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In the Matter of)	
Senator Ted Cruz;)	
Ted Cruz for Senate;)	
Bradley Knippa,)	MUR 7897
in his official capacity as)	
Treasurer.)	

INTRODUCTION

Senator Ted Cruz, Ted Cruz for Senate ("the Committee"), and Bradley Knippa, in his official capacity as Treasurer ("Respondents") respectfully request the Federal Election Commission ("FEC" or "Commission") to reconsider and rescind its reason to believe ("RTB") finding in this matter.

The Commission found RTB that the Committee's purchase of Facebook ads promoting Senator Cruz's book *One Vote Away: How a Single Supreme Court Seat Can Change History* ("One Vote Away") violated the "personal use" prohibition under 52 U.S.C. § 30114(b) of the Federal Election Campaign Act of 1971, as amended (the "Act" or "FECA"). As explained more below, there are significant factual and legal errors in the Commission's RTB finding:

- (1) The Office of General Counsel ("OGC") appears to have selectively presented the Facebook ads that it reviewed and ignored more than half of the ads that had a clearly campaign-related purpose, thereby causing the Commission to make an erroneous factual determination.
 In fact, more than half of the ads were for books that the Committee purchased for its donors, and for which the Commission determined there was NO RTB that a personal use violation had occurred.
- (2) The Commission's RTB finding was based merely on **the hypothetical possibility** that Senator Cruz could receive royalties some time in the future on the book's sales. This is inconsistent with the RTB standard set forth in the Act and Commission regulations and with prior Commission precedents. The finding also is internally inconsistent with the Commission's determination that the Committee's purchase of the book did not result in a personal use violation because Senator Cruz had not received any royalties from the book's sales.

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 2 OF 12

- (3) There is now additional evidence available that the Commission did not have before. The new evidence belies the factual premise in the Commission's RTB finding that Senator Cruz received royalties from sales of *One Vote Away*.
- (4) The Commission's RTB finding in this matter essentially creates a new requirement when campaign committees make expenditures to promote a candidate's book. Such a new requirement must be adopted in a notice-and-comment rulemaking and, in any event, may not be applied *ex post facto* to Respondents in this matter.

With respect to all these points, Respondents reiterate the central point they made in their initial response to the complaint in this matter: Senator Cruz **has not received any royalties whatsoever from any sales** of *One Vote Away*—and he has explicitly committed that he will never receive even a single penny of royalties from future sales.

ARGUMENT

- 1. More than half of the Facebook ads were fundraising solicitations for the Committee and offered donors copies of the book that the Committee itself had purchased.
 - 1.1. The Facebook ads clearly had a campaign-related purpose.

In its RTB finding, the Commission concluded that "the Facebook ads at issue have a limited nexus to the campaign" due to their lack of "an expressly campaign-related message." This is simply not so.

It appears that OGC selectively presented the Facebook ads that it reviewed in this matter in making its recommendations to the Commission. The resulting F&LA cherry-picks from the Meta Ad Library two of the ads that the Committee purchased that directly linked to commercial retail webpages where viewers could purchase copies of *One Vote Away*. In fact, our review of the same Meta Ad Library page cited in the F&LA revealed a total of 19 ads that referenced *One Vote Away*. As <u>Exhibit A</u> attached hereto shows, 11 of

¹ MUR 7897 (Ted Cruz for Senate), Factual and Legal Analysis ("F&LA") at 10, li.6-12; 11, li.1-3. The F&LA does not explain the relevance of this issue. Under Commission precedent, a campaign committee need not have a campaign-related purpose or "expressly campaign-related message" to promote a candidate's book. *See* AO 2006-18 (Granger). Here, the F&LA appears to be noting (erroneously) the lack of an exculpatory factor in the Committee's promotion of *One Vote Away*.

² MUR 7897 (Ted Cruz for Senate), F&LA at 4, n.8; 5.

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 3 OF 12

those ads (well more than half) asked viewers to make a donation to the Committee in exchange for a signed copy of the book.³ Although not visible for all of the 11 ads in the Meta Ad Library, several of those ads also clearly show a link to the Anedot online fundraising platform.

The F&LA notably disregards these 11 ads.

As explained in the affidavit from the Committee's consultant, Nick Maddux, attached hereto as Exhibit B, the Committee used the Facebook ads not only to raise money, but also to cultivate new donors and supporters for the Committee's future fundraising and voter contact purposes. Specifically, the Committee was able to gather data from the Anedot fundraising platform and the book fulfillment process on individuals who expressed a clear interest in Senator Cruz's message.

All of this belies the Commission's finding that the Facebook ads lacked a campaign-related purpose.

