

1825 EYE STREET, N.W. SUITE 900 WASHINGTON, DC 20006-5403 TELEPHONE: (202) 457-0160 FACSIMILE: (844) 670-6009 http://www.dickinsonwright.com

CHARLIE SPIES

<u>CSPIES @ DICKINSONWRIGHT.COM</u>

(202) 466-5964

December 30, 2019

TO: Sharen Mortensen, President and CEO

Midland Area Community Foundation

VIA EMAIL: smortensen@midlandfoundation.org

Re: Sarah Schulz's Illegal Campaign Advertisement

Dear Ms. Mortensen,

On behalf of the Michigan House Republican Campaign Committee, we write to you about your station's apparent illegal scheme to broadcast Sarah Schulz's long-from campaign advertisement, which is an in-kind contribution from the non-profit corporation that owns your station to the Schulz campaign and violates Michigan law. To be clear, broadcasting the program, scheduled to air on your corporation's station, Midland Community Television ("MCTV"), called "People Over Politics" will violate Section 169.254(1) of the Michigan Campaign Finance Act unless you are charging the Schulz campaign fair market value for such broadcast.

Michigan Campaign Finance Act § 169.254(1) prohibits corporations from making contributions to a candidate's campaign and candidates from accepting contributions from corporations. Sarah Schulz is a Democrat candidate for Michigan's 98th State House District and the host of "People Over Politics," a program created by her campaign and scheduled to run on your station. MCTV is an arm of the Midland Area Community Foundation ("MACF"), a non-profit corporation registered with the Michigan Department of Licensing and Regulatory Affairs. If MCTV airs "People Over Politics," MACF will be in direct violation of § 169.254(1) of the Michigan Campaign Finance Act which may result in fines up to ten-thousand dollars (\$10,000) and up to three (3) years incarceration.

According to an article published by Midland County News on December 26, 2019, "People Over Politics" is a series hosted by Sarah Schulz about her campaign. The article states, "The title of the show "People Over Politics" references Schulz's people-centered campaign that is focused on issues rather than the partisan divide that is so prevalent today." The long-form campaign advertisement is set to reinforce her campaign theme by following Schulz on the campaign trail as she speaks with selected 98th State House District constituents about so-called "issues facing the community" that in fact are designed to portray Ms. Schulz in a favorable light and benefit her campaign.

¹ Schulz to host new community show on MCTV, Dec. 26, 2019 (Midland Community News), https://www.ourmidland.com/news/article/Schulz-to-host-new-community-show-on-MCTV-14931869.php.

If Ms. Schulz's campaign is paying for airtime for "People Over Politics," and those payments are at fair market value and will be fully reported pursuant to Michigan Campaign Finance Act §§ 169.229, 169.233, then please excuse the intrusion of this correspondence and thank you for your compliance with Michigan law.

In contrast, however, if Ms. Schulz's campaign does not pay market value for the air time she receives from your station, then both she and you will knowingly be in violation of § 169.254(1) of the Michigan Campaign Finance Act.

With this letter, we are putting your corporation and station on formal written notice that any non-paid (and properly reported) broadcasting of "People Over Politics" fails to comply with Michigan law. If you grant access and air it for free, then your corporation and station bear responsibility, and will be knowingly and willfully running an advertisement that violates the law. For the sake of FCC licensing requirements, IRS non-profit organization compliance, the public interest, and to minimize both your corporation and station's own legal risk, we request that your station immediately cease and desist airing "People Over Politics."

Thank you in advance for your immediate attention to this matter. We respectfully request the courtesy of a reply; and if you have questions, or believe that this long-form advertisement is somehow fit for non-paid airing on your station, we ask that we have an opportunity to, as soon as possible, discuss this matter further. We can be reached directly at (202) 466-5964.

Sincerely,

Charles R. Spies

Counsel to Michigan House Republican Campaign Committee