

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION**

**INVESTIGATION REPORT**

---

I CASE NO: 12/784 Report 38 CASE NAME: Americans for Responsible  
Leadership

REPORT DATE: 10/17/13

Page 1 of 2 page(s) & attached  
transcript

---

II REPORT TYPE: Interview

---

III REPORT PREPARED BY: Perna *Perna*

DATE SIGNED: *10/17/13*

---

IV DISTRIBUTION: File

---

V INTERVIEW SUMMARY ONLY:

Interview Recorded: Yes

Manner of Interview: In Person

Person(s) Interviewed: Stephen DeMaura

Work Address:

Telephone(s):

---

VI NARRATIVE:

On September 30, 2013, an interview of Stephen DeMaura was conducted by Gary Winuk of the California Fair Political Practices Commission (FPPC), Cliff Zall of the California State Attorney General's office (AGO), and Robert Perna of the FPPC. Stephen DeMaura is employed by Americans for Job Security (AJS). Attorneys representing Stephen DeMaura present during the interview were David Anderson and Patrick Kelly. Attorney Cris Arguedas was present representing AJS. The interview primarily focused on the activities of Stephen DeMaura and AJS on Express Advocacy and Issue Advocacy relating to California during the year 2012. The interview was conducted at the law office of Sidley Austin LLP, 555 California Street, in San Francisco, California.

The interview was recorded on a digital recording device and electronically submitted to Foothill Transcription Company, who prepared a transcript of the interview. Robert Perna compared the transcript with the recorded interview and identified some discrepancies and requested that Foothill Transcription make those changes to the original transcript. Foothill Transcription made most of the changes requested to the transcription but did not make some of the changes requested. Robert Perna made the changes to the transcript that Foothill Transcription did not make. The corrected transcript of the interview of Stephen DeMaura is attached to this investigation report.

Transcription of Recorded Interview

of

Stephen DeMaura

Interviewed by: Gary Winuk

Cliff Zall

Bob Perna

Transcribed by: Gita Barrett,

Foothill Transcription Company

October 9, 2013

Elk Grove, California

1 - INTERVIEW -

2 Mr. Winuk: Hi. This is Gary Winuk from the FPPC. We do have  
3 your permission to record, Mr. DeMaura, correct?

4 Mr. DeMaura: Yes. Yes.

5 Mr. Winuk: Why don't we go ahead and say all the parties in  
6 the room? Go ahead.

7 Mr. DeMaura: Steven DeMaura.

8 Mr. Anderson: So David Anderson. I represent Steve.

9 Ms. Arguedas: Cris Arguedas. I represent AJS.

10 Mr. Kelly: Patrick Kelly. I represent Steven DeMaura.

11 Mr. Zall: Cliff Zall from the Attorney General's Office.

12 Mr. Perna: Bob Perna. I'm with the Fair Political Practices  
13 Commission.

14 Mr. Winuk: And I'm Gary Winuk for the FPPC. We have a series  
15 of questions related to a topic I'm sure you're familiar with  
16 already. Cliff and Bob and I are all going to jump in with  
17 questions at different points. So I apologize in advance. We  
18 have a tendency to talk over each other because we're both loud  
19 mouths apparently. So let's start with this. Why don't you  
20 tell us what your position is and what your position was if it  
21 was different maybe starting in January of 2012?

22 Mr. DeMaura: Sure. I am President of Americans for Job  
23 Security and I've held that position since 2008.

24 Mr. Winuk: And what's Americans for Job Security?

25 Mr. DeMaura: We are a 501(c)(6) trade association.

1 Mr. Winuk: And what state is it organized out of?

2 Mr. DeMaura: Washington D.C., but based in Virginia.

3 Mr. Winuk: And were you a founder of it or were you hired by  
4 them or --

5 Mr. DeMaura: I was hired in the first quarter of 2008.

6 Mr. Winuk: And what was your background before then?

7 Mr. DeMaura: Before then I have worked in a number of  
8 positions in politics and public policy.

9 Mr. Winuk: Could you just describe some of them generally?

10 Mr. DeMaura: Sure. I was -- immediately preceding that I was  
11 the Executive Director of the New Hampshire Republican Party.  
12 I had also consulted on a number of political campaigns at the  
13 local, state and federal level.

14 Mr. Winuk: What's the biggest race you've been involved in?  
15 You said you worked at the federal level. Congressional races  
16 or did you work on a presidential campaign or give us a sense  
17 of that.

18 Mr. DeMaura: I would -- during my tenure at the New Hampshire  
19 Republican Party I was -- one of my responsibilities was to  
20 organize the party's efforts around the first in the nation  
21 presidential primary and so that was probably my biggest role  
22 before coming to work with Americans for Job Security.

23 Mr. Winuk: Were you ever employed by a congressional or  
24 federal level campaign or is this more a volunteer activity  
25 through your role in the state?

1 Mr. DeMaura: I worked for a number of consulting firms that  
2 would have worked for different campaigns. So I would have  
3 been employed through a consulting agency.

4 Mr. Winuk: While you were in New Hampshire or in your role at  
5 AJS have you become familiar with campaign finance rules either  
6 at the federal, state or local level?

7 Mr. DeMaura: Yeah. one of the primary responsibilities of  
8 being president of AJS and being executive director of a state  
9 party is to coordinate with legal counsel and coordinate with  
10 accountants, coordinate with, you know, subject matter experts  
11 on ensuring that you, you know, follow the law and you stay in  
12 the bounds of what you're able to do.

13 Mr. Winuk: So generally you're familiar with campaign finance  
14 disclosure rules?

15 Mr. DeMaura: More or less, yes.

16 Mr. Winuk: Concept of them?

17 Mr. DeMaura: Yes.

18 Mr. Winuk: So when you got to AJS what are your specific  
19 duties for AJS as president?

20 Mr. DeMaura: So as president of Americans for Job Security  
21 pretty much everything falls under -- falls under my purview.  
22 So raising membership funds, day to day administration of the  
23 organization and then, you know, coordination with our outside  
24 consultants which is primarily what we rely upon.

25 Mr. Winuk: How many other people work there?

1 Mr. DeMaura: I am the sole employee.

2 Mr. Winuk: Who hired you?

3 Mr. DeMaura: The -- I was found by the -- my predecessor, the  
4 past president, but the board of directors technically hires  
5 me.

6 Mr. Zall: Is there still a board of directors?

7 Mr. DeMaura: Yes, sir.

8 Mr. Zall: How many members on the board?

9 Mr. DeMaura: Currently, there are four members of the board.  
10 At the time that this occurred there were three.

11 Mr. Winuk: And what would you say is your level -- your  
12 relationship with them in terms of decision-making? Do you  
13 have -- feel you have total discretion? What types of things  
14 would you feel you need to run by your board of directors?

15 Mr. DeMaura: Sure. So the board meets formally annually and  
16 we go over, you know, what we had done the previous year and go  
17 over ideas for what we can do in the next year. From there I  
18 consult with them on a regular, but not scheduled basis. You  
19 know, most projects or plans are informally brought before them  
20 but on a day to day basis they charge me with the ability to  
21 organize.

22 Mr. Winuk: Does that change during a campaign year when  
23 money's coming in, money's going out or how frequently would  
24 you have contact with them for, let's say, approving fund  
25 raising plans or expenditures at any level if there's a

1 difference?

2 Mr. DeMaura: Anything that would fall in the day to day  
3 operation of the organization would, you know, just fall under  
4 my purview. If there was anything else it's up to my  
5 discretion to --

6 Mr. Winuk: Okay. So tell me what falls under day to day then.  
7 If you want to raise money for -- really for any reason do you  
8 have the authority to do that on your own or do you need to get  
9 their permission to do that and is there a difference between  
10 raising \$5 and \$5 million?

11 Mr. DeMaura: No, I have the authority to raise funds on my  
12 own.

13 Mr. Winuk: Okay.

14 Mr. Zall: How about spending? Same thing?

15 Mr. DeMaura: Yes, that's correct.

16 Mr. Zall: I mean, so the amount is -- doesn't matter? I mean,  
17 just hypothetically if you wanted to spend \$20 million on a  
18 congressional race in Utah -- I'm just making something silly  
19 up -- but you said at your sole discretion?

20 Mr. DeMaura: I would say that the way that I would treat it is  
21 that if it falls outside the bounds of something we would  
22 typically engage in. Whether if it was financially outside of  
23 something we had to particularly engage in because the funds  
24 were greater or if it was a different type of project then I  
25 would probably see fit to consult the board. But that



1 discretion is my own.

2 Mr. Zall: But -- okay. So and what would -- what would --  
3 what would be something outside the bounds that you typically  
4 engage in? I guess just trying to get a sense of, you know,  
5 what sorts of things you feel like you couldn't do on your own  
6 without consulting the board? I mean, what -- is there a  
7 dollar -- are we talking a dollar amount? Are we talking  
8 spending money in a particular area of the country? What --  
9 can you maybe clarify that a little bit?

10 Mr. DeMaura: Sure. I'd say the biggest area where there was a  
11 difference that I would probably see it necessary to talk to  
12 them is more subject matter than geographic or dollar wise.  
13 But, you know, outside of that they -- the board of directors  
14 charges me to, you know, fulfill the mission in a way that we  
15 see fit.

16 Mr. Winuk: So what would you say is the mission of AJS?

17 Mr. DeMaura: The mission of Americans for Job Security is to  
18 increase what we define as pro-market pro-paycheck public  
19 policy issues and more broadly that is defined as issues that  
20 we believe are going to strengthen the economy, improve the  
21 environment that businesses can operate in. That could  
22 include, you know, issues about the size of government and  
23 taxation and issues around unionization.

24 Mr. Winuk: So what are the activities that AJS engages in to  
25 promote those ideals?

1 Mr. DeMaura: We work at both the federal and state level  
2 primarily engaging in issue advocacy efforts.

3 Mr. Winuk: So tell me about what you mean by issue advocacy.  
4 What are some of the things that you engage in that you  
5 consider to be issue advocacy?

6 Mr. DeMaura: Well, the -- I would say the legal definition  
7 changes depending on where you are and what theater you're  
8 playing in. But --

9 Mr. Winuk: Yeah, I mean on the legal definition. I'm more  
10 interested in what you actually do, not to hold it to a legal  
11 standard.

12 Mr. DeMaura: Uh-huh. In my mind it's talking about a piece of  
13 public policy or governmental action and then urging someone  
14 with the authority to take action on that matter to do so.

15 Mr. Winuk: So what specifically does that mean? I mean, radio  
16 ads, sending out mailers, contacting legislators? I mean, what  
17 kinds of things are we talking about?

18 Mr. DeMaura: Yeah. The -- we primarily engage in, you know,  
19 media campaigns. So television and radio advertising as well  
20 as, you know, some type of online advertising, direct mail,  
21 telephone calls, typically paid media efforts.

22 Mr. Winuk: Do you ever engage in -- I'm copying this and it  
23 sounds like a legal term but I don't mean it that way -- direct  
24 campaigning, express advocacy where you're really sort of  
25 saying vote for somebody, don't vote for this? Do you ever do

1 that too as part of your work?

2 Mr. DeMaura: It typically was not something that AJS engaged  
3 in. But due to changes on the federal level -- legal changes  
4 on the federal level we -- our ability to do so expanded. So  
5 we have engaged in a limited amount of what the federal level  
6 called express advocacy.

7 Mr. Winuk: And what period of time have you started doing it?

8 Mr. DeMaura: That would be during the 2010 and 2012 election  
9 cycles.

10 Mr. Winuk: So just to circle back just a little bit, initially  
11 I was asking you about your kind of level of knowledge with  
12 campaign finance law. It sounds like you have some. What word  
13 would you describe to describe your level of campaign finance  
14 laws? Let's separate out federal and state because obviously  
15 there's a difference.

16 Mr. DeMaura: Could you ask the question again?

17 Mr. Winuk: Sure. I want you to put it in your own words I  
18 guess what you perceive your level of knowledge of campaign  
19 finance laws that and I realize you do federal and state work  
20 so maybe we can separate those out.

21 Mr. DeMaura: Sure. You know, one of -- one of my  
22 responsibilities is to, you know, understand from the operation  
23 perspective the regulatory scheme that I'm working in as best  
24 as I can --

25 Mr. Winuk: Sure.

1 Mr. DeMaura: -- from a non-lawyer's perspective. So it's  
2 important that I understand those rules and laws so we can  
3 operate within them. So, you know, I think I have an adequate  
4 on the federal level understanding of campaign finance laws.  
5 Then if we go into or think about going into a state to operate  
6 I try to get up to speed and get up to that same level of  
7 comfort. So typically we will operate on the same adequate  
8 level of understanding.

9 Mr. Winuk: Okay. I want to move to the contribution anything  
10 you want to ask about background stuff?

11 Mr. Zall: You want to ask him about that?

12 Mr. Winuk: Yeah, let's start chronologically then. Bob, you  
13 have anything you want to ask, sort of about general  
14 background. Okay. Let's start talking about sort of the issue  
15 at hand. Sorry. I do have one more background question. I'm  
16 a liar. How long have you known Sean Noble?

17 Mr. DeMaura: I can't say that I have a definitive date in my  
18 head but sometime in --

19 Mr. Winuk: Yeah. I mean, years, months --

20 Mr. DeMaura: Sometime in 2010 I probably met him.

21 Mr. Winuk: And then what were the circumstances you met him?

22 Mr. DeMaura: I met him through his role at the Center to  
23 Protect Patient Rights.

24 Mr. Winuk: And how much interaction have you had with him,  
25 say, from 2010 to November 2012 both personal and professional?

1 Mr. DeMaura: Professionally it's been fairly limited.

2 Personally, none.

3 Mr. Zall: Did you have an understanding of what Mr. Noble's  
4 role was or what he was in the business of doing?

5 Mr. DeMaura: I mean, I would say that I knew of the Center to  
6 Protect Patient Rights, what they had done, what -- the type of  
7 work they engaged in. I thought I had a pretty good  
8 understanding of how they engaged in that type of work and I  
9 thought I knew his or I think I know his role with the  
10 organization. So --

11 Mr. Zall: What was that? What was your understanding, I  
12 guess, of what they did?

13 Mr. DeMaura: Sure. I'd say Center -- in my mind the Center to  
14 Protect Patient Rights worked with other organizations to be  
15 able to provide them grants so that they could implement their  
16 own programs or activities.

17 Mr. Zall: In connection with campaign work or just -- I mean,  
18 your understanding of CPPR was not that they were a -- sort of  
19 a grant giving, you know, philanthropic organization, right?  
20 This was -- it was all campaign and electioneering related.  
21 Was that -- was that your understanding?

22 Mr. DeMaura: I'd say -- I mean they're a 501(c)(4) I believe  
23 so it's not really a philanthropic group. But to engage in,  
24 you know, advocacy campaigns. So they -- yes, they provided  
25 grants to other organizations to fulfill their missions. In my

1 knowledge most of those organizations were advocacy  
2 organizations.

3 Mr. Zall: Did you -- and what would you characterize as --  
4 based on your perception what would you characterize is the  
5 difference if any between what AJS did and what CPPR did?

6 Mr. DeMaura: I'd say from, you know, my fairly limited  
7 knowledge of the internal workings of that group that AJS  
8 itself engaged in more advocacy than the Center to Protect  
9 Patient Rights and I'd say the primary -- the primary objective  
10 it seemed of CPPR was to provide grants. Well, that was an  
11 objective or a tool that AJS has used, but not the primary task  
12 that we operated.

13 Mr. Winuk: So in July -- I'm sorry. I know we jump around so  
14 I apologize for that. I'm just kind of finishing up with my  
15 thought. You know, you provided us with some of the documents  
16 and emails you sent. One of the emails was a birthday message  
17 to Sean Noble. Can you just tell us about that?

18 Mr. DeMaura: Yeah, I think I was just being polite. You know,  
19 I knew it was his birthday.

20 Mr. Anderson: Do you want to show it to him?

21 Mr. Winuk: Sure. I don't know, Bob do you have that one  
22 handy?

23 Mr. Perna: No.

24 Mr. Winuk: Anyway, it was just basically Sean, happy birthday,  
25 on July 25th. It didn't really say more than that. My point

1 in asking you that is you said you had no personal relationship  
2 with him I just want to know if that email sort of fits in with  
3 that answer.

