

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Gulf-California Broadcast Company.)	File No. EB-IHD-16-00021742
)	
Licensee of KESQ-TV,)	
Palms Springs, California)	

**RESPONSE OF GULF-CALIFORNIA BROADCAST COMPANY
TO THE NOVEMBER 22, 2016, LETTER OF MATTHEW L. CONATY**

Gulf-California Broadcast Company ("Gulf-California"), licensee of Station KESQ-TV, Palm Springs, CA ("KESQ"), by its attorneys, submits this response to the letter dated November 22, 2016,¹ from Matthew L. Conaty and its attachments (the "Letter") in connection with the above-captioned matter. KESQ and its commonly owned stations KCWQ-LD, Palm Springs, KCWQ-LP, Palm Springs, KDFX-CD Indio/Palm Springs, K27DS, Yucca Valley, CA, K31MF-D, Yucca Valley, CA, K42LC-D, Yucca Valley, CA, KPSP-CD, Cathedral City, CA, KUNA-LP, Indio, CA, KUNA-LD, Palm Springs, CA, and KYAV-LD, Palm Springs, CA (collectively, the "Station" as defined in the Letter) serve the Palm Springs Designated Market Area. Unless otherwise defined herein, capitalized terms used in this response have the meanings set forth in the Letter.

This response is supported by the following declarations: Declaration and Certification of J. Timothy Hannan; Second Declaration of Bianca Rae Goutos (hereinafter, "Goutos Second Declaration"), attached as Exhibit A hereto; Second Declaration of Alexandra Pawelski (hereinafter, "Pawelski Second Declaration"), attached as Exhibit B hereto; Second Declaration of

¹ The deadline to respond to the Letter was extended through and including January 5, 2017, by email from Melanie Godschall to Elizabeth Spainhour dated December 2, 2016.

Michael Stutz (hereinafter, “Stutz Second Declaration”), attached as Exhibit C hereto; and Second Declaration of Robert Smith (hereinafter, “Smith Second Declaration”), attached as Exhibit D hereto.

I. Introductory Statement

The Letter was issued to Gulf-California following an earlier letter of inquiry dated July 25, 2016, and Gulf-California’s response submitted August 24, 2016, in the above-captioned matter. The Letter seeks additional information from Gulf-California in connection with an anonymous complaint, the thrust of which appears to be that two on-air employees of Gulf-California allegedly accepted gratuities from certain merchants in exchange for broadcast mentions of the providers of these gratuities, without providing an appropriate sponsorship identification, in alleged violation of Sections 317 and 507 of the Act and Section 73.1212 of the Rules. The Letter and Attachment B thereto appear to be focused on eighteen (18) social media postings to the Instagram platform—sixteen (16) postings by Ms. Bianca Rae Goutos and two (2) by Ms. Alexandra Pawelski. Each of these postings was included in the initial letter of inquiry dated July 25, 2016, and its attachments, and Gulf-California responded with respect to each in its August 24, 2016, response.

Gulf-California and its corporate parent News-Press and Gazette Company (“NPG”) wish to reiterate that they take the allegations raised in the July 25, 2016, letter and the more recent Letter very seriously. Further inquiry and investigation at the station level and at the corporate parent level have been made and, again, Gulf-California and NPG have uncovered absolutely no facts or circumstances that suggest any violation of the relevant provisions of the Act or Rules has occurred related to the merchants or social media postings identified in the Letter. Indeed, Gulf-California and NPG are aware of no instance at the Station in which anything of value was paid,

received in-kind, or promised to Station employees, representatives, or agents in exchange for the Broadcast of Programming without an appropriate disclosure in violation of the Act or the Rules. **Specifically with respect to the social media postings included with Attachment B of the Letter, in no instance were the items or services depicted paid, received in-kind, or promised in exchange for the Broadcast of any material whatsoever.** *See* Goutos Second Declaration, ¶ 7; Pawelski Second Declaration, ¶ 6. As there was no Consideration for the Broadcast of Programming, no sponsorship identification was aired, or required to be aired, in connection with the social media postings included with the Letter.²

It should be noted that only a few postings included with Attachment B of the Letter depict the Broadcast of Programming. Most of the postings include images taken on the Station's studio set or in the field that were not ever Broadcast. *See* Goutos Second Declaration, ¶ 5; *See* Pawelski Second Declaration, ¶ 4.³ The Second Declaration of Ms. Goutos identifies the postings that depict Broadcast images. *See* Goutos Second Declaration, Exhibit 1. Neither of Ms. Pawelski's postings depict Broadcast images. *See* Pawelski Second Declaration, ¶ 4.

II. Response to Commission Inquiries

The following numbered paragraphs correspond and are responsive to numbered paragraphs 1 through 10 listed under the heading "Attachment A" as set forth in the Letter.

² To the extent the Commission takes the position that an Act- and Rule-compliant sponsorship identification was required to be included with the social media postings at issue, the Licensee submits that the sponsorship identification requirements of the Act and the Rules do not apply to content posted solely on the Internet. These requirements apply to the broadcast medium.

³ For the social media postings that include images depicting a Broadcast, these images are screen shots taken by a family member of Ms. Goutos while the family member was watching the Station's programming through an app. *See* Goutos Second Declaration, ¶ 4.

Inquiry 1: For each instance of Programming depicted in or referenced by the social media postings in Attachment B hereto, provide the following information:

- (a) State the dates, times, and Station(s) on which the Programming was Broadcast.*
- (b) State whether the social media posting was made before or after the Broadcast of the Programming on each Station.*
- (c) Provide a full description of the Broadcast during which the Programming aired, including the content of the Broadcast and whether each such Broadcast of the Programming was live or recorded.*
- (d) State whether each Broadcast of the Programming followed a script and if so, Identify all Persons responsible for drafting, editing, and approving each script.*
- (e) Identify all Programming Personnel involved in each Broadcast of the Programming and fully describe each Person's respective role in the Broadcast process.*
- (f) Identify, with respect to the usernames listed in the social media postings in Attachment B hereto, each and every employee, representative, or agent of Licensee, excepting Bianca Rae Goutos and Alexandra Pawelski.*

Gulf-California Response: For ease of reference Gulf-California has consecutively numbered in the upper right corner printed copies of the social media postings included in the Letter and enclosed the postings as GC2 1a-000001 through GC2 1a-000018. Posting numbers referred to throughout this response correspond to the numbers assigned to them in GC2 1a-000001 through GC2 1a-000018.

As stated above, not all images included with Attachment B of the Letter actually depict the Broadcast of Programming. Most are images on the Station's studio set or in the field and were not ever Broadcast. *See* Goutos Second Declaration, ¶ 5; *See* Pawelski Second Declaration, ¶ 4.

For the many images that do not depict the Broadcast of Programming, Gulf-California has responded with respect to the Broadcasts in which Ms. Goutos (postings 1 through 16) and Ms. Pawelski (postings 17 and 18) appeared on the date of the posting.

With regard to **Inquiry 1(a)**, the Licensee responds as follows:

Posting Number	Date	Time and Station of Broadcast
Posting 1	February 2, 2016	<ul style="list-style-type: none"> • 5-7 am PT = KESQ • 12-1 pm PT = KESQ • 7-9 am PT = KDFX
Posting 2	February 25, 2016 ⁴	<ul style="list-style-type: none"> • 5 pm PT = KESQ
Posting 3	April 12, 2015	<ul style="list-style-type: none"> • 6:30 pm PT = KESQ-D2 (CBS Local 2) • 10 pm PT = KDFX • 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 4	April 19, 2015	<ul style="list-style-type: none"> • 6:30 pm PT = KESQ-D2 (CBS Local 2) • 10 pm PT = KDFX • 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 5	May 2, 2015	<ul style="list-style-type: none"> • 6:30 pm PT = KESQ-D2 (CBS Local 2) • 10 pm PT = KDFX • 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 6	April 28, 2016	<ul style="list-style-type: none"> • 5-7 am PT = KESQ • 12-1 pm PT = KESQ • 7-9 am PT = KDFX
Posting 7	May 10, 2015	<ul style="list-style-type: none"> • 6:30 pm PT = KESQ-D2 (CBS Local 2) • 10 pm PT = KDFX • 11 pm PT = KESQ-D2 (CBS Local 2)

⁴ Posted to Instagram January 29, 2016 to “tease” February 25 story.

Posting 8	May 11, 2016 ⁵	<ul style="list-style-type: none"> 6:00 pm PT = KESQ
Posting 9	May 17, 2015	<ul style="list-style-type: none"> 6:30 pm PT = KESQ-D2 (CBS Local 2) 10 pm PT = KDFX 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 10	May 30, 2015	<ul style="list-style-type: none"> 6:30 pm PT = KESQ-D2 (CBS Local 2) 10 pm PT = KDFX 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 11	June 6, 2015	<ul style="list-style-type: none"> 6:30 pm PT = KESQ-D2 (CBS Local 2) 10 pm PT = KDFX 11 pm PT = KESQ-D2 (CBS Local 2)
Posting 12	June 24, 2015 ⁶	6:30 pm PT = KESQ-D2 (CBS Local 2)
Posting 13	July 1, 2015	<ul style="list-style-type: none"> 5-7 am PT = KESQ 12-1 pm PT = KESQ 7-9 am PT = KDFX
Posting 14	July 3, 2015	<ul style="list-style-type: none"> 5-7 am PT = KESQ 12-1 pm PT = KESQ 7-9 am PT = KDFX
Posting 15	September 23, 2015	<ul style="list-style-type: none"> 5-7 am PT = KESQ 12-1 pm PT = KESQ 7-9 am PT = KDFX
Posting 16	October 8, 2015	<ul style="list-style-type: none"> 5-7 am PT = KESQ 12-1 pm PT = KESQ 7-9 am PT = KDFX
Posting 17	September 12, 2015	<ul style="list-style-type: none"> 6:30 pm PT = KESQ-D2 (CBS Local 2) 10 pm PT = KDFX 11 pm PT = KESQ-D2 (CBS Local 2)

⁵ Posted to Instagram May 10, 2016 to “tease” May 11, 2016 story.

