

**Rick Berman:** So we start out with negative public opinion, which is most important to at least be aware that if you go out and you poll, this is what you find. So that can be depressing at one level. But let me tell you some data people don't often think about it. The whole theory here that I can't get into; but it's the difference between people having a public opinion and people making a public judgment; when people come to a so-called public judgment.

Public opinion is, "I'm a Democrat, or, I'm a Republican, and I like people who have a 'D' or 'R' after their names." That's the public opinion about the Democrats or the Republicans.

Public judgment is when the public decides that they want to vote for somebody or not vote for somebody even across party lines based on some facts. Facts are most important, and public judgment goes deeper than public opinion. When you achieve public judgment about something, especially something that you are not in favor of: you're willing to tax it, you're willing to ban it, you're willing to put warnings on something. That's when you get public judgment, and the political process won't go that far until there is public judgment about something.

Now again, there is a whole school of thought here that I don't want to get into. But what we need to do is obviously be engaged in public judgment because we can't do anything about the public opinion, certainly not in the short term. Maybe never.

But public judgment can be on our side. Now, this is an attempt at public opinion, this is when Obamacare was going through the legislative process. And so we put this ad in the *New York Times*, and basically said, "Hey, you ought to be concerned about the health care bill." But, we didn't really say "why". All we said is, "seniors might have to pay more money", or "your premiums might go up", but there wasn't any fact here. So this is an attempt at creating public opinion about something. Kind of soft top-line.

When you want to get into public judgment, you can't be on the defensive. Because, when you're on defense you are always answering somebody else's question. You have to be on offense. You want to get public judgment on your side; you have to start the conversation. People sometimes ask me, "Well how do I know if I'm on offense or defense?" And I say, "Well your on defense if your responding to somebody else."

If you're on offense, there are groups out there and I don't need to name names or what have you, well yeah we'll take the labor unions for example. I am well known for going after the labor unions for a thousand different reasons. And people say, "Well, what's your offense?" I say, "I get up every morning and I try and figure out how to screw with the labor unions. That's my offense." (Inaudible.) I'm just figuring out how am I going to reduce their brand. How am I

going to take their brand, and everybody has a brand, that's that public opinion brand.

So, there are 3 basic ways. I will tell you this. This is the niche business that I am in. It's a very important niche, but it's the niche business that we're retained to do.

I tell you, when I'm on offense, I'm going to reframe the issue. I'm not going to allow the conversation to be based upon on how somebody else has framed the issue. Because then I'll be on defense. I'll be arguing over what they said.

Repositioning the opposition suggests telling people, "Oh, you think that this group is a group that is doing X, well what they are really doing is Y. I don't care what they tell you they are doing, they are doing something else."

One of the classic cases, some of you may have even seen the ads that we do. We represent a lot of agriculture interests who are being attacked by the humane society of the United States. The Humane Society of the United States is not connected to your local pet shelter. They raise money with these weepy ads on television showing dogs and cats in crates and cages and they get a lot of money. They get their 19 dollars a month. But, then they use the money to attack farms, actually farmers, who raise all sorts of animals for food. Because the Humane Society of the United States, if you look at them, you don't have to look at them very closely to see this, it's basically a vegan organization. They don't want people killing animals for food.

So, repositioning them in the public's mind by saying, "Hey, give to your local shelter, but don't give to the Humane Society of the United States because they are not who they say they are," is an attempt at repositioning.

And then the third one is taking away peoples moral authority. Getting people to understand that these people, look the people in this debate that you are in with today they weren't appointed to do this, they weren't elected to do this. You might say that Polis was elected but he wasn't elected to play the role he is playing today. So we have an unappointed group of people, and an unelected group of people, and they are managing public opinion, which in turn could conceivably get the public to vote a certain way or against politicians, or get them to vote another certain way.

So taking away their moral authority saying, "Who they hell are these people and why are they the ones who are determining what the energy policy of the state or of the country for that matter should be?"

So I told you this would be fast, and now I'm going to speed it up. I'm just going to give you a couple of examples of how you do this. And then we'll get into a larger conversation with Jack.

You'll be familiar with this ad, if you haven't seen it you are going to see it now,

but this is somebody else. This is the only ad that I have not done that I am going to show you or the only thing that's up here. But this is somebody reframing the issue.

AD PLAYS

<https://www.youtube.com/watch?v=7H8Cz9woC2A>

AD ENDS

You can see how somebody is reframing the debate. What you do often times in framing is use analogies or metaphors and say, "Well if you like to drink then let me tell you this is a better way to go if you're looking to get high. If you're just looking for taste, well then go drink a coke."

Here is another example. Now the unions right now are getting, unless you have been living in a cave, have been pushing for an increase of the minimum wage at the federal level. So they had this bus tour and they are going around on this big bus. They go all around the country with this bus tour saying, "We need to raise the minimum wage by 40 percent to \$10.10." And so what we've done, because sometimes we do things what you would call 'street theater,' but we've done is that we've been chasing this bus around with our own bus or our own truck and so wherever they go we go.

(Inaudible.)

