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Clerk of Circuit Court
Brown County, WI
2024CV001144
Honorable Donald R.
Zuidmulder
Branch 1

June 17, 2024

Dear Station Manager:

Our firm is counsel to WinSenate. We write in response to the letter your station received from Eric Hovde and Hovde for Senate (collectively, the “**Campaign**”), demanding that you remove WinSenate’s advertisement (the “**Ad**”) regarding Eric Hovde, a candidate for U.S. Senate in Wisconsin. The Campaign’s letter is without merit. Each statement in the Ad is accurate and well-researched. The Campaign’s effort to censor WinSenate should be disregarded and the Ad should continue to air on your station.

The Campaign disputes three statements in the Ad, each of which is supported by a clear and documented record:

- The Campaign claims that describing Mr. Hovde as a “California banker” is “plainly misleading.” But Mr. Hovde, who was named by the Orange County Business Journal for three years running as one of the California county’s most influential individuals, owns a multimillion-dollar mansion in Laguna Beach, California.¹ He is also the Chairman and CEO of Sunwest Bank,² which was founded in Tustin, California,³ and has more branches in California than in any other state – and has no locations in the state of Wisconsin.⁴ It is therefore entirely accurate to describe him as “California banker.” The Campaign’s assertions regarding Mr. Hovde’s residency and Sunwest Bank’s corporate headquarters are irrelevant to the claim made in the Ad, which simply and accurately denotes Mr. Hovde’s extensive ties to California and occupation as a banker at a bank founded and primarily located in California.
- The Campaign next takes issue with the claim that Mr. Hovde is “now is sheltering his wealth in shady tax havens around the world.” Yet the Campaign’s own letter admits that he transacted business in Bermuda and the Cayman Islands, which are notorious tax havens. As Politico reports, “Wisconsin GOP Senate candidate Eric Hovde invested tens of millions of dollars in insurance companies that operated in the U.S. but were based in Bermuda, and therefore

¹ Daniel Bice, *Possible Wisconsin Senate candidate Hovde owns \$7M California Home*, Milwaukee Journal Sentinel, <https://www.jsonline.com/story/news/investigations/daniel-bice/2023/05/15/possible-wisconsin-senate-candidate-eric-hovde-owns-7-million-dollar-california-home/70204226007/>; *500 Most Influential People*, Orange County Business Journal (May 23, 2020), <https://www.ocbj.com/oc-500/2019-oc-500/eric-hovde/>; (Jan. 6, 2019), <https://www.ocbj.com/oc-500/2018-oc-500/2018-oc-500-eric-donald-hovde/>; (Jan. 3, 2018), <https://www.ocbj.com/oc-500/oc-500-eric-hovde/>.

² Sunwest Bank, <https://www.sunwestbank.com/about/leadership/eric-hovde/#:~:text=He%20serves%20as%20the%20Chairman,LLC%2C%20a%20private%20equity%20firm.>

³ See <https://www.sunwestbank.com/about/who/>

⁴ See <https://www.sunwestbank.com/>.



benefited from not having to pay U.S. corporate taxes.”⁵ Additionally, companies that Mr. Hovde operates or profits from are incorporated and continue to do business in Delaware, widely acknowledged to be a tax haven in the United States:⁶ for example, Sunwest Bank, of which Mr. Hovde is Chairman and CEO, is a subsidiary of H Bancorp LLC, which is incorporated in Delaware.⁷ Therefore, the Ad’s claim that Mr. Hovde has and continues to shelter his wealth in shady tax havens is accurate. The Campaign’s discussion over whether or not Mr. Hovde committed tax evasion is irrelevant, as the Ad made no such claim.

- The Campaign’s final contention is over the Ad’s claim that Mr. Hovde’s “family rigged the system to rake in thirty million in government subsidies and loans.” However, the Campaign’s own letter acknowledges that Mr. Hovde’s development company received subsidies and loans from Wisconsin local governments that were not available to the general public. To quote Mr. Hovde’s letter: “the TIF [tax incremental financing] projects are negotiated and approved by elected council members and the mayors of those municipalities.” These bespoke grants and subsidies are not available to any other business or project. Negotiating for a special deal just for one’s own business is the very definition of rigging the system. It is neither here nor there that, as Mr. Hovde’s letter notes, the rigging of the system happened “in a very transparent public process.”

As an individual seeking federal office, Mr. Hovde is a public figure. Wisconsin voters are entitled to know his background, and how it may impact the issues that will determine their votes. WinSenate’s ability to speak on such matters of public importance and criticize Mr. Hovde is at the heart of the First Amendment’s protections. *Time, Inc. v. Hill*, 385 U.S. 374 (1967); *New York Times v. Sullivan*, 376 U.S. 254 (1964).

There is absolutely nothing false about the claims in this advertisement. The Campaign has no right to silence WinSenate. Your decision to accept the advertisement should remain undisturbed. Please contact us promptly at 202/968-4512 or ereese@elias.law before this advertisement’s schedule on your station changes in any way.

Sincerely,



Ezra W. Reese
Sarah N. Mahmood

⁵ Caitlin Oprysko, *Signal Group buys out Wiley*, Politico (Mar. 13, 2024), <https://www.politico.com/newsletters/politico-influence/2024/03/13/signal-group-buys-out-wiley-00146851>

⁶ Evan Tarver, *Why Delaware is Considered a Tax Shelter* (Oct. 05, 2023), <https://www.investopedia.com/articles/personal-finance/092515/4-reasons-why-delaware-considered-tax-shelter.asp>.

⁷ Delaware Dep’t of State, Division of Corporations, Business Entity Search, <https://icis.corp.delaware.gov/eCorp/EntitySearch/NameSearch.aspx>