⁶ Posted to Instagram June 22, 2015 to “tease” June 24, 2015 story.

Posting 18	November 2, 2015	<ul style="list-style-type: none"> 6:30 pm PT = KESQ-D2 (CBS Local 2)
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See Stutz Second Declaration, ¶ 4; Goutos Second Declaration, Exhibit 1; Pawelski Second Declaration, Exhibit 1. Except as noted above, the social media postings were made to Instagram on the date listed in the “Date” column of the table above.

With regard to **Inquiry 1(b)**, except as noted for postings 2, 8, and 12, all postings in Attachment B were made *after* the initial live Broadcast of the relevant Programming. See Goutos Second Declaration, ¶¶ 4 and 5; Pawelski Second Declaration, ¶ 4. With respect to postings 2, 8, and 12, as noted in the footnotes above, these postings were related to recorded news or entertainment stories and were posted *before* the initial live Broadcast to “tease” or promote the upcoming broadcast of the stories in question. See Goutos Second Declaration, ¶¶ 11-13.

With regard to **Inquiry 1(c)**, the Licensee responds as follows:

Posting Number	Description	Live or Recorded
Posting 1	Newscast	<ul style="list-style-type: none"> 5-7 am PT = live on KESQ 12-1 pm PT = live on KESQ 7-9 am PT = recorded on KDFX
Posting 2	“Eye on the Desert” entertainment feature story in which Ms. Goutos reported on Sylvester Stallone’s home in Palm Springs being on the market. Ms. Goutos interviewed listing agent Josh Reef and toured the home.	<ul style="list-style-type: none"> 5 pm PT = recorded on KESQ
Posting 3	Newscast	<ul style="list-style-type: none"> 6:30 pm PT = live on KESQ-D2 (CBS Local 2) 10 pm PT = live on KDFX

		<ul style="list-style-type: none"> • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 4	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 5	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 6	Newscast	<ul style="list-style-type: none"> • 5-7 am PT = live on KESQ • 12-1 pm PT = live on KESQ • 7-9 am PT = recorded on KDFX
Posting 7	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 8	News story in which Ms. Goutos interviewed Palm Springs Mayor Robert Moon and toured the city discussing the state of Palm Springs, including current development and future plans.	<ul style="list-style-type: none"> • 6:00 pm PT = recorded on KESQ
Posting 9	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)

Posting 10	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 11	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2) • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 12	“Eye on the Desert” entertainment feature story in which Ms. Goutos reported on unique spa treatments available at a local spa. Ms. Goutos interviewed the spa manager and demonstrated the unique hot lava shell massage offered by the spa.	<ul style="list-style-type: none"> • 6:30 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 13	Newscast	<ul style="list-style-type: none"> • 5-7 am PT = live on KESQ • 12-1 pm PT = live on KESQ • 7-9 am PT = recorded on KDFX
Posting 14	Newscast	<ul style="list-style-type: none"> • 5-7 am PT = live on KESQ • 12-1 pm PT = live on KESQ • 7-9 am PT = recorded on KDFX
Posting 15	Newscast	<ul style="list-style-type: none"> • 5-7 am PT = live on KESQ • 12-1 pm PT = live on KESQ • 7-9 am PT = recorded on KDFX
Posting 16	Newscast	<ul style="list-style-type: none"> • 5-7 am PT = live on KESQ • 12-1 pm PT = live on KESQ • 7-9 am PT = recorded on KDFX
Posting 17	Newscast	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2)

		<ul style="list-style-type: none"> • 10 pm PT = live on KDFX • 11 pm PT = recorded on KESQ-D2 (CBS Local 2)
Posting 18	“Eye on the Desert” entertainment feature during news.	<ul style="list-style-type: none"> • 6:30 pm PT = live on KESQ-D2 (CBS Local 2)

See Stutz Second Declaration, ¶ 4; Goutos Second Declaration, ¶¶ 11-13.

With respect to **Inquiry 1(d)**, all relevant Broadcasts were scripted.⁷ The table below identifies the Persons responsible for drafting, editing, and approving each script:

Posting Number	Persons Responsible
Posting 1	Carly Scholte, News Producer
Posting 2	Bianca Rae Goutos, Multimedia Journalist Amanda Newell, News Producer
Posting 3	Sarah-Jayne Simon, News Producer
Posting 4	Leandra Romero, News Producer
Posting 5	Leandra Romero, News Producer
Posting 6	Jami Gomez, News Producer Carly Scholte, News Producer
Posting 7	Leandra Romero, News Producer
Posting 8	Bianca Rae Goutos, Multimedia Journalist Carly Scholte, News Producer
Posting 9	Leandra Romero, News Producer
Posting 10	Leandra Romero, News Producer
Posting 11	Leandra Romero, News Producer

⁷ As noted above, for the many images that do not depict the Broadcast of Programming, Gulf-California has responded with respect to the Broadcasts in which Ms. Goutos (postings 1 through 16) and Ms. Pawelski (postings 17 and 18) appeared on the date of the posting.

Posting 12	Bianca Rae Goutos, Multimedia Journalist Sarah-Jayne Simon, News Producer
Posting 13	Sarah-Jayne Simon, News Producer
Posting 14	Leandra Romero, News Producer
Posting 15	Leandra Romero, News Producer
Posting 16	Leandra Romero, News Producer
Posting 17	Leandra Romero, News Producer
Posting 18	Alexandra Pawelski (Pierce), Multimedia Journalist Sarah-Jayne Simon, News Producer

See Smith Second Declaration, ¶ 4. All those Identified in response to Inquiry 1(d) share the following address and phone number: KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276, (760) 773-0342.

With respect to **Inquiry 1(e)**, to the best of Gulf-California's knowledge, the table below Identifies all Programming Personnel involved in the Broadcast of the Programming in question and describes each person's role in the Broadcast process:

Posting Number	Programming Personnel	Role
Posting 1	Clarissa Ayala Alexis Crowe Alberto Guerra Bianca Rae Carly Scholte Jeff Stahl Jerry Steffen	Video Editor Director Audio Operator News Anchor News Producer News Anchor Weather
Posting 2	Bianca Rae Alexis Crowe Christopher Flicker Anthony Kapukui Amanda Newell Jeff Stahl	Multimedia Journalist Director Video Editor Audio Operator News Producer News Anchor

	Jerry Steffen	Weather
Posting 3	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Sarah-Jayne Simon	Director Audio Operator Multimedia Journalist News Anchor News Producer
Posting 4	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Leandra Romero	Director Audio Operator Multimedia Journalist News Anchor News Producer
Posting 5	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Leandra Romero	Director Audio Operator Multimedia Journalist News Anchor News Producer
Posting 6	Alexis Crowe Christopher Flicker Jami Gomez Anthony Kapukui Bianca Rae Carly Scholte Jeff Stahl Jerry Steffen	Director Photojournalist News Producer Audio Operator News Anchor News Producer News Anchor Weather
Posting 7	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Leandra Romero	Director Audio Operator Multimedia Journalist News Anchor News Producer
Posting 8	Alexis Crowe Christopher Flicker Anthony Kapukui Bianca Rae Carly Scholte Jeff Stahl Jerry Steffen	Director Photojournalist Audio Operator News Anchor/ Multimedia Journalist News Producer News Anchor Weather
Posting 9	Travis Downs Jason Dodough	Director Audio Operator

	Alexandra Pawelski (Pierce) Bianca Rae Jeff Rauch Leandra Romero	Multimedia Journalist News Anchor Video Editor News Producer
Posting 10	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Jeff Rauch Leandra Romero	Director Audio Operator Multimedia Journalist News Anchor Video Editor News Producer
Posting 11	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Bianca Rae Jeff Rauch Leandra Romero	Director Audio Operator Multimedia Journalist News Anchor Video Editor News Producer
Posting 12	Brooke Beare Karen Devine Chris Devlin Yanitza Devlin Patrick Iachetta (Evans) Joe Galli Michelle Gutterman Tim Kiley Kris Long Bianca Rae Sarah-Jayne Simon Bob Smith Micah Stark Rich Tarpening John White	News Anchor News Anchor Director Director Weather Multimedia Journalist Video Editor Assistant News Director News Anchor Multimedia Journalist News Producer News Director Director Assignment Manager News Anchor
Posting 13	Brooke Beare Karen Devine Chris Devlin Yanitza Devlin Patrick Iachetta (Evans) Joe Galli Michelle Gutterman Tim Kiley Kris Long Bianca Rae Sarah-Jayne Simon	News Anchor News Anchor Director Director Weather Multimedia Journalist Video Editor Assistant News Director News Anchor Multimedia Journalist News Producer

	Bob Smith Micah Stark Rich Tarpening John White	News Director Director Assignment Manager News Anchor
Posting 14	Alexis Crowe Christopher Flicker Anthony Kapukui Bianca Rae Leandra Romero Jeff Stahl Jerry Steffen	Director Photojournalist Audio Operator News Anchor News Producer News Anchor Weather
Posting 15	Alexis Crowe Christopher Flicker Anthony Kapukui Bianca Rae Leandra Romero Jeff Stahl Jerry Steffen	Director Photojournalist Audio Operator News Anchor News Producer News Anchor Weather
Posting 16	Alexis Crowe Christopher Flicker Anthony Kapukui Bianca Rae Leandra Romero Jeff Stahl Jerry Steffen	Director Photojournalist Audio Operator News Anchor News Producer News Anchor Weather
Posting 17	Travis Downs Jason Dodough Alexandra Pawelski (Pierce) Leandra Romero	Director Audio Operator News Anchor News Producer
Posting 18	Alexandra Pawelski (Pierce) Sarah-Jayne Simon	Multimedia Journalist News Producer

See Smith Second Declaration, ¶ 4. Note that all those Identified in response to Inquiry 1(e) share the following address and phone number: KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276, (760) 773-0342.