We're reframing this debate so it's not just them calling for \$10.10, there's some other things that people need to think about.

I get people to say, one of my north stars is to get people to say, "You know, I never thought of it that way before."

Because, if you get people to say that, here's what you get: Instead of getting the 'he said, she said debate', what you get with a factual debate is that often times you're going to get into people get overwhelmed by the science and 'I don't know who to believe'. But, if you got enough on your side you get people into a position of paralysis.

We're not experts and we don't want them trying to be experts. But if you put enough information out there and say, "Well it could go to \$10.10, but you could also lose a lot of jobs, the Congressional Budget Office says you can lose a lot of jobs." And again, we got a lot of ads on this thing.

You get in people's mind a tie. They don't know who is right. And you get all ties because the tie basically insures the status quo.

People are not prepared to get aggressive and move on way or another. I'll take a tie any day if I'm trying to preserve the status quo.

Here is another one on reframing. Some of you may remember the card check debate with unions who were trying to not have an election to unionize the workplace. All you got to do is get people to sign cards even under (inaudible) circumstances.

So we often times we'll use children or animals. If you want a video to go viral have kids or animals. So we will use kids and again in a metaphorical way, in this case, we are trying to show how the unions don't like to have real elections. So we put it in context of an election for class president.

AD PLAYS

<https://www.youtube.com/watch?v=Bcj3o89VVAs>

AD ENDS

So again you get some sense, and by the way we like to use humor. Some of you have seen our stuff on the fracking side.

We like to use humor because humor doesn't offend people and at the same time they get the message. If you want to have a really hard-hitting message, that's fine. Sometimes that's very appropriate. Sometimes we do that. But wherever possible I like to use humor to minimize or marginalize the people on the other side.

I talked about repositioning the opposition. Well, here is another union video, which was very popular on repositioning. Most people don't know much about unions, right?

AD PLAYS

AD ENDS

Again, this is repositioning. This is getting people to say, "Oh yeah, I heard about some of those things."

You know, when people hear about something, they have to hear about it more than once for it to get in their head. We have to achieve something that I call common knowledge.

That's another thing what I'm always working towards if we have enough time. Common knowledge, to give you an example, if I were to do a survey in this room and I were to ask you: "Which is more statistically more dangerous on a miles traveled basis? To drive to Denver airport or to fly to your destination?"

Statically, on a miles traveled basis drive or fly?"

Most of you would say it's more dangerous to drive to the airport. And I would agree with you, and then I would say, "Is it 2, 4, or 8 times more dangerous?"

And all of you would say, "I don't know."

And then I would say, "Well, how do you know it's more dangerous?"

And you would say, "Well, everybody knows it's more dangerous."

And I would say, "Well how do you know? You particularly. Where did you find out it's more dangerous?"

And you would say, "I don't know. I've heard that. I've heard it a lot of times. Everybody knows that."

I would say, that's right. That's common knowledge. And that comes from people hearing something enough times from enough different places people repeating it to each other that you reach a point where you have solidified your position.

If we can solidify the position on drilling, fracking, etc. We have achieved something the other side cannot overcome because it's very tough to break common knowledge.

It's very tough to break first opinions. You know the guy you makes the first opinion, the first impression, has a huge advantage because people don't want to admit they were wrong the first time.

So that's where offense comes in. That's where trying to get there early comes in. Unfortunately, again, I've working in a lot of business sectors; people never want to invest in being there early. They only want to invest in stopping something that is a problem. And of course that's a problem after and then it becomes a big problem. So take that for what it is worth.

Here is another one on repositioning the opposition. This was on trial layers, and trial layers who were suing food companies over obesity issues.

AD PLAYS

AD ENDS

And these websites that you see: unionfacts.com and consumerfreedom.com, etc.; these are websites we maintain and we have about 25 different websites in our firm, probably more than that on different niche issues.

The last thing I said is about diminishing moral authority. You know, Jack will talk

to you later about getting unique spokespersons. And our firm on the card check debate I got George McGovern to come out and say that unions were wrong.

I represent some alcohol companies, I got Candy Lightner, who started Mothers Against Drunk Driving, to come out and say that MADD was overreaching and that she endorsed our position, our client position, rather than the MADD position. That is a demolishing of moral authority.

When you can get people to be saying something that you wouldn't expect them to be saying, it may be counterintuitive, it may be unusual, but the point is that it breaks through.

So in diminishing moral authority sometimes in this case you have to be tougher because you are going after someone that's got a crown on their head and you know, if you want to attack, when she was alive, if you were going to attack Mother Teresa, you better have a very unusual campaign.

So hardball is something that I'm a big fan of, applied appropriately.

So you can see this is a big billboard near Times Square, and this was about the Humane Society, and this was about trying to get people to say, "WTF where is all the money that the Humane Society collects if they never give it to shelters?"

I won't show you this whole video; you can go to this video on Google. You can Google, 'lawyers in cages'. You want to talk about something that has gone viral. This has had over 3 million views, and this is a parody of the very nice, soft commercial about raising money for dogs and cats in shelters. And I told you; the Humane Society doesn't really put the money in the shelters. But the Humane Society employs over 50 lawyers. They have more lawyers that are suing businesses, basically agriculture businesses than the pet industry. They have more lawyers than the White House. So this is a parody. I'll just show you some of it.

