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DESIREE ELLIOT CACHETTE

ELECTRONICALLY
FILED

Superior Court of California,
County of San Francisco

03/25/2022
Clerk of the Court
BY: LAURA SIMMONS
Deputy Clerk

10 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **IN AND FOR THE COUNTY OF SAN FRANCISCO**

12 **CIVIL – UNLIMITED JURISDICTION** **CGC-22-598910**

13 DESIREE ELLIOT CACHETTE,) Case No.:
14)
15 Plaintiff,) **COMPLAINT FOR DAMAGES AND**
16 v.) **EQUITABLE RELIEF**
17) (1) Defamation at Common Law and
THE FOUNDATION FOR NATIONAL) Pursuant to Civ. Code 46;
18 *PROGRESS D/B/A MOTHER JONES,*) (2) Libel Pursuant to Civ. Code 45;
a California Nonprofit Corporation;) (3) False Light;
19 *CLARA JEFFERY; SAMANTHA MICHAELS;*) (4) Intentional Infliction of Emotional
LILLIAN KALISH; and DOES 1 to 20,) Distress; and
20) (5) Negligent Infliction of Emotional
Defendants.) Distress
21) Unlimited Civil Case
22) [DEMAND FOR JURY TRIAL]

23 PLAINTIFF, DESIREE ELLIOT CACHETTE hereby alleges the following against
24 Defendants, The Foundation for National Progress D/B/A *Mother Jones*, a California Nonprofit
25 Corporation, Clara Jeffery, Samantha Michaels, and Lillian Kalish:

26 **SUMMARY OF ACTION**

27 Plaintiff Desiree Elliot Cachette (“Plaintiff” or “Cachette”) is a fund manager, investor,
28 entrepreneur and former executive at several global development companies. Presently Cachette is

1 the executive officer of Cachette Capital Management, headquartered in New York, and Cachette
2 Group LLC, a Florida Limited Liability Company, companies that are engaged in venture capital
3 endeavors.

4 In the venture capital business, reputation matters. There is a clear and undeniable
5 correlation between success in venture capital endeavors and a strong reputation. According to
6 research published in the Journal of Finance,¹ firms backed by reputable venture capitalists are more
7 likely to see success.

8 In view of this correlation between reputation and success in the venture capital arena, it is
9 particularly alarming when a widely-read publication makes misleading statements – misleading
10 statements that were intended to cause harm and which did cause harm not only to Cachette
11 personally but to her business endeavors.

12 **THE PARTIES**

13 1. Plaintiff Desiree Elliot Cachette (“Plaintiff”), an individual, is sui juris and a resident
14 of Miami-Dade County, Florida.

15 2. Plaintiff is the founder and principal of Cachette Group LLC, a Florida limited
16 liability company formed in 2015.

17 3. Plaintiff is informed and believes, and thereon alleges, that Defendant Foundation for
18 National Progress d/b/a Mother Jones (“*Mother Jones*”) is a California non-profit organization that
19 publishes and supports the magazine, *Mother Jones*, a publication named after noted union
20 organizer, which contains articles relating to environmental, political social and cultural issues.

21 4. Plaintiff is informed and believes, and thereon alleges, that Mother Jones has
22 headquarters in San Francisco, California, where the publication is published in print and digital
23 formats.

24 5. Plaintiff is informed and believes, and thereon alleges that Defendant Clara Jeffery
25 (“Jeffery”) is Editor in Chief of *Mother Jones* and is a resident of San Francisco County, California.

26 _____
27 ¹ “*What do Entrepreneurs Pay for Venture Capital Affiliation*,” by David H. Hsu, The Journal of Finance
28 (Nov. 27, 2005). In this study, the author analyzed offers made by competing venture capitalists and found
that “offers made by VCs with a high reputation are three times more likely to be accepted, and high
reputation VCs acquire start-up equity at a 10-14% discount.”

1 41. Plaintiff believes, and therefore alleges, that prior to the time Cachette was
2 interviewed for the Article, Defendants made the decision to damage the reputation of Cachette,
3 someone working in venture capital, for several reasons.

4 42. Plaintiff believes, and therefore alleges, that Defendants sought to stir outrage among
5 its readership so as to increase subscriptions and donations. As indicated in the article co-published
6 by Harvard University's Kennedy School's Shorenstein Center on Media, Politics and Public Policy
7 and the Institute for Nonprofit News (the "Shorenstein Center's Article") when Defendant Jeffery
8 published a column titled "*We Were Sued by a Billionaire Political Donor. We Won. Here's What*
9 *Happened*," the news organization raised \$350,000.00 in donations.³ [See Shorenstien Center's
10 Article attached as Exhibit C.] As further noted in the Shorenstein Center's Article, when Mother
11 Jones published a video of then-presidential candidate Mitt Romney making his dismissive "47
12 percent" comments, "Mother Jones saw a \$100,000 online fundraising windfall . . ." [Ex. C
13 (Shorenstein Center's Article), p. 6.]

14 43. Plaintiff believes, and therefore alleges, that Defendants were motivated to publish
15 false and misleading statements about Cachette, thereby tarnishing her reputation, as part of a
16 fundraising effort. This is indicated by the language used in the Instagram post of
17 "Motherjonesmag" that includes the statement "Venture capitalist's vendetta against Boudin reveals
18 a larger, long-standing rift over what it means to live in SF, and whose voices are privileged in
19 discussions about the city's soul and future." [A copy of this online post is attached as Exhibit D.]

20 44. This campaign involved the publication of the Article which contained numerous
21 false statements, including the statement that she was engaged in a campaign to "oust" the San
22 Francisco District Attorney, Governor Newsom and other political figures.

23 45. Defendants knew or had reason to know that the statements made in the Article were
24 false and would portray Cachette as having a political agenda and engaged in an attempt to unseat
25
26

27
28 ³ "Case Study: *Mother Jones: Creating a Thriving Legacy News Magazine through Mission, Strategy, and Experimentation*," Discussion Papers, Journalistic Practice, Shorenstein Center on Media, Politics and Public Policy, Harvard Kennedy School (December 9, 2019).

1 various elected officials with the intent of harming her reputation in general and in particular,
2 harming her reputation in the financial and venture capitalist community.

3 46. As a result of Defendants' publication of the false statements within the Article,
4 Cachette has incurred reputational damage and her businesses have been adversely affected to the
5 point of losing clients and revenue.

6 **THIRD CAUSE OF ACTION**
7 **(False Light)**

8 47. Plaintiff incorporates by reference the allegations of paragraphs 1 through 30 as
9 though fully set forth herein.

10 48. Prior to the publication of the Article, Cachette had a reputation as an entrepreneur
11 who is focused on raising venture capital, investing, and consulting, rather than being actively
12 engaged in political campaigns.

13 49. On or around the time Cachette was interviewed for the Article in February of 2021,
14 Defendants made the determination to retaliate against what they perceived as Cachette's political
15 involvement, a political involvement which, if it existed, was contrary to Defendants' positions and
16 agenda.

17 50. Defendants, hoping to portray Cachette in a bad light, engaged in a campaign to
18 damage her reputation and to impede her ability to conduct her businesses in a profitable manner.

19 51. This campaign involved the publication of the Article which contained numerous
20 false statements, including the statement that she was engaged in a campaign to "oust" the San
21 Francisco District Attorney, Governor Newsom and other political figures, had made contributions
22 to a particular political campaign and had

23 52. Defendants knew or had reason to know that the statements made in the Article were
24 false and would portray Cachette in a false light of having a political agenda and engaged in an
25 attempt to unseat various elected officials.

26 53. The actions taken by Defendants were done knowingly and with the intent of
27 harming Cachette's reputation and ability to profitably conduct her business by casting her in a false
28 light, and to increase Defendants' fundraising efforts by stirring outrage among its readership.

FIFTH CAUSE OF ACTION
(Negligent Infliction of Emotional Distress)

1
2
3 62. Plaintiff incorporates by reference the allegations of paragraphs 1 through 30 as
4 though fully set forth herein.

5 63. In or around February of 2021, Defendants engaged in a campaign to damage
6 Cachette’s reputation and interfere with her ability to utilize her skills in the consulting and
7 investment arena.