With respect to **Inquiry 1(f)**, the table below Identifies each username listed in the postings included with Attachment B that is associated with an employee, representative, or agent of the Licensee, other than Ms. Goutos and Ms. Pawelski:

Posting Number	Username	Name and Title
Posting 1	jerrysteffer	Jerry Steffen, Weathercaster KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342
Posting 2	None	
Posting 3	None	
Posting 4	None	
Posting 5	None	
Posting 6	None	
Posting 7	None	
Posting 8	None	
Posting 9	None	
Posting 10	sjs3	Sarah-Jayne Simon, Producer KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342
Posting 12	None	
Posting 13	None	
Posting 14	jerrysteffer tvjeffstahl	Jerry Steffen, Weathercaster Jeff Stahl, Anchor KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342
Posting 16	jerrysteffer tvjeffstahl	Jerry Steffen, Weathercaster Jeff Stahl, Anchor KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342

Posting 17	kathhuber	Kathleen Huber, Receptionist KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342
Posting 18	sjs3	Sarah-Jayne Simon, Producer KESQ & CBS Local 2 31276 Dunham Way Thousand Palms, California 92276 (760) 773-0342

See Goutos Second Declaration, ¶ 6; Pawelski Second Declaration, ¶ 5; Stutz Second Declaration ¶ 5. David Gonzalez (davidgonzaleztv), who commented on postings 15 and 17, was formerly employed by Gulf-California as a reporter and weathercaster, and Danielle Gersh (danniellegersh), who commented on posting 11, was formerly employed by Gulf-California as a weathercaster. *See id.*

Inquiry 2: Identify all Persons listed in response to Document Request 5(f) and 5(g) below.

Gulf-California Response: With respect to the postings included in Attachment B, Ms. Goutos had oral arrangements with the following Persons to borrow and then return clothing and/or accessories and mention them in social media:

Name	Store and Address
Araceli Martinez	Diane Von Furstenberg Desert Hills Premium #229 Cabazon, CA 92230 951-922-9600
Susan Stauber	Grayse El Paseo 73-130 El Paseo Palm Desert, CA 92260 (760) 773-3303

Richard Vincent	Le Chateau Boutique 78-010 Main St., Suite 102 La Quinta, CA 92253 (760) 564-5553
Tracey Connole	St. John Knits The Shops on El Paseo 73-061 El Paseo Palm Desert, CA 92260 (760) 568-5900
Ryan Ryan	The Jewelry Bar 73255 El Paseo #1 Palm Desert, CA 92260 (760) 862-1809

See Goutos Second Declaration, ¶ 8.⁸

Ms. Pawelski did not have any arrangements or agreements with any Person(s) regarding Consideration she was paid, received in-kind, or was promised with respect to the social media postings included in Attachment B. See Pawelski Second Declaration, ¶ 6.

Inquiry 3: Identify each and every Person referenced in footnote 1 of the LOI Response, excepting Bianca Rae Goutos and Alexandra Pawelski, and, with respect to the “former employee[s]” of Gulf-California, describe their terms of employment with Licensee, including dates of hiring and firing, immediate supervisor, job duties and description, and reason(s) for termination.

Gulf-California Response: Gulf-California responds as follows:

⁸ All shoes and jewelry not noted as The Jewelry Bar in Ms. Goutos’s social media postings included with Attachment B were her own and were not given or loaned to her. See Goutos Second Declaration, ¶ 9.

- Natalie Brunell, former Multimedia Journalist for Gulf-California. Ms. Brunell covered local news for KESQ and CBS Local 2 (KESQ-D2). Ms. Brunell was hired September 3, 2013, and she voluntarily left her employment on or around November 30, 2015.⁹ Her immediate supervisor was Bob Smith, News Director. *See* Smith Second Declaration, ¶ 5. Ms. Brunell's address at the time of her hire was 35751 Gateway Drive #H810, Palm Desert, California 92211.
- Samantha Cortese, former Anchor/Reporter for Gulf-California. Ms. Cortese anchored weekend morning newscasts and also covered local news for KESQ. Ms. Cortese worked at station KPSP at the time Gulf-California acquired the station from a previous owner. Accordingly, she was hired by Gulf-California as of February 1, 2012. She voluntarily left her employment on December 23, 2015. Her immediate supervisor at Gulf-California was Bob Smith, News Director. *See* Smith Second Declaration, ¶ 6. Ms. Cortese's address at the time of her hire was 40344 Sagewood Dr., Palm Desert, California 92260.
- Ryan Manos, former boyfriend of Ms. Goutos. *See* Goutos Second Declaration, ¶ 10.
- Katarina Reveche, fiancée of Mr. Manos. *See* Goutos Second Declaration, ¶ 10.

Other than as indicated above and in Exhibit GC2 10-000091 through GC2 10-000094, the Licensee does not possess contact information for the individuals identified in response to Inquiry 3.

⁹ Corporate records indicate the effective date of Ms. Brunell's termination of employment was November 24, 2015.

Inquiry 4: Provide a description by category and location of all Documents and tangible things that the Licensee has in its possession, custody, or control that are responsive to the questions herein.

Gulf-California Response: The Licensee possesses the following Documents responsive to the questions herein:

Category	Location
Certain scripts	Gulf-California news department archives
Program schedules	Gulf-California programming and traffic department
Employment records	NPG corporate human resources department
Work schedules	Gulf-California news department
Email correspondence with respect to postings 2, 8, and 12	Gulf-California email files of Ms. Goutos
Postings 1-16	Instagram account of Ms. Goutos (electronic access)
Postings 17 and 18	Instagram account of Ms. Pawelski (electronic access)
Video of stories relevant to postings 2, 8, and 12	Gulf-California news department archives

Inquiry 5: For each discrete Broadcast of Programming listed in responses to Inquiry 1 above, provide the following:

(a) A recording of the Programming in a Window Media Player compatible format uploaded to a secure FTP site that may be accessed using electronic credentials that are sent via separate e-mail to: Matthew.Conaty@fcc.gov,

Melanie.Godschall@fcc.gov, and Terrell.Richardson@fcc.gov. In preparing the recording(s) in accordance with the foregoing instructions, ensure that you:

- i. Provide details within Gulf-California's response to this LOI concerning this separate e-mail, e.g., prospective sender's name and e-mail address and anticipated date and time of transmittal; and
- ii. Take measures sufficient to ensure the recordings uploaded to this site be accessible and available for transfer for at least 60 days from the date of Gulf-California's response to this LOI.

(b) A written transcript of the Programming.

(c) Any Documents that relate to such Programming, including e-mails, written agreements, marketing materials, or invoices, and a narrative response explaining such Documents.

(d) A recording of each and every sponsorship identification, if any, in a Windows Media Player compatible format uploaded to a secure FTP site that may be accessed using electronic credentials that are sent via separate e-mail to: Matthew.Conaty@fcc.gov, Melanie.Godschall@fcc.gov, and Terrell.Richardson@fcc.gov. In preparing the recording(s) in accordance with the foregoing instructions, ensure that you:

- i. Provide details within Gulf-California's response to this LOI concerning this separate e-mail, e.g., prospective sender's name and e-mail address and anticipated date and time of transmittal; and
- ii. Take measures sufficient to ensure the recordings uploaded to this site be accessible and available for transfer for at least 60 days from the date of Gulf-California's response to this LOI.

- (e) *Copies of all written agreements and written accounts of all oral agreements that the Licensee and/or its employees, representatives, or agents entered into with any Person regarding the Broadcast of the Programming;*
- (f) *Copies of all written agreements and written accounts of all oral agreements between or among Bianca Rae Goutos and any Person(s) regarding Consideration that she was paid, received in-kind, or was promised and that is depicted [in] Attachment B;*
- (g) *Copies of all written agreements and written accounts of all oral agreements [between or among] Alexandra Pawelski [and] any Person(s) regarding Consideration that she was paid, received in-kind, or was promised and that is depicted in Attachment B;*
- (h) *All Documents that relate to any such oral or written agreements listed in response to 5(f) and 5(g) above.*

Gulf-California Response: With respect to **Inquiry 5(a)**, the Licensee maintains archived video of its newscasts for only thirty (30) days. *See* Stutz Second Declaration, ¶ 6. Because the most recent newscast relevant to the postings included with Attachment B is well beyond that time period, the Licensee does not have and, therefore, is unable to submit a copy of the newscasts relevant to postings 1, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14, 15, 16, 17, and 18. *See id.* With respect to postings number 2, 8, and 12, the Licensee maintains archived video of discrete news stories for a longer period and, therefore, is able to submit the news stories depicted therein. *See id.*

Neither the Licensee nor undersigned counsel have access to a secure FTP site. *See* Stutz Second Declaration, ¶ 9. Counsel utilizes a service called “Send This File” for the secure delivery of large files. On or about January 5, 2016, as near to 3:00 pm ET as possible, counsel will send three files to the email addresses listed in Inquiry 5(a). The email will be from sendthisfile@brookspierce.com. The site makes the files available for fourteen (14) days.

Accordingly, although not specifically requested, discs containing these same three videos (one video per disc) are submitted with this response.