Moreover, even for the remaining eight ads that did not ask for a donation or link to a fundraising page for the Committee, the ads still promoted an issue that was central to the upcoming November 2020 election. As the video ad dialog transcribed in the F&LA indicated, which political party would go on to control the U.S. Senate and White House as a result of the election would be pivotal to the Supreme Court's makeup and how the Court would rule on issues of major importance. In fact, while the ads were running, Senator Cruz and his colleagues were considering President Trump's nomination of Amy Coney Barrett to fill the vacant seat left by the passing of the late Justice Ruth Bader-Ginsburg: a major 2020 campaign issue.⁴

https://www.usatoday.com/story/news/politics/elections/2020/09/23/trump-need-fill-supreme-court-seat-quickly-because-election/3501368001/; Sahil Kapur, *Trump releases new list of Supreme Court prospects ahead of 2020 election*, NBC NEWS (Sep. 9, 2020), at https://www.nbcnews.com/politics/2020-election/trump-releases-new-list-supreme-court-prospects-ahead-2020-election-n1239682.

³ We have circled various portions of the ads in <u>Exhibit A</u> for emphasis. While one of the ads included in the exhibit did not ask explicitly for a donation, it still asked for amounts starting at \$50, which far exceeded the book's undiscounted retail price of \$28.99 for hard copies. *See* MUR 7897 (Ted Cruz for Senate), F&LA at 7 n.19.

⁴ MUR 7897 (Ted Cruz for Senate), F&LA at 5, li. 1-12; see also, e.g., Anita Kumar, Trump's legacy is now the Supreme Court, POLITICO (Sep. 26, 2020), at https://www.politico.com/news/2020/09/26/trump-legacy-supreme-court-422058; David Jackson and Joey Garrison, Trump says he wants to fill Supreme Court seat quickly in case justices need to settle election dispute, USA TODAY (Sep. 24, 2020), at

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 4 OF 12

Candidates' campaign committees are not limited to using their resources only to promoting the election or re-election of the committee's own "authorizing" candidate. Promoting other candidates and political causes are also permissible uses of campaign funds. Here, the importance of the Supreme Court's makeup was *One Vote Away*'s central message. Considering that this was also a central issue in the 2020 November general election, the Committee's expenditures to advertise the book on Facebook to reinforce the importance of this issue for voters was a permissible use of campaign funds.

1.2. More than half of the Facebook ads were for copies of the book that the Committee itself purchased for donors.

The Commission correctly determined in this matter that the Committee's purchase of copies of *One Vote Away* for the Committee's donors did not violate the personal use prohibition because Respondents would exclude those purchases from royalty calculations. However, the 11 Facebook ads discussed above that offered donors a copy of *One Vote Away* were related to these very same Committee purchases.

As the Maddux affidavit (<u>Exhibit B</u>) explains, the Committee purchased copies of the book to give to donors who contributed to the Committee, including those who gave in response to the Facebook ads. The Commission cannot logically find that the Committee's purchase of the book for donors did not violate the personal use prohibition and still find a violation in the Committee's purchase of Facebook ads offering donors copies of those same books that the Committee had purchased.

2. The Commission's RTB finding is inconsistent with the RTB standard and Commission precedents and is internally inconsistent.

Putting aside the Facebook ads' campaign-related purpose, the evidence in this matter also fails to establish RTB that Senator Cruz received any royalties from sales of *One Vote Away*. The reason is simple: It is undisputed that he has not.

⁵ See, e.g., 11 C.F.R. §§ 102.12(c)(2), 102.13(c)(3) (permitting the campaign committee of one federal candidate to contribute up to \$2,000 per election to any other federal candidate); MUR 7166 (Nelson for Wisconsin) (recognizing that a U.S. House candidate's campaign committee may make independent expenditures to oppose a presidential candidate).

⁶ MUR 7897 (Ted Cruz for Senate), F&LA at 12-16.

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 5 OF 12

2.1. The RTB standard requires that a violation either has occurred or "is about to" occur.

There has been a long-running debate over exactly how much evidence is needed for the Commission to make an RTB finding under the Act. While some have characterized the RTB standard as "a low bar," others have described it as "no small matter." Regardless of which view is correct, the plain language of the Act and Commission regulations is clear: Even under "a low bar," RTB may be found only if there is a "factual basis" that "a person has committed, or is about to commit, a violation of [the] Act" or Commission regulations. "Has committed" is the present perfect tense, indicating that a violation has already occurred, while "about to commit" indicates that a violation has not yet occurred but is imminent. In the commit is imminent.

In this matter, the Commission found RTB that "[Senator] Cruz and the Committee **violated**" the personal use prohibition "by [the Committee] purchasing Facebook ads promoting sales of his book."¹¹ However, as explained more below, the expenditure of funds by a candidate's campaign committee to promote the candidate's book, by itself, does not violate the FECA under the Commission's precedents. Rather, for there to be RTB, there must be a concomitant finding that Senator Cruz either (1) **received** or (2) **is about to receive** royalties on sales of the book. There is no basis to believe either is true.

The Commission made no such finding here because there was no evidence that this had either **occurred** or was **about to occur**. Instead, the Commission essentially and implicitly found RTB on a **hypothetical**: the notion that Senator Cruz theoretically **could** receive royalties on future book sales that the Committee promoted.