8 64. With the goal of furthering their campaign, the Authors negligently misquoted
9 statements made by Cachette in her pre-publication interview, and negligently made false
10 statements, such as the statement that she wanted to “oust” certain politicians and officials.

11 65. The Authors have a duty to exercise reasonable care to ensure that they do not make
12 false or misleading statements.

13 66. *Mother Jones*, and Jeffery as Editor in Chief of *Mother Jones*, have a duty to
14 exercise reasonable care by not publishing false or misleading statements in an article being
15 published in print and on the website.

16 67. The Authors breached their duty to exercise reasonable care when they placed the
17 false and misleading statements regarding Cachette in the Article without regard to the truth or
18 falsity of such statements.

19 68. Jeffrey and *Mother Jones* breached their duty to exercise reasonable care when they
20 published the Article, or permitted the Article to be published, which contains false and misleading
21 statements regarding Cachette and which portrays Cachette in a false light, as a political activist, or
22 as one who is “spearheading” a campaign to “oust” certain officials, including Newsom and
23 Boudin.

24 69. As a result of Defendants’ breach of their duties to exercise reasonable care,
25 Cachette has suffered and continues to suffer severe emotional distress. Now seen as a figure with a
26 political agenda, intent on “ousting” elected officials and others, she is no longer seen in the
27 financial community as an entrepreneur focused on investing, raising venture capital, consulting and
28 business management.

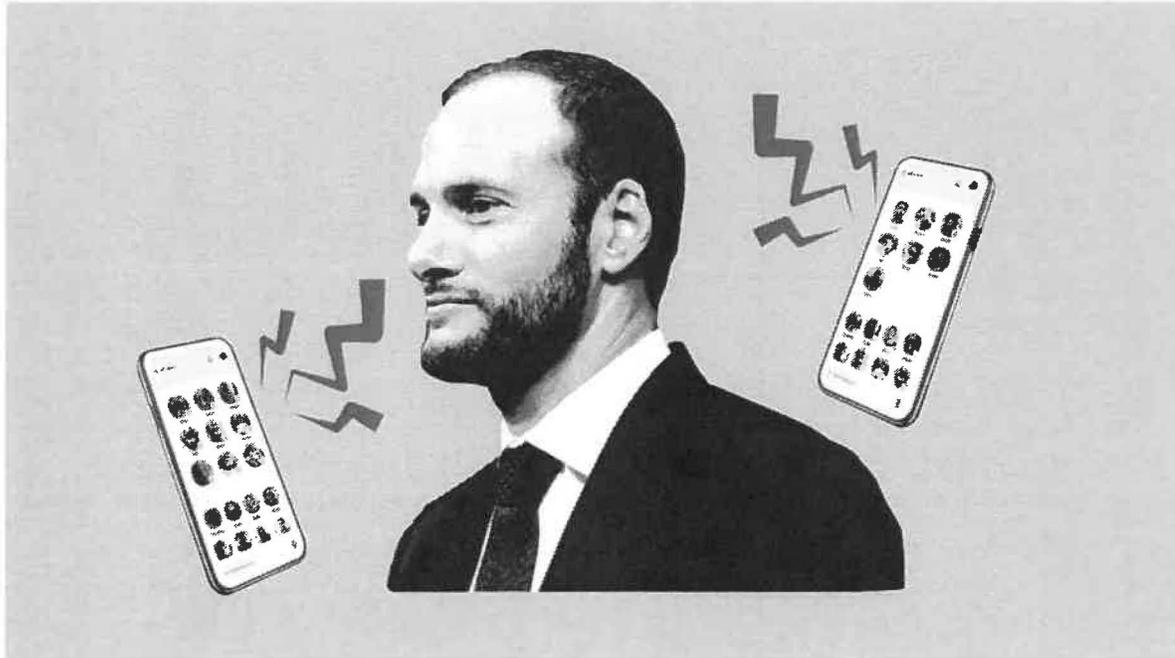
EXHIBIT A

POLITICS MARCH 31, 2021

“VC Lives Matter”: Silicon Valley Investors Want to Oust San Francisco’s Reformist DA

Inside the small but loud effort to recall Chesa Boudin.

SAMANTHA MICHAELS and LIL KALISH



Mother Jones illustration; Jeff Chiu/AP; Getty

Fight disinformation. Get a daily recap of the facts that matter. Sign up for the free Mother Jones newsletter.

San Francisco District Attorney Chesa Boudin was at home cooking dinner on a Thursday evening in January when he opened a new app called Clubhouse that lets people drop into virtual “rooms” and listen to live, unrecorded conversations. Someone had messaged Boudin to let him know that tech investors were hosting an “interesting” conversation about the “Future of SF.” As he prepared his food, some of them were speaking critically about San Francisco’s liberal political leaders. Soon, Boudin’s own name came up.

The district attorney wasn’t necessarily surprised; he’s no stranger to heavy chatter about his policies. Since taking office in January 2020, Boudin has built a reputation as one of the most progressive prosecutors in the country—a former public defender who understands the horrors of mass incarceration because both his parents, members of the radical Weather Underground movement, were imprisoned when he was a boy. He won his election with support from communities of color who wanted to make the criminal justice system less racist and improve public safety without imprisoning more people. In his first year, he tried to do this by ordering his office to stop asking for cash bail, reducing the jail population as the coronavirus spread behind bars, and beginning to prosecute some police officers who beat or killed suspects, all of which earned him praise from supporters.

But radical change breeds backlash, and the disruption of the old ways seemed to especially bristle some tech investors, many of whom have businesses in or near San Francisco. For weeks, the tech elite claimed the city was becoming uninhabitable under Boudin, with a growing scourge of crime and homelessness, and some even demanded that he step down from office. On the Clubhouse call, they accused the district attorney of sympathizing with Venezuela's Hugo Chavez and argued he was coddling "criminals" in San Francisco. Boudin grew frustrated as he listened from his kitchen: "The level of dishonesty and misinformation was frankly staggering," he recalls.

Clubhouse works like a lecture panel. Listeners are avatars in the room who can join the conversation or ask a question. Soon, the organizers noticed Boudin was in the audience, and invited him to speak. From there, the conversation went viral (at least in terms of city politics), with nearly 3,000 listeners tuning in from around the country. Boudin was in the hot seat as the investors barraged him with questions about crime. For about an hour, he tried to explain the nexus of failures within the justice system and the scope of what his office can do. Then someone asked Nancy Tung, who ran unsuccessfully against Boudin for district attorney in 2019, how she would go about prosecuting a hypothetical criminal offense. "I'm going to gracefully exit because we're in a land of speculation," Boudin said before logging off.

Boudin was being hit with California's unique variant of recall fever, a mix of traditional right-wing complaints about progressivism now boosted by a clique of tech elites. Other targets of their ire include Democratic Gov. Gavin Newsom and Los Angeles District Attorney George Gascón, who previously held Boudin's position in San Francisco and, like Boudin, is part of a nationwide movement of progressive prosecutors seeking to make the criminal justice system less punitive.

Backlash against reform-minded district attorneys isn't new—Black women DAs in particular have faced harsh opposition and even death threats. And it's unclear whether the recall campaign will pose an actual risk to San Francisco's DA—petitioners would need to gather more than 50,000 valid signatures to force him out. Boudin says he doesn't feel threatened, and that he views it as an effort to divert attention from more important matters in the middle of a pandemic. "This is Trump politics at its core," he says.

Still, recall campaigns against district attorneys are extraordinarily rare, and never before has one been fueled by a Silicon Valley upper crust with huge social-media followings. Some advocates are worried. "The pushback is becoming organized and targeted, literally trying to remove them from office," says Jamila Hodge, an attorney at the Vera Institute of Justice in Washington who works with progressive prosecutors. "It scares me that we're seeing it get to this level."

The venture capitalist's vendetta against Boudin reveals a larger, long-standing rift over what it means to live in San Francisco, and whose voices are privileged in discussions about the city's soul and future. Over the last decade, local tax breaks for major companies have lured an influx of tech workers to the Bay Area, shifting its culture and contributing to skyrocketing rent prices that have driven gentrification. Now, on the heels of nationwide racial justice protests last summer, there is a split consciousness within the city, and a growing disconnect between some wealthy tech investors, who are concerned about crime, and communities of color who have long grappled with gun violence, mass incarceration, and police brutality.