With respect to **Inquiry 5(b)**, Gulf-California submits Exhibits GC2 5b-000001 through GC2 5b-002401. These Exhibits constitute all available transcripts relevant to the postings included with Attachment B. These transcripts bear further explanation:

- The majority of transcripts are from newscasts of an hour or more in length in which Ms. Goutos and Ms. Pawelski appeared.
- Transcripts are not available for postings 8 and 12 due to an error in the archiving process. *See Stutz Second Declaration, ¶ 7.*
- Transcripts are not available for the 11 pm newscast related to postings 5 and 9 but are available for the 6:30 pm newscast for these postings. The scripts for 11 pm newscasts were not properly archived. *See Stutz Second Declaration, ¶ 7.*
- Transcripts are not available for the programming related to posting 18, due to an error in the archiving process. *See Stutz Second Declaration, ¶ 7.*
- Transcripts are not available for the noon newscasts anchored by Ms. Goutos on several days due to an error in the archiving process. Transcripts are available for the 5 am and 6 am hours of the newscasts on these days. *See Stutz Second Declaration, ¶ 7.*
- The header on the transcripts for the newscasts related to postings 3, 4, 7, 9, 10, 11, and 17 were for the live broadcast on KDFX at 10 pm. A recording of these newscasts aired on KESQ at 11 pm. *See Stutz Second Declaration, ¶ 8.*

With respect to **Inquiry 5(c)**, the Licensee has submitted all available transcripts in response to Inquiry 5(b) above. *See Stutz Second Declaration, ¶ 7.* The Licensee has submitted all

available video in response to Inquiry 5(a). *See* Stutz Second Declaration, ¶ 6. The Licensee submits as Exhibits GC2 5c-000001 through GC2 5c-000080 three email exchanges from the email records of Ms. Goutos related to postings 2, 8, and 12.¹⁰ These email exchanges illustrate the “pitch” and scheduling of news and entertainment feature stories reported by Ms. Goutos. The Licensee submits as Exhibits GC2 5c-000081 through GC2 5c-000110 program schedules for the dates identified in response to Inquiry 1(a). After inquiry, the Licensee is unaware of any additional responsive documents.

With respect to **Inquiry 5(d)**, there are no responsive recordings. No sponsorship identifications related to the Programming at issue were Broadcast or required to be Broadcast.

With respect to **Inquiry 5(e)**, the only responsive Documents—employment agreements with Ms. Goutos and Ms. Pawelski—were submitted with Gulf-California’s earlier response. *See* Exhibit GC 18a-000001 et seq. and Exhibit 18b-000001 et seq. (submitted August 24, 2016). Furthermore, as previously stated, Gulf-California reiterates that there are no written or oral agreements that the Licensee and/or any of its employees, representatives, or agents entered into with any Person regarding the Broadcast of Programming listed in response to Inquiry 1 above. *See* Goutos Second Declaration, ¶¶ 7-8; Pawelski Second Declaration, ¶ 6; Stutz Second Declaration, ¶ 10.

With respect to **Inquiry 5(f)** and the postings included in Attachment B, Ms. Goutos did not have written agreements with any Person(s) regarding Considerations paid, received in-kind, or promised. *See* Goutos Second Declaration, ¶ 8. Ms. Goutos did have oral understandings with the individuals Identified in response to Inquiry 2. *See id.* In summary, as stated earlier, Ms. Goutos had a practice of receiving loans of clothing or accessories, and occasionally hair and makeup

¹⁰ Gulf-California and NPG have a policy of not disclosing notes and communications related to its reporting but have done so in this case as an accommodation to the Commission.

services, from area merchants which she would wear on and off the air. *See* Goutos Declaration, ¶ 13 (submitted August 24, 2016). In each case these local merchants approached or had others approach Ms. Goutos and invited her to visit their stores and proposed loaning her items in exchange for acknowledging the merchants as providers of the items on social media. *See id.* Ms. Goutos regularly posted “looks of the day” (called “LOTD” in the postings) to her personal social media accounts in which she took pictures of herself in these loaned outfits and identified which store provided them (or, in some cases, identified who did her hair or makeup).

With respect to **Inquiry 5(g)** and the postings included in Attachment B, Ms. Pawelski did not have written or oral agreements or understandings with any Person(s) regarding Considerations paid, received in-kind, or promised. *See* Pawelski Second Declaration, ¶ 6. All items that Ms. Pawelski is wearing in the images included with Attachment B are her own. *See id.*

With respect to **Inquiry 5(h)**, after inquiry, the Licensee has no responsive Documents.

Inquiry 6: Provide all Documents that relate to any payment of or promise to pay or provide Consideration in-kind listed in response to Document Request 5(f) and 5(g) above.

Gulf-California Response: After inquiry, the Licensee has no responsive Documents.

Inquiry 7: For each discrete Broadcast of Programming listed in response to Inquiry 1 above, provide all Documents relating to the action(s), if any, that the Licensee took with regard to the Consideration promised to or received by Bianca Rae Goutos and/or Alexandra Pawelski and/or any other Licensee employee, agent or representative.

Gulf-California Response: The Licensee does not have any responsive Documents.

Inquiry 8: Provide all Documents that relate to each discrete Broadcast of Programming listed in response to Inquiry 1 above and/or the social media postings in Attachment B hereto.

Gulf-California Response: The Licensee has submitted all responsive Documents in response to the Inquiries above.

Inquiry 9: Provide: (1) federal tax returns for the most recent three years; (2) financial statements prepared according to generally accepted accounting principles; or (3) some other reliable and objective documentation that accurately reflects the Licensee's current financial status.

Gulf-California Response: The Licensee reiterates its respectful objection to Inquiry 9 at this stage of the proceeding where there has been no finding of a violation of law. The demand for financial data at the very outset of the investigation appears highly irregular, premature, and contrary to the plain language and spirit of the Rules. The Licensee's current financial condition has no relevance to any of the Inquiries or the anonymous complaint in this proceeding and can only have one purpose: to establish the "appropriate" size of a fine issued to the Licensee. Indeed, Inquiry 9 suggests that a determination of the Licensee's guilt has been made without a review of the facts or full and fair consideration of the Licensee's responses.¹¹

The Licensee has cooperated with this investigation, submitting full and complete responses to all questions asked and documents requested in a timely manner, save for the Licensee's objection to Inquiry 9 that is wholly irrelevant at this stage of the proceeding. The authority cited in the Letter suggests that a forfeiture may be proposed for a company's failure to respond fully to a letter of inquiry where the information withheld "was necessary to enable the

¹¹ *Contra* U.S. CONST. amend. VI.

Commission to perform its enforcement function and evaluate whether [the subject of the letter of inquiry] violated Commission rules.”¹² At issue here is whether the Licensee “violated the sponsorship identification requirements of Sections 317 and 507 of the Communications Act of 1934, as amended (Act), and Section 73.1212 of the Commission’s rules[.]”¹³ The Investigations and Hearings Division (“IHD”) can fully evaluate whether a violation has occurred without review of the Licensee’s current financial condition. Likewise, the Licensee’s objection to disclosing its current financial status at this time is in no way “[m]isconduct that threatens to compromise the Commission’s ability to effectively investigate possible violations of the Communications Act and the Commission’s rules[.]”¹⁴ Nor has or will the Licensee’s objection delay or impede IHD’s investigation or unduly tax IHD’s or the Commission’s resources by requiring IHD to take any additional measures (that it would not otherwise take) to obtain information that will help it determine whether a Rule violation has occurred.¹⁵ Rather, the Licensee’s thorough responses, supported by sworn declarations, to both the initial July 25, 2016, letter and the more recent Letter allow IHD to fully conduct and complete its investigation into whether the Licensee is apparently liable for any violations of the Act or the Rules.¹⁶ No financial data from the Licensee is required to make this determination.

¹² See, e.g., *In re: Hauppauge Computer Works, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 23 FCC Rcd 3684, 3687 ¶ 8 (EB 2008).

¹³ See Letter, at 1.

¹⁴ *Conexions, LLC d/b/a Conexion Wireless*, Notice of Apparent Liability for Forfeiture and Order, 28 FCC Rcd 15318, 15325, ¶ 22 (2013).

¹⁵ *Conexions*, 28 FCC Rcd at 15324, ¶ 20.

¹⁶ See, e.g., *In re: Hauppauge Computer Works, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 23 FCC Rcd 3684, 3687 ¶ 8 (EB 2008).

Should IHD issue a Notice of Apparent Liability for Forfeiture in this proceeding, and if the Licensee determines it is unable to pay the assessed amount, the Licensee *may* then decide to submit its tax returns or other financial information to document its inability to pay, if that is the case. Significantly, it is at this point, and not before, that the Licensee's financial data becomes relevant. In fact, this is what the Commission's own enforcement decisions bear out. The recipient of a Notice of Apparent Liability is virtually always instructed that it may contest a proposed forfeiture by claiming it is unable to pay the amount, but that "[t]he Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the respondent submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices ('GAAP'); or (3) some other reliable and objective documentation that accurately reflects the respondent's current financial status."¹⁷ The Commission does not need documentation reflecting a Licensee's current financial status unless and until the Licensee receives notification that it has apparently violated the Rules and challenges the amount of a proposed forfeiture. IHD's demand for such information from the

¹⁷ See, e.g., *In re: Fox Television Stations, Inc., Licensee of KMSP-TV, Minneapolis, Minnesota*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 3964, 3973, ¶ 24 (EB 2011) (NAL for apparent violation of sponsorship announcements requirements).

Indeed, this approach with respect to financial information is common practice: counsel for the Licensee ran a search on Lexis for Commission cases and found 956 results that contained the direct quote: "The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the respondent submits: (1) federal tax returns for the most recent three-year period" That the appropriate time, if any, for a Licensee to provide its financial information comes when it contests a proposed forfeiture is clear. See, e.g., *In re Commission's Forfeiture Policy Statement & Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, 12 FCC Rcd 17087, 17106-17107, ¶ 44 (1997) ("Although forfeiture amounts will be initially assessed according to the violation, the Commission's staff reviews all responses to NALs that claim inability to pay a forfeiture on a case-by-case basis in accordance with Section 503(b)(2)(D) of the Act.").