4 Mr. DeMaura: I would say that I was -- that would fit in with  
5 my business relationship as a business acquaintance.

6 Mr. Winuk: Is it something you do professionally with other  
7 people too or --

8 Mr. DeMaura: I try to.

9 Mr. Winuk: Okay. Would you consider AJS to be part of a  
10 network or part of an independent entity?

11 Mr. DeMaura: I would say AJS is an independent entity.

12 Mr. Winuk: Okay. So going back to January of 2012 -- January  
13 of last year -- initially a plan was developed where you  
14 partnered with Tony Russo to accept money for issue advocacy  
15 related to California ballot measures, correct?

16 Mr. DeMaura: Yeah. I would say that we hired Tony Russo and  
17 Jeff Miller to find resources.

18 Mr. Winuk: Okay. So tell me how long you've known Tony and --  
19 Tony Russo and Jeff Miller and then how you met them and then  
20 how this sort of came about.

21 Mr. DeMaura: Sure. I only got to or I met Tony and Jeff  
22 first, you know, via telephone, via distance sometime, you  
23 know, early last year. I can't say exactly.

24 Mr. Winuk: So early 2012?

25 Mr. DeMaura: Yeah, that sounds about right.

1 Mr. Winuk: Were you introduced or how did you --

2 Mr. DeMaura: Yes, I was introduced through David Carney who  
3 is one of the founders of Americans for Job Security and one of  
4 our consultants who had or does know Jeff Miller.

5 Mr. Winuk: And what was the purpose of the introduction?

6 Mr. DeMaura: That Tony and Jeff had a idea or proposal for  
7 AJS to engage in issue advocacy and wanted to know if we would  
8 consider it.

9 Mr. Winuk: Do you know why they selected AJS?

10 Mr. DeMaura: I don't know.

11 Mr. Winuk: So did David set up a meeting or was it a phone  
12 conference or how did that start?

13 Mr. DeMaura: I believe there was a telephone meeting.

14 Mr. Winuk: Okay. To the best of your knowledge just describe  
15 what was discussed on that conference.

16 Mr. DeMaura: My recollection is that --

17 Mr. Winuk: I'm sorry to interrupt. So the timeframe for this  
18 do you recall what month even? And by the way, for any of  
19 these questions --

20 Mr. DeMaura: Yeah.

21 Mr. Winuk: -- we're not looking for an answer, you know.

22 Mr. DeMaura: Yeah. Okay.

23 Mr. Winuk: We're just asking you to do things to the best of  
24 your memory.

25 Mr. DeMaura: Sure.



1 Mr. Winuk: I'm not looking for you to fill in the gaps.

2 Mr. DeMaura: I don't recall exactly but I assume it would be  
3 shortly after that, yeah.

4 Mr. Winuk: This is the early part of 2012. Okay.

5 Mr. DeMaura: Could you repeat your question?

6 Mr. Winuk: Sure. Bob?

7 Mr. Perna: Shortly after you reached that agreement did they  
8 start soliciting and did you start receiving funds fairly quick  
9 --

10 Mr. Winuk: Oh.

11 Mr. Perna: -- because that's going to give a little  
12 perspective.

13 Mr. Winuk: Before we do that, though, let's just talk about  
14 the initial call and we'll -- I just want to walk through it  
15 chronologically.

16 Mr. Perna: No, I was just trying to put perspective on when  
17 that meeting was.

18 Mr. Winuk: Okay.

19 Mr. Perna: If the money came in about that time that could  
20 give us perspective on when the money --

21 Mr. Winuk: Yeah, I see what you're saying. That's good.

22 Mr. Perna: So --

23 Mr. DeMaura: No, there was a good period of time between the  
24 initial phone call and when we started raising money.

25 Mr. Perna: Okay. Thank you.

1 Mr. Winuk: Okay. So tell us about the call and what your  
2 recollection of the conversation was.

3 Mr. DeMaura: My portion of the call was introducing myself  
4 and Americans for Job Security, providing them some background  
5 as to who --

6 Mr. Winuk: So who was on the call?

7 Mr. DeMaura: I believe it was myself, David Carney and Jeff.  
8 I can't recall if Tony was on there but I don't believe so.

9 Mr. Winuk: Okay.

10 Mr. Zall: So was it a proposal to -- it was a pitch to you?  
11 Is that --

12 Mr. DeMaura: I wouldn't define it in that, you know, clear of  
13 terms. It was more just a conversation of myself describing  
14 what AJS was and Jeff describing what he saw as some problems  
15 from a public policy standpoint happening in California. There  
16 was no definitive proposal or anything of that nature.

17 Mr. Zall: So it was more like just this was sort of an  
18 introductory call and --

19 Mr. DeMaura: Yes.

20 Mr. Zall: -- you didn't get down to the specifics of what they  
21 were looking for or why they might need you in this initial  
22 call?

23 Mr. DeMaura: No. I mean, there was an -- part of my  
24 explanation about Americans for Job Security was that we  
25 engaged in issue advocacy campaigns and he understood that and

1 said, well, we have some public policy issues and he explained  
2 some things so --

3 Mr. Winuk: Is it unusual where you partner with someone from a  
4 state -- in other words, do you usually do your own fundraising  
5 and then sort of you pick the ads or the issues and the races  
6 or whatever the activity might be that you're interested in?  
7 How common is it to sort of let someone do outside fundraising  
8 and then work for their issue? And again, I think you know  
9 what I'm saying. How much is self driven and how much is done  
10 sort of in partnership with other people?

11 Mr. DeMaura: Yeah. I'd say there is, you know, using rough  
12 terms probably about 50/50. It's -- and in a number of  
13 instances we do much of the membership development ourselves  
14 but in a lot of instances we rely upon outside help to make  
15 introductions, make the pitch.

16 Mr. Winuk: So I noticed in some of the documents -- and you  
17 just mentioned the word membership -- maybe talk a little bit  
18 about that. What, if anything is the difference between a  
19 contribution, a membership and other types of ways you take in  
20 money and if there's a reason you use particular words for  
21 money that comes in.

22 Mr. DeMaura: Sure. AJS accepts membership only because we are  
23 a 501(c)(6) which means that we're a trade association or a  
24 business league under the tax regulations. You know, the  
25 reason for that is because we decided to form as 501(c)(6).

1 The -- our -- you know, our policy is that our members are able  
2 to, you know, state their level of giving that they would like  
3 to take part in and they join as members.

4 Mr. Winuk: So anyone who gives any money to them is  
5 characterized as a member or are there exceptions to that?

6 Mr. DeMaura: I think to the best of my knowledge that those  
7 who've given us money are all members.

8 Mr. Winuk: Okay. So the call starts out with David and Jeff,  
9 to the best of your memory. Did they pitch their idea? Or I  
10 know you told them about AJS and --

11 Mr. DeMaura: Yes. Again --

12 Mr. Winuk: -- they told you about issues in California?

13 Mr. DeMaura: Yeah. I think there was --

14 Mr. Winuk: Was there any agreement in that call or what was  
15 sort of the plan going forward?

16 Mr. DeMaura: I think that the plan going forward was to stay  
17 in contact and keep the lines of communication open. I don't  
18 believe that there was any definitive conclusion to the call.

19 Mr. Zall: Was Tony Russo on that initial call or no?

20 Mr. DeMaura: I can't recall.

21 Mr. Zall: Okay.

22 Mr. DeMaura: If he was he wasn't a major player in it because  
23 he doesn't stand out to me but it really was just a kind of get  
24 to know you kind of situation.

25 Mr. Winuk: So from your perspective there wasn't anything

1 unusual about that call or doing that type of activity?

2 Mr. DeMaura: Not at all. This is something I engage in quite  
3 often.

4 Mr. Winuk: Okay. So when was your next contact with any one  
5 of those parties on this issue?

6 Mr. DeMaura: I can't recall exactly. Probably weeks later.

7 Mr. Winuk: Okay. Do you remember what happened weeks later?  
8 Do you remember the substance of the conversation?

9 Mr. DeMaura: Not particularly. I don't remember specific  
10 calls. I remember conversations that, you know, just furthered  
11 the first one.

12 Mr. Winuk: Okay.

13 Mr. DeMaura: Greater discussion of the issues.

14 Mr. Winuk: So at some point was a kind of a plan developed for  
15 2012 over a period of time you're saying, I guess?

16 Mr. DeMaura: Yeah, over a period of time I think --

17 Mr. Winuk: Okay.

18 Mr. DeMaura: -- Tony and Jeff put together a -- the type of  
19 plan that they thought would make the most sense in California.

20 Mr. Winuk: So it's fair to say there was a series of  
21 conversations on it? I know you don't remember specific dates  
22 unless you do.

23 Mr. DeMaura: Yeah. I think -- I think most likely there was a  
24 series I think probably of informal conversations, yeah.

25 Mr. Winuk: Okay. So to the best of your memory what was the

1 plan that was developed over that period of time?

2 Mr. DeMaura: That AJS would engage in television and I believe  
3 radio issue advocacy efforts over the summer months and maybe  
4 early fall of 2012, discussing --

5 Mr. Winuk: So sorry. You said summer months and then what did  
6 you say about --

7 Mr. DeMaura: Maybe early fall. I can't remember when the  
8 dates of our (inaudible) discussing, you know, governmental  
9 issues, spending, ethics, unionization.

10 Mr. Winuk: Okay. So maybe tell us to the best of your  
11 recollection some of the specifics of the plan. Maybe we'll  
12 start with fundraising. As much detail as you can remember,  
13 was there a targeted fundraising goal? What was your  
14 understanding of how it was to be raised? I have more but I  
15 won't give you 50 at the same time because then Cris will say  
16 bad things to me so --

17 Mr. DeMaura: Tony and Jeff were to be in charge of, you know,  
18 either fundraising directly, in some instances making  
19 introductions. Our -- I believe the goal in the first plan was  
20 about \$20 million, a little more than \$20 million, that we  
21 would, you know, within that plan have some activities,  
22 specifically, I believe, television and radio, I believe, and  
23 the initial plan was some online activities which had a couple  
24 components and then, you know, a few other fundraising folks to,  
25 you know, help open the doors, I think.

1 Mr. Zall: How much detail did Jeff and Tony give you, I guess,  
2 about sort of their overall plan? I mean, it sounds like there  
3 was an agreement that AJS would do some issue advocacy but was  
4 there also -- did they fill you in on sort of the overall plan  
5 and how this was just a component of their overall plan?

6 Mr. DeMaura: I wouldn't describe it in that way but most of  
7 our conversations were about AJS. From time to time in  
8 discussing putting together a plan there was very limited  
9 discussion of what another group may be considering doing. But  
10 it was really limited to, like, sidebar notes rather than, you  
11 know, a holistic conversation.

12 Mr. Zall: Well, for example, did they make you aware of the  
13 ballot measures that were -- that were on the ballot or was it  
14 just generally just these issues, you know, governmental waste  
15 and how much detail did they give you about what their plan was  
16 in California?

17 Mr. DeMaura: Uh-huh. I can't recall specifically how I  
18 learned about the ballot measures but at some point I learned  
19 about that. I can't recall if they told me or they came up.  
20 But at some point they certainly came up and I was made aware  
21 of them. But I don't recall them being a part of our initial  
22 conversations.

23 Mr. Winuk: So why did you decide to take them up on their  
24 offer, I guess, and do this?

25 Mr. DeMaura: You know, there were a number of reasons. The

1 first being that, you know, these were very clearly issues that  
2 -- the type of issues that AJS likes to work on and that occur  
3 within our mission and if we -- you know, just from a practical  
4 standpoint if we had folks willing to help raise us money on  
5 issues that just very clearly fit within our mission then it  
6 makes sense. I'd say, you know, additionally it seemed, you  
7 know, in our initial conversations with our lawyers that it was  
8 perfectly permissible for us to engage in issue advocacy. And  
9 so if, you know, these things all lined up it would make sense  
10 for us as an organization.

11 Mr. Winuk: So -- go ahead and ask it.

12 Mr. Perna: When the plan was being developed by Jeff and Tony  
13 -- the plan included both issue advocacy and express advocacy -  
14 - so when did you first see -- did they show that plan to you  
15 and when did they show it to you?

16 Mr. DeMaura: The initial or the plan that I saw included only  
17 components for AJS. I believe there was a presentation I was a  
18 part of that the plan, you know, remained the same just  
19 including AJS. But at one point I was aware of, you know, an  
20 additional effort.

21 Mr. Zall: Did you ever -- here, you want to take a quick look  
22 at this? I want to show him this packet here. Did you ever --  
23 take a quick look at that.

24 Ms. Arguedas: Let's describe it so.

25 Mr. Zall: Yeah, okay. So it's just a --



1 Mr. Winuk: It's a PowerPoint presentation. It's got  
2 California Comeback on it. It's a series of slides breaking  
3 down a fundraising strategy and some expenditure strategies  
4 that include both express and issue advocacy.

5 Mr. Anderson: And this isn't something we produced to you?

6 Mr. Zall: No.

7 Mr. Anderson: Okay.

8 Mr. Zall: No. This was produced by Mr. Russo and --

9 Mr. Winuk: Well, this was conveyed to us as their overall  
10 plan.

11 Mr. Zall: Plan. This was their plan and this was -- this was  
12 a part of the presentation that they made to folks that they  
13 solicited to --

14 Mr. Winuk: That was their donor presentation --

15 Mr. Zall: Donor presentation. Right.

16 Mr. Winuk: -- that they solicit the money off of. It looks  
17 like redactions but they're actually videos.

18 Mr. DeMaura: Okay. Yes. Okay. So what is the question?

19 Mr. Zall: So I guess the question is is just kind of did you  
20 ever -- do you recognize that? Did you ever see that?

21 Mr. DeMaura: I recognize the proposal or a PowerPoint very  
22 much like this, yeah. I can't say it's the exact same  
23 PowerPoint but --

24 Mr. Zall: And do you recall when you would have -- did you see  
25 something like this fairly early on?

1 Mr. DeMaura: I do believe at some point they, you know, ran  
2 it by me, via email. So yeah, I would have seen something like  
3 this at some point.

4 Mr. Zall: And would this have been before or after AJS  
5 committed to do the issue advocacy that Miller and Russo were  
6 asking you guys to do?

7 Mr. DeMaura: I'd say most likely after.

8 Mr. Winuk: When you made the decision to do this did you  
9 consult with the board at all or did you do that unilaterally?

10 Mr. DeMaura: I believe I had a few -- there was three board  
11 members at the time so two other than myself. I believe I had  
12 informal conversations with each of them. There was no formal  
13 measure to get approved. We don't really do that.

14 Mr. Winuk: What did you tell them, to the best of your memory,  
15 about what was going to happen?

16 Mr. DeMaura: You know, that we were considering doing a issue  
17 advocacy campaign in California. We had good hopes about it,  
18 you know, some of the issues that we hoped to talk about.

19 Mr. Winuk: Do you remember discussing this with anyone else  
20 outside of those board members?

21 Mr. DeMaura: David Carney and his partner, James McKay, and I  
22 most likely, you know, mentioned it in the course of business  
23 to Mike Dubke who is another one of our consultants merely, I  
24 think, in an informative fashion.

25 Mr. Winuk: So at this point did you have any conversation with

1 Sean Noble about this or no?

2 Mr. DeMaura: No.

3 Mr. Winuk: Okay. So the plan was to do your TV issue ads you  
4 said over the summer to early fall?

5 Mr. DeMaura: Yeah.

6 Mr. Winuk: What from your experience is the lead time you need  
7 to buy, to reserve the time, I guess, for TV ads?

8 Mr. DeMaura: You know, the lead time you need to reserve TV  
9 ads is actually is actually fairly limited. You probably only  
10 need, you know, a couple days. The lead time you should have  
11 is a little longer.