⁷ Compare FEC MUR 7874 (Patriots of America PAC), Statement of Reasons of Commissioners Shana M. Broussard and Ellen L. Weintraub at 1, n.1 (quoting *CLC v. FEC & Correct the Record*), No. 19-2336 (D.D.C.) (Dec. 8, 2022), Mem. Op. at 17) *with* FEC MURs 7165/7196 (Jesse Benton), Statement of Reasons of Vice Chair Allen Dickerson at 4.

⁸ 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.10(a) (providing for an investigation only after "the Commission finds reason to believe that a violation of a statute or regulation over which the Commission has jurisdiction **has occurred or is about to occur**") (emphasis added).

⁹ *See* Dictionary.com, "Present perfect," *at* https://www.dictionary.com/browse/present-perfect.

¹⁰ See Dictionary.com, "About to," at https://www.dictionary.com/browse/about-to.

 $^{^{11}}$ MUR 7897 (Ted Cruz for Senate), Factual and Legal Analysis ("F&LA") at 12, li. 11-13 (emphasis added).

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 6 OF 12

Moreover, even under the "low bar" that some believe applies to RTB findings, the Commission could not justify its RTB finding here on the grounds that it was merely looking to investigate whether Senator Cruz did in fact receive any royalties from the Committee's book promotion. The RTB finding in this matter was accompanied by a proposed conciliation agreement with a monetary penalty. In order to justify a "'reason to believe' [finding] followed by conciliation . . . the Commission [must be] **certain** that a violation **has occurred**." However, to reiterate, the Commission had no evidence—because there is none—before it that Senator Cruz actually had received any royalties on the book's sales, nor did the Commission make such a factual finding.

2.2. The mere expenditure of campaign funds to promote a candidate's book is not "personal use."

The Commission found RTB that a personal use violation had occurred in this matter merely on the basis of the Committee's promotion of the book. However, just as "[t]he purchase of a candidate's book [using campaign committee funds] is not one of the *per se* personal uses," and "the Commission determines on a case-by-case basis whether such a purchase by [a campaign] committee is personal use," a campaign committee's promotion of a candidate's book also is not a *per se* personal use violation.

Specifically, in AO 2006-18 (Granger), the Commission concluded that an expenditure of more than a *de minimis* amount by Representative Kay Granger's campaign committee on promoting a children's book that she authored was not a *per se* personal use violation where the royalties that she would otherwise earn on the book's sales would be donated to charity. Likewise, in AO 2014-06 (Ryan), the Commission explained that "expenses [incurred by a campaign committee] associated with marketing a book that a commercial publisher publishes **and for which it pays royalties to the candidate** . . . would ordinarily constitute a prohibited personal use" (emphasis added).

¹² See, e.g., MUR 6441 (Unknown Respondents), Statement of Reasons of Vice Chair Ellen L. Weintraub and Commissioners Cynthia L. Bauerly and Steven T. Walther at 1 n.2 ("'reason to believe' determinations indicate only that the Commission has found sufficient legal justification to open an investigation to determine whether there is probable cause to believe that a violation of the Act has occurred").

¹³ FEC, Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12545 (Mar. 16, 2007) (emphasis added).

¹⁴ MUR 7897 (Ted Cruz for Senate), F&LA at 12, li. 16-17.

¹⁵ AO 2014-06 (Ryan) at 4.

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 7 OF 12

In short, the mere expenditure of campaign funds on promoting a candidate's book is not a *per se* personal use violation; it is only a violation if the candidate also receives royalties on the book's sales. Yet, in this matter, the Commission found RTB merely on the basis that Respondents "**violated** 52 U.S.C. § 30114(b) by converting at least \$13,900 in campaign funds to personal use **by purchasing Facebook ads promoting sales of [the] book**," without a concomitant finding that Senator Cruz had actually **received** any royalties on the book's sales. The flaw in this finding is underscored by the disparate treatment the Commission gave to the Committee's purchase of copies of the book, as discussed more below.

The Commission attempts to justify its RTB finding in this matter by distinguishing the Granger opinion on the grounds that "Granger had a contract with her publisher that assigned all future royalties to two charitable organizations, so it was impossible for any increased sales resulting from her committee's promotion of her book to result in any personal financial gain."¹⁷ However, there was nothing in the Granger opinion suggesting that campaign committees looking to promote a candidate's book are required to have a formal contract with the publisher to this effect. And, in any event, the Commission's advisory opinions are not to be used as "swords" for imposing affirmative requirements on respondents in enforcement matters.¹⁸

Moreover, the Commission does not explain why having a formal agreement with the book publisher not to pay royalties to the candidate is a prerequisite for a campaign committee looking to **promote book sales** but is **not** a prerequisite for a campaign committee looking to **purchase copies of the same book**. The fact that there was "no information indicating that Cruz made formal arrangements with his publisher to have these book purchases excluded from net sales used to calculate his royalties" was not a bar to the Committee purchasing copies of the book in this matter.¹⁹ Nor was having such a formal arrangement with the publisher apparently a requirement in other matters involving campaign committee purchases of candidate-authored books.²⁰ Why, then, would the

¹⁶ MUR 7897 (Ted Cruz for Senate), F&LA at 12, li. 11-13 (emphasis added).

