

June 7, 2016

Dear Sir or Madame,

I write to you on behalf of Missourians for John Brunner regarding a false, misleading and defamatory advertisement that is currently running on your station and paid for by LGPAC, a committee registered with the Federal Election Commission (hereinafter referred to as "FEC"). The advertisement in question makes several demonstrably false claims that are addressed herein.

First, the advertisement falsely claims that Mr. Brunner failed to pay his taxes on time and that multiple tax liens were filed against him. These claims are untrue. Mr. and Mrs. Brunner have never filed their personal income taxes late and no tax liens have been filed against them.

Further, the advertisement alleges that Mr. Brunner set up overseas accounts to avoid paying Missouri taxes. This allegation is also untrue. Mr. and Mrs. Brunner have paid Missouri taxes on all their income and have never opened a foreign account for the purpose of avoiding Missouri or Federal taxes.

LGPAC filed paperwork registering with the FEC but, as of the date of this letter, it has failed to register with the Missouri Ethics Commission despite its expenditure of funds in connection with the Missouri Gubernatorial election. Yesterday, the Kansas City Star reported that efforts to contact the committee at the telephone number listed on its FEC Statement of Organization were unsuccessful. This leads us to conclude that the committee has provided false information to the FEC. David Helling, *Secret PAC behind anti-Brunner ad claims "wrong number" when reached by phone at Kansas office*, Kansas City Star, June 6, 2016 at The Buzz.

Your station bears ultimate responsibility for the content of the material that it chooses to air. Because of the numerous false statements contained in this advertisement, we urge you to exercise your discretion as a licensee and refuse to continue to disseminate this misleading and defamatory information.

The FCC has advised licensees that there is no affirmative requirement to accept political material that is not authorized by a candidate. *Political Programming Policies* 7 FCC Rcd. 678, 685 n. 54 (1991). As an FCC licensee you are entrusted with a legal responsibility to exercise editorial judgement and discretion regarding the materials that you choose to broadcast. Your station has a legal obligation to take this responsibility seriously and to "protect the public from false, misleading and deceptive advertising." *Licensee Responsibility with Respect to the Broadcast of False, Misleading or Deceptive Advertising*, 74 FCC 2d 623 (1961).

**Missourians for John Brunner**

P.O. Box 16985 | Clayton, MO 63105 | 314.349.8141

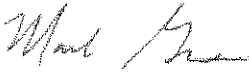
Paid for by Missourians for John Brunner, Karen Giamalva, Treasurer

Based on publicly available information, it is our belief that LGPAC submitted this advertisement for broadcast without any supporting documentation or any other information that would support the allegations contained therein. Your decision to air this advertisement without examining any documentation that purported to prove the truth of the claims made therein shows a reckless disregard for Mr. Brunner's reputational rights.

Missourians for John Brunner, and Mr. Brunner personally reserve all rights, remedies and potential avenues of recourse to which they are individually and/or collectively entitled, including the right to name your station as a party in a lawsuit alleging defamation. No action or inaction of either Missourians for John Brunner or Mr. Brunner personally should be considered a waiver, relinquishment or impairment of any such rights or remedies.

Your prompt attention to this matter is appreciated and we state ready to answer any questions that you may have regarding this matter.

Sincerely,



Mark Green

Campaign Manager

## BACKUP FOR TV :30 “TAXES” – LG PAC AD

“WHAT IS IT WITH JOHN BRUNNER AND TAXES?”

BRUNNER DIDN'T PAY HIS TAXES ON TIME.”

BACKUP:

KMBC's Mahoney said Vi-Jon has had tax liens issued for being late on corporate property taxes, including \$9,200 for the corporate jet. He was late paying property taxes on his car, too.

<http://www.kmbc.com/politics/Micheal-Mahoney-analyzes-anti-John-Brunner-ad/15771550>

John Brunner, the wealthy Republican businessman locked in a competitive three-way primary for a shot at the first-term Democrat, was more than two months late paying property taxes on his company's private aircraft in 2006, according to records provided to POLITICO by a Democratic operative.