Licensee at this stage is premature, unnecessary, and unduly burdensome—and it improperly presumes the Licensee’s guilt prior to the conclusion of IHD’s investigation.

Inquiry 10: Provide copies of all Documents that serve as the basis for or otherwise support the responses to all the Inquiries above, to the extent not already provided.

Gulf-California Response: Gulf-California submits GC2 10-000001 et seq., which include work schedules used to support the response to Inquiries 1(d) and 1(e) (GC2 10-000001 through GC2 10-000090) and certain employment records used to support the response of Inquiry 3 with respect to the employment dates of former employees identified therein (GC2 10-000091 through GC2 10-000094).¹⁸ Otherwise, all responsive Documents available have already been provided in response to the Inquiries above with the exception of (1) Documents already submitted in this proceeding, (2) Documents responsive to Inquiry 9, to which the Licensee has objected, and (3) Documents subject to the privilege that attaches to attorney work product. *See* Fed. R. Civ. P. 26(b)(3)(A). Such privileged Documents are limited to information prepared by employees of Gulf-California and/or NPG at the request of counsel specifically for the purpose of responding to Inquiries 1 through 8 above and in anticipation of litigation. Attached to this response as Attachment E is a log of such privileged Documents.

¹⁸ Social security numbers and birth dates of the individuals have been redacted.

* * * * *

Respectfully submitted,

GULF-CALIFORNIA BROADCAST COMPANY



Elizabeth Spainhour
BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.
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150 Fayetteville Street (27601)
Post Office Box 1800
Raleigh, North Carolina 27602
Telephone: (919) 839-0300
Facsimile: (919) 839-0304

Its Attorney

January 4, 2017

DECLARATION AND CERTIFICATION OF LICENSEE

I, J. Timothy Hannan, hereby declare, under penalty of perjury, as follows:

1. I am greater than eighteen years of age and am competent to make this Declaration and Certification. I am Vice President, Secretary, and Treasurer of Gulf-California Broadcast Company, licensee of KESQ-TV, Palm Springs, CA, KCWQ-LD, Palm Springs, KCWQ-LP, Palm Springs, KDFX-CD Indio/Palm Springs, K27DS, Yucca Valley, CA, K31MF-D, Yucca Valley, CA, K42LC-D, Yucca Valley, CA, KPSP-CD, Cathedral City, CA, KUNA-LP, Indio, CA, KUNA-LD, Palm Springs, CA, and KYAV-LD, Palm Springs, CA. I have held this position at all relevant times.

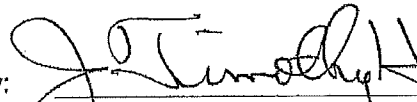
2. My signature below indicates, under penalty of perjury, that: I have reviewed the Letter of Inquiry dated November 22, 2016 from Matthew L. Conaty and its attachments (the "Letter") and am familiar with its contents; I have reviewed the foregoing correspondence from Elizabeth Spainhour in response to the Letter, and, to the best of my knowledge, information, and belief, I hereby verify the truth and accuracy of the information contained therein; all of the information requested by the Letter that is in the Licensee's possession, custody, control, or knowledge has been produced, other than information set forth in response to Inquiry 10; and any and all documents provided in this response are true and accurate copies of the original documents. To the extent that I do not have personal knowledge of any relevant facts, I am relying on the statements made in the Second Declarations of Bianca Rae Goutos, Alexandra Pawelski, Michael Stutz, and Robert Smith, which I have reviewed and with which I am familiar.

[signature appears on following page]

The undersigned, under penalty of perjury, declares the foregoing to be true, complete, and correct to the best of his personal knowledge.

This, the 4th day of January, 2017.

By:



J. Timothy Hannan
Vice President, Secretary, and Treasurer
Gulf-California Broadcast Company

Attachment A
(Goutos Second Declaration)

Second Declaration of Bianca Rae Goutos

I, Bianca Rae Goutos, hereby declare, under penalty of perjury, as follows:

1. I am greater than eighteen years of age and am competent to make this Declaration.

2. I am an Anchor/Entertainment Reporter at KESQ-TV, Palm Springs, CA (the "Station") and an employee of Gulf-California Broadcasting Company ("Gulf-California").

3. I have read the letter with attachments dated November 22, 2016, to Mr. J. Timothy Hannan and Ms. Elizabeth E. Spainhour from Mr. Matthew L. Conaty (the "Letter") and am familiar with its contents. I have reviewed each of the social media postings included as Attachment B with the Letter and familiar with them. The social media postings attached to this Declaration as Exhibit 1 are from my Instagram account and were posted on the dates typed at the bottom. Two of the postings included as Attachment B with the Letter were not posted by me and do not depict me or my social media accounts (and are not included with Exhibit 1).

4. After logging into my Instagram account, I was able to identify the dates of the postings in Exhibit 1, but I was not able to identify the time of any of the postings because Instagram does not display that information. All postings that include screen shots of broadcast material were posted to Instagram *after* the initial live broadcast that is depicted in the images. The screen shots were taken by a family member while watching the Station's programming through an app.

5. In several cases, the postings in Exhibit 1 are not screen shots of broadcast material but instead are pictures taken while I was on set in the Station studio before or after I appeared on the air. I have marked the images that are not from broadcast material with an asterisk (*) above the image in Exhibit 1. These non-broadcast images were posted to Instagram *after* an initial live broadcast.

6. The following people who commented on my social media postings included with Attachment B to the Letter work for Gulf-California: Jerry Steffan (jerrysteffer), Sarah-Jayne Simon (sjs3), and Jeff Stahl (tvjeffstahl). David Gonzalez (davidgonzaleztv) and Danielle Gersh (daniellegersh) used to work for Gulf-California but no longer do so.

7. I have not been paid, received in-kind, or been promised anything at all of value from any source in exchange for any broadcast programming or material. Specifically with respect to Attachment B of the Letter and Exhibit 1, I was not paid, did not receive in-kind, and was not promised anything at all of value that is depicted in the social media postings in exchange for any broadcast programming or material.

8. I received loans of clothing and accessories depicted in Attachment B and Exhibit 1 from the following local merchants who are referred to in these postings: Araceli Martinez of Diane von Furstenberg, Susan Stauber of Grayse El Paseo, Richard Vincent of Le Chateau Boutique, Tracey Connole of St. John's Knits, and Ryan Ryan of The Jewelry Bar. I never mentioned these local merchants on the air. I did not have written agreements with any of these local merchants. I did have verbal agreements with these local merchants that I would wear and later return their products and mention them in social media.

9. All shoes and jewelry not noted as The Jewelry Bar in my social media postings included with Attachment B of the Letter and Exhibit 1 were my own and were not given or loaned to me.

10. I believe that my former boyfriend Ryan Manos and his fiancée Katarina Reveche, possibly along with Natalie Brunell and Samantha Cortese, had a hand in the anonymous complaint that gave rise to this inquiry.

11. The social media posting included with Attachment B with the Letter and Exhibit 1 that depicts a hot shell massage (posting dated June 22, 2015) is a posting that was a "tease" or promotion of a feature story I did as an Entertainment Reporter in a regular feature called "Eye on the Desert." These "Eye on the Desert" reports often featured local businesses and restaurants and new or interesting products or services they offered. Nothing of value was provided or promised to me or the Station for these stories. The stories were simply news and entertainment coverage. The image shown is of a hot stone massage I received on air as part of the story on a unique spa treatment available from a local service provider. Demonstration of the massage was part of the story. The story was not something that the massage provider paid any money or other consideration for, and the massage was not provided in-kind. In fact, I did not receive a "full" massage but instead had the hot shells briefly placed on me for purposes of the story.

12. The social media posting included with Attachment B of the Letter and Exhibit 1 that depicts me speaking face-to-face with a man with a blue collar (posting dated January 29, 2016) is a posting that was a "tease" of another "Eye on the Desert" feature story I did as an Entertainment Reporter. The story was about actor Sylvester Stallone's home for sale in Palm Springs. I interviewed listing agent Josh Reef. The story was particularly topical and newsworthy as Mr. Stallone had been nominated for an Oscar for his role in the film "Creed." The angle of Mr. Stallone's home for sale in our market was uniquely local and a way to connect the Oscars and this particular celebrity with our viewers. The story aired shortly before the Oscar awards telecast. As part of the news and entertainment story, Mr. Reef took me on a tour of the home. Nothing at all of value was paid to, received in-kind, or promised to me or the Station by Mr. Reef or his company or Mr. Stallone for this story.

13. The social media posting included with Attachment B of the Letter and Exhibit 1 that depicts me speaking with a man who has his back to the camera (posting dated May 10, 2016) is a posting that was a "tease" for a news story about our mayor's

state of the city address. The story was a tour of the city with Palm Springs Mayor Robert Moon and concerned the state of Palm Springs, including current developments and future plans. As part of the news story, Mr. Moon and I toured the city. Nothing at all of value was paid to, received in-kind, or promised to me or the Station by Mr. Moon or the city for this story.