¹⁷ *Id.* at 11, li. 17-21.

¹⁸ MUR 6958 (McCaskill), Statement of Reasons of Vice Chair Caroline C. Hunter and Commissioners Lee E. Goodman and Matthew S. Petersen at 4 n.30; *see also* MUR 7180 (GEO Corrections Holdings), Statement of Reasons of Vice Chair Allen Dickerson and Commissioners Sean J. Cooksey and James E. "Trey" Trainor, III at 5 ("advisory opinions cannot be used as a rule of law").

¹⁹ MUR 7897 (Ted Cruz for Senate), F&LA at 7, li. 8-10.

²⁰ See AOs 2011-02 (Brown), 2001-08 (Specter).

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 8 OF 12

Commission require a campaign committee to have such a formal arrangement or agreement with the publisher when the committee promotes the book?

2.3. The Commission's RTB finding is internally inconsistent with its NO RTB finding in this matter.

Putting aside the inconsistent legal standards discussed above that the Commission applied to the two transaction types here, the Commission also adopted divergent evidentiary standards. Specifically, for the Committee's purchase of copies of *One Vote Away*, the Commission credited Respondent's representation that "Cruz has, to date, received no royalties from sales of his book" and "that any copies of the book purchased by the Committee would have to be excluded from royalty calculations." By contrast, the Commission put no stock in Respondents' "assertion [that] Cruz received no financial benefit from such sales" resulting from the Committee's promotion of the book.²²

Moreover, for the Committee's purchase of the book, the Commission looked to Senator Cruz's personal financial disclosure for the 2021 calendar year and found that Senator Cruz "did not disclose any earned income from Regnery" (the book publisher). ²³ By contrast, for the Committee's promotion of the book, which occurred briefly from September 24, 2020, through October 5, 2020, ²⁴ the Commission did not consider the same fact: that Senator Cruz did not disclose any royalty income on sales of the book for the 2021 calendar year. To the extent that any book sales could be attributable to the Committee's brief promotion in the fall of 2020, one would expect any related royalties to have been paid in 2021. As the Commission recognized for the purposes of the Committee's purchase of the book—but not for its promotion of the book—there were no such payments.

In short, the Commission found: (i) RTB that the Committee's promotion of sales of *One Vote Away* was a personal use prohibition; and (ii) NO RTB that the Committee's purchase of the book was a personal use prohibition, all on the same evidence pointing to the lack of any royalty payments to Senator Cruz. There is a fundamental disconnect between these two findings.

²¹ MUR 7897 (Ted Cruz for Senate), F&LA at 15, li.12; 16, li.1-4.

²² *Id.* at 12, li. 4-5.

²³ *Id.* at 16, n. 51.

 $^{^{24}}$ MUR 7897 (Ted Cruz for Senate), Complaint at 3, \P 6.

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 9 OF 12

3. There is now additional evidence that Senator Cruz did not receive any royalty payments from the Committee's promotion of the book.

At the end of 2021 and 2022 (during the pendency of this matter before the Commission), Senator Cruz twice directed that all royalties on *One Vote Away* that otherwise would have been payable to him under the publishing agreement be donated to charity in accordance with FEC advisory opinions. Specifically, Regnery, the publisher, paid \$36,656.20 in 2021 and \$17,216.00 in 2022 to Senator Cruz's literary agent for the royalties that had accrued on sales beyond the book advance amount (which was not tied to any number of books sold or to be sold) that Regnery had previously paid to Senator Cruz. At Senator Cruz's request, the literary agent then donated those entire amounts to ACE Scholarships Houston, a Section 501(c)(3) charity. Neither Senator Cruz nor any of his family members receive any compensation or personal benefit from Ace Scholarships Houston.

Specifically, Senator Cruz's literary agent contributed the first year's royalties of \$36,656.20 on December 31, 2021, and then contributed the next year's royalties of \$17,216.00 on December 13, 2022.²⁵

Senator Cruz has also explicitly and unequivocally committed that any and all additional future royalties on *One Vote Away* also will be donated to charity.

Consistent with the FEC advisory opinions, Senator Cruz also did not and will not claim any deduction on his personal income taxes for these donations. Therefore, any royalties earned on sales of the book that could be attributable to the Committee's promotion of the book have been and will be properly disposed of, and Senator Cruz has not and will not realize any personal benefit whatsoever.

A sworn affidavit from Senator Cruz confirming these donations is attached hereto as Exhibit C. This new evidence completely disproves the Commission's position,

²⁵ See FEC AOs 2014-06 (Ryan) at 2, 5; 2011-02 (Brown) at 6, 2006-18 (Granger) at 3. These opinions contemplated that the book publisher would donate the royalty amounts directly to charity. In this case, Senator Cruz's literary agent received the royalty amounts, per the requirement in the publishing agreement (as explained in the attached affidavit), and then donated those amounts to charity. This should be a distinction without a difference. The principle articulated in the FEC opinions is that if a campaign committee promotes a candidate's book, the royalty payments should not pass through the candidate, and that did not happen here.