Story Continued Below

According to St. Louis County property tax records, Vi-Jon Services — the hand sanitizer company where Brunner was CEO — paid \$9,287 in taxes on March 9, 2007. It owed \$8,589 on Dec. 31 of the previous year but was charged close to \$700 for being tardy.

A Brunner campaign spokesman acknowledged the delinquent payment in an emailed response.

<http://www.politico.com/story/2012/07/mos-brunner-was-late-on-plane-taxes-078325#ixzz49s7CLnEo>

ALSO:

<http://news.stlpublicradio.org/post/mo-gop-senate-candidates-akin-brunner-steelman-made-late-tax-payments>

**“HAD TO BE SLAPPED WITH MULTIPLE TAX LIENS TO GET HIM TO PAY UP.”**

BACKUP:

KMBC's Mahoney said Vi-Jon has had tax liens issued for being late on corporate property taxes, including \$9,200 for the corporate jet. He was late paying property taxes on his car, too.

<http://www.kmbc.com/politics/Micheal-Mahoney-analyzes-anti-John-Brunner-ad/15771550>

Also: This link connects to a court filing against Brunner's company, ViJon, in 2003:

<http://rtturner229.blogspot.com/2012/07/brunner-whys-sarah-always-picking-on-me.html>,

**“BRUNNER SET UP OVERSEAS ACCOUNTS, AVOIDING MISSOURI TAXES.”**

BACKUP:

Brunner's campaign said for the first time that the candidate and his wife have a checking account in the Cayman Islands, where they own a home. The campaign said it's a non-interest-bearing account used to pay bills and other expenses while they're on the island. Brunner's campaign said he also has an account in Bermuda. KMBC: Micheal Mahoney analyzes anti-John Brunner ad (7/27/2012) <http://www.kmbc.com/politics/Micheal-Mahoney-analyzes-anti-John-Brunner-ad/15771550>

Brunner derives the majority of his wealth, at least \$9 million, from his former company Vi-Jon, a cosmetics and health care manufacturer. He also holds a minimum of about \$5 million in gold and silver. But beyond that, a few unusual investments have caught the attention of his opponents.

**He recently dissolved an account worth \$1 million to \$5 million with Edelweiss Holdings, a Bermuda-based investment company that focuses “on the preservation of wealth against the erosion of the purchasing**

**power of money,” according to its website. His wife retains a similar account with the firm valued at more than \$1 million.**

A spokesman for Brunner said the candidate pays all U.S. taxes and said the account provided him “no tax advantage.” Still, offshore accounts in countries such as Bermuda with limited disclosure requirements and few, if any, national taxes, raise red flags among tax professionals.

”If people have \$5 million and they are sprinkling it around the subtropical tax havens, one wonders why,” said Frances Hill, a professor specializing in tax and election law at the University of Miami Law School. “Why does a candidate for Congress want his or her money not in the U.S.?”

Jeffery Trinca, a tax attorney at Van Scoyoc Associates who served as chief of staff for the Senate committee charged with restructuring the IRS in the 1990s, said that many investors are drawn to these kind of accounts to avoid IRS reporting requirements.

Brunner also holds a “non interest bearing” checking account in the Cayman Islands, where his family owns a condominium. The account was not reported on his personal financial disclosure form because it holds less than \$5,000, according to his campaign. ”It isn’t necessarily nefarious, but it raises questions,” Trinca said. “Generally, a lot of travel to the Caymans and an account there as well tends to raise eyebrows at the IRS and the Treasury.”  
(Roll Call, 7/31/12)

**“AND HE REFUSED TO SHOW HIS RETURNS.”**

BACKUP.

REFUSED TO RELEASE HIS RETURNS IN 2012.