12 Mr. Winuk: Do you think that's true even in a campaign year?

13 Mr. DeMaura: Yeah. I mean, you typically, you know,  
14 televisions would be -- the stations would be happy to take  
15 your money if you called them up but, you know, it's best to  
16 have a week or two. But you can purchase within 48 hours or  
17 so.

18 Mr. Winuk: So as you're developing this plan to -- well, why  
19 don't you tell us your understanding of what the plan was? The  
20 plan was to raise \$20 million. What from your perspective was  
21 that going to be spent on? If you could break it down maybe a  
22 little more detail.

23 Mr. DeMaura: Sure. I'd say --

24 Mr. Winuk: There's a, you know, one of the documents provided  
25 -- gave us this, if it helps (inaudible).

1 Mr. DeMaura: Yeah. I would say this is probably --

2 Mr. Anderson: So if we can have the number just because we got

3 Bob recording here. The number in the lower right hand corner.

4 Mr. DeMaura: Twenty-three million five hundred eighty eight.

5 Mr. Anderson: No, no, no.

6 Mr. Winuk: No. It's the --

7 Mr. Zall: Production number.

8 Mr. Anderson: Just to identify.

9 Mr. DeMaura: DeMaura 000450.

10 Mr. Anderson: Okay.

11 Mr. Winuk: Obviously, we know what the document says. It says

12 the plan of what to spend on. I guess what my question is

13 focused on is maybe you can walk us through specifically the

14 purchase of radio, TV ads, what you've used as the production

15 schedule for radio. I know sometimes web ads are developed

16 first and then you run them on TV. Maybe just walk us through

17 what's your understanding of the schedule was going to be.

18 Mr. Zall: Well, Gary, let me just ask my -- if you don't mind.

19 Do you know -- Mr. DeMaura, do you have any idea the time frame

20 for this document here? Do you have any idea when this would

21 have been produced? Was it right at the outset, at the get-go?

22 Mr. DeMaura: Not that I recall.

23 Mr. Winuk: Do you know who produced this document?

24 Mr. DeMaura: I believe I received it from Tony Russo. I don't

25 know who produced it but --

1 Mr. Winuk: Do you recall a time frame at all?

2 Mr. DeMaura: I mean, I believe at some point I asked for them  
3 to put together a budget. At some point I received it.

4 Mr. Winuk: Who from your perspective was responsible then for  
5 developing and purchasing the ads? Was that you or is that  
6 Russo or is it an outside consultant?

7 Mr. DeMaura: I'd say developing the advertisements themselves  
8 would be an outside consultant and purchasing advertisements  
9 would be an outside consultant.

10 Mr. Winuk: And were you responsible for managing that outside  
11 consultant or was someone else?

12 Mr. DeMaura: I'd say, you know, part of what I hired Tony and  
13 Jeff to do was to help manage the project. So in part it would  
14 be, you know, Tony and Jeff and part, especially those that I  
15 had previous relationships with, I would, you know, be a part  
16 of the day to day managing of the consultants.

17 Mr. Winuk: So who actually picked these consultants  
18 (inaudible) spending or I should say you wound up spending --  
19 do you have their expenditure sheet (inaudible)? You may  
20 recall off the top of your head but if not we can find the  
21 expenditure sheet for you. You wound up paying for some  
22 consultants taken in developing some ads. Who was in charge of  
23 managing that and if it was split just kind of give us a sense  
24 of how the project was managed.

25 Mr. DeMaura: Sure. Tony and Jeff primarily picked these

1 consultants. You know, they were the ones in my mind with the  
2 local expertise and they're the ones that we had hired to do  
3 this. So, you know, they picked them. A lot of these folks  
4 are people that, you know, I wouldn't say I know but, you know,  
5 I know of. So and there's folks that I've never heard of.

6 Mr. Winuk: Did you have any supervision of the content? Were  
7 they running drafts by you or sample ads?

8 Mr. DeMaura: Yeah. I had asked if they would, yes.

9 Mr. Winuk: Okay. So do you recall -- did you approve all of  
10 the ones that were developed?

11 Mr. DeMaura: I can't say whether I approved all of the ones  
12 that were developed. But there were a number of ads that I did  
13 see that were also seen by legal counsel and approved, yes.

14 Mr. Winuk: Okay.

15 Mr. Zall: So is it -- it's fair -- is it fair to say then that  
16 summarizing, I guess, about how the project worked that Russo  
17 and Miller pitched this idea to AJS and then AJS agreed to do  
18 it and then you hired them to manage the project. Is that --  
19 is that unfair or is that a fair characterization, I guess, of  
20 how the project was run?

21 Mr. DeMaura: I'd say that's an accurate or fairly accurate  
22 characterization.

23 Mr. Zall: Okay. Is it also fair to say I guess that because  
24 ultimately the money was raised and sent to AJS and that AJS  
25 would have had to pay all these folks in the budget that

1 ultimately you had to approve or AJS -- someone from AJS had to  
2 approve or stamp the decisions -- the decisions that Russo and  
3 Miller made?

4 Mr. DeMaura: Yeah. Russo and Miller had, you know, no  
5 ability to disburse funds from AJS. So myself I would have to,  
6 you know, write the check or the wire transfer, yeah.

7 Mr. Zall: Okay. So they were sort of the day to day managers  
8 but you had final approval as to the disbursement of funds?

9 Mr. DeMaura: That's accurate.

10 Mr. Zall: Okay.

11 Mr. Perna: So you -- they picked -- because they had the local  
12 expertise so they picked the people who were going to develop  
13 these -- the ads and -- but the funds that were used to pay for  
14 the ads were paid by AJS. Is that correct?

15 Mr. DeMaura: Do you mean generally like as part of the plan  
16 or specifically or --

17 Mr. Perna: Just in general because the ads were -- you said  
18 they picked the people to create the ads. So who -- there was  
19 other parties who possibly could have paid for those ads. So  
20 I was asking did the funds that pay for the ads were they funds  
21 that you disbursed through AJS?

22 Mr. DeMaura: So our plan was to -- was to pay McCarthy  
23 Hennings Media for the media production on those television  
24 ads. AJS decided not to do the television ads so we never paid  
25 for those ads.

1 Mr. Winuk: So were you happy, disappointed or somewhere in the  
2 middle as to how the fundraising was going as the summer was  
3 approaching? Because the plan was to spend money over the  
4 summer into the fall. So how, from your perspective, did  
5 things get off to a good start, a bad start or a medium start?

6 Mr. DeMaura: Sure. I'd say that I'd characterize things as  
7 starting slow. You know, unfortunately it's very common for  
8 these things to start slow so you can't start as you planned.  
9 But you would hope that they would so they -- I would  
10 characterize it as starting slow.

11 Mr. Winuk: How much communication were you having with Tony  
12 and Jeff at this point about the project? Let's say the summer  
13 was rolling around -- the June/July time frame. Daily, weekly,  
14 monthly? How much communication are you having with them about  
15 it?

16 Mr. DeMaura: I would say multiple times a week. So fairly  
17 regular communication.

18 Mr. Winuk: And in that time period what were kind of the  
19 nature of the communications?

20 Mr. DeMaura: Primarily, I would say the nature of the  
21 communication was focused on our efforts to raise funds.

22 Mr. Zall: How much detail did they give you about the pitches  
23 that they were making to their prospective donors?

24 Mr. DeMaura: We -- you know, we had some initial  
25 conversations with them about, you know, the types of things we



1 say, the types of, you know, programs we like to do. So that's  
2 how they designed the program. So we spent a lot of time at  
3 the beginning kind of talking about how AJS operates, you know,  
4 how do you raise funds, that sort of thing. But on a day to  
5 day basis after those conversations it was more, you know, nuts  
6 and bolts rather than asking them to tell me again what they  
7 said.

8 Mr. Zall: So the pitch -- the pitch -- the details of the  
9 pitch they did not necessarily discuss those with you? They  
10 would discuss with you the outcome, how much someone committed  
11 or whether they gave a commitment at all? Is that -- is that  
12 accurate?

13 Mr. DeMaura: I'd say that at the -- at the beginning we had  
14 conversations about, you know, what we felt comfortable with  
15 the pitch entailing and then afterwards, yes, I would say that  
16 was -- that's a fairly accurate description.

17 Mr. Zall: But when you say comfortable was there some -- were  
18 there some things that were uncomfortable in the beginning in  
19 terms of what they wanted to say versus what you felt  
20 comfortable saying?

21 Mr. DeMaura: No. I wouldn't describe it in that way. I  
22 would say it was more, you know, these are two folks that, you  
23 know, didn't -- hadn't worked for Americans for Job Security  
24 previously. So we spent time, you know, getting them up to  
25 speed on, you know, the organization's history, the types of

1 projects we've worked in the past, you know, and going through  
2 the types of questions that people ask. So I wouldn't say  
3 there was uncomfort. It was just more of a learning curve to  
4 get them up to speed on AJS.

5 Mr. Winuk: Were there other similar type arrangements you had  
6 in other states of different groups during the last year?

7 Mr. DeMaura: I wouldn't say in different states but on  
8 different projects we worked on the federal level.

9 Mr. Winuk: What did you view as your level of independence  
10 with the membership funds that were raised? So they raised, I  
11 guess, all told \$20 million came in obviously. Did you feel  
12 you could do whatever you wanted with the funds if push came to  
13 shove or did you feel that you had to basically do what they  
14 were asking in terms of executing the plan you developed?

15 Mr. Anderson: Who's they Gary? I think I know but you mean  
16 Jeff and Tony?

17 Mr. Winuk: They, I'm saying Jeff and Tony. Thank you.

18 Mr. DeMaura: You know, at the end of the day, you know, I was  
19 the one that, you know, had authority over spending the funds.  
20 You know, it was in my interest to listen to the people that  
21 I'd hired to provide guidance. But at the end of the day the  
22 funds, in our belief, goes into the General Fund and we have  
23 the opportunity to spend it as we think makes sense.

24 Mr. Zall: And how did you -- did you ever have any discussions  
25 with Jeff and Tony about how the -- whether the donors that

1 gave the funds were made fully aware of the fact that AJS  
2 retained the discretion to do as they wished with these moneys  
3 that were coming in?

4 Mr. DeMaura: That was a part of our initial conversations on  
5 getting Jeff and Tony up to speed on the organization is that  
6 they knew or we had conversations about the fact that they had  
7 to tell every prospective member that the funds were for a  
8 General Fund and, you know, were, you know, used at our  
9 discretion. But we had all sort of plans and projects that we  
10 hoped to engage in.

11 Mr. Winuk: So some of the -- some of the fundraising materials  
12 I believe you saw there was a sheet that sort of was a  
13 contributor sheet, like your typical contributor sheet, to AJS  
14 and that sheet stated that the money was going to basically  
15 come back to California for issue advocacy. Did you see and  
16 approve that and how does that fit with what you're saying  
17 about the use of membership funds?

18 Mr. DeMaura: I don't know what sheet.

19 Mr. Anderson: Yeah, so maybe we should look at the document?  
20 They're asking if you approved it.

21 Mr. Winuk: I'll just get past my 500 990 (inaudible).

22 Mr. Zall: There you go.

23 Mr. Winuk: That isn't the one I was looking for. Thank you.

24 Bob, do you know what I was talking about where they --

25 Mr. Perna: I do. I'm just trying to find it.

1 Mr. Winuk: No, there was the -- it's the contributor sheet.  
2 It's got the name, address, employer on the bottom.  
3 Mr. Zall: Well, here. Why don't you ask him about this and  
4 I'll look for that. It's the same -- it's the same point Gary.  
5 Mr. Winuk: That's what I'm looking for. Thank you.  
6 Mr. Zall: Okay. Here's this one.  
7 Mr. Winuk: Okay. I'll take that one too. So this is a --  
8 again, if you want to reference the document number at the  
9 bottom.  
10 Mr. DeMaura: 000539.  
11 Mr. Winuk: Thanks. So this is kind of your standard  
12 contributor sheet and it kind of breaks down -- this was also  
13 provided to us by Jeff and Tony as part of the packet that they  
14 put out to donors and they gave them the choice. They said,  
15 look, this is a sensitive issue. Some of you don't want your  
16 contributions disclosed legally by having issue ads done with  
17 Americans for Job Security or you can give to Small Business  
18 Action Committee for an express advocacy which will be  
19 disclosed all, you know, perfectly consistent with California  
20 law. But their solicitation basically said their money was  
21 going to be returned to California to be spent on issue ads  
22 through that. I just want to get your perspective on that  
23 sheet and kind of how you see that as consistent with what  
24 you're saying about the independence of the funds.  
25 Mr. DeMaura: Uh-huh. Yeah, I believe -- I believe that this

1 is a draft of a form that I don't think was ever used or if it  
2 was used, you know, I had asked for it to be changed. So we --  
3 in my mind didn't use this form. Mostly, just because, you  
4 know, I like to with Americans keep our stuff separate and, you  
5 know, on its own. But --

6 Mr. Winuk: Okay. So thank you, Cliff. (Inaudible) so there  
7 were two versions and I apologize, if you don't mind giving us  
8 the document numbers on the bottom too.

9 Mr. DeMaura: 001846 and 002399.

10 Mr. Winuk: So these two are ones --

11 Mr. Zall: Can you repeat that?

12 Mr. DeMaura: Sure. 001846 and 000539.

13 Mr. Winuk: So these two -- are you the author of these two or  
14 did you provide these to Tony or Jeff?

15 Mr. DeMaura: These letters look familiar, yeah.

16 Mr. Winuk: Okay. So kind of tell us how you said that this  
17 wasn't something that you approved. Were these the ones that  
18 sort of you approved or what was your direction to them for how  
19 to solicit those funds? If you want to take a minute to read  
20 it, I mean, by all means. Sorry, I'm going to throw one more  
21 in the mix. Thank you, Bob. I think he wants the number, I'm  
22 sure.

23 Mr. DeMaura: 003110.

24 Mr. Winuk: I won't rush you on this question so, I mean, if  
25 you want to take a minute to look through those we're not --

1 we're not in a hurry.

2 Mr. DeMaura: I mean, I can't say with -- you know, without the  
3 corresponding emails and thought process at the time. But I  
4 believe --

5 Mr. Winuk: And let me just tell you my question is not  
6 premised by that there's anything wrong with the way the funds  
7 were solicited. All these, as far as I know, are actually  
8 consistent with law. But for us we just want to know your  
9 perception of how the funds were to be solicited and what the  
10 use was going to be because you've told us that these are  
11 membership funds for your corporations, you know, not a  
12 problem. But we also know that some of, you know, there was at  
13 least a different perception on Mr. Russo and Mr. Miller's part  
14 of how they were soliciting from their contributors and it  
15 sounds like there was some tensions. Just wanted your  
16 perspective of how that -- the discussion and how it got  
17 resolved.

18 Mr. DeMaura: Again, without, you know, full context I can't  
19 say definitively but I think that these are the two drafts of  
20 the same letter, or they seem to be to me. It seems that way.  
21 So there are certainly -- you know, we have the ability to if  
22 we'd like to have members dedicate funds. That's not something  
23 we primarily engaged in and, you know, unless there was a  
24 definitive reason not to that's, you know, in my mind was  
25 something we told all our members, all our potential members,

1 is that the moneys went into the General Fund they didn't have  
2 control over it after they gave it to us.

3 Mr. Winuk: Okay. But just specifically with Mr. Miller and  
4 Mr. Russo do you recall giving them any specific direction on  
5 how to raise the funds and what to tell donors?

6 Mr. DeMaura: You know, from a AJS perspective, absolutely,  
7 yeah. From a -- these are the types of things is how we  
8 operate. The money goes into the General Fund. It's  
9 membership. Those types of background we provided. Yeah,  
10 absolutely.

11 Mr. Winuk: So you did provide -- you're saying you told them  
12 that specifically or --

13 Mr. DeMaura: Yes. Yes. Absolutely.

14 Mr. Winuk: Okay. So you told them -- did you tell them  
15 specifically to not use that first -- the first one I showed  
16 you, and we can go to that number. I'm referring to 539. Did  
17 you tell them specifically not to use this?