TED CRUZ FOR SENATE ET AL.

MUR 7897
PAGE 10 OF 12

embodied in the RTB finding accompanied by a conciliation agreement, that it is "certain that a violation has occurred."²⁶

4. The Commission may not apply a new regulatory standard in this matter by penalizing Respondents *ex post facto* for not declaring in advance how book royalties would be disposed of.

As explained above, Respondents followed the Commission's guidance in AOs 2006-18 (Granger), 2014-06 (Ryan), and 2011-02 (Brown) for using campaign funds to promote a candidate's book by having the book sales royalties donated directly to charity. The Commission has never specifically required campaign committees looking to promote a candidate's book to affirmatively notify the Commission, whether in advance of or contemporaneously with the expenditure of campaign funds for such a purpose, of how the candidate will be forgoing or disposing of the royalties. Yet, that is what the Commission essentially is requiring in this matter by holding Respondents liable for the Committee's promotion of *One Vote Away* in the absence of any information that Senator Cruz actually received any royalties from the book (which he did not).

While the Commission may occasionally have its ideological deadlocks, there is universal agreement that "the Commission cannot retroactively hold respondents to a standard in the enforcement context that they could not have previously divined."²⁷ If it is now the Commission's position that, any time a campaign committee wishes to promote a candidate's book, it must announce specifically how the candidate will be forgoing or disposing of the book royalties, then the Commission itself should presumably announce this position in a proper notice-and-comment rulemaking.²⁸ Of course, Senator Cruz will follow whatever standard the Commission adopts, so long he knows what it is.

²⁶ See note 13, supra.

²⁷ MUR 7904 (Hansjorg Wyss), Statement of Reasons of Commissioners Shana M. Broussard and Ellen L. Weintraub at 9; *see also* MURs 6485, 6487, 6488, 6711, 6930 (W Spann LLC), Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 13 (where "Respondents did not have prior notice of [a] legal interpretation," holding respondents liable "would be inconsistent with due process principles.").

²⁸ 52 U.S.C. § 30108(b) ("Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of title 26 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 30111(d) of this title."). Moreover, even if certain Commissioners believe that prior advisory opinions or enforcement matters may establish regulatory standards, we are aware of no precedents in which the Commission has required campaign committees promoting a candidate's book to specifically announce how the candidate will

TED CRUZ FOR SENATE ET AL.

MUR 7897

PAGE 11 OF 12

Regardless of whether the Commission announces this standard via a rulemaking or unceremoniously slips it into an F&LA or Statement of Reasons in this matter, the Commission should first afford Respondents a reasonable opportunity to comply with this new standard. In no event should the Commission penalize Respondents for not complying with a standard that wasn't previously announced or implemented.

CONCLUSION

Under the plain text of the law, the Commission can only issue an RTB finding if there is a "factual basis" that "a person **has committed**, **or is about to commit**, a violation of [the] Act" or Commission regulations.²⁹ There is ZERO basis to conclude that Senator Cruz "has committed" a violation, because he has not received any royalties whatsoever. And there is no basis to conclude that he is "about to commit" a violation, because he has now twice donated 100% of the royalties to charity and he has unequivocally committed to doing so for any royalties paid in the future.

As Respondents explained almost two years ago in response to the complaint in this matter, Senator Cruz has not received any financial benefit, such as through royalty payments, from any sales of *One Vote Away* resulting from the Committee' promotion of the book. That representation remains accurate today. Therefore, the Commission should reconsider and rescind its RTB finding in this matter. Barring that, the Office of General Counsel should prepare a Second General Counsel's Report in light of the arguments and evidence Respondents have presented above and recommend that the Commission find "no probable cause to believe" that the Committee's promotion of *One Vote Away* violated 52 U.S.C. § 30114(b), and the Commission should adopt such a recommendation and immediately close the file in this matter.

be forgoing or disposing of the book royalties, nor does the F&LA in this matter cite any such precedents. As discussed above, AO 2006-18 (Granger) does not stand for this proposition.

²⁹ 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.10(a) (providing for an investigation only after "the Commission finds reason to believe that a violation of a statute or regulation over which the Commission has jurisdiction **has occurred or is about to occur**") (emphasis added).

