of competent jurisdiction or to comply with the provisions of any law or regulation in force from time to time; provided that in these circumstances, the Receiving Party shall advise the Disclosing Party to take whatever steps it deems necessary to protect the interest in this regard; provided further that the Receiving Party will disclose only that portion of the information which it is legally required to disclose and the Receiving Party will use its reasonable endeavours to protect the confidentiality of such information to the widest extent possible in the circumstances.

1.3.2 **"The Disclosing Party"** means any party who discloses information to the other party;

1.3.3 **"The parties"** means the parties to this Agreement;

1.3.4 **"The Receiving Party"** means any party who received or acquires the confidential information of any other party under any circumstances whatsoever.

1.3.5 **"The Introduced Party"** means any party who is introduced to any business opportunity.

1.4 Words and expressions defined in any clause shall, for the purposes of that clause, bear the meaning assigned to such words and expressions in such clause.

## 2. RESTRICTIONS ON DISCLOSURE AND USE

2.1 The parties agree, insofar as any party may be the Receiving Party–

2.1.1 not to disclose, publish, utilize, employ, exploit or in any manner whatsoever use the confidential information for any reason or purpose whatsoever without the prior written consent of the Disclosing Party, which consent may be withheld in the sole and absolute discretion of the Disclosing Party;

- 2.1.2 they will restrict the dissemination of the Confidential Information to only those of their personnel who are actively involved in providing services for and on behalf of the other party, and then only on a “need to know” basis and subject to all persons to whom information is disclosed being made aware of the secret and confidential nature of the Confidential Information and by procuring that such persons are made subject to equivalent restrictions and obligations relating to the Confidential Information to those set out in this Agreement;
- 2.1.3 they will such initiate internal security procedures as are acceptable to each other and which are, in any event, sufficient to prevent any unauthorized disclosure;
- 2.1.4 they will have in place insurance covering any breach of this agreement and (in respect of the Contracting Party) will provide details of such insurance to SCL upon demand;
- 2.1.5 that any unauthorized publication or other disclosure of the Confidential Information may cause irreparable loss harm and damage to the Disclosing Party. Accordingly, the Receiving Party agrees that damages will not be an adequate remedy for any actual or threatened breach of this Agreement and that in the event of such breach that the Disclosing Party shall be entitled to an emergency injunction (or such equivalent remedy as may be applicable) in order to prevent such breach from occurring or continuing to occur. The Receiving Party further agrees to indemnify and to hold the Disclosing Party harmless against any loss, action, expense, claim, harm or damage of whatsoever nature suffered or sustained by the Disclosing Party pursuant to a breach by the Receiving Party of the provisions of this Agreement.

### 3. RESTRICTIONS

- 3.1 The Contracting Party undertakes that neither they nor any party related to or associated with them, nor any broker, agent or representative of any of them, nor any employee or other person working for or on their behalf, shall contact, directly or through any third party other than through SCL, any broker, agent, representative, person, legal, corporate body, nor any other entity in regards to any project or business opportunity, which has been introduced to the Contracting Party by SCL or any of its representatives. The Contracting Party further agrees not to contact any of the previously mentioned in regards to any project or business opportunity, should the relationship between the Receiving Party and the Disclosing Party lead to a successful business venture.
- 3.2 Each party undertakes to the other that, during the discussions between the parties and for a period of three (3) years thereafter (except with prior agreement between the parties to the contrary), neither party will directly or indirectly solicit the staff, personnel, contractors, customers, clients or business partners of the other party, or entice them to transfer their business from the other party or affect their relationship with the other party.

**4. TITLE**

All Confidential Information disclosed by the Disclosing Party to the Receiving Party is acknowledged by the Receiving Party:

- 4.1 to be proprietary to the Disclosing Party; and
- 4.2 to not, by reason of any disclosure or otherwise, confer any rights of whatsoever nature in such Confidential Information to the Receiving Party.

**5. STANDARD OF CARE**

The Receiving Party shall use its best endeavours to ensure that the Confidential Information of the Disclosing Party is not used otherwise than in accordance with this Agreement and the directions of the Disclosing Party. Should the Receiving Party become aware of any unauthorized copying, disclosure or use of confidential information, it shall immediately notify the Disclosing Party thereof in writing and, without in any way detracting from the Disclosing Party's rights and remedies in terms of this Agreement, take such steps as may be necessary to prevent any unauthorized use or exposure or any further unauthorized use or exposure of such Confidential Information.

**6. RETURN OF INFORMATION**

- 6.1 The Disclosing Party may at any time request the Receiving Party to return any material containing, pertaining to, or relating to the Confidential Information and may, in addition, request the Receiving Party to furnish a written statement to the effect that upon such return, the Receiving Party has not retained in its possession, or under its control, either directly or indirectly, any such material.
- 6.2 The Receiving Party shall, at the instance of the Disclosing Party, destroy such material and furnish the Disclosing Party with a written statement to the effect that such material has been destroyed.
- 6.3 The Receiving Party shall comply with a request in terms of this clause 6 within 5 working (Five) days of receipt of such request being communicated by the disclosing Party.