18 Mr. DeMaura: My recollection was that I had requested a  
19 different copy of that to be made, yes.

20 Mr. Winuk: Okay. And then do you recall specifically telling  
21 them to use one of the two -- I do not have the eyesight to see  
22 the numbers that far, unfortunately, but --

23 Mr. DeMaura: 001846 or 002399.

24 Mr. Winuk: And do you recall telling them to do that  
25 specifically?

1 Mr. DeMaura: I remember there was a back and forth with drafts  
2 and, you know, my -- I think they provided an initial draft and  
3 I made some edits and, you know, I think there was a little bit  
4 of back and forth.

5 Mr. Winuk: Okay.

6 Mr. DeMaura: So we finalized on some copy, yes.

7 Mr. Zall: We --

8 Mr. Winuk: So it's -- sorry, just give me one second. So it's  
9 fair to say that you gave them direction to solicit the funds  
10 for membership in the organization, not specifically for the  
11 issue ads. Is that fair? I don't mean to put words in your  
12 mouth so if there's something differently you want to describe  
13 it please do.

14 Mr. DeMaura: I mean, the way I would describe it is that they  
15 were -- in my mind they knew to tell members and potential  
16 members that all the funds would go in the General Fund, you  
17 know --

18 Mr. Winuk: And to be used for any purpose or --

19 Mr. DeMaura: Correct.

20 Mr. Winuk: -- were going to be used for a specific purpose?

21 Mr. DeMaura: And could be used for any purpose. But with  
22 that said, you know, they were perfectly free to pitch  
23 proposals and the types of things that we hoped to engage in if  
24 we had the resources.

25 Mr. Winuk: Okay. You used the word hope. I'm sorry, Cliff.



1 I've got one more.

2 Mr. Zall: Sure. Go ahead.

3 Mr. Winuk: So you used the word hope. How specific were you  
4 in giving that -- that's an important word, I guess, in a  
5 solicitation. If I said Mr. DeMaura, I want you to give me  
6 money -- we're going to spend issue ads. That's one thing.  
7 Mr. DeMaura, give me money -- I hope we're going to spend it on  
8 issue ads, those are two different things. Do you recall being  
9 specific with them on that point?

10 Mr. DeMaura: I don't recall if I was or was not.

11 Mr. Winuk: Okay. So your understanding it was a discretion  
12 they had for how they could pitch it was what?

13 Mr. DeMaura: I mean, my understanding was that they were going  
14 to, you know, follow the rules and outlines that I had laid out  
15 in that, you know, the legal counsel had provided them.

16 Mr. Winuk: And can you tell us your understanding of those  
17 rules again, just choosing your words as carefully as you can  
18 for what those were?

19 Mr. DeMaura: As to what I said for AJS?

20 Mr. Winuk: What your understanding as the rules as you  
21 described it to Mr. Russo and Mr. Miller. What were the rules  
22 that you gave them for soliciting funds?

23 Mr. DeMaura: That Americans for Job Security accepts moneys  
24 into our General Fund. We accept membership from businesses,  
25 corporations, entrepreneurs, individuals. That they were free

1 to pitch specific proposals so long as the potential members  
2 knew that, you know, these -- this was one of the programs that  
3 we were hoping or looking to engage in if we had the resources  
4 and that, you know, there was a couple other specific rules  
5 that -- such as that affect more the IRS status like membership  
6 can't be, you know, deducted as a business expense and that  
7 sort of thing.

8 Mr. Anderson: Gary, can I clean up one thing?

9 Mr. Winuk: Sure.

10 Mr. Anderson: Yeah. You may be describing a particular  
11 conversation that you recall with Tony and Jeff or maybe that  
12 this is how you understand it works and you figure you would  
13 have explained it to them. Which of those is it? It could be  
14 either but so that the record is clear.

15 Mr. DeMaura: I'd say it would be the latter. I mean, I  
16 believe there was a specific conversation and this is the type  
17 of communication I have in those instances.

18 Mr. Zall: So if a donor -- a potential donor that Russo and  
19 Miller or other fundraisers that were working on this project -  
20 - if a potential donor asked so if I give \$500,000 to Americans  
21 for Job Security that's going to be used to run issue ads in  
22 California that are anti-tax and anti-union. Is that right?  
23 Your understanding of what Mr. Russo and Mr. Miller should be  
24 saying is no, we can't make that kind of a commitment?

25 Mr. DeMaura: My response in that situation would be I can

1 provide no commitment but our hope and plan is to, you know,  
2 run a X, Y, Z program. So that -- I mean, that's what my  
3 response --

4 Mr. Zall: And did this come up at all? Did this -- did that  
5 kind of a situation come up, to your recollection, during this  
6 effort to raise money where donors were asking for commitments  
7 and there was discussion about what sorts of commitments you  
8 could or couldn't make?

9 Mr. DeMaura: Yes.

10 Mr. Zall: Without naming the donor, can you describe what --  
11 your recollection of what entailed -- what entailed?

12 Mr. DeMaura: Sure, and I didn't have specific communications  
13 with, you know, the member where, you know, this occurred. But  
14 my understanding is after being told this that, you know, that  
15 no guarantees could be made that the money was in the General  
16 Fund but this is the program. They asked for I guess greater  
17 assurances that the money would be spent in California on issue  
18 advocacy and we obliged.

19 Mr. Anderson: So you are talking about one particular donor?

20 Mr. DeMaura: To my knowledge, yes. Only one.

21 Mr. Zall: Right. Now, this is a member donor or whatever  
22 phrase you want to do that we learned his name independently so  
23 I feel like it's consistent with our agreement that I can ask  
24 him specifically about this individual. Does that seem fair?

25 Mr. Anderson: Yeah. Yeah. So I want to do it practically.

1 You know, if we could just agree that in answering your  
2 questions Steve's not confirming or denying that that is the  
3 donor but he'll answer your questions just as you phrased them.  
4 You're allowed to ask them. He's not allowed to reveal. So  
5 you tell me how you want to do it.

6 Mr. Zall: I mean, it's kind of silly, I guess, because we have  
7 the guy's name and we -- so I guess there's not much point in  
8 me asking --

9 Mr. Winuk: Well, I think we can put on the record that Mr.  
10 DeMaura didn't give us the name of the donor. It's something  
11 we acquired independently anyway.

12 Mr. Anderson: Yeah. Yeah, and we agree you're allowed to ask  
13 questions about someone who you independently identified.

14 Mr. Zall: Because I think that that -- that that individual is  
15 the individual that he's talking about.

16 Mr. Anderson: I think it is too.

17 Mr. Zall: -- and that is the individual that those letters,  
18 that those assurances that he's stating were not his normal  
19 practice were made to and so --

20 Mr. Anderson: Yeah.

21 Mr. Zall: I don't know. I guess (inaudible) we know who it is  
22 so do we need him to confirm it? I don't know.

23 Mr. Winuk: I don't think so.

24 Mr. Zall: Okay. Then let's just -- you know what? Then  
25 that's fine. Those letters that you have in front of you are

1 those -- this unnamed individual donor that wanted more  
2 assurances or that -- do you recall those letters being  
3 connected with that individual?

4 Mr. DeMaura: I believe so, yes.

5 Mr. Zall: Okay. And was that the only time that you can  
6 recall that somebody wanted more concrete assurances about  
7 where his or her money would go?

8 Mr. DeMaura: I don't recall if it was the only time that  
9 somebody wanted more assurances. It's the only time to my  
10 recollection that we provided them or there was a serious  
11 discussion.

12 Mr. Zall: Okay.

13 Mr. Winuk: So at that point, and I'm still in the June/July  
14 2012 time frame, was it still your intent though to execute the  
15 broad outlines of this plan that's in document 450?

16 Mr. DeMaura: Absolutely.

17 Mr. Winuk: Okay. So for this document the actual purchase of  
18 some of these items was done by Mr. Miller and Mr. Russo and  
19 then approved by you?

20 Mr. DeMaura: Say that again.

21 Mr. Winuk: I'm sorry. When we were talking before you  
22 mentioned that Mr. Russo and Mr. Miller were sort of the  
23 project managers and that AJS was writing the checks and you  
24 were sort of supervising them but they were making the  
25 expenditures directly. Is that true? For example, the media

1 production for Mr. McCarthy that's listed off for \$50,000. At  
2 some point some ads were developed, correct?

3 Mr. DeMaura: Uh-huh.

4 Mr. Winuk: And they were placed on the web, right?

5 Mr. DeMaura: So at some point, you know, television  
6 advertisements were developed, yes.

7 Mr. Winuk: Okay.

8 Mr. DeMaura: I don't -- I mean --

9 Mr. Winuk: Were you responsible directly for supervising the  
10 production or did Mr. Miller and Mr. Russo have them developed  
11 and then show them to you?

12 Mr. DeMaura: Yeah. Mr.--

13 Mr. Winuk: And ask for a check and approval?

14 Mr. DeMaura: Yeah. Mr. Miller and Russo, you know, worked  
15 with them independently to -- where I wasn't a part of that  
16 loop, yeah.

17 Mr. Winuk: And was that in anticipation of running the issue  
18 ads at what point? Because June-July fundraising is going slow  
19 --

20 Mr. DeMaura: Yeah.

21 Mr. Winuk: -- you're getting past the initial point where you  
22 originally want to do those.

23 Mr. DeMaura: Yeah.

24 Mr. Winuk: So the development of those ads was that -- did the  
25 time frame shift, I guess, is what I'm asking at some point?

1 Mr. DeMaura: Yeah. I think the ads were developed on the  
2 earlier side also to help, you know, with informing potential  
3 members as the type of ads that we would run.

4 Mr. Winuk: Right.

5 Mr. DeMaura: That, you know, show them hey, this is the type  
6 of thing we could do.

7 Mr. Winuk: So why were no ads run in the summer then?

8 Mr. DeMaura: I don't believe we had the resources.

9 Mr. Winuk: Okay. So it gets to be August of 2012. Were more  
10 resources coming in at that point?

11 Mr. DeMaura: I believe (inaudible).

12 Mr. Winuk: Okay. So at some point was the decision made not  
13 to run issue ads?

14 Mr. DeMaura: I wouldn't -- I can't recall a specific decision  
15 but there was a gradual, you know, move towards a decision that  
16 for a number of reasons that, you know, either at that time you  
17 would be engaging in issue advocacy or, you know, potentially  
18 at all. Some of that was, you know, our understanding of, you  
19 know, the regulatory structure we had to work in. You know, as  
20 the time got later things got more difficult.

21 Mr. Winuk: So let's talk about that maybe to --

22 Mr. Zall: So okay. So you just said that the -- as time moved  
23 along there was a realization that there was some regulatory  
24 problems that presented themselves that made it more difficult  
25 to proceed with the plan. Where did that realization come

1 from? And again, if you consulted with an attorney you can  
2 just tell me that you -- that that came from Chip Nielson or  
3 it came from -- without getting into the substance of those  
4 conversations. So I guess where did that realization come  
5 from?

6 Mr. DeMaura: I'd say primarily Chip Nielson.

7 Mr. Zall: Okay. And --

8 Mr. Winuk: Can I ask why you -- why you thought to reach out  
9 to him -- at what point you thought it was necessary to reach  
10 out to him and talk about the issue ads?

11 Mr. DeMaura: So there was -- you know, there's two tracks to  
12 that. One, Chip was the recommendation of Tony and Jeff, you  
13 know, which we've already been over that recommended on. He's  
14 also the recommendation of my national council to use on  
15 California matters. So --

16 Mr. Winuk: But I mean what changed in terms of the plan that  
17 made you want to question whether or not you could still do  
18 issue ads?

19 Mr. DeMaura: I would describe it as, you know, Chip had been a  
20 part of these conversations all along -- you know, reviewing  
21 the fundraising materials, reviewing the scripts or the  
22 advertisements and at some point -- I believe it was around  
23 August 30th -- we decided to have a conversation of --

24 Mr. Winuk: Who is we? Sorry.

25 Mr. DeMaura: Tony Russo and Chip Nielson and myself, and we



1 decided to have a conversation of hey, does it still -- are we  
2 still allowed to do issue advocacy when we have the resources  
3 to do something, what are our other options -- that sort of  
4 thing.

5 Mr. Zall: So just -- I'm sorry. So it was just -- I guess  
6 what we're trying to get at, right, is you have this plan.  
7 You're raising money for this plan and then all of a sudden you  
8 can't do the plan and you're saying, you know, Chip's involved  
9 in the beginning and he's -- you're consulting with him. Is  
10 there something that happens or is it just sort of happenstance  
11 that you just happen to call Chip and then all of a sudden you  
12 guys go oh, I guess we can't do that? I mean, how does this  
13 decision to go in a different direction -- maybe give us a  
14 little bit more detail about how that comes about.

15 Mr. Winuk: Thinking about the time frame who first raised the  
16 issue, what was the nature of the discussion and then when was  
17 Chip brought in. Those are the types of things we're looking  
18 at.

19 Mr. DeMaura: Okay. Well, when Chip was brought in Chip was a  
20 part of all these conversations for a long time. On August  
21 30th we had a long conversation about hey, we have these funds  
22 -- let's spend them, essentially.

23 Mr. Zall: So I'm sorry to interrupt you but is that -- so it  
24 just so happens on August 30th you guys decide oh, we've got  
25 enough money to go forward now and so now we better clear it

1 with legal or is it a --

2 Mr. Winuk: Well, was it a telephone call?

3 Mr. DeMaura: Yes.

4 Mr. Winuk: Okay. So who was on the telephone call?

5 Mr. DeMaura: Tony Russo, Chip and myself.

6 Mr. Winuk: And what was the original purpose of the call?

7 Mr. DeMaura: I think to go over, you know, the ads that we had  
8 developed to ensure that Chip was comfortable with it. I  
9 wanted to get, you know, make sure I was fully up to speed as  
10 to what we would have to do if we ran those ads, and then as  
11 the conversation progressed we went over, you know, what our  
12 other options were.

13 Mr. Winuk: And at that point, though, at least going into that  
14 call did you have it in your head that the issue ads could  
15 still be --

16 Mr. DeMaura: Yes.

17 Mr. Winuk: And did you feel you had enough funding for it at  
18 that point?

19 Mr. DeMaura: To at least begin, yes.

20 Mr. Zall: So was that --

21 Mr. Winuk: And you're -- sorry. Can I just ask one more  
22 thing? And you weren't concerned about lead time, that you  
23 could still purchase those ads effectively?

24 Mr. DeMaura: Yeah. I think -- I mean, again, you know, it  
25 differs --

1 Mr. Winuk: Sure.

2 Mr. DeMaura: -- but you could purchase it pretty quickly if  
3 you needed to.

4 Mr. Winuk: Okay. What were you going to say?

5 Mr. Zall: So I guess is it just -- did the call happen because  
6 this is about the time that you guys feel you have enough money  
7 to go forward or was it prearranged to have a call at that  
8 time? I guess I'm trying to get at, you know, why did this  
9 happen on August 30th and not two weeks earlier? Is it just  
10 because you felt you had enough money to go forward then and  
11 you didn't two weeks before that?

12 Mr. DeMaura: I can't recall specifically but I think it was  
13 because we had enough resources to do something, yeah.

14 Mr. Winuk: So what if anything was decided on that call about  
15 you going forward with the issue ads?

16 Mr. DeMaura: I'm not sure if there was, you know, a definitive  
17 decision. But Chip had warned that issue advocacy would  
18 become, you know, potentially troublesome given our first  
19 promise that we provide our members which was not to discuss or  
20 disclose our membership and that his advice -- well, I guess we  
21 shouldn't get into that but my knowledge moving forward was  
22 that, you know, I guess there's some sort of gray area that,  
23 you know, people other than ourselves would be able to define  
24 whether these were issue ads or not and that's something that  
25 we didn't feel particularly comfortable with.

1 Mr. Winuk: And were you aware of that rule at all personally  
2 before that?

3 Mr. DeMaura: Yes. Oh, yeah. Yeah. I mean, I was generally  
4 aware of it, not the specifics of it.

5 Mr. Winuk: Okay.

6 Mr. DeMaura: And it works, you know, somewhat similarly on the  
7 federal level.

8 Mr. Winuk: Okay. So what's the next conversation you have  
9 about the funds after the issue was identified that you may not  
10 be able to spend them? Sorry. Do you recall at this point  
11 around how much funding you had available?

