

FILED
08-09-2024
Clerk of Circuit Court
Brown County, WI
2024CV001144
Honorable Donald R.
Zuidmulder
Branch 1

**STATE OF
WISCONSIN**

**CIRCUIT
COURT**

**BROWN
COUNTY**

ERIC D. HOVDE
3620 Lake Mendota Drive
Madison, WI 53705,

and

HOVDE FOR WISCONSIN, INC.
1601 E. Racine Avenue, Suite 200
Waukesha, WI 53186,

Plaintiffs,

v.

WINSENATE PAC
c/o Rebecca Lambe, Treasurer
1032 15th St NW, Suite 247
Washington, DC 20005,

GRAY MEDIA GROUP
4370 Peachtree Road, Suite 400
Atlanta, GA 30319,

NEXSTAR MEDIA INC.
545 E. John Carpenter Freeway, Suite 700
Irving, TX 75062,

THE EVENING TELEGRAM COMPANY (D/B/A
MORGAN MURPHY MEDIA)
7025 Raymond Road
Madison, WI 53719,

SINCLAIR COMMUNICATIONS, LLC
10706 Beaver Dam Road
Cockeysville, MD 21030,

FOX TELEVISION STATIONS, LLC
10201 W. Pico Boulevard
Los Angeles, CA 90035,

ION MEDIA NETWORKS, INC.
312 Walnut Street, Suite 2800
Cincinnati, OH 45202,

and

Case Code: 30106
Classification: Intentional Tort with
Money Judgment

SCRIPPS MEDIA, INC.
312 Walnut Street, Suite 2800
Cincinnati, OH 45202

Defendants.

SUMMONS

THE STATE OF WISCONSIN to each person named above as a Defendant:

You are hereby notified that the Plaintiffs named above have filed a lawsuit or other legal action against you. The Complaint, which is attached, states the nature and basis of the legal action.

Within forty-five (45) days of receiving this Summons, you must respond with a written answer, as that term is used in Wis. Stat. Ch. 802, to the Complaint. The Court may reject or disregard an answer that does not follow the requirements of the Statutes. The answer must be sent or delivered to the Court, whose address is 100 S. Jefferson Street, Green Bay, Wisconsin 54301, and to the Plaintiffs' attorneys, Cramer Multhauf LLP, whose address is 1601 East Racine Avenue, P.O. Box 558, Waukesha, Wisconsin 53187. You may have an attorney help or represent you.

If you do not provide a proper answer within forty-five (45) days, the Court may grant Judgment against you for the award of money or other legal action requested in the Complaint, and you may lose your right to object to anything that is or may be incorrect in the Complaint. A Judgment may be enforced as provided by law. A Judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 9th day of August, 2024.

CRAMER MULTHAUF LLP
Attorneys for Plaintiffs

BY: Electronically signed by Matthew M. Fernholz

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Defendants.

COMPLAINT

NOW COME the above-named Plaintiffs, Eric D. Hovde and Hovde for Wisconsin, Inc., by their attorneys, Cramer Multhauf LLP, and complain and allege against the above-named Defendants as follows:

NATURE OF THIS ACTION

The Plaintiffs are seeking monetary and injunctive relief against the Defendants stemming from the Defendants' libel and defamation.

PARTIES

1. The Plaintiff, Eric D. Hovde, ("Hovde") is an adult individual and citizen of the State of Wisconsin residing at 3620 Lake Mendota Drive, Madison, Wisconsin.
2. The Plaintiff, Hovde for Wisconsin, Inc. (hereinafter "Campaign"), is a Wisconsin corporation with its registered agent located at 1601 E. Racine Avenue, Suite 200, Waukesha, Wisconsin.
3. The Defendant, WinSenate PAC ("WinSenate"), is a political action committee registered with the Federal Election Commission ("FEC"). Upon information and belief, Rebecca Lambe is the custodian of records and treasurer for WinSenate. Also, upon information and belief, WinSenate has a principal place of business located at 1032 15th Street NW, Suite 247, Washington DC 20005. WinSenate conducts business in Wisconsin by paying for advertisements to run on Wisconsin media outlets.