AD PLAYS

<https://www.youtube.com/watch?v=XTrhQd9GHIE>

AD ENDS

There's actually a longer version of this on the Internet where she says, 'We're basically just like PETA, expect we have suits and deodorant'. But that's in the longer version.

So, you know, what I am trying to do here is that I'm trying to frame this thing logically for you. You know because people often times get in a reactive mode. They get angry, then the anger leads to reaction, and then sometimes that works, but it's not the logically way to go.

The logical way to go is that obviously have a positive campaign, which you guys have been doing very good with because that's that good public opinion component. And, also explaining stuff to people.

The offense campaign that I talk about, the logic in the offense campaign is diminishing the other side's ability to capture people's imagination and to become credible.

I want the other side to not be credible. (Inaudible.) And that's the logic of this whole position.

Let me tell you a story about logic and then I'll have Jack come up here.

A guy walking down the street and he runs into an old friend of his, and they start talking and his friend asks, "how are you doing?" and the first guy starts complaining. He's in a lower management position and he can't get ahead.

His friend says, "You know why?"

And he says, "no".

He says, "Because you never went to college, you didn't get a degree."

He says, "Great, I'm in my 40s. What am I supposed to do about that now?"

And his friend says, "Go to community college here in town, they'll give you schooling. You can go to school at night, and eventually you'll get a degree, then you can get a promotion and you'll have a better life."

So it makes sense to him and he goes to the school. He talks to the dean.

The dean says, "Yes, we have a lot of adults who are coming in to continue education. No problem. What do you want to study?"

He says, "I don't have any idea about any of this." He says, "Just give me a suggestion."

The dean says, "Fine, here's what we'll do. We'll start you out with a course in History, a course in English, and a course in logic."

And he says, "Logic? What's logic?"

The dean says, "You know what logic is, you learn certain facts that takes you to a conclusion, and that conclusion can take you to another fact, and so on. And you build up a real awareness of something that you never knew before."

He says, "I don't understand any of this."

The dean says, "Let me give you an example. You have a weedwacker?"

He says, "yeah."

Dean says, "Well that means you have a lawn."

He says, "Yeah I have a lawn."

Dean says, "You have lawn, my guess is you have a house."

He says, "I do."

Dean says, "You have a house, I assume you have a family."

He says, "I got a family."

Dean says, "You have a family, I assume you are married."

He says, "I am."

Dean says, "If you're married, I assume you are heterosexual."

He says, "I am."

Dean says, "You see how this goes? One thing leads to another. This is the logic in all of this. It's what they call logical conclusions."

He says, "OK. I get it, I get it."

Two weeks later he is on the street and he runs into the same old friend he hasn't seen in a long time. They start talking again.

The friend says, "How is it going?"

He says, "I took your advice, I'm going to school. I'm taking a lot of courses, everything is great."

The friend says, "What are you taking?"

He says, "I'm taking English, I'm taking History, and I'm taking logic."

The friend says, "Really? What's logic?"

He says, "Oh. You don't know logic? Let me explain it to you. You got a weedwacker?"

The friend says, "No."

He says, "Well, then you must be gay."

(Laughter.)

**Jack Hubbard:** So my name is Jack Hubbard, and I do own a weedwacker. And I have a wife and two daughters. And it's tough to follow Rick on any of these things. He does crack me up. But, he's really really good at what he does. And some of you I met last night, and for those of you who I did not meet, I have been working with Rick for eight years now. And prior to that, I was working on Wall Street. And I sort of came to a reevaluation when I was working on Wall Street. I became convinced that everyone that I was working with and everyone that I was working for were a bunch of crooks. And I became very very dispirited. And I then made the decision to move to Washington D.C., and now all the crooks go by "Senator" or "Congressman".

But, I can honestly say that the eight years I have spent here working with Rick have been nothing but fun and more importantly, as you'll see in this presentation some of the metrics we have for the environmental (inaudible) and we're really making a difference. Rick sometimes likes to say, he doesn't like to get involved in anything he doesn't feel passionate about. And I feel very much the same way.

And what we're doing here is so important because the implications if you folks lose this thing they will obviously be bad for you, it will be bad for your bottom lines, it will be bad for your employees, but it's bad for the state, and it's bad for 68,000 people or even more who could lose their job.

But to rewind a little bit, I want start by telling how this whole thing came about. Prior to us getting involved in Colorado, I guess it was maybe six to nine months ago, we received some support from some companies and foundations who had seen a lot of the campaigns that we ran going after the Humane Society and other people, and they said, "My god, we need this for our industry. For our cause right now because these anti-energy groups are getting a free pass and no one is going on offense against them and hitting back hard."

So we received funding to start something called Big Green Radicals. And Big Green Radicals was and continues to be a national campaign and the initial targets of that campaign were the Sierra Club, NRDC, and Food and Water Watch.

