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October 7, 2014

Ms. Kim Strach
Executive Director
North Carolina State Board of Elections
PO Box 27255
Raleigh, N.C. 27603

RE: Complaint Relating to North Carolina Families First and N.C. Families First

Dear Ms. Strach,

This letter constitutes a Complaint regarding failure to properly and timely disclose on Television advertising. The Complainant is the John W. Pope Civitas Institute and the Complaint is verified by Susan Myrick. The parties complained of are North Carolina Families First and N.C. Families First. The Complaint references ads that ran in September 2014 and, upon information and belief, are scheduled to continue to air through October and into November 2014. The ads mention specific candidates for the North Carolina General Assembly. The disclaimer for the ads reads "Paid For By N.C. Families First. Not Authorized By Any Political Party, Candidate or Committee." A list of the ads, where they have run and where they will run is attached hereto as Exhibit 1 to the Complaint.

No entity named "N.C. Family First" has registered or filed disclosure reports with the North Carolina Board of Elections. "North Carolina Families First" filed a report referencing these ads on September 19, 2014. The organization known as "N.C. Families First" has not registered and has filed no reports.

The ads fall under the definition of "electioneering communications" in NCGS Section 163-278.6(8j). The ads referred to one or more clearly defined candidates for elected office; the ads were transmitted after September 7 of this election year; and were televised in each instance in a market exceeding 7,500 individuals.

NCGS Section 163-278.39 contains the basic disclosure requirements for advertisements, including electioneering ads, and requires television advertisements such as the ones listed on Exhibit 1, to include the statement "Paid for by (Name of Sponsor)." All of the ads listed in Exhibit 1 were shown as "Paid for (or "Sponsored") by "N.C. Families First" – an entity that does not legally exist. 163-278.39(c) makes the misrepresentation of the sponsorship of an advertisement a Class 1 Misdemeanor. Stating that an ad is sponsored by an organization that

does not file reports and does not exist is a misrepresentation. Having an entity not listed in the disclaimer file a report claiming sponsorship of the advertisement is another misrepresentation. Both are violations of North Carolina law and should subject the members of the organization to prosecution and penalties.

In addition, the "Electioneering Communications Report" filed by North Carolina Families First was received by the State Board of Elections on September 19, 2014. The report shows a disbursement date of September 3, 2014, and presumably the expenses associated with the ads, including the production expense and reserving ad time, were incurred prior to September 3.

NCGS 163-278.12C (b) mandates that the initial report be filed with the State Board of Elections no later than the 10th day following the day the expense was incurred for the direct costs of producing or airing an electioneering communication. September 19 was more than ten (10) days past the dated the expense was incurred, which was, according to the report filed, no later than September 3, 2014.

It is my client's contention that N.C. Families First and North Carolina Families First have collectively and repeatedly violated state law. On behalf of the John W. Pope Civitas Institute, I request the Board of Elections open an immediate investigation and if proper, be subject to penalty.

If I can provide any additional information, please let me know.

Very truly yours,

Roger W. Knight
Attorney for John W. Pope Civitas Institute