

# **EXHIBIT A**

# POLITICO

## THE KOCH MACHINE

### How the Kochs launched Joni Ernst

New details reveal the billionaire brothers' network efforts to reshape the GOP are more ambitious than previously reported.

By **KENNETH P. VOGEL** | 11/12/15 05:19 AM EST | Updated 11/11/15 11:13 PM EST



Iowa Sen. Joni Ernst listens during a news conference on Capitol Hill. | AP Photo

Joni Ernst was surprised to receive an invitation in the summer of 2013 that she later credited with starting her meteoric rise to the U.S. Senate.

Ernst was then a little-known Iowa state senator and lieutenant colonel in the National Guard who was considering a long-shot campaign for the GOP nomination for U.S. Senate. Polls showed more than 90 percent of her state's voters had no opinion of her. At least a half-dozen other Republicans — some with better funding and connections and stronger establishment support — also were positioning

themselves to run against the presumptive Democratic nominee, Rep. Bruce Braley.

But Ernst was being watched closely by allies of the billionaire brothers Charles and David Koch, who saw in her an advocate for their brand of free-market, libertarian-infused conservatism. Operatives affiliated with the Kochs' political network invited Ernst to the network's August 2013 gathering of wealthy conservative donors at a posh resort in Albuquerque's Santa Ana Pueblo.

Ernst later told POLITICO she had no idea "how my name came through those channels." But her appearance at the event impressed donors and was followed by an infusion of support that helped Ernst win the GOP nomination and, eventually, a Senate seat. It also represented a new phase in the rapid expansion of the Koch-backed political network — its willingness to become involved in primary fights among GOP candidates — potentially putting it on a collision course with the official Republican Party.

Until now, little has been known about the secretive role played by the Kochs' donors and operatives in boosting Ernst. The Koch network has focused primarily on policy fights, mostly leaving the spadework of recruiting and nurturing candidates to the party.

But the network's financial support for Ernst — detailed here for the first time — offers the first signs of a move into GOP primaries. The Kochs and their allies are investing in a pipeline to identify, cultivate and finance business-oriented candidates from the local school board all the way to the White House, and Koch operatives are already looking for opportunities to challenge GOP incumbents deemed insufficiently hard-line in their opposition to government spending and corporate subsidies.

## **When Hillary Clinton met David Koch**

By **KENNETH P. VOGEL**

The ambitious effort, spearheaded partly by a for-profit consulting firm called Aegis Strategic that's backed by the Koch network, is one of several ways in which the brothers and their allies are seeking to influence the types of candidates who carry the GOP banner. The network has taken on a vetting role in the GOP presidential

primary, offering favored candidates access to its donors and activists. And some within the network have even advocated targeting from six to 12 GOP House members who have run afoul of the Koch orthodoxy on fiscal issues and who are facing 2016 primary challenges, sources told POLITICO.

Tim Phillips, president of the most aggressive Koch-backed group, Americans for Prosperity, declined to comment on whether his group had any plans to spend money in GOP primaries. "We have not taken any options off the table. That's the best way to put it," he said. "We have not precluded the possibility of it. We're looking at every option."

In the Ernst race, the Koch support included hundreds of thousands of dollars' worth of television ads funded by undisclosed donors and tens of thousands of dollars in direct campaign contributions. The spending would have been difficult to trace back to the Koch network during Ernst's campaign, but details are expected to emerge this week when the central Koch nonprofit, Freedom Partners Chamber of Commerce, files its tax disclosures.

To date, the Koch network's election-season spending has almost exclusively benefited Republicans. It has overwhelmingly targeted Democrats — a trend that's likely to continue in the run-up to 2016, when the network is planning to spend as much as \$889 million. But the GOP establishment has been nervously watching the Kochs' evolution from wonky libertarian think tank funders to political kingmakers, which comes as money and power are migrating away from the Republican Party. There is a widespread, if mostly unspoken, concern that the brothers' network is gradually encroaching on some of the party's core functions, like candidate recruitment, voter registration and data.

"What they've been able to do in terms of technology, in terms of creating infrastructure for the use of that technology is impressive and important. But it should also be concerning to the party," said Michael Steele, who was chairman of the Republican National Committee during the 2010 midterm election, when the Koch network first began publicly flexing its political muscles. "This is the new universe that the current and the future chairmen of the party have to live with. And if they don't find a way to adapt to it, there won't be much for future chairmen to deal with in two cycles."

Former Mississippi Gov. Haley Barbour, who chaired the RNC when party committees were dominant forces in American politics, said "it would be very counterproductive" if the Kochs were to take on the Republican Party. "But I don't see that as the case," he said. "One thing that I'm pleased of is, as far as I can tell, they don't use their money to try to defeat Republicans in Republican primaries," he said.

But that's precisely the type of direct challenge to the GOP being planned by Aegis Strategic, which was established in 2013 with the Kochs' blessing after an analysis concluded that their network's efforts in the run-up to the 2012 election suffered from flawed GOP candidates. Aegis, which is owned by a former Koch operative named Jeff Crank and staffed by fellow Koch network veterans, has an ongoing consulting contract with Freedom Partners and also has worked with other Koch-backed groups, network sources tell POLITICO.

While the Kochs and their allies bristle at the suggestion that the network is a reliable part of the Republican establishment, they mostly try to project harmony with the organized GOP. "We're not in competition with the RNC, we're focused on advancing a free society and policies that help people improve their lives," said Marc Short, president of Freedom Partners Chamber of Commerce, the nonprofit group that oversees the network.

But those close to the network say the Kochs view their mission as transforming American politics from a present dominated by stifling over-regulation to a future of free-market prosperity — and that means changing the Republican Party, which they believe has been guilty too often of growing government. To achieve that goal, the Kochs have increasingly concluded, it's not enough to merely fund free enterprise research. Instead, they're building a muscular political machine capable of electing the right politicians and ensuring they implement the right policies.

A POLITICO investigation found they're well on their way to achieving that goal.

### **Growing Trees of Liberty**

About seven months after Ernst won over Koch allies during her appearance in Albuquerque — with the candidate struggling to raise money and still barely registering in polls — the Koch network sent in the cavalry, albeit stealthily.

A low-profile operative named Karl Crow, who'd worked for years in the Koch network, created a nonprofit group called Trees of Liberty. Within weeks, the group launched an advertising blitz that included a \$257,000 statewide television ad buy and a complementary Web campaign attacking Ernst's most competitive GOP rival, Mark Jacobs, a retired energy executive. The ads swiped at Jacobs for supporting a proposal to limit carbon emissions years earlier. The measure was bitterly opposed by the Koch public policy network, as well as the brothers' multinational industrial conglomerate, Koch Industries, which would have been adversely affected by the proposal.

Little has been known about where Trees of Liberty got its cash or how it spent it. That's because the group, like many in the Koch network, was created under a section of the tax code — 501(c) — that allows groups to shield donor identities and requires the disclosure of only limited information about spending to the Internal Revenue Service many months after an election in which the spending occurred.

But sources tell POLITICO that Trees of Liberty got its cash from Freedom Partners Chamber of Commerce. That grant likely will be revealed in Freedom Partners 2014 tax form, due to be filed with the IRS in coming days — more than 1½ years after Trees aired ads in the Iowa Senate primary. According to a source who reviewed Trees of Liberty's 2014 tax documents, they show that it spent \$347,000 — about 80 percent of all the cash it brought in — on “advertising,” all of which went through i360, a data analytics and ad buying company owned by Freedom Partners.

Trees of Liberty carefully tailored its ad campaign to avoid triggering rules that would have required more financial disclosure during the campaign. It pulled down the television ads just before the calendar reached the one-month election countdown. Had the ad aired within that month, Trees of Liberty would have been required to report its spending — but not its donors — to the Federal Election Commission.

Groups registered under section 501(c)4 are required to spend the majority of their money on “social welfare” purposes.

## **Reid mocks 'Morning Joe' interview of Kochs**

By **SEUNG MIN KIM** and **HADAS GOLD**

And according to the source who reviewed Trees of Liberty's 2014 tax filing, Trees of Liberty indicated that the group did not "engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office." It listed a mission statement that would fit the IRS's social welfare definition — "to advance the principles of limited government, fiscal solvency and economic freedom by educating the public."

From a lay perspective — as opposed to a legal one — Trees of Liberty's anti-Jacobs ads certainly looked like political campaign activity. And some of the contracts for advertising buys placed by the group with local television stations seem to acknowledge as much, indicating that the anti-Jacobs ads dealt with a "political matter of national importance."

Nonetheless, partisan finger-pointing has stymied efforts by the IRS and the FEC to more rigorously police groups like Trees of Liberty — or to update outdated rules governing so-called 501(c) groups — even as those groups have spent ever-larger sums of cash in recent election cycles.

Around the same time that Trees of Liberty launched its ad campaign hitting Jacobs, Freedom Partners began a \$1 million-plus ad campaign attacking Braley, the Democrat waiting to take on the winner of the GOP primary. Ernst ran a savvy campaign, including ads that won plaudits as among the cycle's most notable, but she saw the boost from the Koch network as crucial. She cruised to a lopsided primary victory in the June 2014 primary and headed into the general election in strong position against Braley.

Two weeks after her primary victory, she paid another visit to the Koch network, thanking its donors for their help during a closed-door speech at the network's summer 2014 summit at the St. Regis in Dana Point, Calif.

"The first time I was introduced to this group was a year ago, August, in New Mexico, and I was not known at that time," she told donors, according to a secret recording obtained by a liberal blogger. "The exposure to this group and to this network and the opportunity to meet so many of you — that really started my trajectory," she said during a panel of GOP Senate candidates.

Fellow GOP Senate candidates Tom Cotton of Arkansas and Cory Gardner of Colorado also sat on the panel, which was moderated by Crank, the veteran Koch operative who owns Aegis Strategic. He praised each candidate, and asked them to discuss how “third party groups in this network” were making “a big difference” in the campaign.

The three left Dana Point with a boost. Each collected about \$60,000 or more from a little-noticed fundraising committee, Victory Trust 2014, that hosted a reception to raise money from network donors for candidates favored by the network, according to documents reviewed by POLITICO. They show that the committee and the reception were organized by Aegis Strategic, which employs Crow and shares an address with Trees of Liberty.