4. The Defendant, Gray Media Group, Inc. (“Gray”), is a Delaware corporation with a principal place of business located at 4370 Peachtree Road NE, Suite 400, Atlanta, Georgia 30319. Gray is registered to conduct business in Wisconsin with its registered agent located at C T Corporation System, 301 S. Bedford Street, Suite 1, Madison, Wisconsin 53703. Gray is a media company that owns and operates television broadcasting services, including, but not limited to, WEAU 13 News in Eau Claire (“WEAU”), Channel 7 in Wausau (“WSAW-TV”), Channel 2 in Green Bay (“WBAY-TV”), and Channel 15 in Madison (“WMTV”). WEAU, WSAW-TV, WBAY-TV, and WMTV have aired WinSenate’s defamatory advertisement in Eau Claire, Wausau, Green Bay, Madison, and the surrounding media markets.

5. The Defendant, Nexstar Media Inc. (“Nexstar”), is a Delaware corporation with a principal place of business located at 545 E. John Carpenter Freeway, Suite 700, Irving, Texas 75062. It is registered to conduct business in Wisconsin with its registered agent located at Corporation Service Company, 33 E. Main Street, Suite 610, Madison, Wisconsin 53703. Nexstar is a media company that owns and operates television broadcasting services, including, but not limited to, WFRV-TV in Green Bay and WLAX in La Crosse. WFRV-TV and WLAX have aired WinSenate’s defamatory advertisement in Green Bay, La Crosse, and the surrounding media markets.

6. The Defendant, The Evening Telegram Company (d/b/a Morgan Murphy Media) (“Evening Telegram”) is a Wisconsin corporation with a principal place of business located at 7025 Raymond Road, Madison, Wisconsin 53719, and its registered agent located at C T Corporation System, 301 S. Bedford Street, Suite 1, Madison, Wisconsin 53703. Evening Telegram is a media company that owns and operates television broadcasting services, including, but not limited to, News 8 Now (“WKBT-DT”) in La Crosse. WKBT-DT is a television station

that has aired WinSenate's defamatory advertisement in La Crosse and the surrounding media market.

7. The Defendant, Sinclair Communications, LLC ("Sinclair"), is a Maryland limited liability company with a principal place of business located at 10706 Beaver Dam Road, Cockeysville, Maryland 21030. It is registered to conduct business in Wisconsin with its registered agent located at C T Corporation System, 301 S. Bedford Street, Suite 1, Madison, Wisconsin 53703. Sinclair is a media company that owns and operates television broadcasting services, including, but not limited to, The CW 18 ("WVTV") in Milwaukee. WVTV has aired WinSenate's defamatory advertisement in Milwaukee and the surrounding media market.

8. The Defendant, Fox Television Stations, LLC ("Fox"), is a Delaware limited liability corporation with a principal place of business located at 10201 W. Pico Boulevard, Los Angeles, California 90035. It is registered to conduct business in Wisconsin with its registered agent located at C T Corporation System, 301 S. Bedford Street, Suite 1, Madison, Wisconsin 53703. Fox is a media company that owns and operates television broadcasting services, including, but not limited to, Fox6 News ("WITI") in Milwaukee. WITI is a television station that has aired WinSenate's defamatory advertisement in Milwaukee and the surrounding media market.

9. The Defendant, Ion Media Networks, Inc. ("Ion"), is a Florida corporation with a principal place of business located at 312 Walnut Street, Suite 2800, Cincinnati, Ohio 45202. It is registered to conduct business in Wisconsin with its registered agent located at Corporation Service Company, 33 E. Main Street, Suite 610, Madison, Wisconsin 53703. Ion is a media company that owns and operates television broadcasting services, including, but not limited to, Virtual Channel 55 ("WPXE-TV") in Kenosha and Virtual Channel 46 ("WTPX-TV") in Antigo.

WPXE-TV and WTPX-TV are television stations that have aired WinSenate's defamatory advertisement in Kenosha, Antigo, and the surrounding media markets.

10. The Defendant, Scripps Media, Inc. ("Scripps"), is a Delaware corporation with a principal place of business located at 312 Walnut Street, Suite 2800, Cincinnati, Ohio 45202. It is registered to conduct business in Wisconsin with its registered agent located at Corporation Service Company, 33 E. Main Street, Suite 610, Madison, Wisconsin 53703. Scripps is a media company that owns and operates television broadcasting services, including, but not limited to, NBC 26 ("WGBA-TV") in Ashwaubenon, TV 32 ("WACY-TV") in Appleton, and TMJ4 ("WTMJ-TV") in Milwaukee. WGBA-TV, WACY-TV, and WTMJ-TV have aired WinSenate's defamatory advertisement in Ashwaubenon, Appleton, Milwaukee, and the surrounding media markets.