Some of the loudest voices supporting the anti-Boudin recall effort accuse the district attorney of laying down a welcome mat for burglars in the city, and call for stricter punishments for people who break the law. One in particular, Jason Calacanis, a former tech journalist and angel investor for Robinhood and Uber, recently launched a GoFundMe with the goal of hiring an investigative reporter to "hold the DA of SF accountable." So far the fundraiser has netted over \$58,000, with a steady stream of donations from other venture capitalists and tech workers, overwhelmingly white and male. On a podcast he co-hosts, Calacanis claimed Boudin's policies caused "Escape From New York-level, Gotham City-level chaos." The implication is obvious: The government has failed; in comes the rich vigilante.

On the heels of nationwide racial justice protests last summer, there is a split consciousness within the city.

Other high-profile techies seem to agree. Among them are his podcast co-hosts—billionaire investor and Golden State Warriors part-owner Chamath Palihapitiya, an early Facebook executive who now runs the venture capitalist firm Social Capital, and David Sacks, a founding member of PayPal and former CEO of the social networking service Yammer. (Palihapitiya and Sacks also made significant donations to the Recall Newsom campaign, and Palihapitiya briefly hinted at his own potential bid for governor, though he later backtracked.) Another angel investor, Cyan Banister—who formerly went by "Recall Chesa Boudin" on

Twitter—donated \$10,000 to Calacanis' fund for a journalist. Software engineer and venture capitalist Marc Andreessen, who is known for co-creating Mosaic, one of the first widely used web browsers, also reportedly contributed money to the cause. Thus far, nearly 500 people have donated to hire a Boudin beat reporter, and more than 50 of the publicly listed donors work across tech and finance in San Francisco.

Many of these tech investors claim that Boudin's progressive policies—such as his decisions to end cash bail and to seek more community alternatives to incarceration—led to a surge in violent crime, and they post news clips about assaults to their Twitter feeds as proof. Of particular note was when a San Francisco parolee killed two women in a drunk driving accident on New Year's Eve. The parolee had been arrested several times in previous months for nonviolent offenses, and Boudin's office had referred him to the parole department rather than charging him.

In January, when Richie Greenberg, a disgruntled 2018 Republican mayoral candidate, started a Change.org petition to remove Boudin from office, he put that incident center stage and claimed that a "diverse coalition" under "the Moderate Voters Caucus" wanted to oust the district attorney. "Mr. Boudin has actually planned to allow mayhem on San Francisco's streets and in our homes," Greenberg wrote. "He schemes to vastly favor criminals over law-abiding citizens." Fearmongering of this sort has long been a playbook in politics, as anyone familiar with George H.W. Bush's 1988 Willie Horton ad, about a convicted murderer who raped a woman and stabbed her fiancé, knows. Similarly, Silicon Valley's elite are now rallying around some particularly tragic cases as proof of a city in chaos to try and bring Boudin down.

But they might not have all their facts straight. According to police data, overall crime actually decreased in San Francisco during Boudin's first year in office, by more than a quarter, and violent crime has generally fallen as well: Rape is down more than 50 percent, robbery is down 29 percent, and assaults are down 12 percent compared with a year ago.

Homicides did increase in 2020, according to police data, but it's unlikely that Boudin's policies are to blame. Killings were at a 56-year low in San Francisco in 2019, so it's not totally unexpected that they rose last year. Plus, San Francisco isn't the only place to see such a trend: Many cities experienced a surge in fatal shootings in 2020, including those with tough-on-crime district attorneys and Republican mayors. The pandemic likely exacerbated the situation, since people who are isolated, stressed, and out of work are more likely to commit violence.

"In San Francisco, VC lives matter," says Ellie Cachette, a tech investor.

where many tech companies have their offices. They see his decarceral platform as an open invitation to thieves to target their businesses, which they view as a personal affront to their contributions to the city. "In San Francisco, VC lives matter. We're the ones employing people, bringing business, buying properties, you know, paying property taxes," says Ellie Cachette, one of the tech investors who wants to oust Boudin, Newsom, and other San Francisco officials, and who donated \$1,000 to Calacanis' fund. "And what are we getting in return? Nothing."

"In San Francisco, VC lives matter," says Ellie Cachette, one of the tech investors who wants to oust Boudin.

Burglaries are rising, too—by more than 50 percent in San Francisco, compared with a year earlier. Many cities across the country saw an uptick in nonresidential, commercial burglaries in 2020, perhaps in part because of mass anti-police protests over the summer, according to one study, and because shelter-in-place orders reduced foot traffic, while the country's economic depression pushed more people into poverty. But some venture capitalists believe Boudin's policies have allowed criminal activity to flourish without penalty, especially in the South of Market neighborhood

The thing is, some of Boudin's loudest tech critics don't even live in San Francisco anymore. Calacanis, for example, is based in an extremely tony Silicon Valley town about 20 miles south of the city. His podcast co-host Palihapitiya also lives in a town south of San Francisco. During the pandemic, other executives have moved even farther away, lured to places like Denver and Austin by lax regulations and the guise of better public safety. Cachette, who is from the Bay Area, recently relocated to Miami Beach, but she still believes the anti-Boudin recall campaign is the best hope at bettering San Francisco. "I don't actually care who the next person is," she says of a potential new DA. "But I think we need to rewrite how we

measure justice.” (*Mother Jones* reached out to several other venture capitalists who declined to comment, including Calacanis, who worried stalkers might seek out his family because of press coverage, or that our reporters might “dox” him or treat him unfairly.)

Some tech investors have griped that Boudin refuses to prosecute people or send them to prison, but the data doesn’t bear that out either. Under Boudin, the district attorney’s office has filed charges in the vast majority of residential burglary, drug, and homicides cases that police detectives brought to it. One problem, says Boudin, is that the police department isn’t able to solve most of the crimes it hears about, which means the district attorney’s office isn’t given an option to prosecute them. And, he adds, even if he wanted to send more people to prison last year, the pandemic made it practically impossible: To prevent the coronavirus from surging in crowded lockups where social distancing is not an option, California “state prisons haven’t picked up anybody from San Francisco County jail or any other county jail in the state since sometime in March or April of last year,” he says.

“We have to make sure there’s better public education going on in San Francisco, as to where the hiccups in the system are,” says Maxwell Szabo, who helped lead the communications department at the San Francisco DA’s office under Gascón until 2019. “I would strongly urge those individuals” from tech communities to “take some time to better understand these issues before weighing in, as many of them have.”

Boudin agrees: “If you ask some of the vocal tech critics, they’ll say, ‘Sure, larceny, robbery, and assault are down because of the pandemic, but the crimes that have gone up, that’s because of the DA’s policies,’” he says. “It’s simply disingenuous, it’s inconsistent, and it’s belied by everything we know about crime data.”

While a handful of VCs are sounding alarms about Boudin, former tech journalist Greg Ferenstein cautions that the tech sector is by no means monolithic in its politics. Some Silicon Valley heavyweights donated to support Boudin’s 2019 campaign for office, including Instagram co-founder Mike Krieger, who, along with his wife, contributed at least \$30,000 to help him. However, Ferenstein says there is an “industry-wide frustration with how the media changed from cheerleading [tech] to being a fierce critic,” which could partially explain why some wealthy investors like Calacanis have pushed to fund their own “alternative media outlets” to shape coverage around crime and public safety.

In doing so, their messaging has drawn even more attention to the disconnect between them and some communities of color who have pushed for criminal justice reform for decades. Tenants rights organizer Shanti Singh, a former tech worker who has closely followed the recall chatter and tuned in for the “Future of SF” Clubhouse call, says Boudin’s opponents—who represent a sliver of the tech industry—live in a bubble of wealth and power that has skewed their worldview away from the realities of everyday Black and brown San Franciscans. “None of these guys have any idea or care. They don’t know who Alex Nieto is. They don’t know who Jessica Williams is,” Singh says, referring to people who were shot and killed by San Francisco police. “They just don’t know the everyday experience.”