Asked this month about the support Ernst received from the Koch network, her spokeswoman pointed out that Ernst had “broad support from Iowans across the state,” and noted that a billionaire-backed liberal group spent heavily to try to defeat her. “Regardless of the fact that millions were spent against her, Iowans overwhelming sided with Sen. Ernst and her message of cutting government spending, ensuring veterans have the care they deserve and putting Iowans first,” Ernst spokeswoman Brook Hougesen told POLITICO.

### **Testing the primary waters**

The quiet Koch synergy behind Ernst only hints at the network’s ability to sway primary elections. The network has made known its intentions to spend as much as \$889 million in the run-up to the 2016 elections. Charles Koch recently reduced the estimate to \$750 million, a downgrade that was seen by some in the network as an effort to manage expectations. They say the network is still on pace to raise \$889 million.

Some network groups— including Freedom Partners, Americans for Prosperity, Concerned Veterans for America and the LIBRE Initiative — have sought to influence the debate in GOP primaries by inviting select candidates to forums. They’ve hosted several presidential aspirants favored by the Kochs — such as Jeb Bush, Ted Cruz, Rand Paul and Marco Rubio — but have conspicuously excluded others deemed big government Republicans, such as Donald Trump and Lindsey Graham.



In their drive for political influence, most of the Koch-backed groups have been reluctant to wade fully into GOP primaries. That's due to their preference for policy over politics, the groups' tax status as social welfare groups and the divided loyalties of the network's donors, who have been known to favor competing primary candidates. And Charles Koch on Wednesday said he had "no plans" to support any of the GOP presidential candidates during the primaries — the latest sign that he's not particularly enamored with any of the contenders.

But Aegis Strategic was created with the Koch network's blessing partly to cultivate candidates who share the Kochs' commitment to free-market conservatism, and could be in line for the network's support in GOP primaries.

It's helping a New Hampshire state legislator named Pam Tucker explore a potential primary challenge against embattled Republican Rep. Frank Guinta if he runs for reelection in his swing congressional district. During a September trip to Washington to prepare for her race, Tucker received assistance from Aegis in setting up meetings with a number of different groups, including the Mercatus Center, a Koch-funded libertarian think tank at George Mason University.

If Tucker decides to run, Aegis Strategic said, it hopes to sign her as a client. Tucker told POLITICO she had been put in touch with the firm "through mutual acquaintances," but hadn't decided whether to contract with it and would not base her decision on its connections to the Koch network.

Crank said his firm is seeking more candidates to take on big government Republicans.

"I can't stress enough — we do look for opportunities and we relish opportunities to find unprincipled incumbents who aren't adhering to free market principles who could be challenged and who we could replace with a better vote," said Crank. "We're not going to run in there like wild-eyed crazies and charge up the hill without guns. We're going to pick opportunities that are wise — candidates who are both principled and electable. It's all going to be well thought-out," said Crank.

"Oftentimes, there are party entities that go in and they try to find the most electable — or the candidate who can write the biggest check — and they really don't care sometimes about principle," said Crank. While Aegis Strategic doesn't have a formal

legal relationship with the Koch network, its consulting contract with Freedom Partners provides much of its revenue, sources familiar with the arrangement say.

### **The ActBlue of the Koch network**

It's not clear whether Aegis Strategic or other arms of the Koch network will continue the practice of setting up secretive 501(c)4 groups like Trees of Liberty to knock down rivals of favored candidates. Aegis officials were involved in another 501(c)4 group called Citizens for a Sound Government that supported Republicans in 2014 congressional elections and this year waded into Kentucky's GOP primary for governor, funding ads backing a business-friendly candidate who ultimately lost to tea party-backed Gov.-elect Matt Bevin.

Aegis also is exploring other models. In June, it quietly created a political action committee called Aegis PAC to help raise money for candidates it judges to be solid on fiscal conservative issues. Crank envisions it as a potential counterweight to ActBlue, the liberal fundraising juggernaut that has helped raise \$840 million for liberal candidates since 2004.

#### **WEALTH OF NATIONS**

### **Where Hillary Clinton Agrees With the Koch Brothers**

By JOHN A. ALLISON IV

The PAC is currently raising money for about 10 handpicked candidates and prospects — including several that Aegis is seeking to represent, such as Tucker. Aegis PAC's website calls her "a leading voice for liberty in the New Hampshire House of Representatives since she was first elected in 2008." While it's barely started operations, Aegis PAC in the third quarter steered \$13,200 to one of its endorsed candidates, Indiana state Sen. Jim Banks, accounting for nearly one-tenth of his haul in that period. Aegis PAC's website predicts he would be "an advocate for freedom in the U.S. House," though it also notes he "will have a competitive primary."

And, while Banks said he's talked with Aegis Strategic about hiring them to work on the race, he stressed that the firm's connections to the Koch network were "not a consideration of why we would consider working with them."

Crank, though, acknowledged that some candidates seek out his firm “thinking ‘if I can do this, it means that the Koch network is going to come in and help,’” In fact, he said, Aegis tries to “undersell” its Koch connections. “If there’s that expectation and a client comes in, and that doesn’t happen, then that’s a liability to us, because they came in with an expectation that ‘oh, wow, money is going to rain from the heavens.’”

Yet, Aegis — which has only seven employees and a relatively shallow track record and portfolio — is attracting interest disproportionate to a firm of its size and experience precisely because of its Koch connections.

As Charles Koch was secretly recorded explaining to donors in 2014, “most of the many, many years and decades I’ve been involved in this struggle, I thought ‘principled politician’ was an oxymoron. And I still think that’s largely the case. But we see a few now and then, and when I think about it, that’s what we’re about: to find and get elected some politicians with principles.”

While RNC chairman Reince Priebus has expressed misgivings about the growth of the Koch network to donors, according to sources familiar with those conversations, RNC Communications Director Sean Spicer last week rejected the idea of any tension between the Kochs and the party.

But Steele, the former RNC chairman, said the committee would be well advised to make peace with the Kochs and try to find ways to work together within their legal confines and philosophical differences.

He pointed out that there are certain roles that legally only a party can play, including coordinated spending with campaigns, but he said the Koch network and other deep-pocketed outside groups have found legal ways to do most of the other things that were once the party’s sole province.

Ultimately, Steele said, the growth of the Koch network raises questions about “the relevance of the parties. And a lot of people answer by saying they’re not relevant anymore, which is why you’re seeing a lot of this activity outside of them. These organizations have the ability to raise unlimited money that the parties can’t. And at the end of the day, the party can’t compete with that.”

*Theodoric Meyer contributed to this report.*

## **EXHIBIT B**

FOR IMMEDIATE RELEASE

February 25, 2014

INTERVIEWS: Tom Jensen 919-744-6312

**IF YOU HAVE BASIC METHODOLOGICAL QUESTIONS, PLEASE E-MAIL [information@publicpolicypolling.com](mailto:information@publicpolicypolling.com), OR CONSULT THE FINAL PARAGRAPH OF THE PRESS RELEASE**

### **Braley, Branstad lead in Iowa races**

**Raleigh, N.C.** – PPP's newest Iowa poll finds that the US Senate race has narrowed since the summer, but that Democrat Bruce Braley continues to hold a clear lead over all of his Republican opponents. In July Braley led the GOP field by an average of 11 points. Now it's an average of 7 points: he leads Matt Whitaker 40/34, Joni Ernst and Mark Jacobs 41/35, and Sam Clovis 42/34. At least part of Braley's leads at this point is a product of name recognition- 56% of voters know enough about him to have formed an opinion, where none of the Republican hopefuls have more than 25% familiarity.

The Republican primary for Senate is still pretty wide open, with 42% of voters undecided. Mark Jacobs has opened up a small lead at 20% to 13% for Joni Ernst, 11% for Matt Whitaker, 8% for Sam Clovis, and 3% each for Paul Lunde and Scott Schaben. Even with Republican primary voters the highest name id any of the candidates has is 32% for Jacobs.

There's a pretty clear reason why the Senate race has tightened over the last seven months. Barack Obama's approval rating in the state has dropped a net 10 points compared to the summer, from a -4 spread at 46/50 to now a -14 one at 40/54. That decline in the overall political climate for Democrats is having an effect in races like Iowa and Michigan where the actual candidates aren't particularly well known.

In the Iowa Governor's race Terry Branstad continues to have approval numbers that aren't terribly impressive, but still leads by double digits for reelection against a Democratic opponent who isn't particularly well known. Branstad has a 45/40 approval spread and leads Jack Hatch 48/36, the same 12 point lead he held in July. Hatch only has 31% name recognition and the undecideds in the race skew Democratic.

“Right now it looks like Iowa voters could be headed for a split decision in November,” said Dean Debnam, President of Public Policy Polling. “They’re inclined to reelect Terry Branstad but they’re also leaning toward keeping the open Senate seat Democratic by choosing Bruce Braley to replace Tom Harkin.”

PPP surveyed 869 Iowa voters, including 283 Republican primary voters, from February 20<sup>th</sup> to 23<sup>rd</sup>. The margin of error for the overall survey is +/- 3.3% and for the Republican primary component it's +/-5.8%. 80% of interviews for the poll were conducted over the phone with 20% interviewed over the internet to reach respondents who don't have landline telephones.



## **EXHIBIT C**

## Koch-backed political network, built to shield donors, spent \$400 million in 2012 elections

By Matea Gold January 5, 2014

The political network spearheaded by conservative billionaires Charles and David Koch has a reaching operation of unrivaled complexity, built around a maze of groups that cloaks its donor analysis of new tax returns and other documents.

The filings show that the network of politically active nonprofit groups backed by the Kochs in 2012 elections financially outpaced other independent groups on the right and, on its own, rivaled an established national coalition of labor unions that serves as one of the biggest sources of support for Democrats.

The resources and the breadth of the organization make it singular in American politics: an operation outside the campaign finance system, employing an array of groups aimed at stopping what it perceives as government overreach. Members of the coalition target different constituencies but together they have focused on the new health-care law, federal spending and environmental regulations.

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Key players in the Koch-backed network have already begun engaging in the 2014 midterm election, with members to expand operations and strafing House and Senate Democrats with hard-hitting ads and for the Affordable Care Act.