[signature appears on the following page]

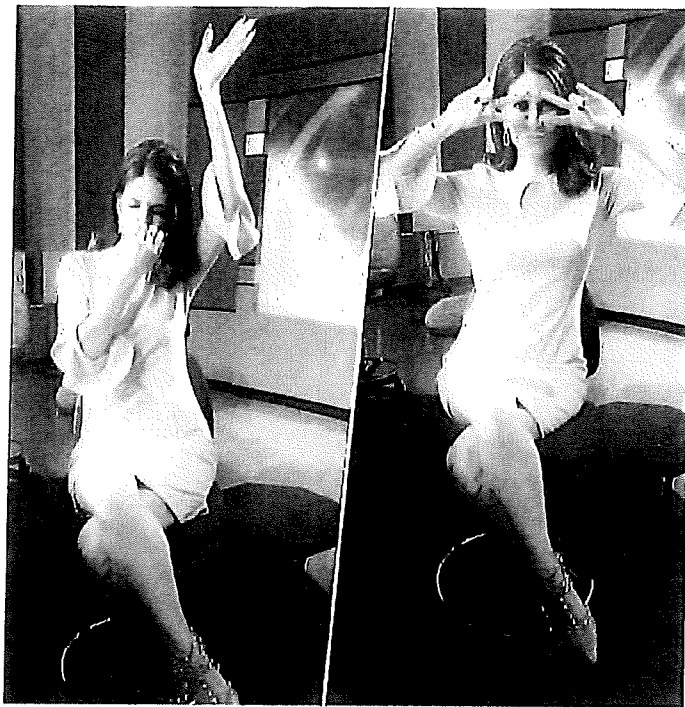
I declare, under penalty of perjury, that the foregoing Declaration is true and accurate to the best of my knowledge, information, and belief.


12/30/16
Date

Bianca Rae Goutos
Bianca Rae Goutos

Exhibit 1

(Goutos Postings from Attachment B of the Letter)




 bianca__rae
 KESO Gulf California | Follow

115 likes

bianca__rae According to @jerrysteffen, and everyone else, I look "groovy" today.
 Dress: @mkgayse @grayseelpaseo
 Earrings: @thejewelrybar #told

artiststone Tell Jerry the ball is in his court now. Lol

bianca__rae @jerrysteffen the ball is in your court now lol

jerrysteffen Okay.. I guess it's gonna be a tie-dye, bell bottoms, granny glasses kind of day tomorrow morning!

bianca__rae @jerrysteffen ok you got that @tyjefstahl ??

bianca__rae @jerrysteffen @tyjefstahl

willamsalazar598 Beautiful

nevermartyed I really like the shoes!

Jay,2410 Love the dress @bianca__rae

Log in to like and comment



blanca_rae

Follow

86 likes

View

blanca_rae Rocking this @grayseelpaseo @mkgrayse dress in Rocky's desert home today with @lunywitzjames@a_realtor @joshreef. Jewelry: @the.jewelry.bar

Look inside Sylvester Stallone's home on Feb. 25th at 5:00 ONLY on News Channel 3. Sneak peaks throughout the month here on Insta ☺ fun day with you @crflicker!!

miss.jasmine.nicole Oh!!! Josh! This is wonderful

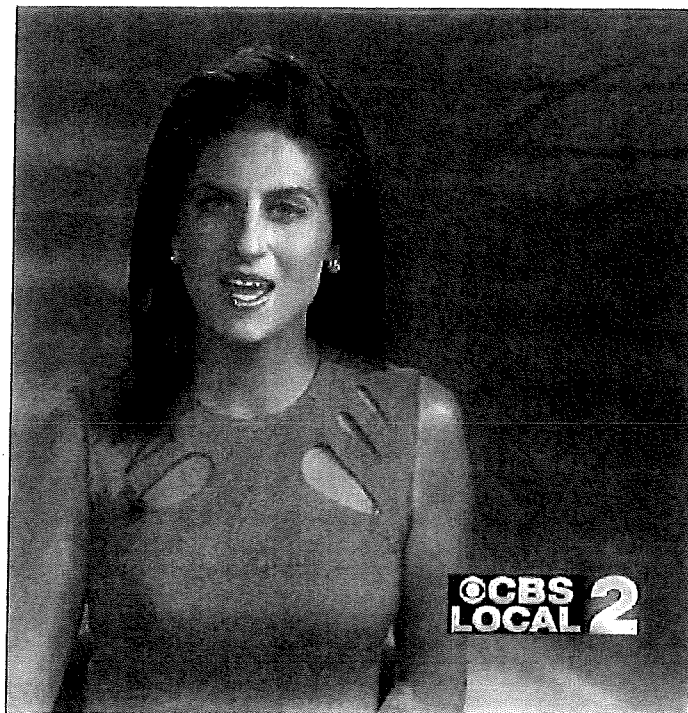
whalenproductions 🌟🌟🌟 @blanca_rae

ryanryannn So very hot... @blanca_rae

ryanryannn Stunning @eridanusandcasslopeta

eridanusandcasslopeta @blanca_rae

Log in to like or comment



bianca__rae

Follow

90 likes

bianca__rae CBS Local 2 Weekend News
Dress: onlyf
a cell a la mode
#newsanchor

bianca__rae Photo cred: mom ;)
@barbaragoutos

lexie33186 Gorgeous!! Come home!!

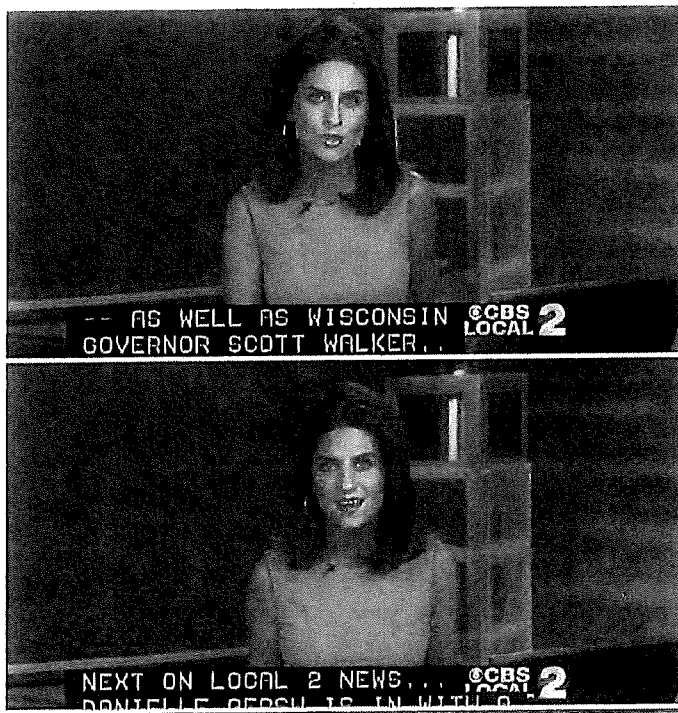
sockconclerge Check us out! We think
you'll love it

harmini731 Hey @bianca__rae where are
you based? Is this CBS district 2?

bianca__rae @harmini731 I am in Palm
Springs, California. I'm the CBS Local 2
weekend evening anchor!

harmini731 @bianca__rae well your
awesome! Do they let you do your own
stories? Or usually pick what you can do?

Log in to like and comment.



blanca_rae

Follow

59 likes

blanca_rae One of my favorite colors. Tonight on CBS Local 2 dress: edvt styled by cell a la mode

cbello32 Just saw you today for the first time. I was amazed how beautiful your eyes are. :) @blanca_rae

cbello32 Come to Kaiser grille in palm desert someday. :) I work Saturdays :)

_cellthatgirl Gorgeous!! ☺

Josie92260 Gorgeous in green & love the new dog, ★

official_ryanwoolf 🐾

monday_blooms 🌸

blanca_rae @josie92260 thank you!!

karat_cake @blanca_rae Interested in a piece?

greeneyes278 Mine too 🐾🐾🐾🐾

Log in to like or comment

21



blanca__rae

Follow

102 likes

blanca__rae Tonight on CBS Local 2 News: Thousands coming together in Baltimore after six police officers were charged in connection to the death of Freddie Gray....Congressman Ruiz trying to improve water and sewage in Mecca....Before the night's capped off by the Mayweather-Pacquiao fight in #Vegas, it's win or go home time in the #NBA playoffs and we have a live report from the Spurs-Clippers game. See you at 6:30, we have a lot to talk about!

#newsanchor

o d v l # d v l

Styled by @ cell a la mode

rodzillaroddy #teampacquiao &

primspringstyle Love your dress!

christinapken You look beautiful!

barbaragoutos Aaaaaaammmmmmaaaaaazzzz
zllinnnggg!!!

Log In to like this post



bianca_rae
KESQ Gulf California


60 likes

bianca_rae Good morning
time is now to learn about a
construction (road repairs) &
closures (Stagecoach) so y
in traffic. See you back on N
at Noon..turn it on and turn
Blazer: @grayseelpaseo

[Log in to like or comment](#)

posted April 28, 2016



 **blanca__rae**
CBS Local 2 Follow

74 likes Like

blanca__rae Tonight on CBS Local 2
News...
Dress: @dvy #DVF
Styled by @cellthatgirl
#LOTD #NewsAnchor
williamsalazar698 Looking Beautiful"
vintage.emi. 96 Fld you het the email my
mom sent
blanca__rae @vintage.emi. 96 yes! I
forwarded it to my producer :)

Log in to like this comment 100

*



blanca__rae
Palm Springs, Califor.