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over this matter pursuant to Wis. Stat. § 801.04(1) as the allegations giving rise to the cause of action occurred within this State.

12. This Court has personal jurisdiction over the Defendants pursuant to Wis. Stat. § 801.05(1)(c)-(d), or (3).

13. Venue is appropriate in Brown County pursuant to Wis. Stat. § 801.50(2)(a) and (c). Further, Wisconsin law provides that "if venue is proper as to any one defendant, then the action is properly venued." *Stelling by Ryberg v. Middlesex Ins. Co.*, 2023 WI App 10, ¶3, 406 Wis. 2d 197, 986 N.W.2d 354.

BACKGROUND FACTS

14. Hovde is the Republican front runner in the election for the United States Senate in 2024.

15. On June 13, 2024, a political advertisement (the “Advertisement”) created by WinSenate characterizing Hovde as having “rigged the system to rake in thirty million in government subsidies and loans” and stating that “now he’s sheltering his wealth in shady tax havens around the world” was aired on the above-named television networks (collectively the “Stations”). The ad is available [here](#).

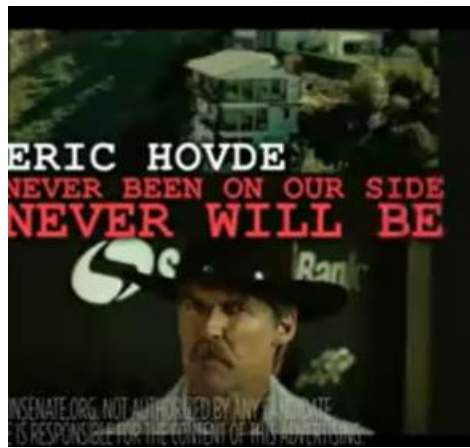
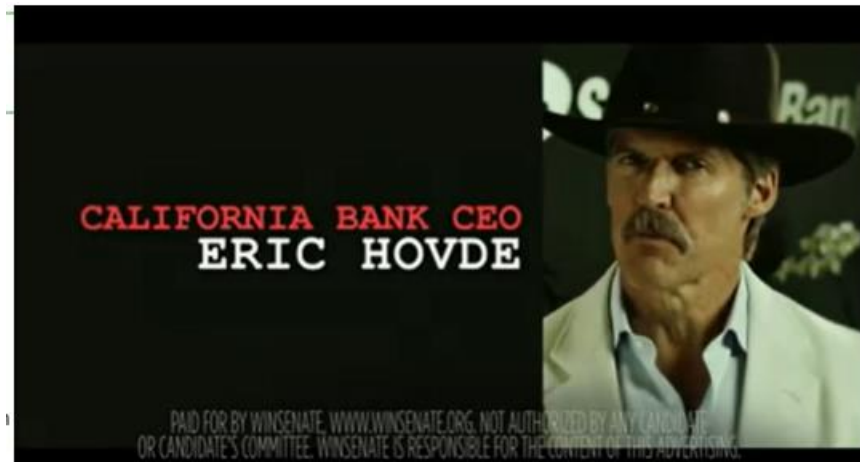
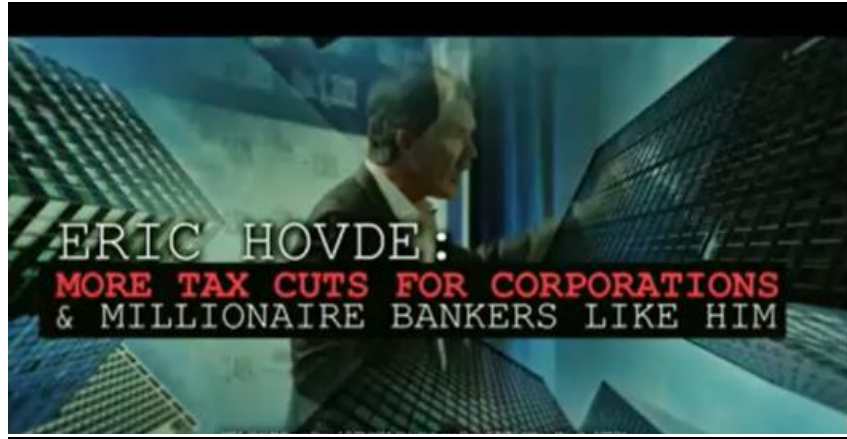
16. WinSenate purchased airtime on the Stations to run the defamatory Advertisement targeting Hovde on the Stations. The Advertisement contains two main defamatory statements, which are discussed below.