Its funders remain largely unknown; the coalition was carefully constructed with extensive help from donors.

But they have substantial firepower. Together, the 17 conservative groups that made up the network spent \$407 million during the 2012 campaign, according to the analysis of tax returns by The Washington Center for Responsive Politics, a nonpartisan group that tracks money in politics.

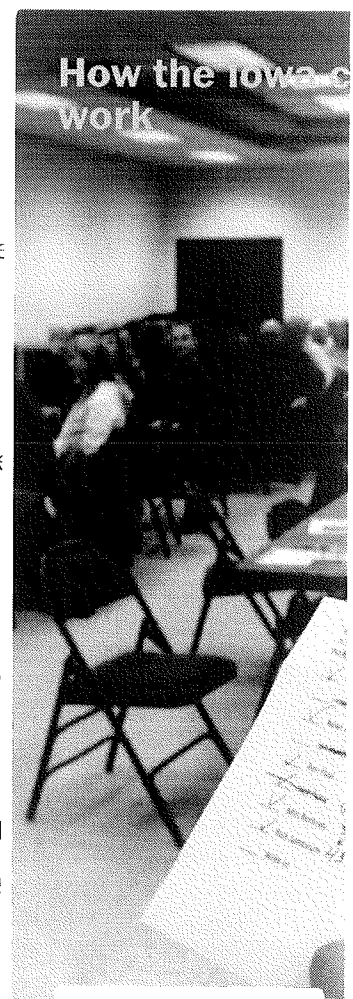
A labyrinth of tax-exempt groups and limited-liability companies helps mask the sources of the money, which went to voter mobilization and television ads attacking President Obama and congressional Democrats, according to tax filings and campaign finance reports.

The Iowa caucuses are caught up on the race

Washington Post-AP

Hillary Clinton holds a but narrowing lead over Sen. Bernie Sanders past month, the former of state's national I shrunk by 12 percent

Poll: Clinton leads national digits, but margin shrinking





The coalition's revenue surpassed that of the Crossroads organizations, a super PAC and nonprofit group co-founded by GOP strategist Karl Rove that together brought in \$325 million in the last cycle.

The left has its own financial muscle, of course; unions plowed roughly \$400 million into national, state and local elections in 2012. A network of wealthy liberal donors organized by the group Democracy Alliance mustered about \$100 million for progressive groups and super PACs in the last election cycle, according to a source familiar with the totals.

The donor network organized by the Kochs — along with funding an array of longtime pro-Republican groups such as the U.S. Chamber of Commerce, the National Rifle Association and Americans for Tax Reform — distributed money to a coalition of groups that share the brothers' libertarian, free-market perspective. Each group was charged with a specialized task such as youth outreach, Latino engagement or data crunching.

The system involved roughly a dozen limited-liability companies with cryptic, alphabet-soup names such as SLAH LLC and ORRA LLC, and entities that dissolved and reappeared under different monikers.

Lloyd Hitoshi Mayer, a University of Notre Dame Law School professor who studies the tax issues of politically active nonprofits, said he has never seen a network with a similar design in the tax-exempt world.

"It is a very sophisticated and complicated structure," said Mayer, who examined some of the groups' tax filings. "It's designed to make it opaque as to where the money is coming from and where the money is going. No layperson thought this up. It would only be worth it if you were spending the kind of dollars the Koch brothers are, because this was not cheap."

Tracing the flow of the money is particularly challenging because many of the advocacy groups swapped funds back and forth. The tactic not only provides multiple layers of protection for the original donors but also allows the groups to claim they are spending the money on "social welfare" activities to qualify for 501(c)(4) tax-exempt status.

Such maneuvers could be sharply restricted under new regulations proposed by the Internal Revenue Service in November. The new rules seek to rein in nonprofit groups that have increasingly engaged in elections while avoiding the donor disclosure required of political committees.

## **The donors**

It is unclear how much of the network's funds came directly from the Kochs, who head Koch Industries, one of the largest privately held companies in the country. The brothers, who fund a host of libertarian think tanks and advocacy groups, are heralded on the right and pilloried on the left for their largess.

While “the Koch network” has become a shorthand in political circles, the coalition is financed by a large pool of other conservative donors as well, according to people who participate in the organization.

Through a corporate spokesman, the Kochs declined to comment on what support they give.

“Koch’s involvement in political and public policy activities is at the core of fundamental liberties protected by the First Amendment to the United States Constitution,” Koch Industries spokesman Robert Tappan said in an e-mailed statement. “This type of activity is undertaken by individual donors and organizations on all ends of the political spectrum — on the left, the middle, and the right. In many situations, the law does not compel disclosure of donors to various causes and organizations.”

Tappan added that “Koch has been targeted repeatedly in the past by the Administration and its allies because of our real (or, in some cases, perceived) beliefs and activities concerning public policy and political issues.”

In a rare in-person interview with *Forbes* in late 2012, Charles Koch defended the need for venues that allow donors to give money without public disclosure, saying such groups provide protection from the kind of attacks his family and company have weathered.

“We get death threats, threats to blow up our facilities, kill our people. We get Anonymous and other groups trying to crash our IT systems,” he said, referring to the computer-hacking collective. “So long as we’re in a society like that, where the president attacks us and we get threats from people in Congress, and this is pushed out and becomes part of the culture — that we are evil, so we need to be destroyed, or killed — then why force people to disclose?”

Since 2003, the Kochs have hosted twice-yearly seminars with like-minded donors at which they collect pledges for groups that share their commitment to deregulation and free markets.

Jack Schuler, a Chicago health-care entrepreneur, attended one of the Kochs' donor meetings in Beaver Creek, Colo., several years ago and has contributed about \$100,000 a year to their efforts since then.

"They came across as guys who are putting a lot of their own money into it," Schuler said. "They are pretty soft-spoken, not screamers or screechers. They provide the leadership, the staff — without the framework, I wouldn't do it on my own."

Many donors get involved because they "value the privacy afforded to them by giving to these entities," said Phil Kerpen, president of American Commitment, a nonprofit free-market advocacy group that is part of the network.

"There are hundreds and hundreds of very successful and patriotic Americans that take part in the seminars," Kerpen added. "To suggest that anything that goes through any of these entities is Charles and David Koch is very misleading. There are a significant number of donors involved."

## **The money**

Much of the money that flowed through the network in the last election cycle originated with two nonprofit groups that served as de facto banks, feeding money to groups downstream, according to an analysis by Center for Responsive Politics researcher Robert Maguire, who investigates politically active nonprofits.

The biggest was the Freedom Partners Chamber of Commerce, an Arlington County-based group set up in November 2011 that now functions as the major funding arm of the network, according to people familiar with the operation. The organization, whose board includes current and former Koch Industries officials, brought in nearly \$256 million in its first year, "significantly more revenue than was expected," according to its tax filing.

Nearly \$150 million was in the form of dues paid by more than 200 members of the organization, which is structured as a business league. An additional \$105.8 million came from something called "SA Fund."

James Davis, a spokesman for Freedom Partners, said the organization funds groups “based on whether or not they advance the common business interests of our members in promoting economic opportunity and free-market principles.”

Davis said the group has been upfront about its spending and made its tax return available online as soon as it was filed in September.

“Our members are free to disclose their affiliation if they wish,” he said. “We leave that decision with them. Unfortunately, recent IRS and other instances of intimidation and harassment of individuals and groups because of their policy beliefs and activities demonstrate why it’s important to keep such information confidential.”

According to people familiar with the network, Freedom Partners took the place of a now-defunct group based in Alexandria called TC4 Trust, which raised more than \$66 million in three years before it was shuttered in June 2012, according to tax filings.

The same tax preparer — a Kansas City, Mo.-based partner in the accounting firm BKD — did the returns for Freedom Partners and TC4 Trust, as well as for nearly half the other groups in the network and for the nonprofit Charles Koch Institute.

In all, the feeder funds and the groups they financed raised an estimated \$407 million in the last election cycle. That figure is a conservative one, since it does not account for the complete revenue of eight groups that have not yet filed their tax returns for the latter half of 2012.

Of the \$407 million, \$302 million can be traced to Freedom Partners or TC4 Trust.

The sources of the rest of the money remain a mystery, but many donors in the network write checks to the individual groups, according to people familiar with the system. Some of the organizations also have additional funding streams outside the network.

## **The structure**

Freedom Partners and TC4 Trust moved a large share of their funds through an intermediary group, the Phoenix-based Center to Protect Patient Rights, which served as a major cash turnstile for groups on the right during the past two election cycles. It is run by political operative Sean Noble, who served as a Koch consultant in 2012.

Rather than finance CPPR directly, Freedom Partners and TC4 Trust transferred \$129 million to limited-liability companies with changing names that are registered in Delaware, a state that requires corporations to disclose little about their operations: Eleventh Edition (which was renamed Corner Table and then Cactus Wren) and American

Commitment (which was SDN, then became Meridian Edition).

Their relationship to CPPR was unknown until May, when the Arizona group acknowledged in amended tax filings that the LLCs were its affiliates.

Such LLCs are known as “disregarded entities,” which means that, for IRS purposes, they do not exist. Their revenue is reported on the balance sheets of their parent organizations.

Tax experts said disregarded entities are typically used by nonprofits to, for example, hold a piece of real estate to shield an organization from liability.

But they also can be used to make it harder to trace the movement of funds between groups. In its final tax return, TC4 reported doling out nearly \$28 million to 10 organizations with names such as POFN LLC, PRDIST LLC and TRGN LLC. Those are the affiliates of the groups Public Notice, Americans for Prosperity and Generation Opportunity, in that order.

The Post and the Center for Responsive Politics identified the groups that make up the Koch-backed network through an analysis of tax filings, which revealed their shared DNA. Most have affiliated LLCs and received a substantial share of their revenue from the feeder funds.

The makeup of the coalition was corroborated by people familiar with the structure who said the network is ad hoc and will not necessarily remain constant.

A key player is Americans for Prosperity, the Virginia-based advocacy organization that finances activities across the country and ran an early and relentless television ad assault against Obama during the 2012 campaign. More than \$44 million of the \$140 million the organization raised in that election cycle came from Koch-linked feeder funds.