The gap between tech investors and activists of color was on full display during the Clubhouse call, which drew criticism because many of the speakers advocating tough-on-crime policies were white. Bivett Brackett, a community organizer and co-founder of the advocacy group SF Black Wallstreet, told the *San Francisco Chronicle* that activists of color were not given an opportunity to talk. (An organizer of the conversation says she was overwhelmed by the number of requests to speak after the call went viral.) “This conversation on Clubhouse right now is straight up disturbing,” Meena Harris, an attorney from the Bay Area and the niece of Vice President Kamala Harris, wrote on Twitter. “There were no Black people in that clubhouse conversation about the ‘future of SF’ and nobody speaking in the conversation said a word about it,” tweeted Erica Baker, a Black chief technology officer for the Democratic Congressional Campaign Committee. Afterward, Oakland resident Leon “DNas” Sykes started a spin-off Clubhouse room in protest called “‘Future of SF’ really means ‘Make SF more white.’” It drew about 800 people, including Brackett and many other people of color.

“The amount of space venture capitalists are taking up in the conversation around public safety is ridiculous and offensive,” says Tinisch Hollins, a lifelong San Francisco resident who helps lead the advocacy group Californians for Safety and Justice, which does not endorse or oppose political candidates. She views the anti-Boudin recall campaign as a backlash to the Black Lives Matter and defund-police movements that gained momentum over the summer. “The crux of” their argument seems to be “that ‘Black and brown folks are a blight on society, and so we’ve got to neutralize that, reclaim our authority, and put folks where we think they should be to keep society quote-unquote safer,’” she says. “That’s what I hear: all coded racist language.”

The Clubhouse call illustrated the “profound whiteness of this recall movement,” says Lara Bazelon, a University of San Francisco law professor who works pro bono for a wrongful conviction unit at Boudin’s office. “For people who are really used to getting what they want,

and getting the audience that they want, they've probably been somewhat disappointed. People like that with a ton of money and a lot of power in their own sphere get really frustrated when they think they're not the ones being listened to."

This assumed privilege has grown into a drawn-out prompt of "debate me." On a recent episode of *All-In*, a discussion podcast with Sacks, Palihapitiya, and Calacanis, Sacks described Boudin as a "sledgehammer to the system" and challenged the DA to come on the podcast. "If you have the chutzpah, if you have the cojones, if you have the huevos, let's debate," Sacks said, after the sound of chickens could be heard clucking in the background. "I'll agree to any format you want, but we need to talk about what's happening in San Francisco because crime is out of control and it's his fault."

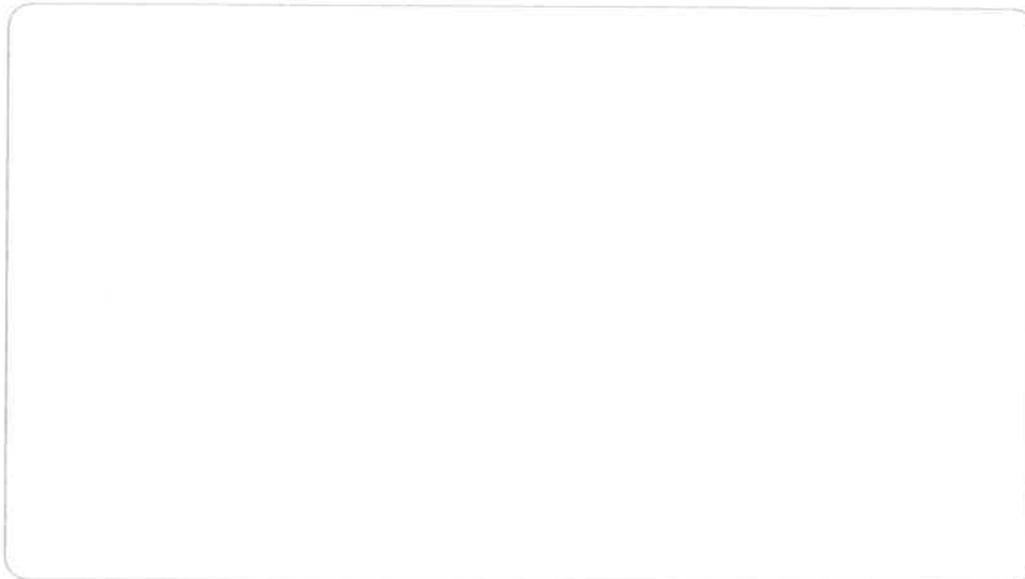
David Sacks 
@DavidSacks



After @chesaboudin cancelled his appearance on @theallinpod, I challenged him to a debate.

Mr District Attorney, we can choose a time, place and format that is respectful and mutually acceptable to you. Do you have the guts to face me?

RT if you want to this to happen.



3:11 AM · Feb 20, 2021



 2.3K  104  Share this Tweet

Tweet your reply

Boudin, for his part, has no plans to indulge Sacks. "Why would I debate someone who knows nothing about criminal justice policy and who's never worked in the criminal justice system?" the district attorney told *Mother Jones*, adding that he tries to make himself available for regular public appearances and conversations with experts and people affected by policies on the ground. "Being a successful tech investor and a billionaire doesn't give you a claim to unique, privileged access to elected officials. I don't know why he thinks he's entitled to a debate."

EXHIBIT B



HOFFMAN, LARIN
& AGNETTI, P.A.
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May 7, 2021

Clara Jeffery
Editor-in-Chief
Mother Jones
222 Sutter Street, Suite 600
San Francisco, CA 94104-0584
Phone: (415) 321-1700

Lil Kalish: ikalish@motherjones.com

Re: Retraction Demand for Mother Jones Publication of “VC Lives Matter: Silicon Valley Investors Want to Oust San Francisco’s Reformist DA” March 31, 2021

Dear Ms. Jeffery:

This law firm represents Désirée “Ellie” Cachette in this matter as the founder and principal of The Cachette Group LLC (a Florida Company) and Managing Director of Cachette Capital Management LLC (a New York Company) and as the Individual, otherwise referred in this letter as (“Ms. Cachette”).

Background

On March 31, 2021, Mother Jones published an article titled “VC Lives Matter: Silicon Valley Investors Want to Oust San Francisco’s Reformist DA” (the “Article”), by Samantha Michaels and Lil Kalish (together, the “Author”). Ms. Cachette was interviewed by the Author for the Article many weeks prior in early February 2021.

Exhibit B

Ms. Cachette's comments to the Author were based on a summary of San Francisco crimes and were intended to address retaining investors in the area when asked specifically as an outsider— Ms. Cachette resides in Miami, Florida and has not resided in San Francisco since 2015.

Further the Author misconstrued Ms. Cachette's statements from a lengthy audio interview to infer that Ms. Cachette is spearheading a political campaign, when in fact, despite personal feelings Ms. Cachette notably donated \$1,000 to a GoFundMe program dedicated to an investigative reporter in San Francisco to assist in free speech. The Author identified Ms. Cachette as ***“one of the tech investors who wants to oust Boudin, Newsom and other San Francisco officials and who donated \$1,000 to Calcanis' fund.”*** This statement is misleading and incorrect as Ms. Cachette is not “one of the” the implied San Francisco investors, she does not reside there and made it clear she has not organized others nor participated in anything formally political. Secondly, the \$1,000 donation Ms. Cachette made in January 2021 was to a GoFundMe not Mr. Calcanis' “fund.” Mr. Calcanis is a professional investor and philanthropist, the GoFundMe he setup for investigative reporting was clearly the funds for others, and not Calcanis' Lastly, Cachette is not involved with any campaigns in California directly, making this sentence is not even partially truthful with a creative imagination and was intentionally published weeks later to land on an emotionally spirited day around Derek Chauvin's trial, showing Mother Jones calculated the story of what it wanted to tell and when *at the expense of Ms. Cachette.*

Retraction Demands

We demand the retraction of this sentence as it implies Ms. Cachette's as a SF investor, one of the few leading “ousting” and donating to a particular persons' fund:

“one of the tech investors who wants to oust Boudin, Newsom and other San Francisco officials and who donated \$1,000 to Calcanis' fund.”