Brunner said he will release his tax returns if Sen. Claire McCaskill and her husband will release theirs. (SLPD, 7/15/12)

**“WHAT’S JOHN BRUNNER HIDING? AND WHY WOULD WE TRUST A GUY LIKE THAT WITH OUR TAXES?”**

**“LG PAC IS RESPONSIBLE FOR THE CONTENT OF THIS MESSAGE. “**



June 7, 2016

Dear Sir or Madam:

We have received the information contained in the document that purports to support the allegations in the advertisement paid for by LG PAC and find them to be completely lacking. This document, on its face, does not support the allegations contained in the ad. The advertisement makes allegations against Mr. Brunner personally regarding late payment of taxes and tax liens. The supporting documentation makes reference to a single tax lien filed against Mr. Brunner's company, not "multiple" tax liens as alleged and does not support the allegations that he had to be forced to make payment by any jurisdictional authority. The information that seeks to support the allegation that Mr. Brunner utilized overseas accounts to avoid paying Missouri tax is completely lacking in evidentiary value. On the contrary, it is tenuous and against the weight of evidence to the contrary, citing even Mr. Brunner's own entirely understandable explanation that a non-interest bearing checking account was maintained only for personal convenience. Further, it is difficult to understand how the musings of tax attorneys and others speaking in general terms about the actions of others can possibly be used to support the allegations regarding Mr. Brunner.

Again, we remind you that your station bears the ultimate responsibility for the content of the material that it chooses to air. Because of the numerous false statements contained in this advertisement, we urge you to exercise your discretion as a licensee and refuse to continue to disseminate this misleading and defamatory information. We consider this an urgent matter and wish to see the content taken down today.

Sincerely,

Mark Green  
Campaign Manager

Missourians for John Brunner

P.O. Box 16085 | Clayton, MO 63105 | 314.349.8141

Paid for by Missourians for John Brunner, Karen Giamalya, Treasurer

# CLARK HILL

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Charles R. Spies  
T 202.572.8663  
F 202.572.8683  
Email: [cspies@clarkhill.com](mailto:cspies@clarkhill.com)

Clark Hill PLC  
601 Pennsylvania Avenue NW  
North Building, Suite 1000  
Washington, DC 20004  
T 202.772.0909  
F 202.772.0919  
  
[clarkhill.com](http://clarkhill.com)

June 7, 2016

## ATTENTION STATION MANAGER

### Re: LG PAC's Advertisement

On behalf of LG PAC, we write about a letter you may have received from Missourians for John Brunner (“Brunner”), regarding an LG PAC advertisement that is currently airing on your station. The letter takes issue with LG PAC’s advertisement entitled “Taxes,” which informs voters about John Brunner’s longstanding financial woes and dismal record on taxes.

The letter from Brunner is a desperate attempt to conceal his embarrassing record of late and delinquent tax payments. It is meant to intimidate stations and outside advertisers in the lead up to the election. Brunner’s challenge is baseless. Each and every statement in the advertisement is carefully worded, documented and supported. LG PAC’s advertisement is accurate in every respect, raises critical character issues, and should continue to air.

### *Brunner Did Not Pay His Taxes On Time*

As an initial matter, it is important to note that Brunner’s letter grossly mischaracterizes the content of LG PAC’s advertisement, suggesting that its late tax payment claim is false because “Mr. and Mrs. Brunner have never filed their personal income taxes late...” LG PAC’s ad makes no allegations regarding Brunner’s payment or non-payment of his personal income taxes, or those of his wife. This careless defense conveniently ignores the fact that Brunner was repeatedly late paying numerous other forms of taxes, both personally and through the private company he owned, Vi-Jon Laboratories. This is precisely the reason LG PAC’s ad does not specify which form of taxes Brunner did not pay on time—because there are so many.

It has been extensively corroborated, and even admitted by Brunner’s campaign, that Brunner failed to pay his company’s taxes on time. Perhaps this is why *Talking Points Memo* published an article on July 10, 2012 with the headline “John Brunner Failed To Pay Property Taxes On Time.”<sup>1</sup> It could also be why *Politico* wrote an article with the headline, “Brunner was

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<sup>1</sup> Igor Bobic, *John Brunner Failed To Pay Property Taxes On Time*, TPM, July 10, 2012, available at <http://talkingpointsmemo.com/livewire/john-brunner-failed-to-pay-property-taxes-on-time>.

late on plane taxes, too,” on July 10, 2012.<sup>2</sup> In those articles, and numerous other publications during Brunner’s campaign for the U.S. Senate in 2012, it is well documented that Brunner was delinquent in paying his taxes for his company. As *Politico* makes clear:

John Brunner, the wealthy Republican businessman locked in a competitive three-way primary for a shot at the first-term Democrat, was more than two months late paying property taxes on his company’s private aircraft in 2006, according to records provided to POLITICO by a Democratic operative.