Other groups in the network included the American Future Fund, a Des Moines-based nonprofit that poured more than \$25 million into ads against Obama and congressional Democrats in 2012; Concerned Women for America, a conservative Christian women’s activist group that ran a get-out-the-vote effort aimed at young women; the Libre Initiative Trust, a Texas-based group aimed at Latinos; Generation Opportunity, which seeks to engage millennials; and Themis Trust, which houses the data used by the allied groups.

The network also distributed funds to other independent political players. In the last election, Freedom Partners and CPPR doled out millions of dollars to a wide assortment of groups on the right, including the U.S. Chamber of Commerce (\$3 million), the NRA (\$6.6 million), the National Federation of Independent Business (\$2.5 million) and Heritage Action for America (\$500,000).

Obama's reelection prompted internal reassessments in the network, as it did among many conservative groups that had worked to defeat him in 2012. But there are no signs that the coalition plans to retreat.

Rather, officials are focused on creating a more effective operation aimed at bolstering the conservative movement for the long term. Freedom Partners, which now has nearly 50 employees, is expected to bring many functions in-house and expand beyond grantmaking, according to people familiar with the plans. Groups such as CPPR are expected to play a smaller role going forward.

Others are already engaged in the 2014 fight. Americans for Prosperity is in the midst of a \$20-million-plus ad blitz attacking congressional Democrats for their support of the health-care law, while the Libre Initiative has targeted Latinos with similar messages.

"We raised a lot of money and mobilized an awful lot of people, and we lost, plain and simple," David Koch told Forbes shortly after Election Day. "We're going to study what worked, what didn't work, and improve our efforts in the future. We're not going to roll over and play dead."

*Alice Crites contributed to this report.*

Matea Gold is a national political reporter for The Washington Post, covering money and influence.

## **EXHIBIT D**

Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2014**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**Open to Public Inspection**

|   |   |
|---|---|
| <b>A</b> For the 2014 calendar year, or tax year beginning 03/01, 2014, and ending 12/31, 2014  |   |
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input checked="" type="checkbox"/> Initial return<br><input type="checkbox"/> Final return/terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization <b>Trees of Liberty Inc</b><br>Doing business as _____<br>Number and street (or P O box if mail is not delivered to street address) Room/suite<br><b>2000 14th St N Suite 710</b><br>City or town, state or province, country, and ZIP or foreign postal code<br><b>Arlington, VA, 22201</b><br><b>D</b> Employer identification number<br><b>46-5123864</b><br><b>E</b> Telephone number<br><b>571-482-7690</b><br><b>G</b> Gross receipts \$ <b>440,233</b><br><b>F</b> Name and address of principal officer <b>Karl Crow</b><br><b>2000 14th St N, Suite 710, Arlington, VA 22201</b><br>H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If "No," attach a list (see instructions)<br>H(c) Group exemption number ▶ _____ |
| <b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527  |   |
| <b>J</b> Website: ▶ _____   |   |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____   | <b>L</b> Year of formation <b>2014</b> <b>M</b> State of legal domicile <b>VA</b>   |

**Part I Summary**

|   |   |                           |              |
|---|---|---------------------------|--------------|
| <b>Activities &amp; Governance</b>                                      | <b>1</b> Briefly describe the organization's mission or most significant activities: <u>To advance the principles of limited government, fiscal solvency, and economic freedom by educating the public.</u> |                           |              |
|   | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.  |                           |              |
|   | <b>3</b> Number of voting members of the governing body (Part VI, line 1a)  | <b>3</b>                  | <b>3</b>     |
|   | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)  | <b>4</b>                  | <b>3</b>     |
|   | <b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a)   | <b>5</b>                  | <b>0</b>     |
|   | <b>6</b> Total number of volunteers (estimate if necessary)   | <b>6</b>                  | <b>0</b>     |
|   | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12  | <b>7a</b>                 | <b>0</b>     |
| <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 | <b>7b</b>   | <b>0</b>                  |              |
| <b>Revenue</b>  | <b>8</b> Contributions and grants (Part VIII, line 1h)  | Prior Year                | Current Year |
|   | <b>9</b> Program service revenue (Part VIII, line 2g)   | 0                         | 440,200      |
|   | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)   | 0                         | 0            |
|   | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)  | 0                         | 33           |
|   | <b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | 0                         | 440,233      |
|   | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)  | 0                         | 0            |
|   | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)   | 0                         | 0            |
| <b>Expenses</b>   | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)   | 0                         | 0            |
|   | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11)   | 0                         | 0            |
|   | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25)  | 0                         | 0            |
|   | <b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)  | 0                         | 438,084      |
|   | <b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)   | 0                         | 438,084      |
|   | <b>19</b> Revenue less expenses. Subtract line 18 from line 12  | 0                         | 2,149        |
|   | <b>20</b> Total assets (Part X, line 16)  | Beginning of Current Year | End of Year  |
| <b>21</b> Total liabilities (Part X, line 26)                           | 0   | 20,849                    |              |
| <b>22</b> Net assets or fund balances. Subtract line 21 from line 20    | 0   | 18,700                    |              |
|   |   | 0                         | 2,149        |

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer

Date

Karl Crow, President

Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

Chris Marston

Preparer's signature

Date

8/17/15

Check ☐ if self-employed

PTIN

P01796811

Firm's name ▶ Election CFO LLC

Firm's EIN ▶ 26-4188053

Firm's address ▶ PO Box 26141, Alexandria, VA 22313

Phone no 703-627-4679

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2014)

SCANNED SEP 14 2015

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**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:To advance the principles of limited government, fiscal solvency, and economic freedom by educating the public.**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 412,006 including grants of \$ 0 ) (Revenue \$ 0 )Promoted principles of limited government, fiscal solvency, and economic freedom through advertising campaigns on television, radio, and online.**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe in Schedule O.)(Expenses \$ 0 including grants of \$ 0 ) (Revenue \$ 0 )**4e** Total program service expenses **412,006**

**Part IV Checklist of Required Schedules**

|   | Yes        | No |
|---|------------|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .  | <b>1</b>   | ✓  |
| <b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .  | <b>2</b>   | ✓  |
| <b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .   | <b>3</b>   | ✓  |
| <b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .  | <b>4</b>   |    |
| <b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .  | <b>5</b>   | ✓  |
| <b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .   | <b>6</b>   | ✓  |
| <b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .   | <b>7</b>   | ✓  |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .  | <b>8</b>   | ✓  |
| <b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .           | <b>9</b>   | ✓  |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .  | <b>10</b>  | ✓  |
| <b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |            |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .  | <b>11a</b> | ✓  |
| <b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .  | <b>11b</b> | ✓  |
| <b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .  | <b>11c</b> | ✓  |
| <b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .   | <b>11d</b> | ✓  |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .  | <b>11e</b> | ✓  |
| <b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .   | <b>11f</b> | ✓  |
| <b>12 a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .  | <b>12a</b> | ✓  |
| <b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .  | <b>12b</b> | ✓  |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .   | <b>13</b>  | ✓  |
| <b>14 a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .   | <b>14a</b> | ✓  |
| <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV. . . . . | <b>14b</b> | ✓  |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .  | <b>15</b>  | ✓  |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV. . . . .   | <b>16</b>  | ✓  |
| <b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .   | <b>17</b>  | ✓  |
| <b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .  | <b>18</b>  | ✓  |
| <b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .  | <b>19</b>  | ✓  |
| <b>20 a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .   | <b>20a</b> | ✓  |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .   | <b>20b</b> |    |

**Part IV Checklist of Required Schedules (continued)**

|  | Yes | No |
|--|-----|----|
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .   | 21  | ✓  |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .   | 22  | ✓  |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J . . . . .  | 23  | ✓  |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a . . . . .                           | 24a | ✓  |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .  | 24b |    |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .   | 24c |    |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .  | 24d |    |
| 25a <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I . . . . .  | 25a | ✓  |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I . . . . .  | 25b | ✓  |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II . . . . .                                 | 26  | ✓  |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III . . . . . | 27  | ✓  |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):   |     |    |
| a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .  | 28a | ✓  |
| b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .   | 28b | ✓  |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV . . . . .   | 28c | ✓  |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .  | 29  | ✓  |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .  | 30  | ✓  |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .  | 31  | ✓  |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .  | 32  | ✓  |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .  | 33  | ✓  |
| 34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 . . . . .  | 34  | ✓  |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .  | 35a | ✓  |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .  | 35b |    |
| 36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .   | 36  |    |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI . . . . .   | 37  | ✓  |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .   | 38  | ✓  |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

|            |  | Yes | No |
|------------|--|-----|----|
| <b>1a</b>  | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable   | 1a  | 5  |
| <b>b</b>   | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable  | 1b  | 0  |
| <b>c</b>   | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | 1c  | ✓  |
| <b>2a</b>  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return  | 2a  | 0  |
| <b>b</b>   | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)         | 2b  |    |
| <b>3a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year?  | 3a  | ✓  |
| <b>b</b>   | If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O  | 3b  |    |
| <b>4a</b>  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 4a  | ✓  |
| <b>b</b>   | If "Yes," enter the name of the foreign country:<br>See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).  |     |    |
| <b>5a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  | 5a  | ✓  |
| <b>b</b>   | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   | 5b  | ✓  |
| <b>c</b>   | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?  | 5c  |    |
| <b>6a</b>  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                    | 6a  | ✓  |
| <b>b</b>   | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  | 6b  | ✓  |
| <b>7</b>   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |     |    |
| <b>a</b>   | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  | 7a  |    |
| <b>b</b>   | If "Yes," did the organization notify the donor of the value of the goods or services provided?  | 7b  |    |
| <b>c</b>   | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   | 7c  |    |
| <b>d</b>   | If "Yes," indicate the number of Forms 8282 filed during the year  | 7d  |    |
| <b>e</b>   | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  | 7e  |    |
| <b>f</b>   | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   | 7f  |    |
| <b>g</b>   | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   | 7g  |    |
| <b>h</b>   | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   | 7h  |    |
| <b>8</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?   | 8   |    |
| <b>9</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b>   |     |    |
| <b>a</b>   | Did the sponsoring organization make any taxable distributions under section 4966?   | 9a  |    |
| <b>b</b>   | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?  | 9b  |    |
| <b>10</b>  | <b>Section 501(c)(7) organizations.</b> Enter:   |     |    |
| <b>a</b>   | Initiation fees and capital contributions included on Part VIII, line 12   | 10a |    |
| <b>b</b>   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities  | 10b |    |
| <b>11</b>  | <b>Section 501(c)(12) organizations.</b> Enter:  |     |    |
| <b>a</b>   | Gross income from members or shareholders  | 11a |    |
| <b>b</b>   | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   | 11b |    |
| <b>12a</b> | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | 12a |    |
| <b>b</b>   | If "Yes," enter the amount of tax-exempt interest received or accrued during the year  | 12b |    |
| <b>13</b>  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |     |    |
| <b>a</b>   | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.   | 13a |    |
| <b>b</b>   | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans  | 13b |    |
| <b>c</b>   | Enter the amount of reserves on hand   | 13c |    |
| <b>14a</b> | Did the organization receive any payments for indoor tanning services during the tax year?   | 14a | ✓  |
| <b>b</b>   | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O  | 14b |    |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI ☒