TED CRUZ FOR SENATE ET AL. MUR 7897 PAGE 12 OF 12

Sincerely,

Chris K. Gober

CLKS-

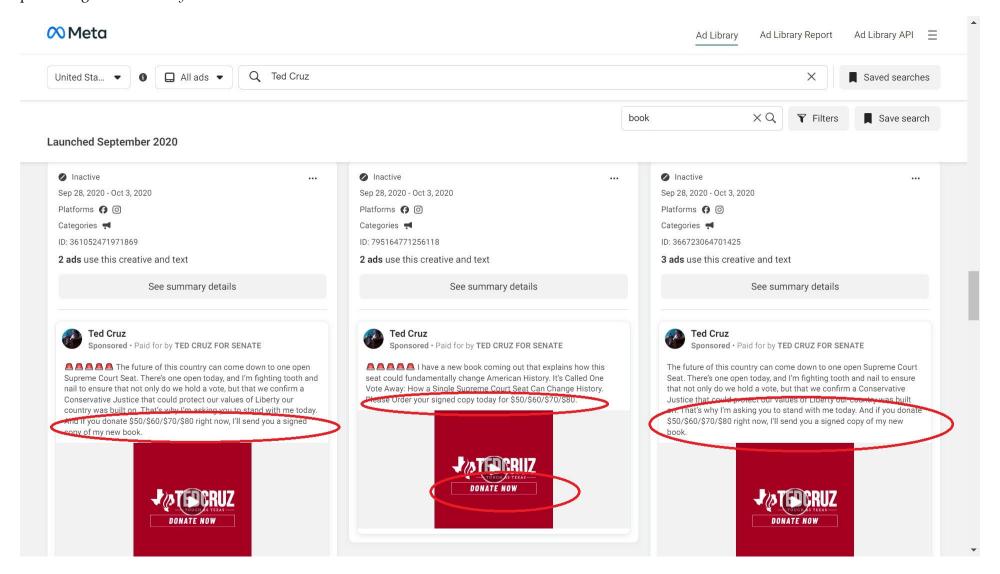
Eric Wang

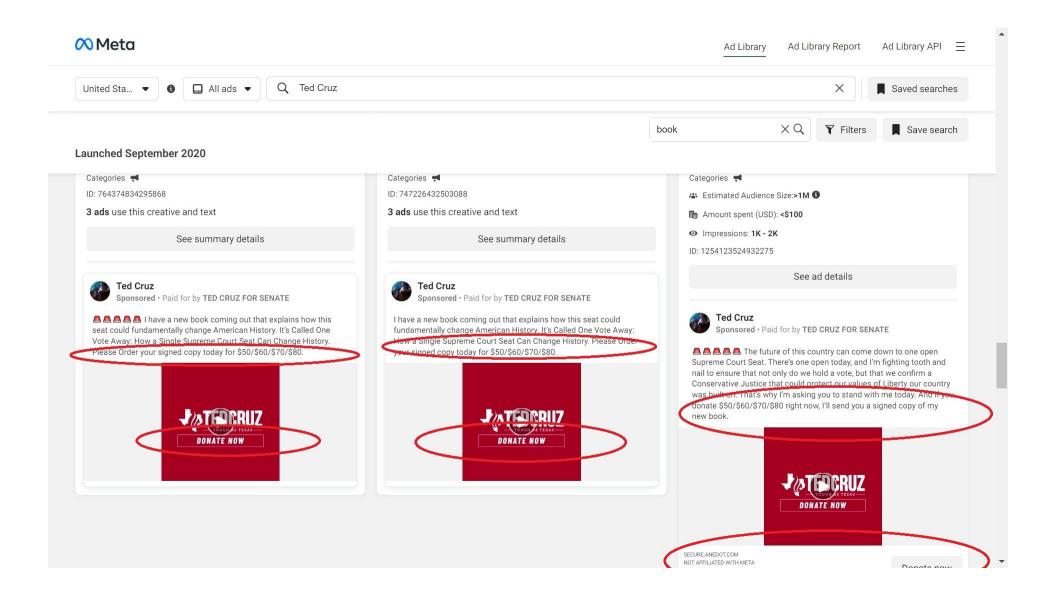
Counsel to Senator Ted Cruz, Ted Cruz for Senate, and

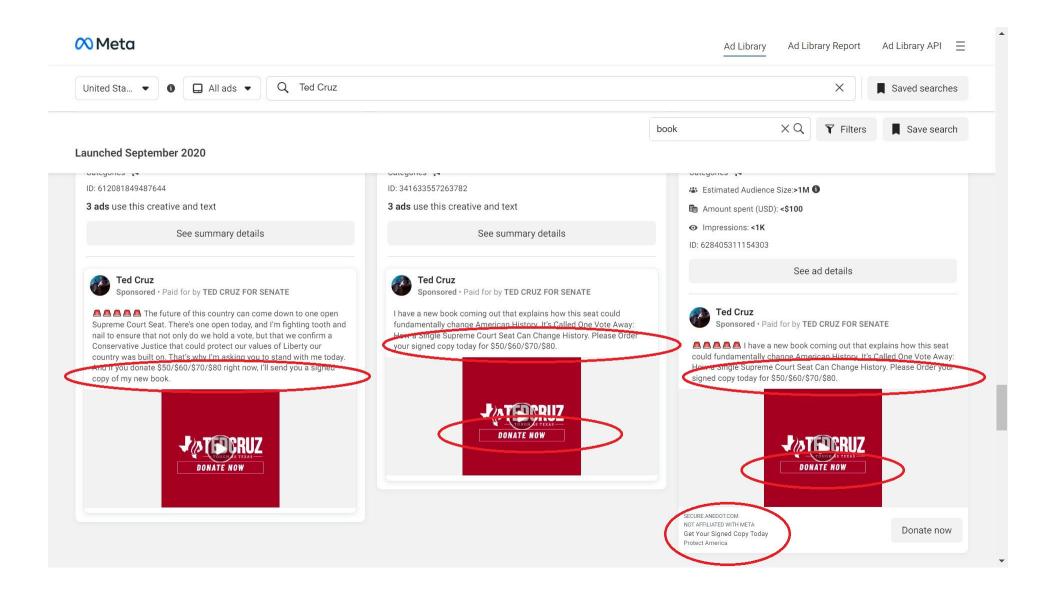
Brad Knippa, in his official capacity as Treasurer