According to St. Louis County property tax records, Vi-Jon Services — the hand sanitizer company where Brunner was CEO — paid \$9,287 in taxes on March 9, 2007. It owed \$8,589 on Dec. 31 of the previous year but was charged close to \$700 for being tardy.<sup>3</sup>

A July 17, 2012 KMBC article added that “He owed more than \$9,200 for Vi-Jon’s corporate plane in 2006.”<sup>4</sup>

Brunner was not just some employee of Vi-Jon Laboratories—he owned the company. Therefore, any allegation that Brunner did not pay his taxes on time by neglecting to pay his company’s taxes is directly attributable to him. Moreover, numerous publications, including the *TPM* article cited above, state clearly that “John Brunner Failed To Pay Property Taxes On Time.” The article does not contain the headline, “Vi-Jon Laboratories Fails To Pay Property Taxes On Time.”

In making its allegation that “Brunner didn’t pay his taxes on time,” LG PAC is merely restating what numerous news outlets, including *TPM* and *Politico*, have already explicitly stated. If Brunner has a problem with how *TPM*, *Politico*, or various other news organizations characterized his tax delinquencies in 2012, he should have taken it up with them directly or requested a retraction. He cannot now cry afoul because a political committee is merely restating what such publications stated four years ago, and attempt to manipulate and intimidate your station into playing censor.

As for Brunner’s personal tax issues, KMBC reporter Michael Mahoney revealed in 2012 that Brunner was “late paying 2007-08 property taxes on his own car, Ford 500” for \$699.<sup>5</sup> A McClatchyDC article added that “St. Louis County tax records show Brunner did not pay his

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<sup>2</sup> David Catanese, *Brunner was late on plane taxes, too*, POLITICO, July 10, 2012, available at <http://www.politico.com/story/2012/07/mos-brunner-was-late-on-plane-taxes-078325#ixzz49s7CLnEo>.

<sup>3</sup> *Id.*

<sup>4</sup> See *Micheal Mahoney analyzes new Sarah Steelman campaign ad*, KMBC.com, July 17, 2012, available at <http://www.kmbc.com/politics/Micheal-Mahoney-analyzes-new-Sarah-Steelman-campaign-ad/15580446>.

<sup>5</sup> See *Micheal Mahoney analyzes anti-John Brunner ad*, KMBC.com, July 27, 2012, available at <http://www.kmbc.com/politics/Micheal-Mahoney-analyzes-anti-John-Brunner-ad/15771550> (video clip at 1:38).



June 7, 2016

Page 3

2007 and 2008 taxes on a Ford Five Hundred until April 2009. He paid \$699 in back taxes, interest and penalties.”<sup>6</sup>

It is therefore entirely false for Brunner to claim he has never been late paying his taxes. It is also irrelevant whether Brunner and his wife have “never filed their personal income taxes late,” as Brunner’s letter asserts, because LG PAC’s claims are not based on Brunner’s, or his wife’s, personal income taxes.

### ***Brunner Was Slapped With Multiple Tax Liens***

Brunner attempts to dodge reality a second time by suggesting that LG PAC’s tax lien claim is false because “no tax liens have been filed against [Mr. and Mrs. Brunner].” Once again, LG PAC’s ad does not specify that tax liens were filed against Brunner and his wife or that the liens were against Brunner for not paying his personal income taxes. The ad simply states that “Brunner was slapped with multiple tax liens,” which he was. As the owner and CEO of Vi-Jon Laboratories, Brunner was the leader and face of a company that was hit with multiple tax liens. As *KMBC*’s Michael Mahoney stated in 2012, “Vi-Jon has had tax liens issued for being late on corporate property taxes, including \$9,200 for the corporate jet.”<sup>7</sup> In another *KMBC* article, Mahoney explained that “Vi-Jon...was sued in 2003 while Brunner was CEO” and that the “company owed about \$1,266 with interest and penalties.”<sup>8</sup> A copy of the docket entry for *Leggett v. Vi-Jon Laboratories*, the 2003 case, is attached as Exhibit A.