**7. WARRANTIES**

- 7.1 Each party warrants and undertakes to the other party that it will be responsible for any breach of any of the terms of this Agreement by it or by any person who is at any time



during the period when Confidential Information is disclosed to the Contracting Party one of its directors, officers, employees, or professional advisers and this mutual Agreement will enure to the benefit of and be enforceable by each party's successors and assigns.

- 7.2 Each party warrants that it is fully and legally capable of entering into this Agreement and the signatories hereto have full and effective authority to execute this Agreement for and on behalf of each party.
- 7.3 The warranties, undertakings and obligations undertaken by the parties to this Agreement are considered by the parties to be reasonable in all the circumstances and for the legitimate and necessary protection of the Confidential Information of both parties.

## 8. INTELLECTUAL PROPERTY

- 8.1 Both parties acknowledge, accept and agree that the intellectual property rights (including for the avoidance of doubt copyright, patent, trade mark, design right and other similar rights whether registered or unregistered existing anywhere in the World) in any information, idea, invention, improvement, discovery and Confidential Information disclosed by either party to the other party will be owned absolutely by the Disclosing Party, unless otherwise mutually agreed between the parties.
- 8.2 Neither the execution and delivery of this Agreement, nor the furnishing of any Confidential Information by either party will be construed as granting either expressly or by implication, estoppel or otherwise any assignment, licence or other transfer of the intellectual property rights in any information, idea, invention, improvement, discovery and Confidential Information disclosed by either party to the other.

## 9. GENERAL

- 9.1 No waiver of any of the terms and conditions of this Agreement will be binding or effectual for any purpose unless expressed in writing and signed by the party giving the same, and any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the part of any party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 9.2 This Agreement, and the rights and obligations hereunder, may not be transferred or assigned by the Contracting Party without the prior written approval of SCL.
- 9.3 This Agreement constitutes the whole of the Agreement between the parties relating to the subject matter hereof and save as otherwise provided herein no amendment, alteration, addition, variation or consensual cancellation will be of any force or effect

unless reduced to writing and signed by the parties or their duly authorized representatives.

- 9.4 Subject to clause 9.3, the parties agree that no other terms or conditions, whether oral or written, and whether express or implied will apply hereto.
- 9.5 This agreement does constitute any sort of exclusivity to the Receiving Party with regards to representing the Disclosing Party or the products/companies that the Disclosing Party represents.
- 9.6 This mutual non-disclosure agreement will be governed by and construed in accordance with English Law and the parties hereby submit to the exclusive jurisdiction of the English courts.

**I have read and accept the Non Disclosure Agreement as outlined above.**

Signed:.....  
**(Contracting Party)**

Signed:.....  
**(Director, on behalf of SCL Elections Ltd.)**

Name .....

Date .....

Date .....

*Witnessed by:*

Signed:.....  
**(Witness)**

Name .....

Date .....

## **Exhibit 3**

CA/SCLE/STC/A161214

ConfidentialSTC Presidential Campaign  
Texas  
United States of America16<sup>th</sup> December 2014Dear ,

Thank you for making the time to come and visit us in London, it was a pleasure to receive you and to spend some time building the foundations for cooperation on the STC campaign.

Following our meetings, and a number of emails and requested work streams, I wanted to update you generally, and to also take the opportunity to address some concerns, before they manifest themselves into problems:

#### FEC REGULATIONS

I apologies if it ostensibly appears that we are dragging our heels on closing a deal to provide consultancy services to the STC campaign. This is not the case. The deal that was tabled, following your initial discussions with Steve and Rebekah is riddled with potential FEC violations and exposes Cambridge Analytica to possible negative action.

Consequently we have been working very closely with Cambridge Analytica's FEC lawyers to understand the issues and navigate a best route forward. Specifically we have been advised of the following:

- (1) Cambridge Analytica cannot meet the direct costs of a third party direct mail vendor, nor can we pay for the cost of stamps or fulfillment directly. Such action is not part of our core business, and would consequently be construed as 'a donation in kind'.
- (2) Cambridge Analytica cannot service the STC campaign under a "no loss" agreement, whereby the political committee can't have a loss while CA accepts all the liability. At a minimum, we have to demonstrate a real capacity to recoup our investment into the campaign.
- (3) It would appear, subject to second opinion, that Cambridge Analytica (via SCL) can hire The Richards Group to provide services to the campaign. Again, however, they will need to be adequately compensated (via CA/SCL) for their services – which can include part payment as a



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percentage of donations raised. However, such payment should be in addition to the minimum fee percentage that Cambridge Analytica needs to demonstrate to not be considered a donor to the campaign - and not subtracted from it. Additionally it should similarly be at a level to allow The Richards Group, at a minimum, to recoup their direct costs.