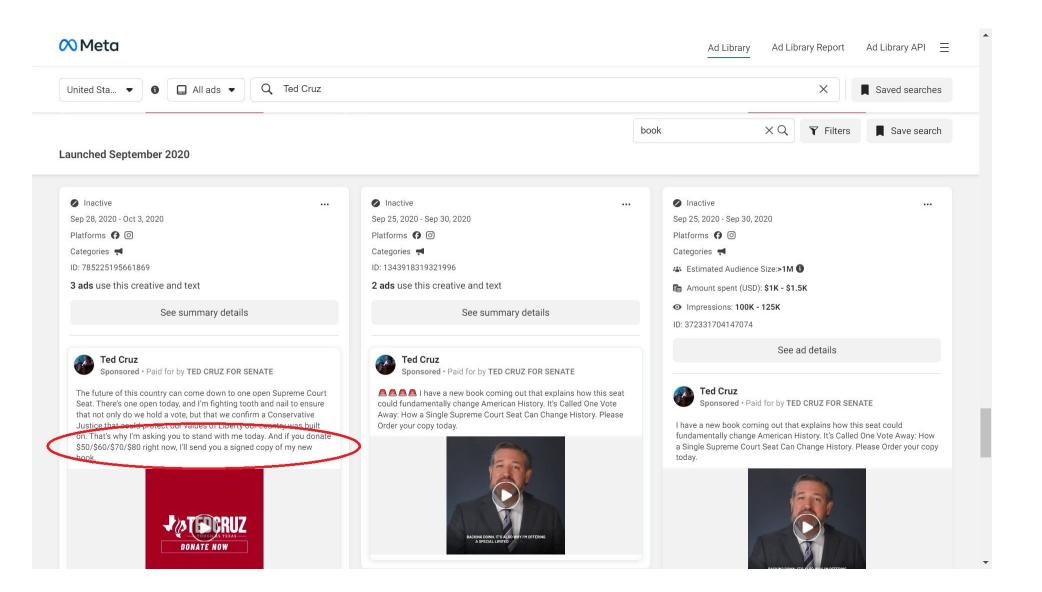
EXHIBIT A

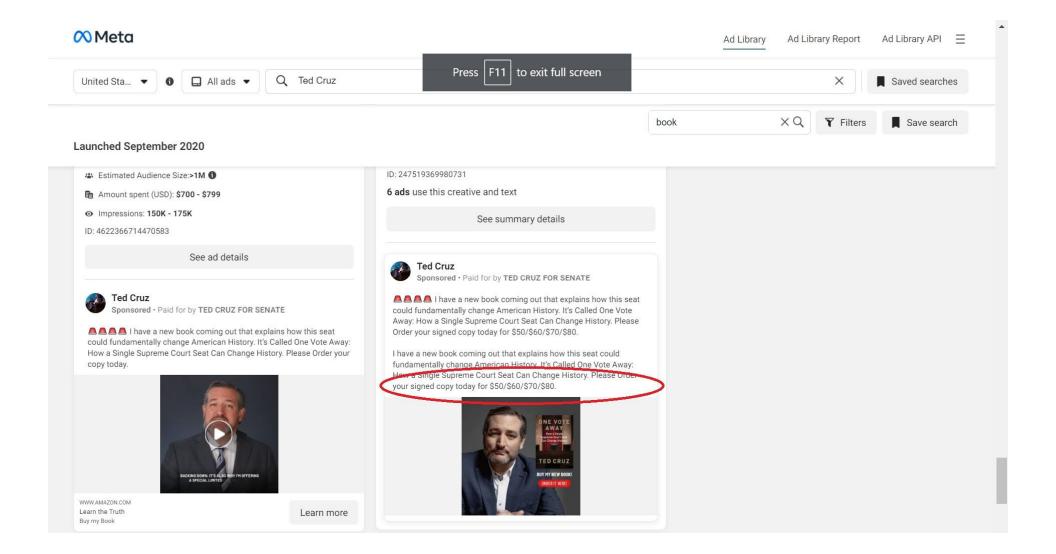
Note: This exhibit focuses on the 11 Facebook ads that solicited contributions and does not include all 19 Facebook ads that the Committee purchased promoting *One Vote Away*.