The Article bore the below caption in bold print which emphasized the erroneous inference that Ms. Cachette is spearheading a political campaign to oust certain officials and speaking on behalf of a region, the Author knowingly mislead and misquoted Cachette:

“In San Francisco, VC lives matter,” says Ellie Cachette, one of the tech investors who wants to oust Boudin...”

We demand that social media in which is using Cachette's name, familiarness, quotes, and even job title be removed immediately, i.e Instagram and Twitter, particularly from Mother Jones controlled social media accounts and its editors who posted elsewhere using the same artwork.

See Exhibit A attached: Instagram specific graphic designs

Additionally, we ask any records or interview with Ms. Cachette be destroyed immediately, as she revokes her permissions and thoughts since they were clearly used for the opposite purposes of her intentions and Mother Jones continues to benefit of her online presence capriciously.

The retraction or correction should be published in substantially as conspicuous a manner as was the above-stated article in which the statements appear.

Damages Are Incurring

This letter constitutes formal demand under Fla. Stat. § 770.01 and other applicable law that Mother Jones publish a retraction of the statement and items listed above.

Ms. Cachette has and continues to sustain damages from the misleading actions of Mother Jones, while Mother Jones uses her name and likeness in a proprietary matter which is forbidden by Cal Civ. Code § 3344 whereby “(a) *any person who knowingly uses another’s name, voice, signature, photograph or likeness in any manner... for purposes of advertising and selling.*” Particularly in social media, Mother Jones continues to use Cachette’s name in digital artwork to sell goods (online clicks).

This letter is also considered notice to prior filing a legal complaint.

In the event that the requested retractions or corrections are not *timely made* as provided under the applicable laws, Ms. Cachette has authorized this firm to proceed with any and all legal remedies available to her, including litigation. My client reserves all her rights.

PLEASE GOVERN YOURSELVES ACCORDINGLY.

/s/ John B. Agnetti

John B. Agnetti, Esq.

HOFFMAN, LARIN & AGNETTI, P.A.

Ph: (305) 940-009 || john@hlalaw.com

Article reference:

<https://www.motherjones.com/politics/2021/03/vc-lives-matter-silicon-valley-investors-want-to-oust-san-franciscos-reformist-da/>

EXHIBITS

"In San Francisco, VC lives matter. We're the ones employing people, bringing business, buying properties, you know, paying property taxes," says Ellie Cachette, one of the tech investors who wants to oust Boudin, Newsom, and other San Francisco officials. "And what are we getting in return? Nothing."

Ms. Cachette was asked here, to come up with a campaign that might resonate to keep VCs in San Francisco from leaving and further asked to comment on potentially, how some people feel there. This quote in entirety is not honest.



"In San Francisco, VC lives matter. We're the ones employing people, bringing business, buying properties, you know, paying property taxes. And what are we getting in return? Nothing."

ELLIE CACHETTE

Venture Capitalist and Asset Manager

Mother Jones

Mother Jones sponsored artwork on Instagram, shared on corporate account (@motherjones)

[Subscribe](#)

***“In San Francisco, VC lives matter,”
says Ellie Cachette, a tech investor.***

Burglaries are rising, too—by more than 50 percent in San Francisco, compared with a year earlier. Many cities across the country saw an [uptick](#) in nonresidential, commercial burglaries in 2020, perhaps in part because of mass anti-police protests over the summer, according to one [study](#), and because shelter-in-place orders reduced foot traffic, while the country’s economic depression pushed more people into poverty. But some venture capitalists believe Boudin’s policies have allowed criminal activity to flourish without penalty, especially in the South of Market neighborhood where many tech companies have

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number

1Z085A3R0196863311

Service

UPS Next Day Air®

Shipped / Billed On

05/07/2021

Delivered On

05/10/2021 10:17 A.M.

Delivered To

222 SUTTER ST
600
SAN FRANCISCO, CA, 94108, US

Received By

REL R3A

Left At

Front Door

Reference Number(s)

21-20773

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 05/12/2021 3:43 P.M. EST

EXHIBIT C



DISCUSSION PAPERS, JOURNALISTIC PRACTICE, LOCAL NEWS, MEDIA BUSINESS, NEWS BUSINESS & PRACTICE, PAPERS, PUBLICATIONS

Case Study: Mother Jones

December 9, 2019



Creating a Thriving Legacy News Magazine through Mission, Strategy, and Experimentation

Case Study co-published by the Shorenstein Center on Media, Politics and Public Policy at the Harvard Kennedy School and the Institute for Nonprofit News.

The views expressed in Shorenstein Center Discussion Papers are those of the author(s) and do not necessarily reflect those of Harvard Kennedy School or of Harvard University.

personal use only.

Header photo: Mother Jones' editor in chief Clara Jeffery (right) with Jahna Berry (center), director of news product and Clint Hendler (left), news director after a news meeting on Thursday, March 2, 2017 in San Francisco, Calif. Photo courtesy Lea Suzuki / San Francisco Chronicle / Polaris.

[Download a PDF of this case study here.](#)

[Check out the five core ideas that other nonprofit newsrooms can borrow from *Mother Jones* here.](#)

Introduction

In February 2012, the nonprofit news organization *Mother Jones* published a seemingly ordinary story that would prove to change its fate. The story profiled a Republican donor, Frank VanderSloot, and among other things, his treatment of a gay journalist. Shortly thereafter, VanderSloot and his company, Melaleuca Inc., filed a defamation lawsuit against *Mother Jones*, beginning a nearly three-year saga that ended in 2015 with a judge in Idaho ruling in the magazine's favor. "All of the statements at issue are non-actionable truth or substantial truth," the judge found, protected as fair comment under the First Amendment.

Throughout the ordeal, the leaders at *Mother Jones* made two choices that illustrated strategic decisions. They were decisions that would make a striking difference for *Mother Jones*' future as not only one of the oldest nonprofit news outlets but also one of the most successful.

First, they opted to fight the lawsuit rather than settle it. The leaders at *Mother Jones* saw the lawsuit as an effort by VanderSloot to use the courts to quash factual reporting that he did not like, leveraging his fortune to intimidate journalists and rewrite history to his liking. "It was a difficult decision [to fight the lawsuit]. Pay \$74,000, and [provide] the admission that we were wrong — that's all we had to do," said Monika Bauerlein, now Chief Executive Officer of *Mother Jones*. "We were really grounded in the mission of fearless journalism, and without that, why are we doing it?"

The second critical decision came after the judge's ruling, when Bauerlein and now Editor-in-Chief Clara Jeffery published a 2,700-word tell-all about the experience, "We Were Sued by a Billionaire Political Donor. We Won. Here's What Happened." Using the column as a launching pad for a fundraising campaign, the news organization raised \$350,000 of the \$850,000 spent to fight the lawsuit.

At a time when many publications responded to economic pressure by shifting to lighter, less-expensive reporting, the decision to fight the lawsuit reflected a decision by the leaders of *Mother Jones* to intensify their investigative news focus.

The decision to talk frankly with readers about the legal attack, its cost and its effect on the overall organization and its reporting — that veered from journalism tradition. The inside workings of news organizations traditionally have been kept just that — inside. *Mother Jones*, frank and forthright in its editorial tone, opted to extend its reporting approach and its voice throughout its business operations, to voice its journalism mission and to cover it like a story, for its readers and the world.

These moves and others at *Mother Jones* now are studied by many in the industry, because this 43-year-old publication is growing, fast. And that poses a riddle that fascinates and gives hope to those watching the rapid decline of most other media.

How did *Mother Jones* grow its audience, revenue and reporting staff in a period when most news magazines downsized, and many closed altogether?

Founded in 1976, *Mother Jones* is the nation's oldest investigative nonprofit news organization, and boasts the largest audience (on its own platform) among such organizations. From its beginning, the magazine put as much emphasis on audience development and functional business operation as it did on editorial. Within a year of launch, for instance, thanks to a professional direct mail program that helped the publication stand out from its competitors, *Mother Jones*' circulation had grown to more than 200,000 subscribers. That legacy created a foundation for the pivot to a multiplatform approach and a deeper relationship with digital readers that transformed the organization in the past decade.