### ***Brunner Set Up Overseas Accounts, Avoiding Missouri Taxes***

Once again, Brunner’s letter misconstrues LG PAC’s overseas account claims. The letter states that “the advertisement alleges that Mr. Brunner set up overseas accounts to avoid paying Missouri taxes,” inferring that Brunner’s intent in setting up these accounts was “to avoid” paying state taxes. Of course, it is certainly possible that this was his and his wife’s intent. However, this is not what LG PAC’s ad asserts. Rather, LG PAC’s ad claims “Brunner Set Up Overseas Accounts, Avoiding Missouri Taxes.” It is indisputable that Brunner set up overseas accounts. He and his campaign admit this fact. The same *KMBC* article from July 27, 2012 states that “Brunner’s campaign said for the first time that the candidate and his wife have a checking account in the Cayman Islands, where they own a home,” and that “Brunner’s campaign said he also has an account in Bermuda.”<sup>9</sup>

By saying “avoiding Missouri taxes” and not “to avoid paying Missouri taxes,” LG PAC’s ad is merely stating the obvious that such overseas accounts do not require paying Missouri taxes. A *St. Louis Post-Dispatch* article from July 15, 2012 explained that Brunner:

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<sup>6</sup> David Goldstein, *Missouri Republican candidates for Senate seat all share McCaskill’s tax problem*, MCCLATCHY NEWSPAPERS, July 11, 2012, available at <http://www.mcclatchydc.com/news/politics-government/election/article24732646.html>.

<sup>7</sup> *KMBC* Article, *supra* n. 5.

<sup>8</sup> *KMBC* Article, *supra* n. 4.

<sup>9</sup> *KMBC* Article, *supra* n. 5.

June 7, 2016

Page 4

also invested with Edelweiss Holdings, an investment firm based in Ireland and registered in Bermuda, a tax haven. Brunner sold his investment of more than \$1 million over the last year, although his wife maintained more than \$1 million at the firm. A spokesman for the Brunner campaign said that the firm registered abroad so foreign investors wouldn't have to pay American taxes.<sup>10</sup>

It is no wonder that *Roll Call* stated in a July 30, 2012 article that “[b]etween a private aircraft and bank accounts based in Bermuda and the Cayman Islands, where he also has a vacation home, Brunner’s personal finances could also be a liability...”<sup>11</sup> In a statement in response to this *Roll Call* article from his 2012 campaign, a spokesman provided a carefully crafted response, asserting that Brunner “pays all U.S. taxes and said the account provided him no tax advantage.”<sup>12</sup> However, his response conveniently ignores the fact that Brunner was not required to pay Missouri taxes on the Bermuda account, thus “avoiding Missouri taxes.”

### ***Brunner Refused to Show His Tax Returns***

During his 2012 Senate campaign, Brunner refused to release his tax returns, stating that “he will release his tax returns if Sen. Claire McCaskill and her husband will release theirs.”<sup>13</sup> LG PAC’s advertisement is carefully worded to say “refused” in the past tense. It is consequently indisputable that during at least one instance in his 2012 campaign, and specifically in his interview with Jim Gallagher of the *Post-Dispatch*, Brunner said he would not release his previous years’ tax returns unless Senator McCaskill and her husband released their returns. Therefore, LG PAC’s statement that Brunner “refused to show his tax returns” is accurate in every respect.