**Section A. Governing Body and Management**

|    |  | Yes | No |  |   |
|----|--|-----|----|--|---|
| 1a | Enter the number of voting members of the governing body at the end of the tax year . . . . .<br>If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | 1a  | 3  |  |   |
| b  | Enter the number of voting members included in line 1a, above, who are independent . . . . .   | 1b  | 3  |  |   |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .  | 2   |    |  | ✓ |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . .   | 3   |    |  | ✓ |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .   | 4   |    |  | ✓ |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .   | 5   |    |  | ✓ |
| 6  | Did the organization have members or stockholders? . . . . .   | 6   |    |  | ✓ |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .   | 7a  |    |  | ✓ |
| b  | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .  | 7b  |    |  | ✓ |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:  |     |    |  |   |
| a  | The governing body? . . . . .  | 8a  | ✓  |  |   |
| b  | Each committee with authority to act on behalf of the governing body? . . . . .  | 8b  | ✓  |  |   |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .   | 9   |    |  | ✓ |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|     | Yes  | No  |   |   |
|-----|--|-----|---|---|
| 10a | Did the organization have local chapters, branches, or affiliates? . . . . .   | 10a |   | ✓ |
| b   | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .   | 10b |   |   |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .  | 11a | ✓ |   |
| b   | Describe in Schedule O the process, if any, used by the organization to review this Form 990. . . . .  |     |   |   |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .  | 12a | ✓ |   |
| b   | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .  | 12b | ✓ |   |
| c   | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .   | 12c | ✓ |   |
| 13  | Did the organization have a written whistleblower policy? . . . . .  | 13  | ✓ |   |
| 14  | Did the organization have a written document retention and destruction policy? . . . . .   | 14  | ✓ |   |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?   |     |   |   |
| a   | The organization's CEO, Executive Director, or top management official . . . . .   | 15a |   | ✓ |
| b   | Other officers or key employees of the organization . . . . .  | 15b |   | ✓ |
|     | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). . . . .  |     |   |   |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .  | 16a |   | ✓ |
| b   | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . | 16b |   |   |

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed ► None
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☐ Upon request ☒ Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records: ►

Election CFO LLC, (571)482-7690

PO Box 26141, Alexandria, VA 22313

Check if Schedule O contains a response or note to any line in this Part VII ☐

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- ☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

[illegible]

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 0

|   |   | Yes | No |
|---|---|-----|----|
| 3 | Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>                                       |     |    |
|   |   | 3   | ✓  |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> |     |    |
|   |   | 4   | ✓  |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>                       |     |    |
|   |   | 5   | ✓  |

## **Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address   | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| i360 LLC, PO Box 37046, Baltimore, MD 21297  | Advertising                    | 346,635             |
|  |                                |                     |
|  |                                |                     |
|  |                                |                     |
| 2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► |                                |                     |

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

|   |  |   |                           | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from tax<br>under sections<br>512-514 |
|---|--|---|---------------------------|----------------------|--|---|--|
| <b>Contributions, Gifts, Grants<br/>and Other Similar Amounts</b> | <b>1a</b>  | Federated campaigns . . . . .   | <b>1a</b> 0               |                      |  |   |  |
|   | <b>b</b>   | Membership dues . . . . .   | <b>1b</b> 0               |                      |  |   |  |
|   | <b>c</b>   | Fundraising events . . . . .  | <b>1c</b> 0               |                      |  |   |  |
|   | <b>d</b>   | Related organizations . . . . .   | <b>1d</b> 0               |                      |  |   |  |
|   | <b>e</b>   | Government grants (contributions)   | <b>1e</b> 0               |                      |  |   |  |
|   | <b>f</b>   | All other contributions, gifts, grants,<br>and similar amounts not included above   | <b>1f</b> 440,200         |                      |  |   |  |
|   | <b>g</b>   | Noncash contributions included in lines 1a-1f: \$   | 200                       |                      |  |   |  |
|   | <b>h</b>   | <b>Total.</b> Add lines 1a-1f . . . . .   | 440,200                   |                      |  |   |  |
| <b>Program Service Revenue</b>                                    | <b>2a</b>  | Business Code   |                           |                      |  |   |  |
|   | <b>b</b>   |   |                           |                      |  |   |  |
|   | <b>c</b>   |   |                           |                      |  |   |  |
|   | <b>d</b>   |   |                           |                      |  |   |  |
|   | <b>e</b>   |   |                           |                      |  |   |  |
|   | <b>f</b>   | All other program service revenue .   |                           |                      |  |   |  |
|   | <b>g</b>   | <b>Total.</b> Add lines 2a-2f . . . . .   | 0                         |                      |  |   |  |
| <b>Other Revenue</b>  | <b>3</b>   | Investment income (including dividends, interest,<br>and other similar amounts) . . . . .   |                           | 33                   | 33   | 0                                       | 0  |
|   | <b>4</b>   | Income from investment of tax-exempt bond proceeds  |                           | 0                    | 0  | 0                                       | 0  |
|   | <b>5</b>   | Royalties . . . . .   |                           | 0                    | 0  | 0                                       | 0  |
|   | <b>6a</b>  | Gross rents . . . . .   | (i) Real (ii) Personal    |                      |  |   |  |
|   | <b>b</b>   | Less: rental expenses . . . . .   |                           |                      |  |   |  |
|   | <b>c</b>   | Rental income or (loss) . . . . .   | 0 0                       |                      |  |   |  |
|   | <b>d</b>   | Net rental income or (loss) . . . . .   |                           |                      |  |   |  |
|   | <b>7a</b>  | Gross amount from sales of<br>assets other than inventory . . . . .   | (i) Securities (ii) Other |                      |  |   |  |
|   | <b>b</b>   | Less: cost or other basis<br>and sales expenses . . . . .   |                           |                      |  |   |  |
|   | <b>c</b>   | Gain or (loss) . . . . .  | 0 0                       |                      |  |   |  |
|   | <b>d</b>   | Net gain or (loss) . . . . .  |                           |                      |  |   |  |
|   | <b>8a</b>  | Gross income from fundraising<br>events (not including \$ 0<br>of contributions reported on line 1c).<br>See Part IV, line 18 . . . . . | a                         |                      |  |   |  |
|   | <b>b</b>   | Less: direct expenses . . . . .   | b                         |                      |  |   |  |
|   | <b>c</b>   | Net income or (loss) from fundraising events . . . . .  |                           |                      |  |   |  |
|   | <b>9a</b>  | Gross income from gaming activities.<br>See Part IV, line 19 . . . . .  | a                         |                      |  |   |  |
|   | <b>b</b>   | Less: direct expenses . . . . .   | b                         |                      |  |   |  |
|   | <b>c</b>   | Net income or (loss) from gaming activities . . . . .   |                           |                      |  |   |  |
| <b>10a</b>  | Gross sales of inventory, less<br>returns and allowances . . . . . | a   |                           |                      |  |   |  |
| <b>b</b>  | Less: cost of goods sold . . . . .                                 | b   |                           |                      |  |   |  |
| <b>c</b>  | Net income or (loss) from sales of inventory . . . . .             |   |                           |                      |  |   |  |
| <b>Miscellaneous Revenue</b>                                      |  | <b>Business Code</b>  |                           |                      |  |   |  |
| <b>11a</b>  |  |   |                           |                      |  |   |  |
| <b>b</b>  |  |   |                           |                      |  |   |  |
| <b>c</b>  |  |   |                           |                      |  |   |  |
| <b>d</b>  | All other revenue . . . . .  |   |                           |                      |  |   |  |
| <b>e</b>  | <b>Total.</b> Add lines 11a-11d . . . . .                          |   | 0                         |                      |  |   |  |
| <b>12</b>   | <b>Total revenue.</b> See instructions. . . . .                    |   | 440,233                   | 33                   | 0  | 0                                       |  |



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

|   | (A)<br>Total expenses | (B)<br>Program service<br>expenses | (C)<br>Management and<br>general expenses | (D)<br>Fundraising<br>expenses |
|---|-----------------------|------------------------------------|---|--------------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .  | 0                     | 0                                  |   |                                |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .   | 0                     | 0                                  |   |                                |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .  | 0                     | 0                                  |   |                                |
| 4 Benefits paid to or for members . . . . .   | 0                     | 0                                  |   |                                |
| 5 Compensation of current officers, directors, trustees, and key employees . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 7 Other salaries and wages . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). . . . .   | 0                     | 0                                  | 0   | 0                              |
| 9 Other employee benefits . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 10 Payroll taxes . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 11 Fees for services (non-employees):   |                       |                                    |   |                                |
| a Management . . . . .  | 13,200                | 0                                  | 13,200                                    | 0                              |
| b Legal . . . . .   | 9,345                 | 0                                  | 9,345                                     | 0                              |
| c Accounting . . . . .  | 1,125                 | 0                                  | 1,125                                     | 0                              |
| d Lobbying . . . . .  | 0                     | 0                                  | 0   | 0                              |
| e Professional fundraising services. See Part IV, line 17 . . . . .   | 0                     |                                    |   | 0                              |
| f Investment management fees . . . . .  | 0                     | 0                                  | 0   | 0                              |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .  | 450                   | 0                                  | 450                                       | 0                              |
| 12 Advertising and promotion . . . . .  | 408,792               | 407,792                            | 1,000                                     | 0                              |
| 13 Office expenses . . . . .  | 4,306                 | 4,214                              | 92  | 0                              |
| 14 Information technology . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 15 Royalties . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 16 Occupancy . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 17 Travel . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 19 Conferences, conventions, and meetings . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 20 Interest . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 21 Payments to affiliates . . . . .   | 0                     | 0                                  | 0   | 0                              |
| 22 Depreciation, depletion, and amortization . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 23 Insurance . . . . .  | 0                     | 0                                  | 0   | 0                              |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)  |                       |                                    |   |                                |
| a Bank Fees . . . . .   | 664                   | 0                                  | 664                                       | 0                              |
| b Organizational Expenses . . . . .   | 202                   | 0                                  | 202                                       | 0                              |
| c . . . . .   |                       |                                    |   |                                |
| d . . . . .   |                       |                                    |   |                                |
| e All other expenses . . . . .  |                       |                                    |   |                                |
| 25 Total functional expenses. Add lines 1 through 24e . . . . .   | 438,084               | 412,006                            | 26,078                                    | 0                              |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . . |                       |                                    |   |                                |