While historical heavyweights like *Newsweek* pivoted to become digital-only publications, others shuttered completely, such as *The Weekly Standard*, *Pacific Standard*, and *The Village Voice*. Print consumer magazine advertising revenue in the U.S. has dropped from \$12.7 billion in 2014 to \$9.7 billion in 2018, according to PwC LLP's Global Entertainment & Media Outlook: 2019-2023. Circulation revenue from U.S. print consumer magazines also declined in recent years, from \$7.2 billion in 2014 to \$6.5 billion in 2018.

Across the industry, one in four newsroom positions disappeared between 2008 and 2018, according to a July 2019 Pew Research Center report, as the total number of newsroom employees in the U.S. plummeted from 114,000 to 86,000.

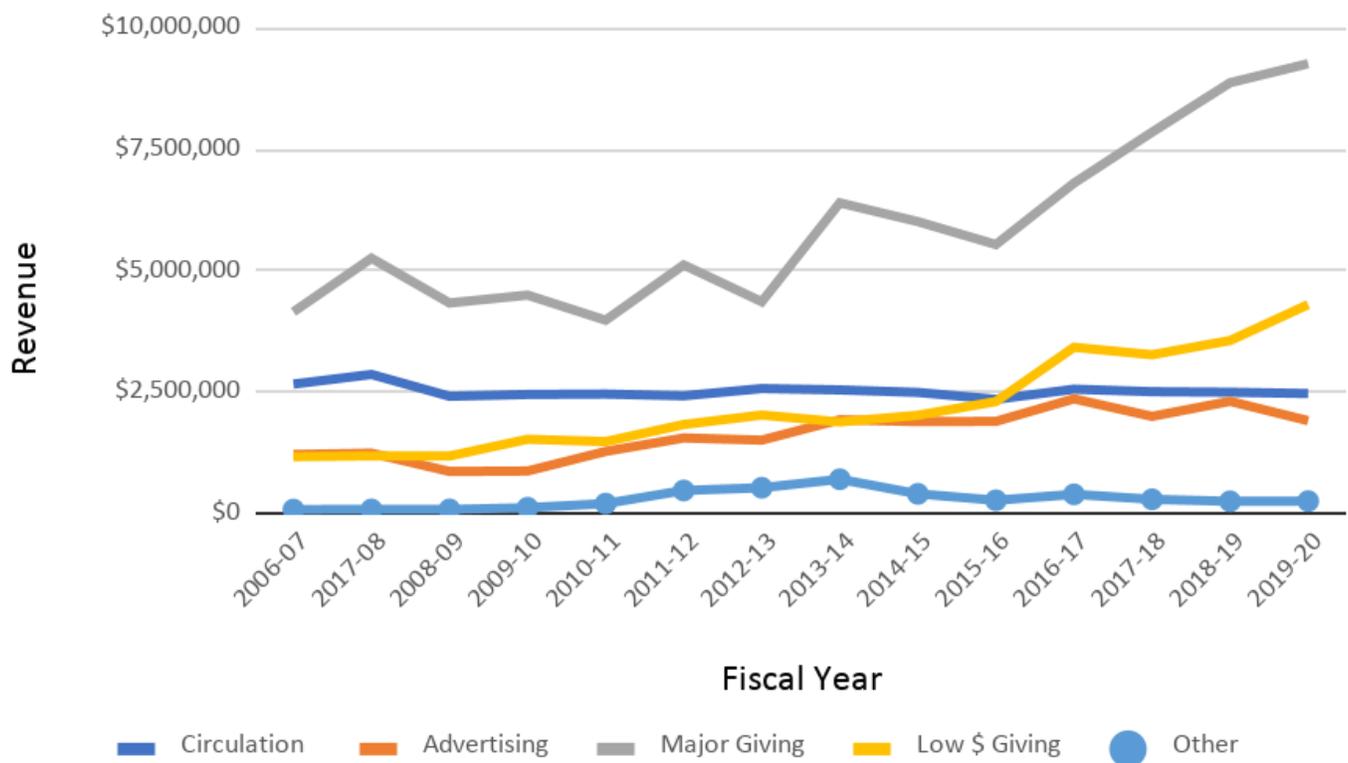
By contrast, the number of people getting news from *Mother Jones* grew by 17 percent from 2014 to 2019, to a total audience size of 8 million unique visitors a month, including social followers across

staff increased from 73 to 93 staffers. In 2017, the news outlet was named the Magazine of the Year in 2017 by the American Society of Magazine Editors, and in 2019, Bauerlein and Jeffery were awarded the I.F. Stone Medal for Journalistic Independence.

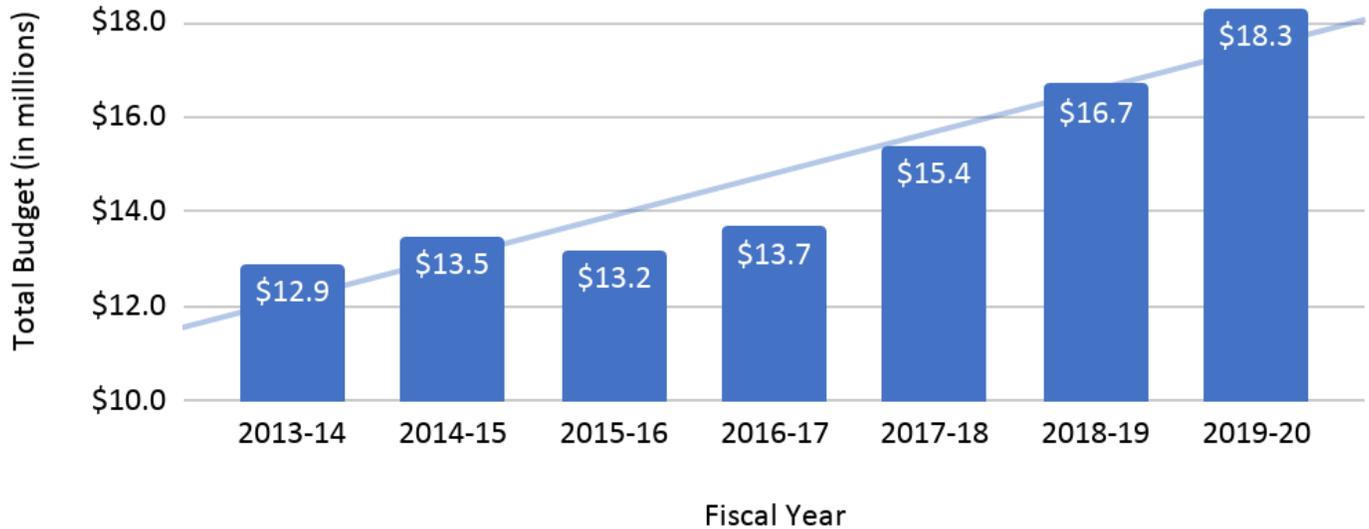
The magazine was less dependent on advertising revenue than many of its peers, which were hit hard by the decline in ad rates across print and digital. By the end of 2019, it expects to raise \$25 million through its “The Moment for *Mother Jones*” fundraising campaign, a striking achievement for the field of journalism

Mother Jones’ success diverges dramatically from the fortunes of most news publications in the last five years. What made the difference? Among many factors — culture, leadership, great journalism — four threads offer patterns that other publications can borrow from in finding new paths for news.