### ***Conclusion***

In threatening your station with baseless arguments, Brunner is trying to halt a healthy discussion about the candidates for Governor, by cutting off his critics’ access to the airwaves. While Brunner is welcome to purchase airtime on your station to defend his record, or attempt to make the case that his record on taxes is squeaky clean – he cannot silence his critics by taking away their right to respond. When Brunner decided to run for Governor, he became a public figure. The ability to criticize a candidate’s policies, and matters of public importance, lies at the heart of the First Amendment, as courts have repeatedly recognized. *See, e.g. Time, Inc. v. Hill*, 385 U.S. 374 (1967); *New York Times v. Sullivan*, 376 U.S. 254 (1964). As you know, the Federal Communications Commission has held that stations best meet their public interest

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<sup>10</sup> Jim Gallagher, *Brunner touts business background in run for Senate*, ST. LOUIS POST-DISPATCH, July 15, 2012, available at [http://m.stltoday.com/news/local/govt-and-politics/brunner-touts-business-background-in-run-for-senate/article\\_546a7d69-f0af-5f49-816a-f4873647b9fe.html](http://m.stltoday.com/news/local/govt-and-politics/brunner-touts-business-background-in-run-for-senate/article_546a7d69-f0af-5f49-816a-f4873647b9fe.html).

<sup>11</sup> Janie Lorber, *In Missouri, John Brunner Attacks GOP Opponent’s Wealth*, ROLL CALL, July 30, 2012, available at <http://www.rollcall.com/news/In-Missouri-John-Brunner-Attacks-GOP-Opponents-Wealth-216574-1.html>.

<sup>12</sup> *Id.*

<sup>13</sup> Gallagher Article, *supra* n. 10.

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June 7, 2016

Page 5

obligations “by presenting contrasting views” and encouraging “robust, wide-open debate.” *In re Complaint by Hon. Ronald Reagan*, 38 F.C.C.2D 314 (1972). It has consistently rejected invitations by political figures to “judge the truth or falsity of material being broadcast on either side of a currently controversial issue.” *Id. Accord In re Complaint by Alan S. Burstein*, 43 F.C.C.2d 590 (1973); *In re Complaint by Patton Echols*, 43 F.C.C.2d 479 (1973).

The facts set forth above clearly support each and every claim made in LG PAC’s ad. We trust you will make a fact-based decision and continue to air LG PAC’s ad in order to allow the people of Missouri to be fully educated about their candidates for Governor. With only several weeks before the primary election, any decision to stop airing the ad will cause irreparable harm to LG PAC.

If you have any questions, or believe that LG PAC’s ad is somehow unfit for airing on your station, we ask that you contact us immediately to discuss this matter further. I can be reached directly at (202) 772-0915.

Sincerely,



Charles R. Spies  
James E. Tyrrell III  
*Counsel to LG PAC*

Enc.

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22032-09191 - LEGGETT VS VIJON LABORATORIES INC

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Sort Date Entries:  Descending  Ascending

Display Options:

- 11/15/2011**      **Judge/Clerk - Note**  
 \$\$\$\$ 31.80 PAID FOR ENTIRE FILE OF MULTI FILES BY STEPHANIE NIELSEN \$\$\$\$
- 11/10/2011**      **Judge/Clerk - Note**  
 ENTIRE FILE FOR STEPHANIE NIELSEN TOTAL \$1.80
- 09/29/2003**      **Judge/Clerk - Note**  
 Cost equal deposit therefore bill or check not generated.
- 08/21/2003**      **Judge/Clerk - Note**  
 P001-RONALD A. LEGGETT, COLLECTOR OF REVENUE abstracted.  
**Judge/Clerk - Note**  
 Case Electronically Disposed
- 08/19/2003**      **Dismissed by Parties**  
 DISMISSED WITH PREJUDICE  
**Order**  
 Plaintiff dismisses cause with prejudice. Defendant having tendered cost to plaintiff. SO ORDERED:  
 35879-JUDGE JOHN GARVEY
- 08/08/2003**      **Return Service - Other**  
 Proof of service on D001-VIJON LABORATORIES INC from St. Louis City filed.  
**Hearing Rescheduled**  
 35879-JUDGE JOHN FRANCIS GARVEY continued cause from schedule L29 on 09/15/03 to schedule  
 729 on 10/31/03 .