12 Mr. DeMaura: No, not that I recall.

13 Mr. Winuk: Okay. So tell us about the next conversation you  
14 recall about -- once you learned you couldn't spend on issue  
15 ads -- let me ask you this. Did you inform anyone else? Did  
16 you inform the board? Did you talk to maybe Sean Noble in  
17 particular or anyone else that you can think of?

18 Mr. DeMaura: No. Once we, you know, decided not to do issue  
19 advocacy at that point we -- it was primarily Tony Russo and  
20 Jeff Miller and myself.

21 Mr. Winuk: So I just want to rewind -- I know at some point  
22 you decided not to do and do something else. We'll deal with  
23 that in a minute. But let's just pick this moment in time  
24 where you have the call. The issue has been identified that  
25 there may be a problem with the issue ads under California law.

1 Mr. DeMaura: Yeah.

2 Mr. Winuk: Did you talk to anyone else about it aside from the  
3 people on the call at that point?

4 Mr. DeMaura: I believe the only other people I talked to at  
5 that point were Jeff Miller and, I believe, David Carney.

6 Mr. Winuk: Okay. So then at some point you made a decision to  
7 do something different with the funds. To the best of your  
8 memory, describe any conversations that led up to that, with  
9 who, the substance and then maybe walk us through when we got  
10 to that decision.

11 Mr. DeMaura: Uh-huh.

12 Mr. Winuk: And I know you feel the pressure at times. We're  
13 throwing questions at you but there really isn't. So take your  
14 time and think about it and --

15 Mr. Anderson: Let me just ask --

16 Mr. Winuk: -- we'll (inaudible) comfortably with Dave while we  
17 --

18 Mr. Anderson: We have been going , maybe an hour 15. An hour  
19 20 and I don't want to break if you don't need a break.

20 Mr. Winuk: No, let's take a break it's probably a good time  
21 too.

22 Mr. Anderson: Want to take -- yeah. Okay.

23 Mr. Perna: I'm going to shut off the recorder then.

24 (Off the Record)

25 Mr. Winuk: Okay. So going back to we have the call to

1 identify the issue and then maybe you can walk us through any  
2 subsequent conversations as expansively as you can who was  
3 involved, what the nature was leading up to the decision to not  
4 fund the issue ads.

5 Mr. DeMaura: Sure. I believe that the only additional people  
6 I spoke to were Jeff Miller, David Carney and Tony and myself.  
7 I -- the primary issue coming out of that conversation for  
8 myself was the potential risk of membership disclosure, which I  
9 viewed as, you know, my number-one promise to our members and  
10 so I was, you know, concerned with the advice that I was given  
11 by Chip coming out of there.

12 Mr. Winuk: Did Tony or Jeff ever bring up the issue that they  
13 felt uncomfortable because they had sort of raised the money  
14 for that issue that it might not be used for that purpose or  
15 did they mention that at all?

16 Mr. DeMaura: Not that I recall.

17 Mr. Winuk: Okay. So how many conversations do you recall  
18 having and then where was the or how was the decision made to  
19 move the funds in a different direction?

20 Mr. DeMaura: I don't recall the exact number of conversations  
21 but --

22 Mr. Winuk: Was it more than one or --

23 Mr. DeMaura: Most likely.

24 Mr. Winuk: -- telephone or in person?

25 Mr. DeMaura: Telephone.

1 Mr. Winuk: Okay.

2 Mr. Zall: Who was -- who was -- was there somebody that was  
3 charged with figuring out what to do with the money now I guess  
4 once this problem was identified? Was there -- was there a  
5 decision made then not to do the issue ads?

6 Mr. DeMaura: I'd say there was a decision not to do those ads  
7 at that time, yes.

8 Mr. Zall: And was that made by you or was it made jointly by  
9 you and Mr. Russo and Mr. Miller? What was the mechanics, I  
10 guess, of the decision not to do the issue ads?

11 Mr. DeMaura: I remember it as a, you know, a joint decision  
12 that ultimately, you know, I had authority but it was really in  
13 large part due to the input of Jeff and Tony as well.

14 Mr. Zall: And then --

15 Mr. Winuk: Were those the only other people who were involved  
16 in the decision?

17 Mr. DeMaura: Yeah, I believe so.

18 Mr. Zall: And then once that decision was made then was there  
19 somebody that was charged with figuring out what to do with the  
20 money now that we're not going to do the issue ads or were you  
21 all working on that?

22 Mr. Winuk: Can you hold that thought for one second?

23 Mr. Zall: Uh-huh.

24 Mr. Winuk: I just really want to focus in on the conversation  
25 to basically say we need to do something else with the money.

1 Can you give us -- I realize you don't remember the specific  
2 number of conversations but whatever detail you remember about  
3 the substance and who talked about I'd be interested in hearing  
4 so as thorough as you can be to the best of your memory of how  
5 the nature of that discussion, who said what and that would be  
6 helpful.

7 Mr. DeMaura: My understanding after the call with Chip -- I  
8 believe it was the same understanding that Tony had -- was that  
9 there were a number of options we had moving forward and, you  
10 know, they each had pluses and minuses -- that issue advocacy  
11 at that point was risky, given our, you know, promise to  
12 members and that I think that we came to, you know, a gradual  
13 conclusion that it made the most sense to donate the resources  
14 we had at that point to another organization rather than  
15 engaging ourselves.

16 Mr. Winuk: What were some of the other options discussed?

17 Mr. DeMaura: I believe there is a way to engage and express  
18 advocacy ourselves in a way that wouldn't jeopardize our  
19 membership, the mechanics of which I'm not exactly sure what  
20 they are. But there was some way for us to engage in express  
21 advocacy and I think that there was -- there was some --

22 Mr. Winuk: Was the express advocacy on the specific issues  
23 that were originally discussed, the two ballot measures, or on  
24 something different?

25 Mr. DeMaura: I assume it would have been on, you know, the



1 ballot measures.

2 Mr. Winuk: Okay.

3 Mr. DeMaura: But my understanding was there's a weird gray  
4 area where if you do issue advocacy you're at greater risk than  
5 if you do express advocacy. Again, I don't really know what  
6 the case is. I think there was an opportunity to do I guess  
7 what in California is called the first bite --

8 Mr. Winuk: Right.

9 Mr. DeMaura: -- which I, you know, have only become aware of  
10 through them. And then the -- you know, the last opportunity  
11 would be or option would be donate to a likeminded group and  
12 hope that they do something productive with it.

13 Mr. Winuk: You used the word hope again. Let's focus in on  
14 hope. What was your understanding of what that meant of  
15 donating to another group and hoping -- well, say again what  
16 you said, that you were hoping the person would do with that  
17 option. You said donate to a likeminded group and hope that  
18 they -- what?

19 Mr. DeMaura: Would do something productive with it.

20 Mr. Winuk: Okay. Tell us what that meant to you.

21 Mr. DeMaura: In what regard?

22 Mr. Winuk: Okay. Let's talk about the word hope for a minute.  
23 Hoping they'd do something productive. What does that -- what  
24 does that phrase mean? Like what would be considered  
25 productive? Maybe give us a list of things that you think are

1 consistent with what your expectation would be.

2 Mr. DeMaura: Sure. You know, it was my understanding that if  
3 we gave money to another nonprofit organization that we'd lose  
4 the ability to direct those funds but that, you know, that  
5 certainly there is ways that they could spend it that might be,  
6 you know, in line with, you know, the types of things that we  
7 were looking to do or, you know, maybe something different.

8 Mr. Winuk: So what were you hoping they would do that would be  
9 productive? Is giving the money back to California on those  
10 ballot measures on that list?

11 Mr. DeMaura: I don't believe that was really on my radar at  
12 that point.

13 Mr. Winuk: Okay. So what was your hope of something  
14 productive? I mean, you talked -- you gave us your statement  
15 that you expected to lose the ability to direct it but that  
16 wasn't really my question. If you're giving -- this was a  
17 pretty big sum of money at this point, right? It's probably at  
18 this point -- someone correct me if they think I'm wrong -- but  
19 it was at least over \$10 million and probably more at this  
20 point. Would you agree it's a significant sum of money even  
21 for your organization?

22 Mr. DeMaura: Yes.

23 Mr. Winuk: All right. Okay. So you're going to give a pretty  
24 significant sum of money without expectations, correct?

25 Mr. DeMaura: Uh-huh.

1 Mr. Winuk: So you said that you would hope they would do  
2 something productive. Please give me some more specifics of,  
3 you know, what that means. I mean, you're agreeing you're  
4 giving a lot of money to somebody. What are you expecting them  
5 to do with it? What would be on your list of things that would  
6 be productive use of that money? I need some examples.

7 Mr. DeMaura: You know, my understanding of how the Center to  
8 Protect Patient Rights works they provide grants to other  
9 organizations. So that -- you know, often engage in issue  
10 advocacy --

11 Mr. Winuk: I really apologize for interrupting you again.

12 Mr. DeMaura: Yes.

13 Mr. Winuk: But you just brought up Center for Protective --  
14 CPPR -- Center for Protection of Patients Rights. Was that  
15 group the only group that was considered or you talked about  
16 nonprofits before and now you're using specific language. At  
17 some point we shifted from nonprofits to CPPR. Was the initial  
18 discussion about nonprofits in general or was it about CPPR in  
19 particular?

20 Mr. DeMaura: I believe the initial conversations were about  
21 nonprofits in general.

22 Mr. Winuk: Okay. So let's stick with that moment in time for  
23 a minute. You said at that point you were considering  
24 nonprofits. That was one of the options that was identified.  
25 You said you hoped that this nonprofit would do something

1 productive. So give me a list of things you think, if there  
2 were any in your mind at that time, that would have been  
3 productive use of that large source of funds.

4 Mr. DeMaura: Sure. I think that those organizations could  
5 engage in issue advocacy. They could --

6 Mr. Winuk: Where?

7 Mr. DeMaura: Hopefully in California. I think -- I think that  
8 --

9 Mr. Winuk: Okay.

10 Mr. DeMaura: I guess in my --

11 Mr. Winuk: I know I'm an interrupter at this point. But  
12 you're saying things now that are kind of inconsistent.

13 Because a minute ago you told me that you didn't have that  
14 money being used in California in your mind and now you said  
15 hopefully it'll come back to California. So how are those two  
16 consistent with what you were thinking?

17 Mr. Anderson: Wait. I'm sorry. I lost the question now. And  
18 maybe it's the --

19 Mr. Winuk: Well, before he said --

20 Mr. Anderson: Well, no -- just what's the question? What are  
21 you asking him to tell you?

22 Mr. Winuk: I'm asking how his two statements are consistent  
23 with each other. Before he told me you didn't have it in your  
24 mind that it would come back to California at that moment in  
25 time when you're talking about nonprofits. Now you said one of

1 the specific things you hope would be productive would be to  
2 come back to California. So I'm asking which one of those is  
3 true.

4 Mr. Anderson: I think it may just be because of the chop. I  
5 mean, if we can let him answer your question which is what was  
6 his hope, what would have been productive, he hasn't even  
7 gotten that out yet.

8 Mr. Winuk: Well, he's not answering that question. He told me  
9 he expected to lose the ability to direct funds when I asked  
10 him for specific examples.

11 Mr. Anderson: Right. I think that's true. So you distinguish  
12 --

13 Mr. Winuk: So you think that's a specific example?

14 Mr. Anderson: No. You asked him for his expectation. You  
15 asked him for his hope, right? And I think he's told you that  
16 he understood that the rules were he couldn't direct it but  
17 that if he gave it to organizations that would use it in a way  
18 that was consistent with what he wanted to use it that was his  
19 hope. And before he could get beyond that it was this wait,  
20 stop, I got a different question -- wait, stop, I have another  
21 question. So --

22 Mr. Zall: Well, let's just clarify. Let's just clarify.

23 Mr. Anderson: Yeah. Good.

24 Mr. Zall: So are you saying that your hope was that -- you  
25 said hoped that it would be used productively. Was one of

1 those things you were hoping for that the money would be used  
2 in the way that you and Mr. Miller and Mr. Russo originally  
3 intended it be used?

4 Mr. DeMaura: I would say that I hoped that an organization  
5 would use the moneys to do those things whether --

6 Mr. Winuk: What do you mean by those things?

7 Mr. DeMaura: You know, the types -- some sort of advocacy in  
8 California, you know, on these issues.

9 Mr. Zall: One thing -- let me if I can, Gary, just real quick.  
10 One thing I guess I'm confused about is that you told us that  
11 this money -- that you wanted to make clear to Mr. Russo and  
12 Mr. Miller and make clear to the donors that this money was  
13 raised and would go into the General Fund of AJS. Is that  
14 right?

15 Mr. DeMaura: Correct.

16 Mr. Zall: Okay. And that it was at AJS's discretion as to  
17 what to do with the money. Is that fair?

18 Mr. DeMaura: Correct.

19 Mr. Zall: Okay. So then I guess the question I have is that  
20 when -- after your conversation with Chip it was decided that  
21 you really couldn't do this issue advocacy that you had planned  
22 why the need for all this other stuff? Why didn't AJS just  
23 make its own decision about what to do with the money? If you  
24 wanted it to be put to productive use why didn't you guys just  
25 do it? It's your money, right? I guess I'm -- it's AJS's

1 money. So why didn't AJS just spend it as -- do something  
2 productive with it?

3 Mr. DeMaura: I believe that we did, yeah. We made the  
4 decision to give it to a likeminded group that had a similar  
5 mission. So we did spend it.

6 Mr. Winuk: But did you consider maybe doing issue ads in  
7 another state on another issue or on a federal level, AJS  
8 itself spending those funds since you had independent  
9 discretion over that? Was that one of the options?

10 Mr. DeMaura: You know, that -- I would say that was, you know,  
11 clearly an option but that's not an option that would really  
12 have been appealing to me.

13 Mr. Winuk: Why?

14 Mr. Zall: Why?

15 Mr. DeMaura: First and foremost, that, you know, we relied on  
16 Tony and Jeff to, you know, raise these funds for us and not  
17 only have they become, you know, very important members of our  
18 team in doing that but they were also, you know, the people  
19 with the relationships with our members. And so, you know, it  
20 is in the goal of any entity that, you know, wants to remain  
21 successful and viable to keep the interests of and, you know,  
22 hope the ideas of its members in mind when making decisions.

23 Mr. Zall: So are you saying that you -- AJS felt an obligation  
24 to the donors to do what it could to see that this money was  
25 spent in California?

1 Mr. DeMaura: I'd say that we just thought it made practical  
2 (inaudible) sense to, you know, talk through with Tony and Jeff  
3 on these big decisions when they were not only the people that  
4 raised the money but, you know, the conduit by which to talk to  
5 the members.

6 Mr. Winuk: So what did they say to you then that made you  
7 think that giving it to another group would be the right  
8 option?

9 Mr. DeMaura: I think in my mind whenever it was after that  
10 August 30th conversation that we decided to do that, you know,  
11 Tony essentially had suggested and I think I had come to  
12 independently with the same conclusion that it made sense to  
13 give it to another group -- Tony, I believe, is the one that  
14 suggested the Center to Protect Patient Rights. It's an  
15 organization I was familiar with. So when he suggested it it,  
16 you know, made sense to me. It didn't need all that much  
17 explanation.

18 Mr. Winuk: But getting back to Cliff's question, you told us  
19 you expected to lose the ability to direct the funds if you  
20 gave it to another group. So given that why -- why was the  
21 option of having AJS put it to another productive use that you  
22 felt good about, taken it off the table, why would you want to  
23 give it to another group so they can decide what the productive  
24 use is? It seems like you're losing a layer of control over  
25 that for achieving your purpose. What's the advantage of it?



1 Mr. DeMaura: I mean, I'd say the advantage is, you know, first  
2 and foremost that we were giving to a, you know, well-known  
3 conservative group and so, you know, in doing that that's an  
4 action in and of itself and something that, you know, would be  
5 fine for us to do is to is to, you know, help another  
6 conservative group. You know, and the other advantage I would  
7 say which, you know, was pretty important was that, you know,  
8 it's a plan that Tony came to advocate and in my mind, you  
9 know, keeping Tony happy also meant, you know, keeping our  
10 members happy and, you know, that -- there was no obligation  
11 and I didn't think we had to. But, you know, that's clearly  
12 something you want to do if you want to be successful in the  
13 long term.