And if you were wondering why those three organizations were, frankly, the targets of this public educational campaign, while all unique in general, are all very very powerful nationally. They are all very very powerful in Washington D.C. when it comes to lobbying. They are behind some of the most stringent and nasty anti-energy initiatives and legislation out there. And most of them have very very large budgets. And we'll get into that a little bit later. But this is how the campaign started.

So we thought how are we going to kick off this campaign, and take the typical Berman and Company model, in turns of undermining these folks credibility and diminish their moral authority.

So one of the first things we did was let's make this a little personal. Let's find out whether these people are practicing what they preach. And what we did was we conducted a whole bunch of intense opposition research digging into their board of directors, and pulled all of the title information for all the vehicles that they own. And we released the report, of which you'll see the findings in a minute, but it really took off and spread like wildfire because it was a really damning report against them and their board of directors. And this next clip shows you some of the coverage. This is just one of the examples of the coverage we received from that report.

NEWS CLIP PLAYS

<http://video.foxbusiness.com/v/3507488023001/sierra-club-executive-board-members-driving-gas-guzzlers/#sp=show-clips>

NEWS CLIP ENDS

So you can get the gist of it right there. I won't continue. That was a piece of a much longer segment that lasted for about five minutes of them just ripping on the Sierra Club, and that television show on the morning, is the highest when it comes to folks watching, it's the one with the highest ratings on cable news.

So its just one example of us really engaging in a way that you know gets coverage.

There are so many people who are producing studies that collect dust on bookshelves. But one of the things we are really focused on is how do we take the message, put it on a bumper sticker, and get it out to the public so it gets coverage and it breaks through the 24/7 news cycle.

So let's jump to Colorado. These are things you folks already know, but Colorado is in a very unique position right now because you have these ballot initiatives, you have the Senate race, and you have the Governor's race.

And when you combine all of those things it means there is going to be a ton of left wing money coming into the state. We've seen inklings of it, I can honestly say the old saying, "you aint seen nothing yet", I think it's going to hold true.

And in fact, when I was talking with Rick a little bit before this presentation, he said you never know what the opposition is going to do a month or two before the actual election. And what we anticipate just based on having done this for a long time is you're going to see a ramped up intensity that I think will surprise even folks in the industry and political operatives given these three things all

happening at the same time.

So how did we get involved in Colorado? The Big Green Radicals Campaign gave us the perfect platform to engage. And we have currently received some support from companies to take that Big Green Radicals campaign that we've started at the national level and dig in at the Colorado level.

And, to talk through some of the fires here, these are folks who we would anticipate to get engaged or have already gotten engaged in this fight. Food and Water Watch has an annual budget of 12 million dollars, the Sierra Club 79 million dollars, now obviously all of that won't be all be spent in Colorado, but frankly there are a lot of folks in the environmental community who are looking at Colorado and saying, "This is great, because this can be a great opportunity to create a copy-cat scenario where if we are successful here, we can take this strategy and run it through other states and other localities."

So that stakes are really high here for the Sierra Club and others.

The Park Foundation is a left-wing foundation that was started by a wealthy individual whose children's children have, I guess, have lost their way and have grown up with a lot of money and became left-wing activists and they spend a lot of money funding these things and I wouldn't be surprised to see them coming out and funding some of the things going on here.

Next is my favorite, Congressman Jarred Polis. Worth 68 million dollars. Made his money by starting ProFlowers.com and Blue Mountain Greeting Cards. He and his husband, they own three homes; one of which is right outside of Washington D.C. worth 5 million dollars. OK.

Audience member #1: Does he own a weedwacker?

Jack: I won't comment on the weedwacker.

But, Polis is so out of touch with the public, because you have this typical wealthy do-gooder, left-winger activist who has a seat in Congress that thinks he can dictate policy for everyone else. And we have dug-in really deep on Polis, and you are going to see more stuff coming out.

But, we have uncovered that he currently has over a million dollars invested in the energy industry, and energy funds that include companies that have fracking positions. And this is a guy who is out there saying that's its not good for all of you folks and it needs to be banned in the state, but he is making money off of it and collecting dividends. I mean its hypocrisy at its worst.

Lastly, Tom Steyer. If you don't know who Tom Steyer is, you are going to know him by 2016. Tom Steyer is a wealth hedge-fund manager who is worth 1.6 billion dollars, with a 'B', and for some reason he is obsessed with going after the

energy industry despite the fact that he made a significant amount of his fortune investing in the coal industry, which is beyond wild.

But, he has come out publicly and that he is going to spend 100 million dollars this election cycle to elect democrats that push environmental causes. And you can bet, given the senate race going on here, combined with the ballot initiatives, I would not be surprised to see millions of dollars coming into the state from this guy.

So what does the campaign look like? I'm going to run through pretty quickly what we're up to, but we have the online website, we have some of the best opposition research folks, I think in the country, not to mention Washington D.C. These people dig deeper on the bad guys every day than anyone else. We've got radio ads, there's going to be television ads going up, you've probably seen some of our friends, and we're really engaged in online advertising because it's a cheap way and an effective way to reach people. You can reach a ton of them for very little money and you can accomplish the same thing that you might have been able to do with television.