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

|  |  | (A)<br>Beginning of year |            | (B)<br>End of year |
|--|--|--------------------------|------------|--------------------|
| <b>Assets</b>  | <b>1</b> Cash—non-interest-bearing . . . . .   | 0                        | <b>1</b>   | 254                |
|  | <b>2</b> Savings and temporary cash investments . . . . .  | 0                        | <b>2</b>   | 20,595             |
|  | <b>3</b> Pledges and grants receivable, net . . . . .  | 0                        | <b>3</b>   | 0                  |
|  | <b>4</b> Accounts receivable, net . . . . .  | 0                        | <b>4</b>   | 0                  |
|  | <b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .   | 0                        | <b>5</b>   | 0                  |
|  | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L . . . . . | 0                        | <b>6</b>   | 0                  |
|  | <b>7</b> Notes and loans receivable, net . . . . .   | 0                        | <b>7</b>   | 0                  |
|  | <b>8</b> Inventories for sale or use . . . . .   | 0                        | <b>8</b>   | 0                  |
|  | <b>9</b> Prepaid expenses and deferred charges . . . . .   | 0                        | <b>9</b>   | 0                  |
|  | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D   | <b>10a</b>               |            |                    |
|  | <b>b</b> Less: accumulated depreciation . . . . .  | <b>10b</b>               | <b>10c</b> |                    |
|  | <b>11</b> Investments—publicly traded securities . . . . .   | 0                        | <b>11</b>  | 0                  |
|  | <b>12</b> Investments—other securities. See Part IV, line 11 . . . . .   | 0                        | <b>12</b>  | 0                  |
|  | <b>13</b> Investments—program-related. See Part IV, line 11 . . . . .  | 0                        | <b>13</b>  | 0                  |
|  | <b>14</b> Intangible assets . . . . .  | 0                        | <b>14</b>  | 0                  |
|  | <b>15</b> Other assets. See Part IV, line 11 . . . . .   | 0                        | <b>15</b>  | 0                  |
| <b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . . | 0  | <b>16</b>                | 20,849     |                    |
| <b>Liabilities</b>   | <b>17</b> Accounts payable and accrued expenses . . . . .  | 0                        | <b>17</b>  | 18,700             |
|  | <b>18</b> Grants payable . . . . .   | 0                        | <b>18</b>  | 0                  |
|  | <b>19</b> Deferred revenue . . . . .   | 0                        | <b>19</b>  | 0                  |
|  | <b>20</b> Tax-exempt bond liabilities . . . . .  | 0                        | <b>20</b>  | 0                  |
|  | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .  | 0                        | <b>21</b>  | 0                  |
|  | <b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .   | 0                        | <b>22</b>  | 0                  |
|  | <b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .   | 0                        | <b>23</b>  | 0                  |
|  | <b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .   | 0                        | <b>24</b>  | 0                  |
|  | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .  | 0                        | <b>25</b>  |                    |
|  | <b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .  | 0                        | <b>26</b>  | 18,700             |
| <b>Net Assets or Fund Balances</b>   | <b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>  |                          |            |                    |
|  | <b>27</b> Unrestricted net assets . . . . .  | 0                        | <b>27</b>  | 2,149              |
|  | <b>28</b> Temporarily restricted net assets . . . . .  | 0                        | <b>28</b>  | 0                  |
|  | <b>29</b> Permanently restricted net assets . . . . .  | 0                        | <b>29</b>  | 0                  |
|  | <b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>   |                          |            |                    |
|  | <b>30</b> Capital stock or trust principal, or current funds . . . . .   |                          | <b>30</b>  |                    |
|  | <b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .   |                          | <b>31</b>  |                    |
|  | <b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .   |                          | <b>32</b>  |                    |
|  | <b>33</b> <b>Total net assets or fund balances</b> . . . . .   | 0                        | <b>33</b>  | 2,149              |
| <b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .            | 0  | <b>34</b>                | 20,849     |                    |

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

|    |  |    |         |
|----|--|----|---------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12)  | 1  | 440,233 |
| 2  | Total expenses (must equal Part IX, column (A), line 25)   | 2  | 438,084 |
| 3  | Revenue less expenses. Subtract line 2 from line 1   | 3  | 2,149   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | 4  | 0       |
| 5  | Net unrealized gains (losses) on investments   | 5  | 0       |
| 6  | Donated services and use of facilities   | 6  | 0       |
| 7  | Investment expenses  | 7  | 0       |
| 8  | Prior period adjustments   | 8  | 0       |
| 9  | Other changes in net assets or fund balances (explain in Schedule O)   | 9  | 0       |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 2,149   |

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

|  | Yes | No |
|--|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.  |     |    |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .<br>If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis |     | ✓  |
| b Were the organization's financial statements audited by an independent accountant? . . .<br>If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:<br><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                            |     | ✓  |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.  |     |    |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .  |     | ✓  |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.  |     |    |

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2014**

**Open to Public  
Inspection**

Name of the organization

Trees of Liberty Inc

Employer identification number

46-5123864

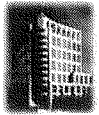
Form 990, Part VI, Section B, Line 11b - Form 990 was prepared by the chief financial official, reviewed by the chief executive officer, and legal counsel, and then circulated to board members for their review.

Form 990, Part VI, Section B, Line 12c - Directors and officers fill out conflict of interest statements annually. Prior to executing contracts with vendors, officers review the conflict statements to ensure full information about potential conflicts is presented to the president.

Form 990, Part VI, Section C, Line 18 - This is the organization's initial 990 and no form 1024 has been filed. To date, there have been no forms to make available. This return will be available upon request.

Form 990, Part VI, Section C, Line 19 - The documents are available upon request.

# **EXHIBIT E**

[SCC eFile](#) > [Entity Search](#) > Entity Details[Login](#) | [Create an Account](#)SCC eFile  
Business Entity Details[Help](#)

## Trees of Liberty, Incorporated

## SCC eFile

[SCC eFile Home Page](#)  
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[Certificate Verification](#)  
[FAQs](#)  
[Contact Us](#)  
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## General

SCC ID: 07768948  
Entity Type: Corporation  
Jurisdiction of Formation: VA  
Date of Formation/Registration: 4/16/2014  
Status: Active

## Select an action

[File a registered agent change](#)  
[File a registered office address change](#)  
[Resign as registered agent](#)  
[File an annual report](#)  
[Pay annual registration fee](#)  
[Order a certificate of good standing](#)  
[Submit a PDF for processing \(What can I submit?\)](#)  
[View eFile transaction history](#)  
[Manage email notifications](#)[New Search](#)[Home](#)

## Principal Office

2000 14TH STREET N  
SUITE 710  
ARLINGTON VA22201

## Registered Agent/Registered Office

INCorp SERVICES INC  
7288 HANOVER GREEN DR  
MECHANICSVILLE VA 23111  
HANOVER COUNTY 142  
Status: Active  
Effective Date: 4/16/2014

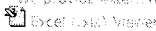
Screen ID: e1000

Need additional information? Contact [sccefile@scs.virginia.gov](mailto:sccefile@scs.virginia.gov) Website questions? Contact: [webmaster@scs.virginia.gov](mailto:webmaster@scs.virginia.gov)

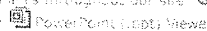
We provide external links throughout our site.



PDF (.pdf) Reader



Excel (.xls) Viewer



PowerPoint (.ppt) Viewer



Word (.doc) Viewer

Build on 11/06/2014

# **EXHIBIT F**

## Karl Crow

Strategist at Aegis Strategic LLC

Washington D.C. Metro Area Public Policy

398  
connections

**Current** Aegis Strategic LLC, (Self-Employed).

**Previous** i360, llc, Charles G. Koch Charitable Foundation, Institute for Trade, Standards and Sustainable Development

**Education** Temple University - James E. Beasley School of Law

## Join LinkedIn and access Karl's full profile. It's free!

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**Karl Crow**  
KHEIRON Safety & Quality  
Consulting Group  
United States

More professionals named Karl Crow

### People Also Viewed



**Aaron Greenberg**  
Political Analyst at Aegis Strategic



**Cooper Daves**  
Political Analyst at i-360



**Dan Compton**  
PRESIDENT at H.D. COMPTON  
INSURANCE AGENCY, INC



**Christina Van Horn**  
Political Analyst at Aegis Strategic,  
LLC



**Andrew Clark**  
Executive Director at Generation  
Opportunity



**Lindsay Conwell**  
Account Executive, U.S. Politics at  
Google



**Alan Philp**  
Partner at CAP Public Affairs



**Christopher F. Cardiff**  
COO, i360



**Brad Stevens**  
Aegis Strategic, LLC



**Julie Treadman**  
Director of Special Projects at Aegis  
Strategic

### Experience

#### Strategist

Aegis Strategic LLC

June 2013 – Present (2 years 8 months)

#### Attorney

(Self-Employed)

April 2010 – Present (5 years 10 months)

#### Freelance Writer

January 2008 – Present (8 years 1 month)