Follow

117 likes

blanca__rae What is the future of Palm Springs? Will Marilyn come back? Who does Mayor Moon hope to host in his city as the next President of the United States? I have the answers in an exclusive interview tomorrow on KESQ News Channel 3 at 6:00. #StateOftheCity 📺: @criticker Thank you @guyselpaseo for letting me wear this mod PS dress!

bgoutos Beautiful dress!!

frenchtangerine Your hair looks wonderful!

artiststone Blanca 🍷🍷🍷

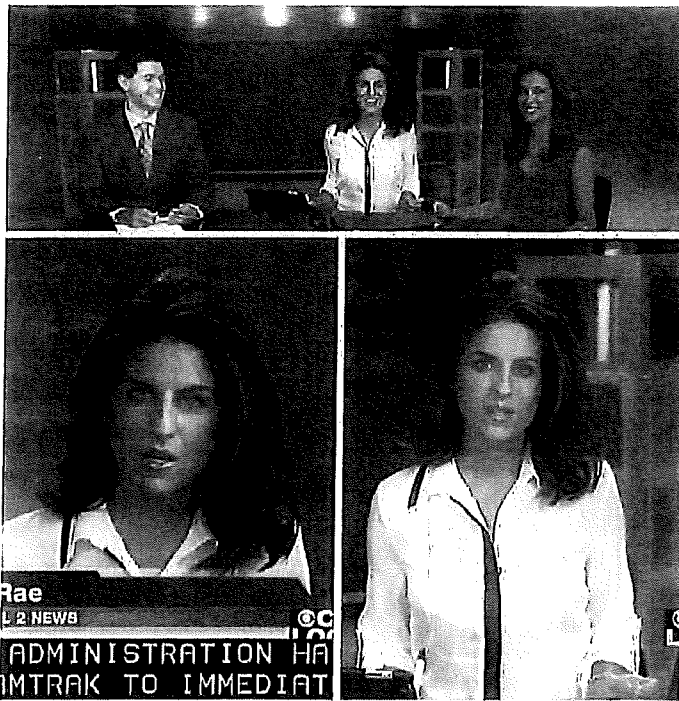
palmypoolgirl This city is getting crowded enough

paul_michael_2 You so beautiful Blanca ,)

Log in to like or comment

...

posted May 10, 2016



blanca__rae
CBS Local 2

Follow

85 likes

blanca__rae Tonight on CBS Local 2 News Weekend Edition. Blouse: @dvt #DVF styled by @cellthatgirl We'll see you tonight at 11 for your latest news, weather and sports!

dodgerfansince1971 @blanca__rae hair is on point tonight.

kroesnews Love the shirt B!

blanca__rae @dodgerfansince1971 I hope I can get it like this again. replication is the hardest thing ever!!!

blanca__rae @dodgerfansince1971 and thank you!!

@cellthatgirl Loved it!!

kellygolightly Love the new 'do!

blanca__rae @kellygolightly thank you!!

Log in to like or comment



blanca__rae
CBS 2

Follow

129 likes

blanca__rae Tonight on CBS Local
2...dress, jacket and necklace o:johnknts
See you tonight at 11:00! #cbslocal2 #toni
#ootd #NewsAnchor

dan_lel_germany o: o

mikeluna, Nice picture o:blanca__rae o: o

adamschw o:johnknts

sjs3 St. John o:

bigboyzconstruction32 Looking great like
always!!

meredithkay Love this outfit o:johnknts
o:blanca__rae

bgoutos Pure class!!!

frshd713 Beautiful B!!!


williamsalazar598 Beautiful Bianca

silviabonfigliotti Very elegant

Log in to like and comment

posted May 30, 2015




 bianca_rae
 CBS Local 2

Follow

87 likes

bianca_rae A lot going on tonight on CBS Local 2 News at 6:30: A live report from a fire in Indio and an update on #americanpharaoh See you tonight at 11:00 for your latest news, weather and sports! shirt: #dyl #dyl #californiagirl #NewsAnchor #told #told

daniellegersh Missing my counterpart! Looking gorgeous as always 🌟

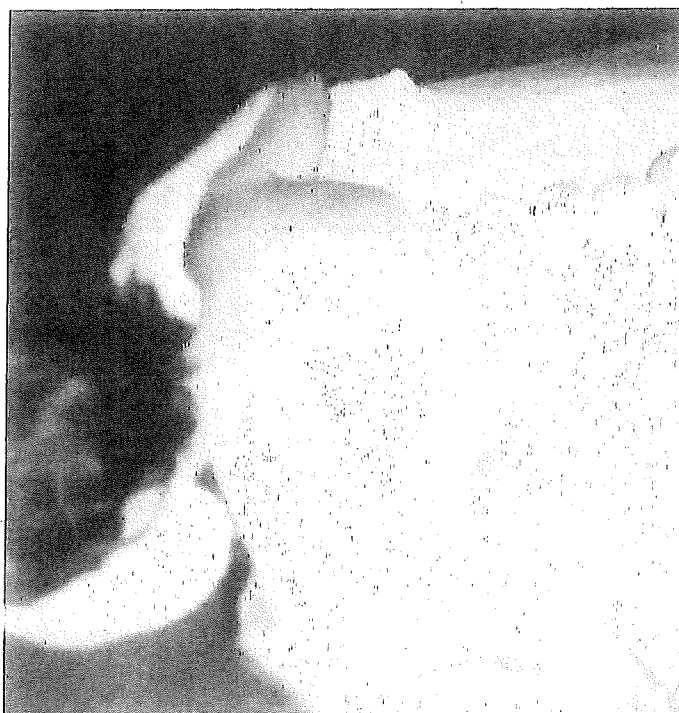
bianca_rae Missing you dan!!! Can't wait to hear about your #croatianvacation :) xo @daniellegersh

doublee66 Looking good Bianca. 🌟

bianca_rae Thank you @doublee66 !

*

Log in



bianca_rae

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bianca_rae Think hot stone massage but better, because these 120 degree lava shells stay hotter longer than stone. Find out where you can get this unique spa treatment Wednesday night on Eye On the Desert! #eyeonthedesert

williamsalazar598 Why the tail?...

Log in

o o



bianca__rae

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109 likes

bianca__rae Today on News Channel 3. dress code #dyf @ cellthotgirl #NewsAnchor

rodzillaroddy Looking good as always 🍷

alsamarlecorralesdesigns So pretty!!!

marinaberbery.m Hello gorgeous!!!!

artistone Aw come to see you as morning anchor!

bianca__rae Thank you!!! @artistone

@marinaberbery.m

@alsamarlecorralesdesigns @rodzillaroddy :))

coachellaeyewear Our favorite news anchor! 🍷🍷

bianca__rae @coachellaeyewear thank you!!

Logout

posted July 1, 2015



bianca, rae
KESQ Gulf California

Follow


52 likes

bianca, rae It was all ☺☺ at the KESQ News Channel 3 in the Morning desk today. Did you catch us this am? We'll be back at noon with your latest news and weather. hope you join! @tyj-dt-ahh @jerrystellen Dress, girl! girl!

Log in


posted July 3, 2015






 bianca__rae
KESQ Gulf California [Follow](#)

79 likes

bianca__rae Today's LOTD dress: Le
Chateau Old Town La Quinta
See you back on News Channel 3 at Noon!

davidgonzaleztv 

ljsimon3  

the_mystic_bat #wownewsedition 

Log in    

posted September 23, 2015

Bianca Rae at KESQ Gulf California Broadcast

October 11, 2015, Thousand Oaks, CA

about social media lend well to skits. We're here all day
back at noon. — Jeff Stan/Jerry Steffen

Le Chateau Boutique in Old Town La Quinta



posted October 8, 2015

Attachment B
(Pawelski Second Declaration)

Second Declaration of Alexandra Pawelski

I, Alexandra Pawelski, hereby declare, under penalty of perjury, as follows:

1. I am greater than eighteen years of age and am competent to make this Declaration.

2. I am an Anchor/Reporter at KESQ-TV, Palm Springs, CA (the "Station") and an employee of Gulf-California Broadcasting Company ("Gulf-California").

3. I have read the letter with attachments dated November 22, 2016, to Mr. J. Timothy Hannan and Ms. Elizabeth E. Spainhour from Mr. Matthew L. Conaty (the "Letter") and am familiar with its contents. I have reviewed each of the social media postings included as Attachment B with the Letter and familiar with them. The two social media postings attached to this Declaration as Exhibit 1 are from my Instagram account and were posted on the dates typed at the bottom. All *other* postings included with Attachment B to the Letter were not posted by me and do not depict me or my social media accounts (and are not included with Exhibit 1).

4. After logging into my Instagram account, I was able to identify the dates of the postings in Exhibit 1, but I was not able to identify the time of the postings. The postings in Exhibit 1 do not depict images of broadcast material but instead are pictures taken while I was on set in the Station studio before or after I appeared on the air. These images were posted to Instagram *after* an initial live broadcast in which I appeared.

5. The following people who commented on my social media postings included with Attachment B to the Letter work for Gulf-California: Kathleen Huber (kathhuber) and Sarah-Jayne Simon (sjs3). David Gonzalez (davidgonzaleztv) used to work for Gulf-California but no longer does so.

6. I have not been paid, received in-kind, or been promised anything at all of value from any source in exchange for any broadcast programming or material. Specifically with respect to Attachment B of the Letter and Exhibit 1, I was not paid, did not receive in-kind, and was not promised anything at all of value that is depicted in the social media postings in exchange for any broadcast programming or material *or* in exchange for any social media posting. I have no written or oral agreements with any person or business regarding such arrangements. The clothing and accessories depicted in these postings are all my own and were not given or loaned to me.

[signature appears on the following page]

I declare, under penalty of perjury, that the foregoing Declaration is true and accurate to the best of my knowledge, information, and belief.

12/30/16
Date

Alexandra Pawelski
Alexandra Pawelski

Exhibit 1

(Pawelski Postings from Attachment B of the Letter)



the_alle_cat
1252


FOLLOW

78 likes

the_alle_cat most of the time on the
a double fun when you're working with
a huge del 

working on tonight's 2000 photo
to be a bit more of a shoe
a steve madden

5/5/11 piece mine own dress
a good morning to the steve madden
a good morning to the steve madden

5/5/11 Love you 

1/1/11  a crazy great

1/1/11 

keno from the 1st graduating in May

1/1/11

posted November 2, 2015

Attachment C
(Stutz Second Declaration)

Second Declaration of Michael Stutz

I, Michael Stutz, hereby declare, under penalty of perjury, as follows:

1. I am greater than eighteen years of age and am competent to make this Declaration.

2. I am the General Manager for KESQ-TV and associated stations (collectively, the "Station") owned by Gulf-California Broadcast Company ("Gulf-California").