So, our website is [biggreenradicals.com](http://biggreenradicals.com), and there is a significant Colorado page. And what we do on that site, I'm going to show you the online video in a minute, but in the right-hand column we dig-into every group. We list their money. We list their funders. We list their radical positions. And then we do have a section on every single activist. Their rap sheets, their criminal records they have. We're really making this personal. We're trying to make it so they don't have any credibility with the public, with the media, or with the legislators.

This is a chart that our researchers did, and you're not going to be able to follow it from a distance, it's one of the things you'll have to sit down and read. We provided it for the media, as well as for the members of the public who are interested in learning more about what is going on.

But the web that is being weaved here in Colorado is beyond dizzying. You have multiple shell organizations that are being propped up to hide who is funding what. So people are just disclosing the shell organization that wrote the check, so you don't know who funded that original one. You have outside money getting involved. You have people like Yoko Ono, we'll talk about her in a little bit, and you're going to see her getting engaged.

And, one of the things that always strikes me that is somewhat funny and disingenuous is that the name of the organization that is sort of behind a lot of this stuff is, Frack Free Colorado; and yet Polis as well as all of his cronies come out and say, "We're not against fracking." And I say to myself, "If you're not against fracking, why is your name Frack Free Colorado?" I mean, these people have no interest in the industry operating in anyway, and I know that the industry is split on a compromise and I know that has to deal with people's positions as well as future aspirations in the state.

But I will just warn you even if you do make this go away, what happens is that, it's actually a phrase that Rick has told me, but when the activists lose if they do lose, they never say, "We lost." They say, "We didn't win yet." And they are going to keep pushing this thing. And Rick is going to talk about the endless war that you guys are going to be facing in the state.

So this is an online video that we have up on our website, and it went up last week. And since then, we've been heavily engaged in running geo-targeted ads focused on Colorado. And as of this morning 110,000 people have viewed this commercial, this online commercial. 91 percent are from Colorado. So I'll play it here.

#### AD PLAYS

<https://www.youtube.com/watch?v=KcOWdcKnGh4&list=UU4I4Szuq18vVXWkuwkvxbZQ>

#### AD ENDS

So that's hardball. That's a longer spot because you can do that online. In the next two weeks, we're going to have a television commercial that will definitely be hard hitting, but is going to be very humorous. We're going to run that on television. So between online and TV, we think we can reach a significant percentage of people in the state, and that advertising budget is going to keep ramping up as we go through the next couple weeks.

This is the full page ad that some of you may have seen in the *Denver Post*, as well as some other newspapers. And the reason for this ad was one: to launch the campaign. And it was also a repositioning ad.

You folks are dealing with multiple ballot initiatives and it's incredibly complicated and 'inside baseball' when you start talking to people about setbacks and this and that, and local control. The next thing you know, you're trying to play defense against multiple initiatives that are very different and very complex. And the public, frankly, doesn't have the time or the brain to understand them all.

So what we wanted to do is that we wanted to brand the entire movement behind this as not being credible, and anti-science. So you can see here, this is our fracking activist: it's actually a gentleman in our office who shot that there. We had a lot of fun shooting it. He's sort of embarrassed that he's in a full-page ad in the *Denver Post*. But it got a lot of great reviews and some earned media coverage, so it's great.

This is a cartoon. It's more just fun for you guys to see Polis running off the cliff, leaving everybody else, it shows just how isolated he is and the fact that there are so many folks, even on the Democratic side who are sitting there going, "Oh my god, please don't do this."

So one thing, so this slide is sort of interesting, and Rick hinted at it when he talked about George McGovern coming out against labor unions or the founder of Mothers Against Drunk Driving coming out in favor of the positions of the alcohol industry.

One of the things we are very very good at is engaging unique or same-party messengers to get involved on this stuff. Where people say, "oh my goodness, why are they getting involved. This is really controversial. This is going to get a lot of coverage." And it undermines the credibility of some of the people who are pushing this.

Since this is a public venue, I'm not going to go into details as to what we're doing. I will only say you probably have seen some of our work going after some folks through some other organizations and entities, and we're going to keep it up, and if you have any questions or thoughts about that, come talk to me and I can fill you more in on a one-to-one basis as opposed to a public speech.

So coming soon, we're going to be doing TV, we're going to be doing radio. There will be more print ads, and there will be more online advertising. And along that theme of coming soon, Yoko is probably coming soon. As well as a whole host of other celebrities, whether it be Robert Redford or others.

And this is a billboard we put up in Pennsylvania about why would we take energy advice from the woman who broke up the Beatles. It's sort of tongue-and-cheek. And we have one on Lady Gaga and one on Robert Redford. But the reason I showed this is because you should be prepared that these folks are going to be flying-in on their private jets, or maybe not even fly-in, maybe just shooting commercials and shipping them into the state. But you are going to see them on TV. And the problem is that the public really does have a celebrity worship culture. But the good news is that there is nothing the public likes more than tearing down celebrities and playing up the hypocrisy angle.