#### Senior Political Analyst

i360, llc

March 2010 – June 2013 (3 years 4 months)



#### Policy Analyst

Charles G. Koch Charitable Foundation

June 2008 – March 2010 (1 year 10 months)



#### Legal Intern

Institute for Trade, Standards and Sustainable Development

2006 – 2006 (less than a year)



## Skills

[Public Policy](#) [Politics](#) [Policy Analysis](#) [Political Campaigns](#) [Nonprofits](#)

[Legislative Relations](#) [Grassroots Organizing](#) [Research](#) [Coalitions](#)

[Legal Research](#) [Political Science](#) [Government](#) [Public Speaking](#)

[Community Outreach](#) [Editing](#)

## Education

**Temple University - James E. Beasley School of Law**

Doctor of Law (JD)

2005 – 2008

**The George Washington University**

1999 – 2003

Activities and Societies: Phi Kappa Psi Varsity Rowing

**St. Andrew's School**

1995 – 1999

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## **EXHIBIT G**

## Mother Jones

# New Koch-Linked Political Firm Aims to Handpick "Electable" Candidates

*Meet Aegis Strategic, the latest affiliate of the Koch brothers' political empire.*

By [Andy Kroll](#) | Fri Jan. 17, 2014 6:00 AM EST

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## Social Title:

Koch-linked political firm aims to handpick "electable" candidates

A new political consulting firm with deep ties to the Koch brothers has quietly set up shop in Arlington, Virginia. Its mission: to prevent future [Todd Akins](#) [1] and [Richard Mourdock](#) [2] from tanking the Republican Party's electoral prospects. The firm, named [Aegis Strategic](#) [3], is run by a former top executive at Charles and David Koch's flagship advocacy group, [Americans for Prosperity](#) [4], and it was founded with the blessing of the brothers' political advisers, three Republican operatives tell *Mother Jones*.

The consulting firm plans to handpick local, state, and federal candidates who share the Kochs' free-market, limited-government agenda, and groom them to win elections. "We seek out electable advocates of the freedom and opportunity agenda who will be forceful at both the policy and political levels," the company [notes](#) [5] on its website. Aegis [says](#) [6] it can manage every aspect of a campaign, including advertising, direct mail, social media, and fundraising.

Aegis' president is [Jeff Crank](#) [7], a two-time failed Republican congressional candidate who ran the Colorado chapter of Americans for Prosperity and served as the chief operating officer of the national organization. The firm's [six-person staff](#) [5] boasts two others with connections to the Kochs. The group's lead strategist is Karl Crow, a former project coordinator for the Charles G. Koch Charitable Foundation, where he focused "on how political advocates for economic freedom are identified, trained, and promoted," according to his [bio](#) [5] on Aegis' website. Crow, who [was scheduled to speak](#) [8] at an invite-only Koch donor summit in 2010 on the subject of voter mobilization, subsequently worked for Themis, the Koch brothers' voter microtargeting operation. Brad Stevens, the former state director for Americans for Prosperity-Nebraska, is Aegis' director of candidate identification.

Crank has touted his firm's connection to the Kochs in meetings with potential business partners, according to three people who've spoken with him about this new venture. They say he has promoted Aegis as having the approval of the Koch brothers' political operatives. (A spokesman for Koch Industries did not respond to a request for comment about the Kochs' ties to Aegis.)

In an interview, Crank downplayed his company's Koch connections but did not dispute the accounts of those who say he mentioned Aegis' Koch affiliation. "I think there's some kind of an assumption that there is [a Koch connection]," Crank said. "It's not a large leap for anybody to make." Crank said he launched Aegis after seeing Akin, Mourdock, and other Republican candidates bumble their way through the 2012 campaign and cost the GOP seats in Congress.

Aegis Strategic's first client is Marilinda Garcia [9], a 31-year-old Republican serving her fourth term in the New Hampshire House of Representatives. Last November, she launched a bid for Congress, hoping to oust freshman Democrat Rep. Ann Kuster. Garcia, who has been loudly praised [10] by her state's Americans for Prosperity chapter, declined to comment. Crank told *Mother Jones* that Aegis will announce new clients in the coming months.

People who've spoken with Crank about Aegis say he told them that the firm has access to the Kochs' formidable donor network, and Aegis' website appears to allude to this. Noting the "services" [6] it provides, the consultancy says that its fundraising team "takes on a limited number of candidates each election cycle and markets them to Aegis' exclusive fundraising network."

When asked about this statement, Crank questioned whether that language in fact appeared on Aegis' website. When informed that it did, he called it "standard marketing stuff."

As the *Washington Post* recently reported [11], the Kochs' political network raised more than \$400 million in 2011 and 2012 to defeat President Barack Obama, influence House and Senate races, and shape policy debates at the state and federal levels. The constellation of nonprofit groups [12] used by the Kochs and their allies is mind-bendingly complex, seemingly designed to keep donors' identities shielded from public scrutiny.

Aegis Strategic comes across as an effort by the Koch brothers' allies to bring in-house the business of campaigns. On its website, Aegis bills [6] itself as a one-stop shop for candidates who are "committed to freedom and economic opportunity," offering candidates such services as opposition research, fundraising, direct mail, TV/radio/cable advertisements, phone banking, data management, and social

media. The company's office is located just blocks from Americans for Prosperity's national headquarters, the offices of various Koch-funded foundations, and Freedom Partners [13], the primary vehicle for anonymous money raised by the Koch donor network.

Pledging to identify and train budding conservative and libertarian candidates, Aegis potentially fills a gap that the Kochs have previously identified in their political operation. Donors and activists who are active in the Koch network say there was widespread frustration following the 2012 elections, during which the GOP had fielded so many lackluster candidates. "You can spend all the money on a candidate you want, but if they're talking about self-deportation [14], or betting \$10,000 [15], or 47 percent [16], you're gonna lose," says Stan Hubbard, a Minnesota-based radio and TV magnate who attends the Koch seminars. "You have a bad candidate, you're gonna lose."

At the Kochs' April 2013 donor summit, the first since the 2012 elections, one major topic of conversation was "candidate recruitment and training," according to an email previewing the summit that was first reported [17] by *Mother Jones*. That preview, written by the Kochs' top fundraiser, Kevin Gentry, said that at the conference "a plan will be shared to help recruit more principled and effective advocates of free enterprise to run for office."

A little over a month later, corporate records show, Aegis Strategic was officially incorporated in Delaware.

---

**Source URL:** <http://www.motherjones.com/politics/2014/01/koch-brothers-candidate-training-recruiting-aegis-strategic>

**Links:**

- [1] [http://www.huffingtonpost.com/2012/10/25/todd-akin-senate\\_n\\_2015666.html](http://www.huffingtonpost.com/2012/10/25/todd-akin-senate_n_2015666.html)
- [2] [http://www.huffingtonpost.com/2012/10/23/richard-mourdock-abortion\\_n\\_2007482.html](http://www.huffingtonpost.com/2012/10/23/richard-mourdock-abortion_n_2007482.html)
- [3] <http://aegis-strategic.com/>
- [4] <http://americansforprosperity.org/>
- [5] <http://aegis-strategic.com/about/>
- [6] <http://aegis-strategic.com/services/>
- [7] <http://www.jeffcrank.com/>
- [8] <http://images2.americanprogressaction.org/ThinkProgress/secretkochmeeting.pdf>
- [9] <http://elect-mari.com/>
- [10] <http://www.nashuatelegraph.com/news/politics/1022292-476/nh-rep.-garcia-challenging-lambert-for-gop.html>
- [11] [http://www.washingtonpost.com/politics/koch-backed-political-network-built-to-shield-donors-raised-400-million-in-2012-elections/2014/01/05/9e7cfd9a-719b-11e3-9389-09ef9944065e\\_story.html](http://www.washingtonpost.com/politics/koch-backed-political-network-built-to-shield-donors-raised-400-million-in-2012-elections/2014/01/05/9e7cfd9a-719b-11e3-9389-09ef9944065e_story.html)
- [12] [http://www.washingtonpost.com/politics/inside-the-koch-backed-political-donor-network/2014/01/05/94719296-7661-11e3-b1c5-739e63e9c9a7\\_graphic.html](http://www.washingtonpost.com/politics/inside-the-koch-backed-political-donor-network/2014/01/05/94719296-7661-11e3-b1c5-739e63e9c9a7_graphic.html)
- [13] <http://www.politico.com/story/2013/09/behind-the-curtain-exclusive-the-koch-brothers-secret-bank->

96669.html

[14] [http://www.huffingtonpost.com/2012/01/24/mitt-romney-florida-gop-debate-self-deportation\\_n\\_1227129.html](http://www.huffingtonpost.com/2012/01/24/mitt-romney-florida-gop-debate-self-deportation_n_1227129.html)

[15] [http://www.washingtonpost.com/blogs/post-politics/post/mitt-romney-challenges-rick-perry-to-10000-bet-in-gop-debate/2011/12/11/gIQAudrBnO\\_blog.html](http://www.washingtonpost.com/blogs/post-politics/post/mitt-romney-challenges-rick-perry-to-10000-bet-in-gop-debate/2011/12/11/gIQAudrBnO_blog.html)

[16] <http://www.motherjones.com/politics/2012/09/secret-video-romney-private-fundraiser>

[17] <http://www.motherjones.com/politics/2013/04/koch-brothers-donor-retreat-agenda-hispanic-candidate-recruiting>