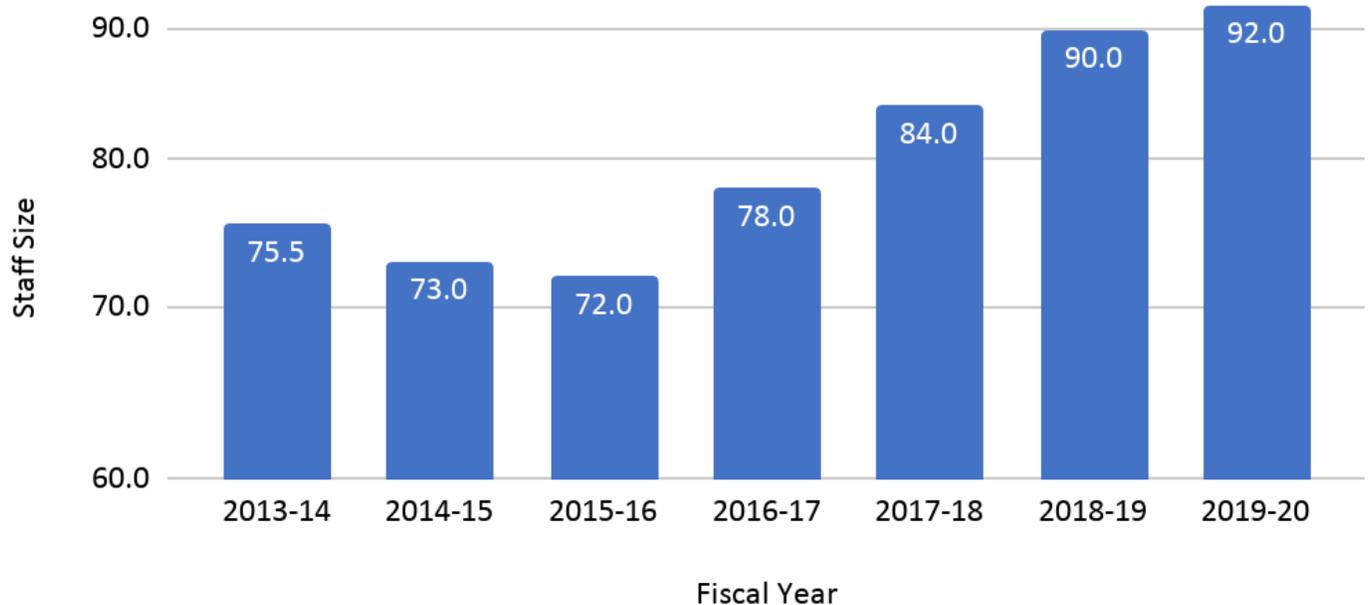
MoJo Revenue by Source



The revenue streams dependent on reader giving have increased, while traditional revenue streams have mostly flatlined.



MoJo Staff Growth



Staff size has grown as the budget has increased.

ONE: Online and Investigative Reporting Move to the Front

Mother Jones published its first print magazine in 1976. The progressive, nonprofit news organization took its name from Mary Harris Jones, an activist who fought for the working class at the turn of the 20th century and used the nickname Mother Jones. With a focus on investigative journalism, the magazine earned a loyal base of magazine subscribers and success for its muckraking exposés. Today,

climate change and food/agriculture.”

About 17 years after *Mother Jones*’ entrée in print, an interest in new ways to reach readers led *MoJo* to become the first “nongEEK” magazine to place itself on the world wide web in 1993. By 2006, leaders at the magazine saw that its core of print subscribers was aging, while the web was becoming a mainstream technology for a growing base of readers. At the same time, Bauerlein and Jeffery became co-editors-in-chief of the magazine.

Together they collapsed separate digital and print editorial teams into one team and transformed the enterprise-story magazine into a two-pronged news organization that produced daily news coverage as well as long-form feature writing.

To implement these choices, Bauerlein and Jeffery pivoted from relying on freelancers to hiring full-time reporters and establishing *MoJo*’s first bureau in Washington, DC. They saw this as a necessary move in response to readers’ needs for deeper investigative reporting following the U.S. invasion of Iraq.

“Number one, we knew we needed more coverage out of D.C.,” said Jeffery. “We had a window into coverage we could do better.” She said that oftentimes freelancers couldn’t go down rabbit holes because they couldn’t afford to follow up on stories, restricting the kind of investigative reporting that *Mother Jones* prided itself in.

Within six years, the investment in full-time reporters was paying off. *MoJo* made waves on the national media scene with investigative scoops, most notably with the “47 percent” story in September 2012. *Mother Jones*’ Washington, DC Bureau Chief David Corn published a secret video of then-Presidential candidate Mitt Romney making dismissive comments about nearly half of American voters—the 47 percent. *Mother Jones* saw a \$100,000 online fundraising windfall, an upswing of 7.7 million page views in one week, and 22,000 new social media followers on Facebook and Twitter combined.

To make the case for investigative journalism to its readers, *MoJo* honed its brand identity around aggressive journalism. Back in 2006, when Bauerlein and Jeffery took over as co-EICs, they leaned into the slogan of “smart, fearless journalism” in addition to “a magazine for the rest of us.” This slogan is still in use today and often quoted as part of *MoJo*’s marketing materials. When *MoJo* talks to readers about fundraising, its appeals often come from journalists, who explain their work and how reader support makes it possible.

journalism *Mother Jones* produces. Indeed, the organization reimagined fundraising and donor relations as “reader support” and subscribers as “supporters.”

This growing emphasis on journalism—as a public service for the benefit of readers—created a symbiotic relationship between the editorial and business sides of the organization, elevating the pitch that the stronger the business, the stronger the journalism, and vice versa.

On the business side, this led to a more convincing digital consumer marketing strategy. *Mother Jones*’ fundraising team started responding to the news and events of the day with specific, targeted fundraising pitches. For instance, in February 2015, former Fox News host Bill O’Reilly dedicated part of his talk show to take issue with a *Mother Jones* story that questioned his coverage of the Falklands War. Within days, *MoJo* sent a fundraising email to its readers, highlighting O’Reilly’s response to its investigative reporting. Over the course of one week, they raised an additional \$50,000.

“It’s outrageous, and I hope you’ll consider donating to *Mother Jones* right now,” said the fundraising email, referencing claims by O’Reilly. “Let Bill O’Reilly know that we will never let personal attacks stop us from doing what you—our readers and supporters—expect from us: producing smart, fearless journalism.”

The stronger pitch around *Mother Jones*’ brand of journalism reinforced the organizational alignment around investigative reporting. In fact, *Mother Jones*’ fundraising materials consistently identify the hiring of journalists as its top priority. Not only does this bolster journalistic efforts, it also strengthens the marketing pitch. The percentage of total *Mother Jones* editorial staff hovered around 50 percent in 2013-2014 and 2014-2015, and as total staff and budget grew in 2016-2017, so did the percentage of editorial staff, reaching 60 percent of total staff. Between 2013-2014 and 2019-2020, *MoJo* saw its editorial staff expand by 37 percent and the entire organization grew by 22 percent.

As the focus on investigative news was building, *Mother Jones* also was extending its newsroom’s reader focus through the rest of the organization.

we just got quite the unexpected endorsement. From Bill O'Reilly, of all people.

On Friday night, he devoted the first segment of his show to *Mother Jones* and our Washington bureau chief: "This man... 56-year-old David Corn... smeared me, your humble correspondent, yesterday... saying I had fabricated some war reporting."

He called David "an irresponsible guttersnipe, a far left zealot," *Mother Jones* "the bottom rung of journalism in America," and finished with "Corn must think the folks are as dumb as he is." But that's not even the worst—the day before he also said that David deserves to be "in the kill zone."

[It's outrageous, and I hope you'll consider donating to Mother Jones right now.](#) Let Bill O'Reilly know that we will never let personal attacks stop us from doing what you—our readers and supporters—expect from us: producing smart, fearless journalism.

Here's what got us to this point: On Thursday afternoon, we published an investigation calling into question claims O'Reilly has made about his wartime reporting. We shared video from his own show, where he said: "I was in a situation one time, in a war zone in Argentina, in the Falklands, where my photographer got run down and then hit his head and was bleeding from the ear on the concrete. And the army was chasing us."

Problem is, no American journalist reached the Falklands war zone—O'Reilly was in Buenos Aires, 1,200 miles from the fighting. And despite the video from his show where he clearly says "in the Falklands," O'Reilly maintains "I never said I was on the Falkland Islands." Rather than answer the questions we sent him well before we published the story, he has refused to address the details, and instead launched a slew of personal invective.

The truth is, this story is about more than Bill O'Reilly. We knew that our reporters would face ugly personal attacks, but we will never let that stop us from doing the type of reporting that holds the powerful accountable.