14 Mr. Winuk: So Mr. Russo, when we talked to him, said that he -  
15 - you and he discussed giving the money to a network because he  
16 felt that giving it to a network there could be the hope that  
17 some other money would come back to California. Was that part  
18 of your discussions?

19 Mr. DeMaura: I don't really believe it was a part of our  
20 conversation. But I knew that the Center to Protect Patient  
21 Rights gave grants to other groups.

22 Mr. Zall: So -- okay. So Mr. Russo told us and Mr. Miller  
23 told us that the reason that they believed that the money was  
24 given to the Center to Protect Patient Rights was because they  
25 felt like -- while there was no agreement they felt like there

1 was -- they had a reasonable hope that the Center to Protect  
2 Patient Rights and its network would find a way to help out in  
3 California. Are you saying that that was not anything that  
4 they discussed with you?

5 Mr. DeMaura: I can't recall if that was a specific  
6 conversation we had. But, you know, that's my general  
7 understanding of the situation. Whether that came from a  
8 conversation with them, I think it was more just because I  
9 understand that CPPR gives grants to other groups.

10 Mr. Zall: I guess what I'm getting at is there's two sort of -  
11 - two ways to look at this. One is I think this sort of  
12 dovetails with what Gary was suggesting was somewhat  
13 inconsistent and I'm not trying to -- you know, I'm not trying  
14 to suggest anything improper. I'm just saying that Mr. Russo  
15 and Miller suggested that the money was giving -- the plan to  
16 give the money to the Koch network or the CPPR was that they  
17 felt like that the Koch network had other moneys and that maybe  
18 they were hoping that they would give the money to the Koch  
19 network and then the Koch network would fund -- would help pay  
20 for, you know, their efforts in California. And then -- but  
21 you're sort of suggesting that your understanding was that the  
22 money was just given to CPPR with the hope that they would do  
23 something generally productive that was consistent with the  
24 goals and mission of your organization. Can you see how those  
25 are somewhat different and which one of those, I guess, is most

1 consistent with your recollection of what your understanding  
2 was?

3 Mr. DeMaura: I guess I don't see them being different, first,  
4 because, you know, my -- I believe, you know, what you  
5 described as my words is my, you know, knowledge of CPPR  
6 generally and, you know, the types of work they engage in. I  
7 would see my hopes to be consistent with Jeff and Tony's but my  
8 point would be is I don't recall a conversation, you know,  
9 illustrating those, you know, plans or hopes.

10 Mr. Winuk: Who suggested CPPR? Whose idea was it?

11 Mr. DeMaura: I believe it was Tony's.

12 Mr. Winuk: But you were familiar with CPPR at least generally  
13 before?

14 Mr. DeMaura: Yes.

15 Mr. Winuk: What was your reaction when he suggested CPPR?

16 Mr. DeMaura: Initially, I'm not sure if I had all that much of  
17 a reaction because I knew of them and, you know, knew how  
18 (inaudible) they were. I think somewhere along the line I had  
19 asked them whether, you know, we trusted them to spend our  
20 money wisely. But that was, you know, not the initial  
21 reaction. That was when we were going to make sense of it  
22 (phonetic).

23 Mr. Winuk: And who did you ask about it?

24 Mr. DeMaura: I believe it was Tony and Jeff.

25 Mr. Winuk: Who made the contact with CPPR to start the

1 arrangements?

2 Mr. DeMaura: I believe it was Tony.

3 Mr. Winuk: Did you ever have a conversation with CPPR or any  
4 of his representatives about the transfer? Make that plural.  
5 Sorry. Transfers.

6 Mr. DeMaura: I don't believe I ever had a conversation with  
7 Sean Noble before I made any transfers but I do believe, you  
8 know, one or multiple occasions I, you know, informed them that  
9 the money was coming. But I don't -- I never had a phone  
10 conversation or a in-person conversation about -- before the  
11 transfer took place.

12 Mr. Winuk: Who, to the best of your knowledge, had  
13 conversations with Sean Noble about it?

14 Mr. DeMaura: I believe it was Tony.

15 Mr. Winuk: And were you informed of the conversations?

16 Mr. DeMaura: On a number of instances I was informed of the  
17 conversations. I don't know if they were the extent of the  
18 conversations but I was informed on a number of instances.

19 Mr. Winuk: What if anything did Tony tell you about his  
20 arrangement with Sean Noble?

21 Mr. DeMaura: I don't recall specifically but very little.

22 Mr. Winuk: So without having a conversation with Sean Noble  
23 and with very little information from Tony Russo you agreed to  
24 transfer over \$10 million to CPPR?

25 Mr. DeMaura: Yes.

1 Mr. Winuk: And tell us again why.

2 Mr. DeMaura: You know, Center to Protect Patient Rights is a  
3 really -- is a well-known large conservative organization.

4 Mr. Zall: Was there ever --

5 Mr. Winuk: Can we take a brief recess? I want to ask  
6 (inaudible).

7 (Off the Record)

8 Mr. Winuk: Okay.

9 Mr. Zall: One question would be it's 12:05 and I guess the  
10 question would be if we're not -- if we don't think we're going  
11 to wrap up in an hour and what are -- what do people want to  
12 do?

13 Ms. Arguedas: I want you to wrap up in an hour.

14 Mr. Zall: I know you do.

15 Ms. Arguedas: You don't think you can or --

16 Mr. Zall: I don't know. I don't know.

17 Mr. Winuk: I think we don't have more than hour left in this.

18 Mr. Zall: Yeah. I think we probably --

19 Mr. Winuk: My own conference (phonetic) will be brief.

20 Mr. Zall: I think we can probably -- yeah. I think -- I can't  
21 see that we'd go past 1:30. So are we all good with that?

22 Mr. Winuk: I just have a quick issue with -- I don't think we  
23 have more than an hour.

24 Mr. Perna: Okay. I'm going to pause it.

25 Mr. Anderson: My preference would be to --

1 (Off the Record)

2 Mr. Winuk: Okay. So you had a conversation -- well, you were  
3 telling us the details of the conversation you had where the  
4 money was going to be transferred to CPPR. So just give us all  
5 the details of that conversation that you recall. Well, who  
6 was involved in the conversation? Let's start with that.

7 Mr. DeMaura: I believe it was just Tony Russo and myself.

8 Mr. Winuk: Okay. And was it by telephone? In person?

9 Mr. DeMaura: By telephone.

10 Mr. Winuk: Do you recall the general time frame that that was?  
11 If you have a specific date that's great, if known.

12 Mr. DeMaura: I don't have a specific date but it's sometime  
13 after August 30th, you know, before the first few weeks of  
14 September.

15 Mr. Winuk: Okay. And then with as much detail as you can  
16 remember can you describe the conversation?

17 Mr. DeMaura: I think it was multiple conversations but leading  
18 to the conclusion that CPPR made the most sense, one, because I  
19 already knew of them, two, because, you know, they're the  
20 largest conservative group I knew of which made a lot of sense  
21 that if you were going to give, you know, that sum of money to  
22 an organization they need to build a -- have the capacity to  
23 take it. I think that there was some consideration that Sean  
24 was -- through CPPR was already involved in California or aware  
25 of our efforts in California or, you know, knowledgeable in a

1 general way. So, you know, for all of those reasons and I  
2 think the other one is just I had no better -- no better group  
3 to give the money to and it was Tony's recommendation. So for  
4 those reasons it seemed to make the most sense.

5 Mr. Winuk: Was there any discussion either in the hope sense  
6 or in an actual sense of money coming back to California for  
7 those -- for either issue ads or express advocacy for the two  
8 propositions in question?

9 Mr. DeMaura: I mean, I wouldn't say -- I had no conversation  
10 with Sean Noble. The conversations with Tony, you know, were  
11 as I just outlined. There was -- you know, there was certainly  
12 hope. There was an instance where we knew that an organization  
13 was interested in, you know, do we issue advocacy in California  
14 and so we, you know, we (inaudible) and I knew that was a group  
15 that CPPR had given money to in the past and I believe was  
16 currently supporting.

17 Mr. Winuk: What group is that?

18 Mr. DeMaura: They'd be the American Action Network. So I, you  
19 know, I hoped that they would, you know, continue to support  
20 them. But, you know, outside of that there was no work  
21 specific conversations about groups or entities or --

22 Mr. Zall: How did you -- how did you know or did you know that  
23 Sean Noble knew about this plan -- you know, Tony and Jeff's  
24 and your plan?

25 Mr. DeMaura: I mean, I believe either Tony or Jeff, you know,

1 had told me that they were keeping Sean generally apprised of  
2 what we hoped to do. I think in their mind it was because, you  
3 know, Sean was a part of such a big group we hoped that maybe  
4 he would help in some way.

5 Mr. Zall: And this was before -- so you're saying that they  
6 let you know that Sean knew about what your collective plan  
7 was. This is before August 30th.

8 Mr. DeMaura: Yes. That's correct.

9 Mr. Zall: Okay.

10 Mr. Winuk: So you said big group. What group was Sean Noble a  
11 part of?

12 Mr. DeMaura: The Center to Protect Patient Rights.

13 Mr. Winuk: So you're just referring to that specific --

14 Mr. DeMaura: Yeah. They're, you know, in my mind the largest  
15 conservative group from a financial support.

16 Mr. Winuk: So when you're using the word group you're just  
17 limiting it to CPPR or part of a bigger group of other  
18 nonprofits?

19 Mr. DeMaura: In that way I was referring it to just CPPR.

20 Mr. Winuk: Did you have conversations with anyone else about  
21 the transfer of the money? You said you mentioned Tony. Were  
22 there conversations with anyone else?

23 Mr. DeMaura: I believe I consulted David Carney on it as well.

24 Mr. Winuk: How did you convey it to David?

25 Mr. DeMaura: You know, I think I had kept him in the loop when



1 I had my concerns raised about our ability to do issue advocacy  
2 and then I suggested to him that Tony had, you know, thought  
3 that CPPR made the most sense to see if he had any thoughts on  
4 it.

5 Mr. Winuk: And what was his response?

6 Mr. DeMaura: I think he said that's fine or something along  
7 the lines.

8 Mr. Zall: What about Chip? Without, again, getting into the  
9 substance was Chip consulted about this?

10 Mr. DeMaura: In my mind, Chip was consulted on it on August  
11 30th when we had, you know, our long conversation about our  
12 options for the types of, you know, things we could do.

13 Mr. Zall: And so in that conversation on August 30th this  
14 possibility of giving the money to CPPR was raised?

15 Mr. DeMaura: I don't know if the possibility of giving to CPPR  
16 raised but the possibility of giving to another nonprofit was  
17 raised, yes.

18 Mr. Zall: Okay.

19 Mr. Winuk: So you said you had a conversation with David  
20 Carney. Were there conversations with anyone else about it?

21 Mr. DeMaura: Not that I can recall.

22 Mr. Winuk: Did Tony during your conversation with him mention  
23 money coming back to California or the nature of his  
24 conversations with Sean at all?

25 Mr. DeMaura: He didn't really describe in, you know, any sort

1 of helpfulness his nature of his conversations with Sean. You  
2 know, in an instance there was, you know, the discussion that  
3 American Action Network was interested in doing issue advocacy.  
4 But, you know, I think that was the extent of it.

5 Mr. Winuk: So how did he put that in context, the American  
6 Action Network part?

7 Mr. DeMaura: What do you mean?

8 Mr. Winuk: Well, you said as part of this conversation that  
9 there were groups that were interested in issue advocacy. How  
10 did he relate that to the transfer of money to CPPR? What's  
11 the connection?

12 Mr. DeMaura: I think it was primarily that it was our belief,  
13 you know, mine independently and I think Tony's probably  
14 through his conversations with Sean that CPPR was already  
15 funding American Action Network. And so that if they were  
16 going to do issue advocacy they would probably have the  
17 resources to do that already but we, you know, we should  
18 support CPPR, you know, in the hope that that comes true.

19 Mr. Winuk: Okay. So getting to the -- there were several  
20 transfers of funds from AJS to CPPR. So the first one I  
21 believe was \$4 million, correct, Bob?

22 Mr. Perna: Four million, fifty thousand, yes.

23 Mr. Winuk: Four million, fifty thousand. Tell us the  
24 logistics of that. Obviously, you -- well, were you the one  
25 responsible for the logistics of moving the money to that?

1 Mr. DeMaura: Yeah. I mean, I would -- I'd say the logistics  
2 were, you know, primarily dictated by the conversations I just  
3 relayed to you -- that we generally made the decision to do it  
4 and that at some point we just decided to transfer the money  
5 and I can't recall if Tony had said, hey, it's time to transfer  
6 it, talk to Sean or I decided to. But, you know, at some point  
7 it was kind of I could go ahead and then I --

8 Mr. Zall: Why the -- I'm sorry. So why was the first transfer  
9 -- do you recall why the first transfer was in the amount of  
10 \$4,050,000 as opposed to some other number?

11 Mr. DeMaura: Yeah. I think it was derived by looking at how  
12 much money we had raised, how much money we had spent and, you  
13 know, what our obligations outstanding were. So it was, you  
14 know, I think it was just a basic, you know, math equation.

15 Mr. Zall: And was -- so the number wasn't suggested by  
16 anybody? I mean, Mr. Russo didn't say hey, Steve, could you  
17 transfer, you know, \$4,050,000 or it was just --

18 Mr. DeMaura: I mean, Tony may have been the one that suggested  
19 that exact amount. I'm not saying he didn't but I think that I  
20 believe that at one point we had a conversation that was along  
21 the lines of us figuring out how much money we have and, you  
22 know, ultimately after we came to that conclusion it might have  
23 been Tony that said hey, do this exact amount. I'm not sure.  
24 But we --

25 Mr. Winuk: Who sent you the wiring instructions or were you

1 the one that wired it?

2 Mr. DeMaura: I'm the one that wired it. I can't recall who  
3 sent them to me.

4 Mr. Winuk: So from this period before while you're having your  
5 conversations with Mr. Russo was there a discussion about how  
6 to proceed about raising money beyond what you already had and  
7 if so can you tell us about what the conversation was?

8 Mr. DeMaura: I mean, I'm not sure if there was much of a  
9 conversation about how to raise money. I think it was just  
10 kind of an assumption.

11 Mr. Winuk: An assumption of --

12 Mr. DeMaura: That we would continue to try to raise money.

13 Mr. Winuk: Why would you continue to raise money though if you  
14 can't spend it on issue ads anymore?

15 Mr. DeMaura: I mean, I'd say first because we decided not to  
16 do issue ads at that time -- the second being that, you know,  
17 we wanted to leave all options on the table -- that, you know,  
18 we had been advised by Chip that there were other options that  
19 we could, you know, go down the road of and then I think lastly  
20 is that, you know, a lot of these conversations already  
21 happened. A lot of these pitches already happened and we hoped  
22 to, you know, not leave money on the table, I guess.

23 Mr. Zall: I guess -- did you tell Tony and Jeff that we ought  
24 to tell prospective donors that we're not going to be running  
25 issue ads?

1 Mr. DeMaura: I don't believe so, no.

2 Mr. Zall: Do you know if donors continued to be solicited with  
3 the idea that AJS would run issue ads?

4 Mr. DeMaura: Like at some (inaudible) yes, but I don't -- I  
5 don't know for sure.

6 Mr. Zall: Did you feel any sort of -- did you feel troubled by  
7 that, that a decision had been made that you weren't going to  
8 run issues ads and yet wealthy donors were still being  
9 solicited and being asked to send money all the way to Virginia  
10 for issue ads that you guys knew you weren't going to run?

11 Mr. DeMaura: Well, I mean, first, I would say that, you know,  
12 we hadn't made any definitive decision not to do them at all.  
13 The second is no, I didn't feel troubled by that.