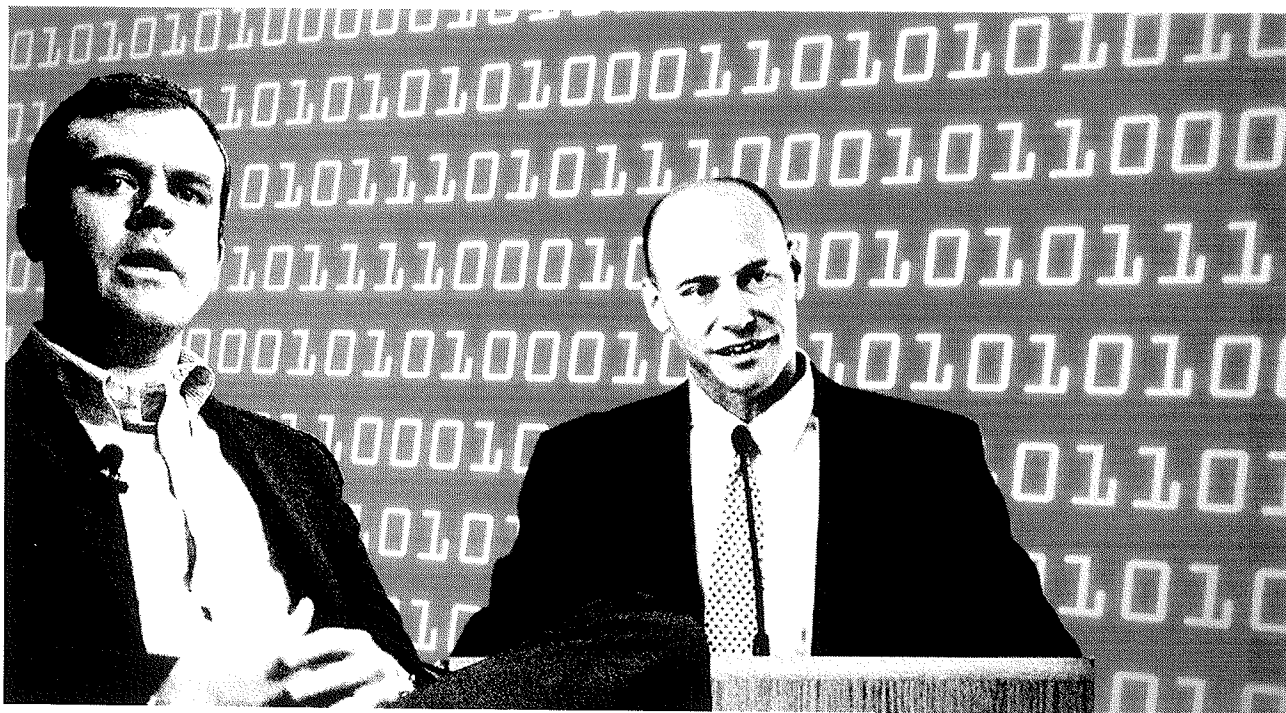
# **EXHIBIT H**

# POLITICO

## Inside the Koch data mine

Meet the guys building the right's new machine.

By **MIKE ALLEN** and **KENNETH P. VOGEL** | 12/08/14 05:32 AM EST



The Koch brothers and their allies are pumping tens of millions of dollars into a data company that's developing detailed, state-of-the-art profiles of 250 million Americans, giving the brothers' political operation all the earmarks of a national party.

The move comes as mainstream Republicans, led by Mitch McConnell, are trying to reclaim control of the conservative movement from outside groups. The Kochs, however, are continuing to amass all of the campaign tools the Republican National Committee and other party arms use to elect a president.

The Koch network also has developed in-house expertise in polling, message-testing,



fact-checking, advertising, media buying, dial groups and donor maintenance. Add mastery of election law, a corporate-minded aggressiveness and years of patient experimentation — plus seemingly limitless cash — and the Koch operation actually exceeds the RNC's data operation in many important respects.

"The Koch operations are the most important nonparty political players in the U.S. today, and no one else is even close," said a top Republican who has been involved in the last eight presidential campaigns.

( Also on POLITICO: End of a D.C. institution)

The least-known vehicle for the Kochs is a for-profit company known as i360, started by a former adviser to John McCain's presidential campaign after McCain lost to Barack Obama in 2008. Subsequently, it merged with a Koch-funded data nonprofit. The Koch-affiliated Freedom Partners, formed in late 2011, eventually became an investor, officials confirmed to POLITICO.

Spending more than \$50 million in cash over the past four years, i360 links voter information with consumer data purchased from credit bureaus and other vendors. Information from social networks is blended in, along with any interaction the voter may have had with affiliated campaigns and advocacy groups. Then come estimated income, recent addresses, how often a person has voted, and even the brand of car they drive. Another i360 service slices and dices information about TV viewing to help campaigns target ads more precisely and cost efficiently.

GOP campaigns can get less-expensive data through the RNC, but happily pay i360 for its superior profiles. Midterm clients included several of the GOP's marquee Senate and gubernatorial victors, including Sens.-elect Tom Cotton of Arkansas and Joni Ernst of Iowa, and Gov.-elect Larry Hogan in Maryland.

( Also on POLITICO: HHS doesn't want Gruber at the table)

Michael Palmer, a Florida native who started i360 after being chief technology officer of Sen. John McCain's 2008 presidential campaign, said i360 has been able to develop superior campaign tools precisely because it isn't beholden to the political calendar. With a steady stream of money comes the ability to think about the long term, he said.

“Right now, we’re talking about and building things that you won’t see in 2016, because it’s not going to be ready until 2018,” Palmer said.

One of the reasons that i360 has made such leaps is that the Kochs and their business-minded backers enforced a painful after-action review after the embarrassing Senate losses of 2012, looking across the organization at what could be done better. “We discovered, after 2012, that having a great database isn’t all that useful unless you can make it actionable for people, by building tools and software,” Palmer said.

( Also on POLITICO: The veterinarian whose bill could stop a shutdown)

So for this year’s midterms, he said, i360 offered “mobile canvassing apps or data management interfaces, so our clients can actually access that data, report against it, manipulate it, and put it to use.”

Palmer said i360 embeds experiments “into absolutely everything that we do.” In Colorado, for instance, Americans for Prosperity — the most muscular part of the Koch network — worked with i360 to isolate 297,000 voters who were not likely to vote in 2014, but were likely to oppose the policies of Democratic Sen. Mark Udall, who wound up being defeated by GOP Rep. Cory Gardner.

Among the 297,000 voters, some got no contact at all from AFP. About 60,000 voters were broken into six “treatment groups”: One group got a knock on the door, plus a volunteer phone call and a mail piece. Another got door plus mail. Another got door only, and so forth. Within those groups, the messages varied. Now, as part of its midterm after-action review, i360 is figuring out which approach was most efficient in turning out a reluctant voter.

The RNC, which is part of a data-sharing partnership with i360 that was announced in August, is also building up its digital assets. Sean Spicer, RNC communications director, said: “i360 is a great part of the larger team. One of the biggest differences is that the party supports anybody who has an ‘R’ next to their name. The RNC is providing the vast majority of data to House, Senate and gubernatorial candidates. And we’ve been in the data game for 20 years. ... All general election Republican candidates had access to our data, and it was our data that the highly successful ground game was run on.”

This deep dive into the mechanics of politics reflects the Koch brothers' growing awareness that traditional forms of advocacy aren't, in isolation, effective enough to achieve the kind of conservative transformation the network's supporters envision.

For decades, the Kochs had pursued their goals by sinking tens of millions of dollars into wonky research and advocacy groups. It was only during George W. Bush's presidency that the brothers and their allies began to question whether the power of their ideas alone could carry the day. A movement that started with 15 rich conservatives gathering in Chicago and a single main group — Americans for Prosperity — by 2008 became a congregation of roughly 100 major donors backing a handful of think tanks, grass-roots advocacy networks and political organizations.

In 2012, the newly created Freedom Partners — the umbrella group for the Kochs' political operation — raised and spent roughly \$250 million. Headed by Marc Short, a former top staffer in the House and Senate, Freedom Partners dispenses funds and expertise to myriad affiliate groups in the network. This year, it began wading into political and policy fights on its own — spinning off a super PAC that spent at least \$24 million boosting Republican Senate candidates.

Heading into 2016, the Koch network — under the auspices of Freedom Partners — has in many ways surpassed the reach and resources of the RNC. And, unlike the party, it isn't bound by rules requiring it to maintain neutrality in primaries. Though the network has yet to engage in primaries, that could be the next logical step in its progression from apolitical think tank consortium to aggressive privatized political machine.

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“With good data, we can target them with the right message at the right moment.”

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The Kochs and their donors and operatives have been sought out by most of the leading 2016 GOP prospects — from Sens. Ted Cruz of Texas and Rand Paul of Kentucky to Govs. Chris Christie of New Jersey and Rick Perry of Texas. Their allies are acutely aware of the potential for the Koch groups and their donors to sway the primaries — even if they don't formally back a candidate.

A key adviser to one of the top GOP presidential prospects said: "If I could have Karl Rove or Marc Short to run a presidential campaign today, I'd take Marc Short. He understands all the technical tools available to a modern campaign and how to apply them to the nominating process. He also has a deep understanding of the political dynamics of the GOP base vote."

Short's connection to another potential GOP presidential candidate, Indiana Gov. Mike Pence, is among the biggest reasons that the Kochs are considering whether going all-in on a presidential campaign would be a good investment. Short was chief of staff to the House Republican Conference when then-Rep. Pence was the chairman, and Short remains a close adviser to Pence.

Veterans of GOP presidential campaigns say that while the Kochs could not, by themselves, provide the credibility necessary to create a candidate for president, their weapons could make a decisive difference for someone who was already running a viable campaign for the nomination — someone like Pence, whose record could make him a bridge between the GOP's evangelical and establishment wings.

A candidate favored by the Kochs and their allies could potentially benefit from the full range activities of groups in the Koch network. The biggest presence is AFP, which spent \$130 million in the midterms, with 550 paid staff, including 50 in Florida alone.

The LIBRE Initiative, a network-backed group aimed at Hispanics, has 40 staff at its Arlington, Virginia, headquarters and 40 field staff (25 of them part-time) in seven states. Generation Opportunity, the Kochs' outreach arm for 18- to 34-year-olds, has 30 full-time, paid grass-roots staffers running boots-on-the-ground activism in 10 states. Concerned Veterans for America, another Koch-backed group based in Arlington, has 60 paid staff in 14 states.

Pete Hegseth, an infantry captain in the Army National Guard who is the group's CEO, says veterans are "reflexively conservative, and they know how to organize."

"With good data, we can target them with the right message at the right moment," Hegseth said. "They could be much more powerful than they are. There's no reason veterans can't be the unions of the right."

Hegseth doesn't talk much about the Koch connection, but says it's an asset. "You can deny or engage," he said. "Other groups have been a flash in the pan. The bureaucracy will try to out-wait them. We're not going anywhere. We're able to plan for the long term."

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