So that's just about everything I have to say as to what we're up to. This campaign is going to grow, and it's going to become more intense and Rick is going to talk a little bit more in a minute.

Before he comes up here, I just want to share one short quick story. My grandmother, she was from Brooklyn and she suffered from dementia later in life. And it was a slow decline, and she started to become more and more inappropriate in the things she said. And she became convinced every single day that she was going to die tomorrow. And she would call me and say, "Jackie, I'm going to die tomorrow. I need to give you a piece of advice." And this went on for months. And it was from everything from business, from life, from marriage, to sex, which was really uncomfortable. But, one of the last things she told me is that she said, "Jackie, if you ever get in trouble, and if your back is ever up against the wall, hire a good Jewish lawyer." With that, I hand it over to Rick.

**Rick Berman:** This offensive campaign that is designed to attack is not a positive campaign. A lot of times people say, "Well, we shouldn't be that nasty, we shouldn't be that aggressive." I've said several times you can marriage that aggressive with parody. But there is a place for this. There is no silver bullet in these campaigns. There's an offense. There's a defense. There's a pro side. There's an anti side. You can war game this pretty easily.

But this is something that quite frankly, a lot of people leave on the table. I've had clients say to me, "Well you know, I don't really want to attack, that's not who we are." I say, "Well, you can either win ugly or lose pretty." You figure out where you want to be. But sometimes this is what you need.

I've had people say to me at times that, "They characterize us in a campaign as being the guys with the black helicopters." And to some degree that's true. We're doing stuff to diminish the other's sides' ability to operate.

Another north star, if you will, that I use is several years ago I came up with this acronym. I was convinced you could not get into people's heads and convince them to do something as easily as you could get into their hearts or into their gut to convince to do something. Because, emotions drive people much better than intellectual epiphanies. "Oh I just heard of this, I just heard of that." No, you got to get people emotionally engaged on your side. So I came up with the acronym, FLAGS, which stands for the five emotions that I look at when I'm trying to attack people (inaudible).

The first one is fear, the second one is love, the third is anger, greed has to deal with, "I want it. I want to get something out this for myself." And the fifth one is sympathy.

So if you think about how we get people, it's one of those five emotions. If you can tap into two of them, you are that much better off. The two that resonate best with people, and that we're trying to use in this particular campaign are fear and anger.

Anger is what people have over something that has happened. Fear is what people have when they have something might happen. It's when you tell people, "Be careful of what you wish for. The law of unintended consequences. This might happen even though you don't want it to happen."

Fear and anger have to be part of this campaign. If you want to win, that's what we're going to do. We're not going to get people to like the oil and gas industry over the next few months.

There is no sympathy for the oil and gas industry. So we're not going to tap into the sympathetic, "Oh, I'm sympathetic for all those poor guys who are running the energy companies."

What you got to do is get people fearful of what is on the table and then you got to get people angry over the fact that they are being misled. No one likes being lied to. No one likes being told, "Oh, this won't hurt." That is central to the messaging campaign going forward.

Two last slides. Jack mentioned the endless war. This is an endless war. What I like to do when I come up against some of these organizations, you saw some of the budgets some of these people have. I look at their tax returns and if they got a pension plan, and it's a well-funded pension plan, I know that these people are not going away. And so people say, "If we just win this fight."

But no, these people are in business to keep this going. It is a business. They are in the public policy business. They are in the business to change laws. And you change laws by changing people's behavior. You change laws by changing people's attitudes, which in turn is followed by legislators changing their opinions. So think of it as an endless war. And you have to budget for it.

A friend of mine, the founder of a big company, was in a room with me and we were talking with a bunch of senior executives and he got up and he said, "I know what all you guys are saying. You're saying it's not in the budget. I got a solution. Put it in the budget."

Because going forward that's what you got to do. I mean there are some things you have to change your business when the external environment is changing around you. And I will tell you with the advent of the Internet, and then plus the fact that some of these people have grown up; these are not kids on vacation at Daytona Beach on spring break. These are serious people who are pressing these issues forward. And they've got money, and they got agendas, and they've got staff, and they have no natural enemies.

If you think about it these groups, the Sierra Club, who is the natural enemy of the Sierra Club? Who is the enemy of Greenpeace? You know at the surface, you would love to be a group like that because everyone should be in favor of you, who could be against you? That's very difficult to overcome and they play on that, and they trade on that, and that's our opportunity and also our challenge. So it is an endless war.

We're in a game, think of it, using a sports metaphor, with no clock. The game never ends. You move the ball forward, maybe the ball comes back. But the game never ends.

44:07

The last thing that I'll tell you: Jack mentioned that there was some companies who have been supporting what we're doing, and who have pledged to do some stuff in the future. People always ask me one question all the time, "How do I know that I won't be found out as a supporter of what you're doing?"

We run all of this stuff through nonprofit organizations that are insulated from having to disclose donors. There is total anonymity. People don't know who supports us. We've been doing this for 20 something years in this regard. And to the degree to anybody is concerned about that I will tell you there are all sorts of ways, all sorts of firewalls that have been established to get this done on an anonymous (inaudible), and we have just a few minutes left for questions if you want.