MUR789700077

EXHIBIT B

Affidavit of Nick Maddux

STATE OF TEXAS	8
	8
COUNTY OF HARRIS	8

AFFIDAVIT

BEFORE ME, the undersigned authority, Nick Maddux, personally appeared who, upon first being duly sworn, deposes and states:

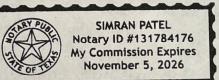
- I, Nick Maddux, a resident of Texas, hereby certify, swear, or affirm that I am over the age of eighteen years and competent to give the following affidavit based on my personal knowledge, unless otherwise stated, and that the following facts and things are true and correct to the best of my knowledge.
- 1. Through my firm Axiom Strategies, I have been a consultant to Ted Cruz for Senate (the "Committee") since July 2018. I was a consultant to the Committee during the time period in question in FEC MUR 7897.
- 2. My Axiom Strategies colleague Sam Cooper and I determined that the Committee could potentially generate new donors and identify additional supporters of Senator Cruz by running digital ads offering to send them a signed copy of *One Vote Away*: How a Single Supreme Court Seat Can Change History ("One Vote Away") in exchange for their making a contribution to the Committee.
- 3. Under our direction, and with the approval of Senator Cruz, the Committee purchased copies of *One Vote Away* to give to donors and Facebook ads to promote the offer described above.
- 4. Donors made their contributions to the Committee through the Anedot online fundraising platform and the Committee was able to collect their information through Anedot and the book fulfillment process for future fundraising and voter contact purposes.
- 5. While most of the Facebook ads referencing *One Vote Away* solicited contributions for the Committee, some of the ads simply promoted the book. *One Vote Away* focused on the importance of the makeup of the U.S. Supreme Court, which was a major issue in the November 2020 general election. We determined that there was also a political purpose in simply having the Committee promote the book to motivate voters and to educate them on the importance of voting due to the impact the election's outcome would have on future Court nominations and confirmations.

	Nicholas Madd	Affine Since	an
		Affiant's Signature	
Affiant's Printed Name	Affiant's Printed Name	Vicholas	Madd
		Affiant's Printed Na	ame

Further, affiant sayeth naught.

SUBSCRIBED AND SWORN TO before me on the day of April 2023, by the Nick Maddux, who is personally known to me or who has produced as the form of identification.

NOTARY SEAL:



NOTARY PUBLIC, STATE OF TEXAS

My commission expires

11/05/2026

MUR789700080

EXHIBIT C

Affidavit of Senator Ted Cruz

S S S

AFFIDAVIT

BEFORE ME, the undersigned authority, the Honorable Ted Cruz, personally appeared who, upon first being duly sworn, deposes and states:

I, Ted Cruz, a resident of Texas, hereby certify, swear, or affirm that I am over the age of eighteen years and competent to give the following affidavit based on my personal knowledge, unless otherwise stated, and that the following facts and things are true and correct to the best of my knowledge.

- 1. In March 2020, I signed a publishing agreement with Regnery Publishing (the "Publishing Agreement") to publish a book that I authored entitled One Vote Away: How a Single Supreme Court Seat Can Change History ("One Vote Away").
- 2. The U.S. Senate Select Committee on Ethics approved the Publishing Agreement on March 13, 2020.
- 3. Under the Publishing Agreement, all royalties earned on sales of *One Vote Away* beyond the book advance were to be disbursed to my literary agent, Javelin LLC ("Javelin"). After deducting its commission, Javelin was to then disburse the royalty amounts to me.
- 4. One Vote Away was published in September 2020. No royalties beyond the book advance amount were earned in 2020.
- 5. In 2021, sales of *One Vote Away* generated royalties beyond the book advance amount. At the end of 2021, I asked Javelin to take the \$36,656.20 in royalties that otherwise would have been payable to me that year and to donate that entire amount directly to ACE Scholarships Houston, a Section 501(c)(3) charity.
- 6. In 2022, sales of *One Vote Away* again generated royalties beyond the book advance amount. At the end of 2022, I asked Javelin to take the \$17,216.00 in royalties that otherwise would have been payable to me that year and to again donate that entire amount directly to ACE Scholarships Houston.
- 7. Neither I nor any of my family members receive or have received any compensation or personal benefit from Ace Scholarships Houston.
- 8. I did not take any deduction on my personal income taxes for 2021 and 2022 on the donations that were made by Javelin from the royalty amounts.

- 9. It was always my intention that any additional royalties earned from sales of *One Vote Away* in the future would be donated to charity in the same manner.
- 10. My understanding was that there was no legal requirement to make any explicit statement to that effect. Regardless, I am more than happy to make it explicit and unequivocal: I commit that 100% of future royalties from *One Vote Away* will be given to charity, and that I will never personally receive even a single penny of royalty payments from sales of the book.

Affiant's Signature

Affiant's Printed Name

Further, affiant sayeth naught.

SUBSCRIBED AND SWORN TO before me on the 3rd day of May 2023, by the Honorable Ted Cruz, who is personally known to me or who has produced Texas Drives's License as the form of identification.

4

OTARY PUBLIC, DISTRICT OF COL

commission expires

sion expires June 30, 2024