- (4) As non-US nationals we are not permitted to provide strategic advice to the campaign. Consequently, we are currently recruiting a US Cambridge Analytica MD who will be the POC for you and your team. In the meantime Alex Muir (whom you briefly met in London), will act as 'lead functionary' to the campaign.
- (5) It is looking increasingly unlikely that CA will be able to provide anything meaningful to JGFF by way of a pilot for donor modeling. The issue being debated is the ability for JGFF to transfer modeled data on donors to the STC campaign post completion of the pilot and after STC announces. The lawyers are concerned that this would be perceived as a 'gift' or an improper donation. We are still reviewing options for how we can deliver something to JGFF in the immediate short-term, and will revert in early course.
- (6) On a positive note, it seems that CA can take receipt of the Data Trust data and integrate it into our models for donations, targeting and messaging. Sabhita from my office will be in touch to discuss the technicalities of this with you, specifically the onus on and, extent to which Cambridge Analytica has to return updated data to the RNC.
- (7) Similarly it seems that Cambridge Analytica can purchase donor email lists and other relevant data on behalf of the STC campaign – as such acquisitions would be deemed part of our core business and could be amortized between future clients. However, such data would ultimately have to be owned by CA and then licensed to the STC campaign.

- 
- (1) We have spent days agonizing over how best to deliver a financial cockpit to you that will allow the campaign to use real time reporting on outbound communications to make decisions on how to allocate future resources.
  - (2) The reality is that there are no algorithms in the world that can model such nebulous information in a meaningful way. For example, most voters or donors that we contact will be 'touched' through multiple channels – how then is it possible to accredit an ROI to one campaign over another.
  - (3) We are preparing for you a revised brief/proposal of what is realistic to deliver to the STC campaign to address your requirements. It will not be the platform that you dream of, but it will provide practical insights to inform campaign planning and resource allocation.





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#### FOR AMERICA

- (1) As a C-4, we can provide content to For America free of charge, or could contract with them for content, or other services such as targeted messages. However, we have to be careful that we aren't simply taking something we created, for a fee, for a PAC or Candidate and then giving it to For America. It could be construed as coordinated communication since we are a common vendor. Cambridge Analytica could push out some messages prior to taking on a contract with a PAC or candidate regarding a subject, such as immigration, without causing a problem.
- (2) We are working on the best route forward to use For America's followers to push STC immigration messages – this might be an altogether more successful and less problematic pilot that that proposed with JGFF. Will keep you posted.

#### KURT LUIDHARDT

- (1) We have reached out to Kurt from Prosper Group and are currently exploring how best to use them as an additional preferred vendor to Cambridge Analytica.
- (2) We are waiting on information from PG on what they have (sounds like basic information and segmentation) and to identify what we could do for them so we can use their donor lists and expertise as fundraising partners.
- (3) Jeff to confirm whether we on are to proceed with them on the first 'pilot' experiment.
- (4) If we do, we would need to structure a contract for revenue share or renting their lists direct with CA as part of services provided to JGFF and the initial fundraising experiment we setting up now, and then potentially services to STC.

#### CAMERON ARMOUR

- (1) We spoke to Cameron for an hour today. He was very impressive and we will meet him face to face in DC in the New Year. He seemed very interested to work with Cambridge Analytica, but we need to understand how he would fit into our overall structure. Kurt did not allude to any offers from the RNC.
- (2) Is there any reason why the STC campaign could not hire him direct?





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## GENERAL COMMUNICATION

- (1) Small but important point: I know that you are all EXTREMEY busy. However, moving forward it would be really helpful if emails could contain more than just one or two words. The time that you save by being brief, is lost (in triplicate) by Cambridge Analytica employees trying to guess at the messages you are seeking to convey.
- (2) I would like to instigate a regular telephone call, between you and our senior campaign functionaries. Initially this could be a couple of times a week – even for only for 5-10 minutes, and as we move forward even more regularly.

## MOVING FORWARD

Based on the complexities of FEC regulations, we propose the following relationship between Cambridge Analytica and the STC moving forward:

- 25% fee on all small donations raised by CA though digital / email / direct mail or any other channel (including known and unknown donors) up until the first of the following:
  - Cambridge Analytica recoups its fixed costs;
  - STC wins the Primary nomination.
- Thereafter and for the rest of the campaign (Primary or Presidential) CA to reduce the donation raising success fee to 12.5% of funds raised.
- These fees do NOT include the cost of stamps, nor fulfillment for donor direct mail
- However, subject to final confirmation from our lawyer, these fees DO include the costs of all new data acquisitions, donor lists and email lists. (But not digital advertising)

Looking forward to hearing back from you.  
Best,

Alexander Nix  
Cambridge Analytica LLC