**Audience member #2:** Hi, thank you. This has been very very helpful. I was very interested in your comments about emotions. And, I think what we're often labeled as an industry is that we're greedy. So, they're using fear and greed against us. Do they cancel out? Is there a way that we can defeat their emotional ploys with other emotional ploys?

**Berman:** Well, I didn't discover emotions. Obviously the other side uses that all the time. And it's one of the reasons why business often times fails in their campaigns and I mean business at large. Is that they won't get into the emotions. You know? Business gets attacked and then the group of companies will come together who were affected by this, and I'm not referring to your group because Tim has done an excellent job. I mean I see businesses across the board; you guys have done a much much better job getting engaged quickly and not waiting until late August to do something here.

But typically what companies do with this emotional attack of greed, if you will, we're seeing it right now with the minimum wage debate I was referring to. They say, "How much money does the chairman of Wal-Mart make? How much does the chairman of McDonalds make? Starbucks? etc. and they are paying their people minimum wage." And I understand that. They are always going to use that. We have to, we can't say that we can't play that way. Typically what businesses say, "OK, they have accused us of this? Let's get an economist, we'll get a 17 page report from the economists to say what the other side is says is wrong." And six months later they'll put out the report. The other side puts their message out on a bumper sticker. And, we've got the 17 page lengthy report that says the bumper sticker is wrong. It doesn't work.

Just because they are using emotion doesn't mean we can't use emotion. We just have to use emotion that's factually based and go after them. And at the same time say what they're talking about is incorrect. So you don't get preemptive because somebody used the same tactic that you are going to use. But, you do learn from your opposition. Remember, they're in the business of doing this.

I will say that I didn't just decide on all of this on my own. I studied what the other side did to be successful and then translated it into how businesses can use those tactics.

**Audience member #3:** First of all, thank you. It's brilliant in its simplicity and we appreciate all of the help we can get. But I have to ask.

**Berman:** I hate these "but" questions.

**Audience member #3:** Who is funding your efforts?

**Berman:** Did you see that last slide?

(Laughter.)

Here is what I tell people. How many of you know Rachel Maddow? OK. If you go to our website. We have a website, bermanco.com, and if you click on my biography you will see an interview I had with Rachel Maddow. Rachel Maddow beat me up four nights in a row. You know, she had this interview and I wasn't there, and she said, "Let me tell you about Rick Berman." And the next night she said, "Hey remember last night I told you about Rick Berman, well let me tell you about Rick Berman again. Here is some other stuff." Four nights in a row.

So I call her up and I say, "You just can't do that without giving someone the chance to respond."

She says, "Fine. If you want to respond come on the show."

So I went on the show, and I put the interview on my website because this is all she said, "Who funds you?"

And I said to her, "I'm not going to tell you who funds me. Maybe NBC, your boss could be funding me. But it's not up to me to say who funds me. If the company wants to say that they are funding me, or the company wants to tell somebody else, that's their business. It's not up to me. What's up to me is to do is to report factually."

Jack said that I was a lawyer. It's one of the things that I use in my business, is my immersion to being found out of making stuff up. I don't make stuff up. So, I quote authoritative sources. It doesn't matter who funds me. They have given me the opportunity to present a point of view. If someone says, "Well, that's not a legitimate point of view." I say, "If I cite the chairman of the Department of Public Health at Harvard University, and I put that in an ad. I don't have to say who gave me the money for that ad. The question is, is the ad right or wrong?" But what people always want to do is they want to know who funds me, so that they can then attack the funder. They want to shoot the messenger and they want to say, "If they're funding it, it must be wrong."

So, I am religious about not allowing company names to ever get used. At least

I'm not going to allow them to get used. And I don't want companies to ever admit that because it does give the other side a way to diminish our message.

So if you want to know who is funding us in this room you'll have to go around and ask everybody individually.

**Audience member #4:** Good to see you again. Great presentation. I'm curious, you touched on budgeting but you didn't really give a number of what Big Green Radicals annual costs of what it takes to budget for companies that want to contribute to that effort.

**Berman:** OK. So, that's like a question of how high is up? Because you can spend a lot of money. Let me give you an example. We were retained to do a campaign in New Jersey. We had two months to campaign. We were given 2 million dollars. The issue is not important. We started out with 76 percent disapproval. And in two months, we got down to 60 percent disapproval. So we moved the needle 16 points with 2 million dollars in two months. We were really proud of ourselves, except for the fact that we lost because we started out so bad. 76 percent is a long way down to get the majority on your side. (Inaudible.)

So that's what 2 million bought in two months. You guys are a lot closer to even. So I would tell you that between now and the end of the session, if you will, in November, if you guys on what I'm talking about here, I know your spending a lot of money on positive, if you spent somewhere between 2-3 million dollars on extending this campaign it would be, I would think it would be a game-changer.

I think 2-3 million dollars would be a game-changer.

What individual companies contribute, is quite frankly, up to them. We've had six figure contributions to date from a few companies in this room to help us to get to where we are. But you know, people gave fifty thousand, one hundred thousand, more if they thought well that would be up to them. We don't have a schedule.