Defamatory Statement No. 1

17. The Advertisement says that “Hovde’s family rigged the system to rake in thirty million in government subsidies and loans.”

18. The Advertisement four times refers to Hovde as a “banker” or “bank CEO,” and shows the logo of Sunwest Bank in the background on three occasions





19. Hovde is the Chairman and CEO of Sunwest Bank.

20. The implication of the Advertisement is that Hovde or Sunwest Bank received \$30 million in “government subsidies or loans.”

21. This claim is demonstrably false and deceptive, as Sunwest Bank has never received any subsidies from the federal government.

22. Moreover, the use of the word “rigged” implies that Hovde did something illegal, fraudulent, or unethical.

23. A commonly used dictionary defines the meaning of “rigged” as being “fraudulently manipulated by someone to get their desired outcome.” *See* <https://www.dictionary.com/browse/rigged> (last accessed July 12, 2024).

24. WinSenate has defended the use of the phrase “rigged the system” by referencing tax incremental financing (“TIF”) arrangements that Hovde’s development company, Hovde Properties, received from local Wisconsin municipalities. (**Exhibit A.**)

25. The financing was used by Hovde Properties, not Hovde individually, to improve blighted or polluted property in Wisconsin cities and bring about positive development through new housing developments, property tax base increases, and other economic development that would not have occurred but for the TIF.

26. TIF projects are negotiated and approved by elected council members and the mayors of municipalities under Wisconsin’s Open Meetings Law and TIF law.

27. As a result, TIF projects are negotiated and approved in a very transparent, public process.

Defamatory Statement No. 2

28. The Advertisement further claimed Hovde is currently “sheltering his wealth in shady tax havens around the world.”

29. To further emphasize its point that Hovde is holding his money in some exotic foreign location, the Advertisement juxtaposes Hovde next to images of palm trees and a private jet:



30. While Hovde has companies incorporated in Delaware and Nevada due to their favorable legal protections for corporate entities, none of his companies are incorporated in foreign countries.

31. In a document providing support for its allegation, WinSenate claims that Hovde and his companies were involved with investments in the Cayman Islands and Bermuda. However, the sources relied on for this misleading claim all reference transactions that occurred over 12 years ago. (**Exhibit A.**)

32. Neither Hovde nor his companies made investments in the Cayman Islands.

33. Foreign investors invested their own money in companies based in the Cayman Islands, which in turn invested in funds managed by Hovde.

34. Neither Hovde nor his companies have invested or held money in Bermuda; any money from investments would come from publicly traded companies located in Bermuda.

35. Any gains received by Hovde or his businesses were still subject to U.S. tax. Accordingly, Hovde complied with his tax obligations and did not “shelter” any gains.

Hovde Campaign Demands the Stations Cease Airing the Advertisement

36. Following the Advertisement being aired, on June 14, counsel for Hovde and his Campaign sent a cease-and-desist letter to the Stations. (**Exhibit B.**)

37. The letters informed the Stations of the false and misleading claims within the Advertisement and that the Stations are under no obligation to air advertisements sponsored by non-candidate organizations, such as WinSenate.

38. The letters requested the Stations remove the Advertisement from the air to comply with its obligations and duties as an FCC licensee.

39. The letters further informed the Stations if they continued to air the false and misleading Advertisement, it would be done so with reckless disregard of the Advertisement's falsity.

40. On June 17, WinSenate sent a letter response to the Stations arguing their Advertisement is accurate and requesting the Stations continue to air the Advertisement. (**Exhibit A.**)

41. Counsel for Hovde and his Campaign sent reply letters to the Stations on June 18. (**Exhibit C.**)

42. These letters note that WinSenate failed to provide anything that would adequately support the false claims made in its Advertisement, and that the Stations are required under their FCC licensee obligations to remove the false and misleading third-party Advertisement from the air.

43. Since the June 18 letter, the Stations have failed to remove WinSenate's false and misleading Advertisement from the air.

COUNT I : LIBEL/DEFAMATION
(AGAINST WINSENATE)

44. The Plaintiffs reincorporate the previously alleged paragraphs as if fully set forth herein.

45. The false and misleading Advertisement by WinSenate constitutes a publication.

46. This publication contains demonstrably false statements, asserting that Hovde has “rigged the system to rake in thirty million in government subsidies and loans,” and is currently “sheltering his wealth in shady tax havens around the world.”