3. I have read the letter with attachments dated November 22, 2016, to Mr. J. Timothy Hannan and Ms. Elizabeth E. Spainhour from Mr. Matthew L. Conaty (the "Letter") and am familiar with its contents. I have reviewed each of the social media postings included as Attachment B with the Letter and am familiar with them.

4. I gathered the information concerning broadcast times and stations on which broadcasts aired, and whether the broadcasts were live or recorded, in response to Inquiries 1(a) and 1(c) of the Letter. I have reviewed Gulf-California's response to the Letter and confirm the accuracy of the information provided in response to Inquiries 1(a) and 1(c).

5. The following people who commented on the social media postings included with Attachment B to the Letter work for Gulf-California: Jerry Steffan (jerrysteffan, Weathercaster), Sarah-Jayne Simon (sjs3, Producer), Jeff Stahl (tvjeffstahl, Anchor), and Kathleen Huber (kathhuber, Receptionist). David Gonzalez (davidgonzaleztv, Reporter and Weathercaster) and Danielle Gersh (daniellegersh, Weathercaster) used to work for Gulf-California but no longer do so.

6. Gulf-California maintains archived video of newscasts for only thirty (30) days from the date of broadcast. Gulf-California does not have video copies of the newscasts depicted in or related to the postings included with Attachment B to the Letter because the newscasts at issue aired well beyond thirty days from the date the Letter was received. Gulf-California generally retains archived video of news stories for a longer period of time and was able to retrieve video copies of the three news stories depicted in the postings included with Attachment B to the Letter.

7. Gulf-California generally archives transcripts of newscasts and news stories. Transcripts for the news stories depicted in posting numbers 8 and 12, for the 10 pm and 11 pm (recorded from the 10 pm) newscasts depicted in postings 5 and 9, and for the newscast on November 2, 2015 (related to posting 18) are not available due to errors that occurred in Gulf-California's archiving process. Additionally, transcripts of noon newscasts on February 2, 2016, April 28, 2016, July 1, 2015, July 3, 2015, September 23, 2015, and October 8, 2015 are not available due to errors that occurred in Gulf-California's archiving process. All available requested transcripts have been produced in response to the Letter. In some cases, multiple transcripts for a particular day have been

produced because Gulf-California cannot with certainty isolate the exact newscast from which the images were drawn or, in the case of images that do not depict broadcast programming, to which the images relate.

8. Additionally, the header for the printed transcripts of broadcast programming depicted in postings 3, 4, and 11 and the printed transcripts for the newscasts on May 10, 2015 (related to posting 7), May 17, 2015 (related to posting 9), May 30, 2015 (related to posting 10), and September 12, 2015 (related to posting 17) were for the live broadcast on Gulf-California station KDFX at 10 pm. A recording of these newscasts aired on KESQ at 11 pm.

9. Gulf-California does not have a secure FTP site maintained by the company or its corporate parent.

10. To my knowledge, no employee, representative, or agent of the Station or its affiliated entities has any written or oral agreement regarding the broadcast of programming listed in Gulf-California's response to Inquiry 1(a). To my knowledge, no employee, representative, or agent of the Station or its affiliated entities has been paid, received in-kind, or been promised anything at all of value in exchange for any broadcast programming or material from any source, including but not limited to the businesses and individuals or anyone affiliated with the businesses or individuals described in the postings included as Attachment B with the Letter.

[signature appears on the following page]

I declare, under penalty of perjury, that the foregoing Declaration is true and accurate to the best of my knowledge, information, and belief.

Dec. 30, 2016
Date

Michael S. Stutz
Michael Stutz

Attachment D
(Smith Second Declaration)

Second Declaration of Robert Smith

I, Robert Smith, hereby declare, under penalty of perjury, as follows:

1. I am greater than eighteen years of age and am competent to make this Declaration.

2. I am the News Director for KESQ-TV and associated stations (collectively, the "Station") owned by Gulf-California Broadcast Company ("Gulf-California").

3. I have read the letter with attachments dated November 22, 2016, to Mr. J. Timothy Hannan and Ms. Elizabeth E. Spainhour from Mr. Matthew L. Conaty (the "Letter") and am familiar with its contents. I have reviewed each of the social media postings included as Attachment B with the Letter and am familiar with them.

4. With respect to the broadcast programming at issue in the Letter, I gathered the information concerning personnel involved in drafting scripts and personnel involved in the broadcast process in response to Inquiries 1(d) and 1(e). I have reviewed Gulf-California's response to the Letter and confirm the accuracy of the information provided in response to Inquiries 1(d) and 1(e) to the best of my knowledge, using our available resources. Gulf-California's work schedule records were used to determine who participated in the script preparation and broadcast process for the dates at issue in the Letter.

5. Natalie Brunell was a former Multimedia Journalist who covered local news for KESQ and CBS Local 2. She was hired September 3, 2013, and voluntarily left the Gulf-California November 30, 2015. I was her supervisor.

6. Samantha Cortese was a former Anchor/Reporter for Gulf-California. She anchored weekend morning newscasts and covered local news for KESQ. Ms. Cortese worked at KPSP at the time Gulf-California acquired KPSP. Her employment with Gulf-California began February 1, 2012 when KPSP was acquired, and continued until December 23, 2015, when she voluntarily left the company. I was her supervisor.

7. To my knowledge, no employee, representative, or agent of the Station or its affiliated entities has any written or oral agreement regarding the broadcast of programming listed in Gulf-California's response to Inquiry 1(a). To my knowledge, no employee, representative, or agent of the Station or its affiliated entities has been paid, received in-kind, or been promised anything at all of value in exchange for any broadcast programming or material from any source, including but not limited to the businesses and individuals or anyone affiliated with the businesses or individuals described in the postings included as Attachment B with the Letter.

[signature appears on the following page]

I declare, under penalty of perjury, that the foregoing Declaration is true and accurate to the best of my knowledge, information, and belief.

December 29, 2016

Date

Robert Smith

Robert Smith

Attachment E
(Privilege Log)

Document ID	Type	Title	Subject Matter	Date	Name/Address/Position	Grounds
1	Excel document sent to counsel	FCC/GCB Rae/Pierce Complaint	Response to FCC Inquiries (Inquiries 1-8, 10)	12/22/2016	Mike Stutz, General Manager, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
2	Email to counsel	Fw: KESQ/LOI Part 2	Response to FCC Inquiries (Inquiries 1-8, 10)	12/28/2016	Mike Stutz, General Manager, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
3	Email prepared at request of counsel	Fw: KESQ/Response to Second Letter of Inquiry	Transcript and story information (Inquiries 5(a) and (b))	12/20/2016	Mike Stutz, General Manager, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
4	Email to counsel	Fw: KESQ/Response to Second Letter of Inquiry	Transcript and story information (Inquiries 5(a) and (b))	12/21/2016	Mike Meara, President NPG Broadcast, 1415 Elbridge Payne, Suite 125 Chesterfield, MO 63017	Attorney work product
5	Word document	Items Needed for Supplemental LOI Response	Response to FCC Inquiries (Inquiries 7 and 10)	12/22/2016	Tim Hannan, Vice President, Secretary, & Treasurer of Gulf-California Broadcast Company, 825 Edmond, St. Joseph, MO 64501	Attorney work product
6	Email to counsel	FCC Case Documents - done	Response to FCC Inquiries (Inquiries 1-8, 10)	12/22/2016	Bianca Rae Goutos, Anchor/Reporter, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
7	Word document sent to counsel	Question 3	Response to FCC Inquiries (Inquiry 3)	12/27/2016	Robert Smith, News Director, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
8	Excel document sent to counsel	For Elizabeth Spainhour	Response to FCC Inquiries (Inquiries 1(d) and (e))	12/27/2016	Robert Smith, News Director, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
9	Email to counsel	RE: From Bob Smith	Response to FCC Inquiries (Inquiries 1(d) and (e))	12/27/2016	Robert Smith, News Director, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
10	Email to counsel	Re: FCC CASE DOCUMENTS	Response to FCC Inquiries (Inquiries 1-8, 10)	12/27/2016	Alexandra Pawelski (Pierce), Anchor/Reporter, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
11	Email to counsel	Re: FCC Case Documents - done	Answers to FCC Inquiries (Inquiries 1-8, 10)	12/27/2016	Bianca Rae Goutos, Anchor/Reporter, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
12	Email to counsel	Re: FCC CASE DOCUMENTS	Answers to FCC Inquiries (Inquiry 1)	12/28/2016	Alexandra Pawelski (Pierce), Anchor/Reporter, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
13	Email to counsel	Re: FCC CASE DOCUMENTS	Response to FCC Inquiries (Inquiries 1(d) and (e))	12/29/2016	Robert Smith, News Director, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product
14	Email to counsel	RE: KESQ -- Response to LOI Status and Questions	Response to FCC Inquiries (Inquiries 1(d) and (e) and 5(c))	12/29/2016	Robert Smith, News Director, KESQ & CBS Local 2, 31276 Dunham Way, Thousand Palms, California 92276	Attorney work product

15 Email to counsel

RE: KESQ -- Response to LOI Status and
Questions

Response to FCC Inquiries
(Inquiry 1{e})

12/29/2016 Robert Smith, News Director, KESQ & Attorney work product
CBS Local 2, 31276 Dunham Way,
Thousand Palms, California 92276