I will tell you this, all of our money is spent transparently. If anyone wants to see where it is spent, they can see it. Very little overhead for something like this because once you start it's just media and we don't have a big overhead on buying media. We're not (inaudible).

**Audience member #5:** Richard, your anti-union ads were great. How hard was it to find actors and actresses, and film crews that weren't union to film?

(Laughter.)

**Berman:** The fake union bosses one was filmed in Baton Rouge, Louisiana. There are no unions there.

And quite frankly, if you go to unionfacts.com, Center for Union Facts, there is a lot of stuff that we've done against unions. We get a lot of people who want to film and they are not in the union and they have no problem doing it.

**Audience member #6:** So Rick, I really liked your commercials and the way your going is really neat. The only thing is I have a question on is that I've seen commercials in the past that goes after the (inaudible) that I thought was great but polls terribly. Have you polled this? Does the public like this? So is it enhancing the direction we're going? Or it could be hurting some of the direction with where we are heading with our other campaigns. That's kind of my question.

**Berman:** You know, the answer is 'yes' and 'no'. If you do polling, what we'll tend to do is poll on the Internet. If you do a focus group, the problem with focus groups is that, quite frankly, the group is too small. And focus groups are usually a qualitative issue where you're trying to get information about people, should we say it this way or say it that way, etc.?

The polling that we do on the Internet is the quantitative polling that is generally good, but I will tell you this, in an issue like this where you're starting out where there is a relatively polarized thing, people hear the word "fracking" and they already don't even like it. I know we can't do anything about it right now. But semantics are really important in these debates. We have in some campaigns actually changed the terms of the debate because just changing the term changes peoples' reaction to it.

And I can tell you that for the most part we don't get anyone against us when we do what we do, unless people already dislike us. We're always aiming for the middle and on polling we see, "I care" or "I don't care" or "I'm somewhere in the middle."

We're always aiming for the middle with our messages. I don't try to appeal to the people who already believe in us. And I don't try and convince people who are never going to agree with me, so I'm always playing the middle.

And for that, the anecdotal results as well as the polling results support what we do. Now, I will also tell you that that we have put ads out that don't work. And when they don't work, I pull them. One of the ways you can tell that they are not working is, it's really against anecdotal, is what kind of mail do you get back? And we look from where it's going from and where the IP address it's coming from. And what people are saying.

And I can tell you for the most part, when our stuff is working its very viral and people are passing it along. People, who don't like something, don't pass it on to other people. They just don't like it and send you a nasty note.

So you know that lawyers in cages ad, when I see 3 million people passing it along, we put out something the other day, Friday night, and it's already on the Internet and it's already probably close to a thousand views, I know people are passing it along. That's as good a measure as anything.

**Audience member #7:** So, getting to your last slide there. What about the 'G' in that? How would that play in Colorado? Because I mean we're trying to make the point you take fracking away, you've taken 500 to 600 million dollars away from schools. Is that something that might be looked at? Or you're just using fear and anger?

**Berman:** So that would make people fearful, that the schools systems would be diminished. The greed thing, the emotional greed thing is that if somebody thinks, "I could win the lottery." And so, I'm going to make a lot of money off of this thing. That's when people will use greed and actually want to get somewhere and what they are talking about. Selling something to somebody because there is something in it for them. But, in this case it's kind of flipped.

**Berman:** So, I'll tell you one last story because you've been a good audience. But, it's almost not appropriate for this group, but in some ways it is. It's a story about a guy who is learning how to play golf. And he has taken it on late in life, he's not very good with it and he is a little uncoordinated, and the pro that is trying to team him is getting very upset that this guy just can't hit the ball decently.

And he finally says to the guy, "Look, I've taught you everything that I can possibly teach you. Maybe you are just nervous trying to play in front of me. Just go out on the course by yourself and see if that alleviates any pressure and you do better. So he goes out, puts the ball on the tee, hits the ball down the fairway. First shot. Hits it beautifully. Unfortunately, that first shot rolls into a sand trap. And when he gets to the sand trap he notices that the ball not only hit the sand trap, but just rolled a couple of inches on top of this tiny little anthill in the sand trap.

And so he is a little disgusted that that's the result of his first shot, but he pulls out the proper club and positions his feet properly, and takes his swing. Swings through the air, and sand and ants are flying every place.

When the dust clears the ball is sitting there, unmoved. So now on top of

everything else, he is frustrated. Picks up the club again, he goes through the mental checklist, brings the club back and slices through the air. Sand and ants in every direction. And the ball sits there motionless.

And it's about that time that one ant is overheard saying to another, "You know if we're going to survive this ordeal, I think we ought to get on the ball."

Thank you.

(Applause.)

**Host:** Rick, we appreciate you coming and sharing this with us. In honor of our appreciation, we hope you enjoy that.

**Berman:** Is it a can of gas, or air, or oil?

**Host:** Let's show Rick our appreciation again. I thoroughly enjoyed this. So it's straight-up ten o'clock. We come back here at 10:30, so we'll have our panel discussion and so stick around, and I hope you enjoyed it.