47. WinSenate has failed to retract the Advertisement.

48. By referring to Hovde as a person that has “rigged the system to rake in thirty million in government subsidies and loans” and is “now [] sheltering his wealth in shady tax havens around the world,” WinSenate has disparaged not only Hovde, but his Campaign.

49. WinSenate’s disparagement of Hovde and the Campaign was done intentionally and with an intent to harm Plaintiffs’ reputation.

50. The defamatory statements in the Advertisement were made with express malice and stemmed from ill will, bad intent, and malevolence towards the Plaintiffs.

51. The Advertisement’s defamatory statements were made with actual malice, in that WinSenate either knew such statements were false, or acted with reckless disregard as to whether such statements were true or false.

52. By spreading false, defamatory, libelous, and malicious information, Defendants have harmed Plaintiffs and their professional and business reputation.

53. WinSenate has refused to correct or retract the above statements despite request to do so by both the Plaintiffs.

COUNT II : LIBEL/DEFAMATION
(AGAINST THE STATIONS FOR BROADCASTING THE ADVERTISEMENT)

54. The Plaintiffs reincorporate the previously alleged paragraphs as if fully set forth herein.

55. On or about June 14, the Stations began airing the Advertisement in the following regions and surrounding media markets: Antigo, Eau Claire, Green Bay, La Crosse, Madison, Milwaukee, and Wausau.

56. While 47 U.S.C. § 315 mandates that FCC licensees (such as broadcasters or local cable companies) must accept all advertisements submitted by campaigns, broadcasters and cable companies are under no obligation to accept and run advertisements by outside or third-party groups who are not affiliated with any campaign. *See Columbia Broadcasting Sys., Inc. v. Democratic Nat'l Comm.*, 412 U.S. 94, 128-31 (1973); *Nat'l Conservative Political Action Comm.*, 89 F.C.C.2d 626, 628 (1982).

57. FCC licensees have a duty “to protect the public from false, misleading or deceptive advertising.” *Licensee Responsibility With Respect to the Broadcast of False, Misleading or Deceptive Advertising*, 74 F.C.C.2d 623, 623 (1961). Failure to prevent the airing of “false and misleading advertising” may be “probative of an underlying abdication of licensee responsibility.” *Cosmopolitan Broad. Corp. v. F.C.C.*, 581 F.2d 917, 927 (D.C. Cir. 1978).

58. The Federal Communications Commission agrees that “a broadcaster’s knowing presentation of deceptive advertising or other deceptive programming” can “be considered a licensing qualifications matter,” particularly when there is “active participation of the broadcaster in perpetrating the deception upon the audience.” *In re Policy*, 102 F.C.C.2d 1179, 1212-13 (1986).

59. On June 14, the Stations were provided notice and an opportunity to stop broadcasting the Advertisement consistent with Wis. Stat. § 895.05(2).

60. The Stations have denied or ignored the request to stop broadcasting the Advertisement.

61. The Stations are liable for rebroadcasting and republishing a defamatory advertisement after being put on notice that the advertisement was false and defamatory.

62. The Stations had knowledge that the Advertisement contained defamatory statements which were made with express malice in that they stemmed from ill will, bad intent, and malevolence towards the Plaintiffs.

63. The Stations had knowledge that the Advertisement contained defamatory statements which were made with actual malice, in that WinSenate either knew such statements were false, or acted with reckless disregard as to whether such statements were true or false.

RELIEF REQUESTED

The Plaintiffs, Eric D. Hovde and Hovde for Wisconsin, Inc. demand judgment against the Defendants, WinSenate, Gray, Nexstar, Evening Telegram, Sinclair, Fox, Ion, and Scripps as follows:

1. On Counts I and II, an Order for Judgment and Judgment for monetary damages in an amount to be determined at trial stemming from Defendants' defamatory and libelous statements, and broadcasting of such statements.

2. Injunctive relief.

3. An award of punitive damages.

4. An award of Plaintiffs' attorney's fees.

5. An award of all statutory costs.

6. Judgment for such other and further relief as the Court may deem just and equitable.

PLAINTIFFS DEMAND A JURY ON ALL ISSUES SO TRIABLE.

Dated this 9th day of August, 2024.

CRAMER MULTHAUF LLP
Attorneys for Plaintiffs

BY: Electronically signed by Matthew M. Fernholz
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