14 Mr. Zall: So I thought that you guys made a decision that you  
15 weren't going to do issue ads but you're saying now that that  
16 wasn't a definitive one?

17 Mr. DeMaura: We had made a decision not to do issue ads at  
18 that time and, you know, I think that we -- I don't know the  
19 exact window but the window was closing rapidly on our ability  
20 to do that. But, you know, we wanted to leave all options on  
21 the table that were legally permissible and I don't know  
22 exactly what time we're talking about or whether we're still in  
23 the window when they were available. But we wanted to leave it  
24 on the table as least as an option for as long as we could,  
25 even though at the time we decided not to do issue ads.

1 Mr. Winuk: So from the time the first \$4,050,000 transfer was  
2 made fundraising continued. You said you left options on the  
3 table. Can you tell us about any future discussions you had  
4 where you were deciding what to use with the new money that was  
5 coming in beyond that initial one?

6 Mr. DeMaura: Uh-huh. I think that the discussions were mostly  
7 surrounded around our, you know, potentially continued support  
8 for CPPR -- that --

9 Mr. Winuk: Were the conversations with Tony or other people or  
10 --

11 Mr. DeMaura: Tony, yeah.

12 Mr. Winuk: Exclusively or was anyone else?

13 Mr. DeMaura: I believe at that point exclusively, yeah.

14 Mr. Winuk: Okay. So -- I'm sorry. Please go ahead. So the  
15 conversation in terms of options again were --

16 Mr. DeMaura: Yeah. Were -- I think were primarily around the  
17 idea of continuing our support for CPPR.

18 Mr. Winuk: Was there any consideration of using any of the  
19 other options?

20 Mr. DeMaura: You know, I think there -- I think there was  
21 generally and I think there were problems with some of the  
22 other options, partially being my not wanting to engage in some  
23 of them from an organizational perspective and I think Tony had  
24 a few concerns about some of the other options as well. So  
25 that it made sense -- the most sense to give it to CPPR.

1 Mr. Winuk: Are you aware that shortly after your transfer to  
2 CPPR, CPPR gave money to American Future Fund? Are you  
3 familiar with American Future Fund, I take it?  
4 Mr. DeMaura: Yeah, and I --  
5 Mr. Winuk: You've heard of it?  
6 Mr. DeMaura: Yeah. I actually have to -- I earlier I said,  
7 yeah.  
8 Mr. Anderson: You earlier were saying American Action Network.  
9 Mr. DeMaura: Yeah.  
10 Mr. Anderson: Yeah. Is that correct or do you want to fix  
11 that?  
12 Mr. DeMaura: Yeah. So that would have been American Future  
13 Fund earlier, I want to say.  
14 Mr. Winuk: I was wondering because --  
15 Mr. DeMaura: Yeah, that's a --  
16 Mr. Anderson: Yeah. I was wondering too. I didn't want to  
17 interrupt but --  
18 Mr. DeMaura: It's another -- it's another big conservative  
19 group.  
20 Mr. Winuk: Okay. It's not a problem. Can I -- sorry, let me  
21 just finish my -- so you transferred \$4 million to CPPR. Are  
22 you aware that CPPR transferred money to let's just call it  
23 AFF, American Future Fund, and then American Future Fund opened  
24 a California campaign committee called California Future Fund  
25 and transferred \$4 million into that shortly after your

1 transfer? Are you aware that that happened?

2 Mr. DeMaura: Yeah, I became aware of that afterwards.

3 Mr. Winuk: And when did you become aware of that happening?

4 Mr. DeMaura: I believe that -- the date I don't know but I  
5 believe I was sent a news story or a press release from Jeff  
6 Miller.

7 Mr. Winuk: So what did he -- what did he tell you about that  
8 in this communication to you?

9 Mr. DeMaura: I think that it was a forward so it was the news  
10 story in the press release were all of the information.

11 Mr. Winuk: What was your reaction when you learned of that?

12 Mr. DeMaura: I'd say I was probably surprised.

13 Mr. Winuk: Why were you surprised by that?

14 Mr. DeMaura: I think first and foremost I was surprised that  
15 they seemed to be engaging in express advocacy. The second I  
16 think I would be surprised that -- as to the dollar amounts.

17 Mr. Winuk: Why were the dollar amounts surprising to you?

18 Mr. DeMaura: I would say that they had, you know, decided to  
19 at one time engage in issue advocacy in similar amounts as to I  
20 had given to CPPR was surprising.

21 Mr. Winuk: Did you have any conversations with anyone about  
22 that transaction? And my conversation and I apologize -- I  
23 should clarify -- I just mean any communications -- ongoing  
24 email, phone.

25 Mr. DeMaura: I can't recall with certainty. I think the only



1 conversation I do remember is with David Carney and just I  
2 think I sent them to him or told him about them, you know, and  
3 maybe expressed my surprise or my, you know, intrigue they had  
4 done that.

5 Mr. Winuk: Did you seek out legal advice on that particular  
6 issue?

7 Mr. DeMaura: Not that I recall.

8 Mr. Winuk: So when there were two more transfers -- am I  
9 correct, Bob?

10 Mr. Perna: What about that regarding that transfer.

11 Mr. Winuk: Oh, thank you. So one of the records you gave us  
12 was a voice mail, and I apologize -- it's not marked so maybe  
13 I'll just read it and that'll cover it. I'm happy to show it  
14 to you.

15 Mr. Perna: I mean, there is no marking. It was a voice mail.

16 Mr. Winuk: It was part of the materials you provided us.

17 Mr. DeMaura: Okay.

18 Mr. Winuk: It just says hey, Steve, this is Tony Russo.

19 Wanting to talk to you about our movement of funds for AFF. I  
20 have worked things out. I just need to walk it through with  
21 you. Headed to L.A. in my car. Give me a call, and the  
22 number. I read it to you. I just wanted you to have it in  
23 front of you. Do you recall that voicemail and if so what the  
24 context was?

25 Mr. DeMaura: Yeah, I do. I mean, I think at that point we

1 had a lot going on. We were talking about, you know, potential  
2 memberships and stuff. So when I called him back we talked a  
3 lot about that. But we -- I do believe we talked about AFF.  
4 We -- I think at some point there was a discussion of the  
5 website we were in the process of transferring to them or had  
6 just transferred to them.

7 Mr. Winuk: So tell us about the website. So what is the -- do  
8 you remember the time frame of this call?

9 Mr. DeMaura: I'd say early September, not knowing the exact  
10 date.

11 Mr. Winuk: Okay. So the website you're talking about what's -  
12 - what is that?

13 Mr. DeMaura: We had prepared -- AJS had prepared with Tony and  
14 Jeff a website talking about our issue advocacy efforts. We  
15 were going to, you know, outline a lot of the content, you  
16 know, the -- kind of the more meat and bones as to what our ads  
17 were talking about. I think we are considering putting a  
18 portal on the website to allow people to contact their  
19 legislators and ask them to do stuff. You know, when we are  
20 moving away from the issue advocacy at least especially that  
21 initial bout with issue advocacy we didn't need anymore, and  
22 when AFS expressed an interest in doing issue advocacy Tony  
23 recommended to me that we transfer to them. So we --

24 Mr. Winuk: Transfer the website to them?

25 Mr. DeMaura: Transfer the website to them, yeah.

1 Mr. Winuk: So were you having direct contact with AFF or was  
2 Tony or who was doing that?

3 Mr. DeMaura: For -- in order to transfer the website somebody  
4 connected the head of AFF and I and then I think we  
5 subsequently just connected our web guys together.

6 Mr. Winuk: Do you recall that person's name?

7 Mr. DeMaura: Nick Ryan.

8 Mr. Winuk: Did you ever have a conversation with him about the  
9 transfer of funds?

10 Mr. DeMaura: No.

11 Mr. Winuk: Did you have a conversation with him or anyone else  
12 from AFF about any transfer of funds?

13 Mr. DeMaura: I don't believe so, no.

14 Mr. Winuk: Was the website the only conversation you had with  
15 him?

16 Mr. DeMaura: Yeah, I believe -- yeah.

17 Mr. Zall: Did Mr. Russo ever indicate to you that he had  
18 suggested AFF to Mr. Noble as a group that might be helpful?

19 Mr. DeMaura: I don't believe so. My recollection is that Sean  
20 had mentioned to Tony that AFF might be interested in issue  
21 advocacy.

22 Mr. Zall: And you got that from the conversation with Tony?

23 Mr. DeMaura: I believe so, yeah. But I'm not sure which  
24 conversation I was a part of (inaudible).

25 Mr. Perna: So this particular voicemail has to do right when

1 you -- appears to be right when you -- the transfer of the \$4  
2 million that's going to AFF and these -- Mr. Russo is talking  
3 about the movement of the money to AFF. It says, I've worked  
4 things out and I need to walk it through with you and --  
5 Mr. Zall: She said that was the website, Bob.  
6 Mr. Perna: But the \$4 million had to do with the website?  
7 Mr. DeMaura: No. I mean, I think the specific conversation by  
8 AFF had to do with the website. There was our, you know, when  
9 deciding to make the transfer to CPPR I was certainly aware  
10 that they had given to AFF in the past and it was my belief  
11 that they were already giving to them.  
12 Mr. Winuk: So let me ask you this, just to pull up our -- that  
13 transaction. Were you aware specifically that CPPR gave money  
14 to AFF in that time frame?  
15 Mr. DeMaura: I'd say no. I came to assume it from the  
16 newspaper article but I don't actually even know that to this  
17 day.  
18 Mr. Winuk: Okay. Okay. So after the \$4,050,000 transfer two  
19 other transfers were made from AJS to CPPR. First question is  
20 did that news article raise any concern or give you any pause  
21 about further transfers of funds to CPPR?  
22 Mr. DeMaura: I would say yes, it did.  
23 Mr. Winuk: Were there any actions or conversations you had  
24 based on those concerns?  
25 Mr. DeMaura: The only definitive conversation I can remember

1 is I talked to Tony and Jeff before one of the -- before  
2 another one of the transfers and --

3 Mr. Winuk: So what precipitated the second transfer? I'm  
4 sorry.

5 Mr. DeMaura: I believe we had raised additional moneys.

6 Mr. Winuk: But I mean who -- was it your idea to automatically  
7 give that to CPPR? Did someone request that you do that or --

8 Mr. DeMaura: I believe Tony requested that we do that.

9 Mr. Winuk: Did he request a specific dollar amount?

10 Mr. Zall: Before you finished with the first transfer.

11 Mr. Winuk: Yeah.

12 Mr. Zall: Okay.

13 Mr. Winuk: I'm sorry. We'll go back to this in a second. But  
14 the -- for the second transfer was a specific amount requested  
15 or was it all the funds that were available or what was the  
16 specific asked from Tony Russo?

17 Mr. DeMaura: I mean, as to particularly the next transfer I  
18 can't say certainly but I generally believe that it was  
19 probably a specific amount which I assume he came to based on,  
20 you know, what we had left.

21 Mr. Winuk: Did he tell you why or did you ask or did you know  
22 why a specific dollar amount?

23 Mr. DeMaura: You know, my recollection is looking at, you  
24 know, our, you know, what they had raised for us probably it  
25 seemed -- it seemed in line because it doesn't stand out in my

1 memory.

2 Mr. Winuk: And aside from Tony, who else did you have  
3 conversations with about the second transfer? Communications,  
4 I mean. Correct.

5 Mr. DeMaura: Probably one of their staff, I would assume. I  
6 think at some point -- again, I can't remember which transfer  
7 is which but at some points I communicated with his staff  
8 person (inaudible).

9 Mr. Winuk: Whose staff person? I'm sorry.

10 Mr. DeMaura: Jason Lockridge.

11 Mr. Winuk: Is whose staff person?

12 Mr. DeMaura: Tony Russo's.

13 Mr. Winuk: Tony Russo's. Okay. Sorry.

14 Mr. DeMaura: And we communicated about when it was okay to  
15 send it based on Tony's conversations with Sean.

16 Mr. Winuk: And did you have any specific conversations about  
17 that transaction with either Sean Noble or anyone else from  
18 CPPR?

19 Mr. DeMaura: No, not -- I don't believe so. And, again, I may  
20 have told -- informed them that it was coming but I had no  
21 conversations before it occurred.

22 Mr. Winuk: Okay. And I apologize for jumping around again.

23 But this is going back to the first transaction. This is a  
24 document you provided us marked 341. It's a transmission note  
25 or letter, if you will, from yourself to Sean basically saying

1 that, you know, there's no strings attached to the money, if I  
2 can paraphrase that. Can you tell us the origin of that  
3 letter, who wrote it and why it was sent?

4 Mr. DeMaura: I wrote this letter. It was sent because this is  
5 a, you know, a typical -- this is within protocol of AJS to  
6 send the letter and, you know, to my knowledge is accurate.

7 Mr. Winuk: So is that a letter you send for how often? Is it  
8 -- would you consider it a form letter for AJS or --

9 Mr. DeMaura: It's generally what we send when we send grants  
10 to other organizations -- contributions.

11 Mr. Winuk: Okay. (Inaudible)

12 Mr. Zall: You said that you had some concerns about the fact  
13 that shortly after you made the transfer \$4 million or  
14 thereabouts got used to expressly advocate for I think it was  
15 for Prop. 32 out here in California did you -- and I apologize  
16 if you covered this -- what exactly were your concerns?

17 Mr. Anderson: Did you say you were concerned or you were  
18 surprised?

19 Mr. Zall: I thought he said -- I don't -- yeah. Why don't you  
20 tell us?

21 Mr. Anderson: Say whatever -- say whatever you're going to  
22 say.

23 Mr. Zall: Yeah.

24 Mr. DeMaura: I mean, I was surprised, certainly. I'm not sure  
25 if I said I had concerns or not but I probably would have and I

1 think that they would just generally be that CPPR was capable  
2 of or -- yeah, capable of, you know, taking our contribution  
3 and, you know, spending it in an appropriate way.

4 Mr. Winuk: I guess I'm a little confused by that because you  
5 told us that even to this day you're not sure if CPPR sent  
6 money to AFF.

7 Mr. DeMaura: Uh-huh.

8 Mr. Winuk: So why did it raise your concerns if you weren't --  
9 you just presumed it was your money, that you presumed the  
10 contribution was made? Is that what you're saying?

11 Mr. DeMaura: Yeah. I would say that, you know, looking at the  
12 -- there was a news article that said how much money it was.  
13 You know, I presumed that they sent money to them or --

14 Mr. Winuk: I want to show you this document too. This was --  
15 it's marked 1486. It's an email from you -- sorry. For the  
16 bottom -- it's an email chain -- the bottom one is from you to  
17 Jim Miller and then there's a part on top from Tony Russo back  
18 to you. It's talking about developing a press strategy and  
19 that something was going to go public in October. Can you  
20 maybe give us the context of that and what we're talking about?

21 Mr. DeMaura: Sure. You know, a part of our -- you know, at  
22 that point we -- you know, we had left all options on the table  
23 and I don't recall the specific day but, you know, I think  
24 generally we were -- still really did have all options on the  
25 table so that if we moved forward with one of the options or we



1 were to run ads we wanted to make sure that, you know, the  
2 people that we had contracted with to provide press advice, you  
3 know, were ready to go and were aware of what we're considering  
4 and I think, you know, maybe start thinking about what a  
5 statement would look like.

6 Mr. Zall: So that was not in connection with concerns about  
7 the -- concerns that -- what am I trying to say here?

8 Mr. Winuk: This transfer of funds.

9 Mr. Zall: This was not about concerns about the transfer of  
10 funds to CPPR and then some of that money winding up in  
11 California?

12 Mr. DeMaura: No. I'd say this was -- this was about my, you  
13 know, wanting to make sure we were ready from a press stand  
14 point if we decided to spend more funds or spend, you know,  
15 funds in a way that would, you know, be public, like do our own  
16 ads or, you know, I think we had the option to do ads in some  
17 way. So that was in preparation of that.

18 Mr. Zall: Can I ask you this? When we talked to Mr. Russo and  
19 Mr. Miller they really made it sound like a decision was made  
20 that you could not run issue ads because of the 60-day rule and  
21 neither of them ever mentioned to us that the idea of running  
22 issue ads remained on the table. They were very clear that a  
23 decision was made to go in a different direction and the  
24 different direction decision was to give the money to the Koch  
25 network and hope that it came back or maybe more money came

1 back. Is that not consistent with your -- how you remember  
2 things?

3 Mr. DeMaura: No. That's generally consistent. The only  
4 difference would be is I recall there being, you know, still  
5 the option on the table of us doing ads ourselves and some were  
6 not issue ads but by setting up a PAC or, you know, doing some  
7 sort of report.

8 Mr. Zall: So doing express advocacy --

9 Mr. DeMaura: Express advocacy, yeah.

10 Mr. Zall: -- taking the first bite, basically?

11 Mr. DeMaura: That's right. Yeah. Yeah. I believe that was  
12 still on the table.

13 Mr. Zall: Okay. But then there were -- we saw emails where  
14 donors continue to be solicited to send money to AJS for issue  
15 advocacy. But you're telling us that issue advocacy by AJS was  
16 off the table, basically, which is -- that's what is consistent  
17 with Mr. Miller and Mr. Russo.

18 Mr. DeMaura: Yeah. I mean, I think that is generally correct.  
19 I mean, my recollection is there was a gradual decision away  
20 from issue advocacy which I think had a -- you know, we had  
21 concluded at this point. I don't know a definitive date when  
22 we said no more issue advocacy but I assume it would have to do  
23 with like the legal windows as to when we could do it. So I  
24 think that the options left on the table on this point or, you  
25 know, or the ones discussed in this or referred to in this

1 email and then the option of giving to the Center to Protect  
2 Patient Rights.

3 Mr. Zall: So, again, I guess do you know why then donors  
4 continued to be told as late as mid-October, even late October  
5 that they could send -- write large checks which would be sent  
6 to AJS and would be used for issue advocacy?

7 Mr. DeMaura: What's the question?

8 Mr. Zall: Do you know why fundraisers working on behalf of AJS  
9 continued to tell donors all the way into late October that  
10 they could send money to AJS which would be used for issue  
11 advocacy?

12 Mr. DeMaura: I don't know.

13 Mr. Winuk: Okay. So on October 11th that was the second  
14 contribution. It was about \$14 million. Are there any other  
15 communications of any type with people about that contribution  
16 that we didn't cover? I think you told us you had -- you  
17 talked to Dave about it and you talked to Tony about it and  
18 then --

19 Mr. DeMaura: Yeah. I say the bulk of the conversation were  
20 really before the first transfer when we discussed the  
21 organization and whether to give to them and after that I  
22 believe I communicated with Jason Lockridge on the mechanics of  
23 when and maybe even how to send it. But I don't recall any  
24 substantive conversations.

25 Mr. Winuk: With anyone?

1 Mr. DeMaura: Again, I might have mentioned it to David that we  
2 were going to send them more money again but I don't believe  
3 there was any in-depth conversations.

4 Mr. Winuk: Okay. So that money got transferred on the 11th.  
5 On the 15th was when a complaint was made about the  
6 contribution. At some point did you become aware of money  
7 going from CPPR to ARL, Americans for Responsible Leadership,  
8 to SBAC, which is the Small Business Action Committee? Were  
9 you aware of that?

10 Mr. DeMaura: I became aware of that.

11 Mr. Winuk: And at what point did you become aware that that  
12 had occurred?

13 Mr. DeMaura: I became aware of the complaint, I believe,  
14 through news stories. The mention of ARL I think I became  
15 aware of through a letter they sent.

16 Mr. Winuk: When you became aware of it did you have -- what  
17 was your reaction to becoming aware of that chain -- money  
18 flow?

19 Mr. DeMaura: Of the letters or the complaint or no?

20 Mr. Winuk: Well, at some point you said you learned that CPPR  
21 had given money -- \$11 million -- well, they gave money to ARL  
22 and that \$11 million went to SBAC to spend on expressed  
23 advocacy. When you became aware of that what was your reaction  
24 to learning about that contribution chain?

25 Mr. DeMaura: I was probably surprised.

1 Mr. Winuk: And, again, why were you surprised by that?

2 Mr. DeMaura: I mean, I think I would first say is that, you  
3 know, it wasn't really in my mind at the time that, you know,  
4 the money we gave to CPPR would be used for express advocacy.  
5 I think, secondly, I was surprised because they wrote a letter  
6 to someone, maybe one of you, which I didn't believe to be  
7 accurate.

8 Mr. Winuk: Yeah. Well, we'll deal with the letter in a  
9 minute, but maybe we'll just talk about -- well, I'm sure --  
10 did you -- did you learn about that transaction through that  
11 letter or how did you learn about the transaction -- maybe news  
12 reports?

13 Mr. DeMaura: I believe I learned about that transactions  
14 through the letter or I believe that Chip told me about the  
15 letters.

16 Mr. Winuk: Did you learn about that -- there was a third  
17 contribution that was made on October 19th. Did you learn  
18 about that chain -- CPPR, ARL, SBAC -- before you made --  
19 before or after you made that third contribution to CPPR which  
20 was about eight days later?

21 Mr. DeMaura: I can't say with specificity but I believe after  
22 the fact.

23 Mr. Winuk: Okay. So did it have any impact on the third  
24 transfer decision -- to make the third transfer on the 19th of  
25 \$6.5 million?

1 Mr. DeMaura: Yeah, I believe I -- I don't believe I learned  
2 about the letters until after the fact so I don't think it had  
3 an effect on it.

4 Mr. Winuk: Okay. So I'm just talking about the time period  
5 now through the making of the third contribution and we'll talk  
6 about after that in a second. Tell us about any communications  
7 you had about the second or the third transfer with any party.  
8 Did Tony talk about -- give you a dollar amount for the third  
9 contribution?

10 Mr. DeMaura: I think -- I mean, my recollection it was handled  
11 in much the same way. So I think he probably recommended a  
12 number based upon something that I had come up with with Jason.  
13 But, you know, I think most likely it was Tony making a  
14 recommendation.

15 Mr. Winuk: Did you ask any questions? You said the first time  
16 you were surprised by the way the money moved. Did you ask  
17 questions for the second or third contribution about, you know,  
18 are they really doing what we're anticipating or are there  
19 problems with this? Did you have any conversations at all  
20 about your surprise or concern?

21 Mr. DeMaura: Not that I recall.

22 Mr. Zall: Do you -- did Mr. Russo ever tell you that after you  
23 transferred the money to CPPR, after you made the second  
24 transfer, he himself personally asked Sean Noble to get \$11  
25 million to the California campaign?

1 Mr. DeMaura: No, not that I recall.

2 Mr. Winuk: Who said -- who said that?

3 Mr. Zall: Russo. Did -- he never told you that?

4 Mr. DeMaura: Can you say that again just so I'm sure?

5 Mr. Zall: According to Mr. Russo, within a few days of you  
6 making the second transfer to CPPR Russo asked Sean Noble if he  
7 could get \$11 million to California. Were you aware of that at  
8 any time?

9 Mr. DeMaura: No, not that I recall.

10 Mr. Winuk: So sorry, back to any communication about either  
11 after the second transaction -- I guess the time period between  
12 the second transaction and the third you mentioned it's similar  
13 to the second one. Were there other conversations or  
14 communications with anyone?

15 Mr. DeMaura: No, not that I recall.

16 Mr. Winuk: So after the third contribution did you become  
17 aware that there was a controversy at least of some sort  
18 surrounding the second contribution?

19 Mr. DeMaura: Are you referring to a letter? Say that --

20 Mr. Winuk: Well, it was me. It was my agency.

21 Mr. DeMaura: Yeah.

22 Mr. Winuk: We wound up getting into a request that turned into  
23 litigation over that contribution and records around it. Were  
24 you aware of that?

25 Mr. DeMaura: Yeah. I think I became -- somebody filed a

1 complaint. I was aware of that through the press, yeah.

2 Mr. Winuk: Okay. Tell us about any communications you had  
3 with anyone about the complaints or any of these transactions  
4 after the contribution was made.

5 Mr. DeMaura: After the third contribution was made?

6 Mr. Winuk: Uh-huh.

7 Mr. DeMaura: I'd say primarily my conversations at that point  
8 were with legal counsel over --

9 Mr. Winuk: Did you talk to Tony at all?

10 Mr. DeMaura: In what period of time are we talking about?  
11 What were the actual dates?

12 Mr. Winuk: This would be after the third contribution was made  
13 and according to my records that was made on October 19th.  
14 Maybe an easier way to ask is did you have discussions with  
15 Tony about the complaint -- the controversy and anything like  
16 that?

17 Mr. DeMaura: Yeah. I don't believe so. There may have been  
18 conversations about paying outstanding bills but I don't recall  
19 any conversation about the complaint.

20 Mr. Winuk: Did you ever have a conversation with Sean Noble  
21 about any of those issues?

22 Mr. DeMaura: No.

23 Mr. Winuk: Did you have any conversation with Sean Noble after  
24 the 19th at all?

25 Mr. DeMaura: No.



1 Mr. Winuk: Were you familiar with Americans for Responsible  
2 Leadership before you learned of it through this transaction?  
3 Mr. DeMaura: Yeah. I was only very mildly aware of it and  
4 that I had noticed that it got set up and it got -- I don't  
5 know if it was press coverage in Washington or something but I  
6 noticed that Sean listed some part of setting it up but that's  
7 the extent that I know.  
8 Mr. Winuk: Did you ever have any conversations with any member  
9 of ARL or representative of ARL about their contribution --  
10 their \$11 million contribution to SBAC?  
11 Mr. DeMaura: No.  
12 Mr. Winuk: What else do you got, Cliff? So this one -- this  
13 is a document marked 844. It's another voicemail. It says hi,  
14 Steve, this is redacted calling. Basically they're asking  
15 about a -- we worked with you back in August to send \$25,000 to  
16 AJS, now an entity called Americans for Responsible Leadership.  
17 It's on the defensive side of an FPPC lawsuit. Trying to  
18 confirm the two are not connected I'm sure you are familiar  
19 with it. What was your response to that person, if any?  
20 Mr. DeMaura: I believe I called that person back and offered  
21 to put them in touch with my legal counsel but I think I  
22 explained to him that I didn't know what ARL would say.  
23 Mr. Anderson: And are you actually remembering a conversation  
24 or are you just saying this is how I think I would have handled  
25 it?

1 Mr. DeMaura: Yeah. It's how I think I would have handled it.  
2 I mean, I generally remember this voicemail but that's the  
3 extent of it.

4 Mr. Winuk: Bob?

5 Mr. Perna: Six and a half million. They said they couldn't  
6 give it back

7 Mr. Winuk: Who said that remind me?

8 Mr. Perna: That was in the -- Russo told us in the interview.

9 Mr. Winuk: Oh. So when we were interviewing Mr. Russo he told  
10 us that one of the conversations he had with Sean, correct, was  
11 that the money that was transferred from AJS to CPPR that --  
12 sorry. I'm going to resay it. Mr. Russo said he had a  
13 conversation with Sean Noble. The context of the conversation  
14 was after this complaint had been filed and the complaint --  
15 the contribution became a source of controversy, and Sean Noble  
16 asked to -- offered to give the money back and Mr. Russo told  
17 him well, we can't give the money back now. Were you aware of  
18 any of those conversations and were you a part of any --

19 Mr. DeMaura: Yeah. Now that you say that I recall Tony  
20 calling me to check on, you know, Sean's offer and I said no, I  
21 gave the money with --

22 Mr. Winuk: And you said what? I'm sorry.

23 Mr. DeMaura: I said no, I gave the money with, you know, to  
24 their -- no strings attached so it's theirs.

25 Mr. Zall: So why -- I mean, maybe I'm just confused. If

1 there's no strings attached why couldn't they just give it back  
2 to you?

3 Mr. DeMaura: I guess they could have but, you know, I had  
4 given them to do with it as Sean had pleased essentially and --

5 Mr. Zall: So did somebody --

6 Mr. DeMaura: -- it's still -- was still up to Sean to spend as  
7 he pleased.

8 Mr. Zall: So did you say -- do you recall your -- did you tell  
9 Tony no, I can't do that or no, I'm not interested or what?

10 Mr. DeMaura: Yeah. I mean, I'm just recreating but I think it  
11 was something along the lines of no, it's his money. He can  
12 keep it.

13 Mr. Winuk: So at some point you mentioned you became aware  
14 that a letter was sent to my agency saying that AJS was the  
15 source of an \$11 million contribution with CPPR as an  
16 intermediary, ARL as a second intermediary and SBAC as the  
17 recipient of that contribution. When -- well, first of all,  
18 were you consulted on that letter before it was sent to me?

19 Mr. DeMaura: No.

20 Mr. Winuk: When did you learn about that letter and how did  
21 you learn about that letter?

22 Mr. DeMaura: I believe I learned about it shortly after they  
23 were sent and I think it was through legal counsel that I  
24 learned about it.

25 Mr. Winuk: So before (inaudible) did you have any

1 communication with anyone about that letter?

2 Mr. DeMaura: No. Those letters were a surprise to me.

3 Mr. Winuk: Did anyone call to discuss the \$11 million  
4 contribution issue with you in any way?

5 Mr. DeMaura: You mean other than news reporters?

6 Mr. Winuk: Correct.

7 Mr. DeMaura: Yeah. No, I don't -- not that I recall.

8 Mr. Winuk: So just ask the question directly. Did you earmark  
9 an \$11 million contribution through CPPR and ARL to SBAC?

10 Mr. DeMaura: No.

11 Mr. Winuk: So you're saying the letter was in error?

12 Mr. DeMaura: Correct.

13 Mr. Winuk: Have you had any conversation since that letter was  
14 issued with either Sean Noble or anyone else regarding the  
15 letter?

16 Mr. DeMaura: I have not had any conversations about those  
17 letters with Sean Noble.

18 Mr. Winuk: I'm excluding news reporters from --

19 Mr. DeMaura: Yeah. I'd say otherwise legal counsel, AJS  
20 consultants such as David Carney and Mike Dubke just to keep  
21 them aware of what was happening. But I think that's about it.

22 Mr. Winuk: Did you discuss it with Tony Russo?

23 Mr. DeMaura: I can't recall. I can't recall.

24 Mr. Zall: Do you know what Corner Table LLC is?

25 Mr. DeMaura: I don't believe so.

1 Mr. Zall: Okay. That entity doesn't ring a bell at all?

2 Mr. DeMaura: Top of my mind, I don't believe I've heard of it.

3 But I won't say I definitely haven't heard of it but I don't

4 believe so.

5 Mr. Winuk: It's related to CPPR in some way.

6 Mr. DeMaura: I don't believe so, no.

7 Mr. Winuk: Okay. Can we take two minutes and then we'll just

8 decide if we have anything else. Also, we're going to ask if

9 there's anything relevant you want to add so maybe you want to

10 talk to him and see if there's something that you think is

11 relevant that we haven't touched on either.

12 Mr. Anderson: Yeah. Yeah. Great.

13 (Off the Record)

14 Mr. Anderson: Yeah. No, we don't have anything. Maybe I'll

15 catch up with you in a minute.

16 Mr. DeMaura: Okay. Great.

17 Mr. Zall: Thank you, you guys. Thank you.

18 Mr. Anderson: Thank you. All right. Cool. What else?

19 Anything else for us to do?

20 Mr. Winuk: No. I think we're good.

21 Ms. Arguedas: That's going to happen?

22 Mr. Perna: You want me to -- is this still on the record?

23 Mr. Winuk: We're revoking immunity and charging (inaudible).

24 Mr. Anderson: (Overlapping)

25 Mr. Perna: Let me shut it off. (Recording Ends)

- INTERVIEW CONCLUDED -

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

TRANSCRIBER'S CERTIFICATION

This is to certify that I, GITA BARRETT, transcribed the audio recording of STEPHEN DEMAURA; that the pages numbered 1 through 100 constitute said transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

A handwritten signature in cursive script that reads "Gita Barrett". The signature is written in black ink and is positioned above a horizontal line.

---

Gita Barrett, Transcriber  
Foothill Transcription Company, Inc.