[And that's why I hope you'll make a tax-deductible gift to Mother Jones right now.](#) Your support allows us to do this: to follow the facts wherever they go, resulting in the fearless journalism that you—and our democracy—have come to rely on us for.

And it just so happens that if you [pitch in today](#), you can also help us show Bill O'Reilly that when he attacks our reporting and our reporters, it makes us stronger. Better equipped do the type of in-depth investigative reporting that no one else does, that we're proud of, and that we simply could not do without support from readers like you.

Thanks for everything you do to make *Mother Jones* what it is, worthy of the many journalism awards we've earned, and of Bill O'Reilly's ire, too.

*An example of the email sent to MoJo supporters,
building off a news event to ask for donations.*

TWO: MoJo Goes All In on “Reader Focus”

Having a close relationship with readers was a part of the organizational culture from the magazine's beginning, with the slogan, “a magazine for the rest of us.”

“It's what we've often described as having been baked into our DNA right from the very first issue of the print magazine: having a tight, intense relationship with our readers,” said Steve Katz, publisher of *Mother Jones* since 2009. “Without this, the magazine would've never succeeded—and that's absolutely true to this day on the digital side. We think this organizational culture/identity was one key precondition for success in making the digital transition.”

By 2015, Bauerlein moved into the role of chief executive officer, and Jeffery became the sole editor-in-chief of *Mother Jones*. As CEO, Bauerlein doubled down on the “reader focus” strategy across both business and editorial sides of *Mother Jones*. While in 2019 this may seem an obvious strategy, as more news organizations lean into membership programs and nonprofit business models that rely heavily on readership support, five years ago it was still a novel concept in an industry caught up in online advertising and subscription models.

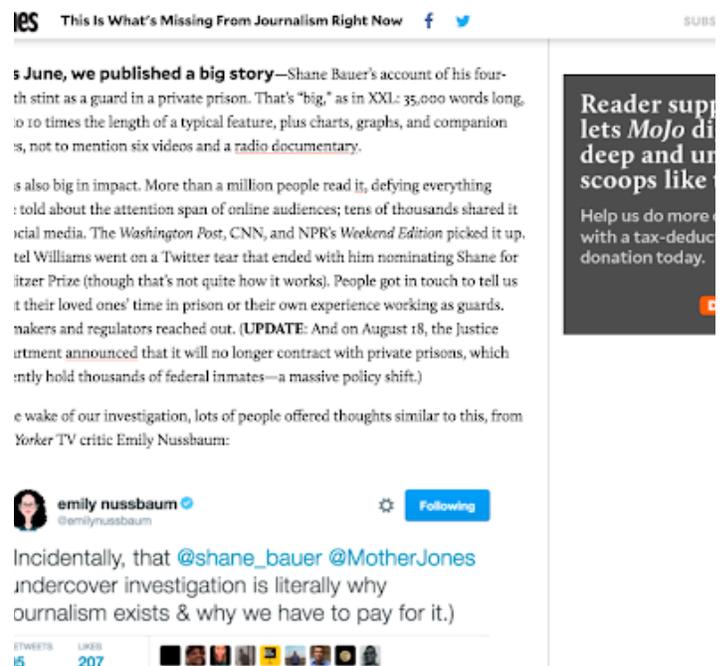
She had tradition to build on: the founding mission and reporting ethos rooted in serving readers and financials that included direct-mail fundraising to readers. Bauerlein began extending that strategy to place readers' needs at the forefront of both journalistic and financial decisions. And the strategy became strikingly visible through *Mother Jones*' marketing and all the ways it communicated with readers from both the newsroom and the business office.

Shifting Marketing to Better Reach Readers

The reader focus led to a change in external messaging strategy, speaking directly to the readers about journalism in a personal, relatable way. An old appeal to readers from 2015, before *Mother Jones* made its messaging pivot to talk directly to readers about the journalism it produced for them, illustrates how far *MoJo*'s marketing has shifted:

“URGENT: Please donate \$5 to nonprofit *Mother Jones*. (That’s like the cost of buying coffee for one of our reporters.)”

Compare that language with a more recent appeal by DC Bureau Chief David Corn, who wrote, “ ... But we can only do this journalism if readers like you have our back, and I hope you’ll part with some of your hard-earned dollars and support our work today. I’m no fundraiser, but I know you want your contribution to have a big impact ... ”



MoJo's messaging strategy is that fact-based independent journalism is the cause, not *Mother Jones*' budget. "When our fundraising took an approach that was more in line with our journalism, we were able to give it more prominence on the site," said Hiatt, who first joined the organization in October 2014.

The Creation of the "Reader Support Column"

The second major change was the development of a new type of story, the "reader support column" by Bauerlein and Jeffery. The two together, as CEO and EIC respectively, began covering *MoJo*'s fundraising in 2015 as a reporting beat with hard-hitting transparency. They moved fundraising appeals from traditional advertising formats to the "article" format on *MoJo*'s website.



Two examples of different fundraising appeals at MoJo. The screenshot on the left represents an outdated advertisement; the screenshot on the right shows MoJo’s first “reader support column”.

An example of a recent “reader support column” that uses the standard “article” format.

In the past *MoJo*’s own fundraising appeals would compete for space on *MoJo*’s website with the advertisements sold by the ad team. “It finally hit us that our fundraising pitches are not advertising,” said Bauerlein. “They are content, and they should be articles. We wrote longform articles, took all the messages out of ad spaces, got rid of internal competition, and better aligned the form with what we wanted to communicate.”

Bauerlein and Jeffery published a new column in December 2015 for their end-of-year campaign that launched a high-level conversation with readers about how *Mother Jones*' journalism and business model work, with the headline, “**There’s One Piece of Democracy That Fat Cats Can’t Buy,**” and the subheadline, “At least so long as you do your part.”

Other media organizations are starting to make their own versions of the reader support column. For example, in September 2019, A.G. Sulzberger, publisher of *The New York Times*, wrote an opinion column with the headline, “**The Growing Threat to Journalism Around the World.**” Educating the reader about journalism and why it matters is increasingly part of the job of media.

With the headline, “**This Is What’s Missing From Journalism Right Now,**” *MoJo*'s fall 2016 campaign reader support column unpacked what was required to pull off journalist Shane Bauer's investigation inside a private prison. The 18-month investigation cost the news outlet \$350,000 to produce. In the course of about six weeks, readers donated \$372,000.

The reader support columns are not static. Bauerlein and Jeffery post “updates” after their initial publication date, with fundraising totals and relevant news that highlights *MoJo*'s impact. For the reader support column highlighting Bauer's investigation, they included an update that reads: “Now comes news that the Department of Homeland Security (DHS) will reexamine its use of private prison companies to hold immigration detainees. This is a BFD—nearly three-quarters of immigration detainees are held in privately-run facilities.”

Making Church and State Play Well Together

Finally, *MoJo* staff hold business content, namely fundraising materials, to the same standards as news content. They fact-check their material and post corrections when needed. “All communication goes through the same process and comes from the same sense of values,” said Bauerlein. “The content is content,” she said. “It’s not separate.” This approach keeps editorial and business messaging bound together in a tightly woven narrative.

This is one arena in which Bauerlein's background as a journalist serves her well, as she is the one who writes the copy for pitches and campaign material. The fluid exchange between the business and editorial sides, often described as church and state in journalism-speak, is a clear strength for *Mother Jones*. By sharing the work of fundraising, the entire organization is oriented around the goal of raising money to serve readers. “As a nonprofit news organization, you cannot operate as if the journalistic side is separate from the value proposition,” said Bauerlein.

To maintain journalistic independence, *Mother Jones* follows guidelines established by the **Society of Professional Journalists** and by the **Institute for Nonprofit News**, and leaders have crafted specific

Right around the time they began developing their message about journalism as a public good, the leaders at *Mother Jones* borrowed the structuring toolkit of “campaigns” from the nonprofit fundraising playbook.

“There’s a distinction between strategy and campaign,” said *MoJo* Publisher Steve Katz, who came to *MoJo* from Earthjustice, which describes itself as a premier nonprofit environmental law organization. “The campaign is a tactic or a container for the strategy. It’s a marketing tool. The strategy is the fundamental assessment of internal strengths and opportunities and context in which we’re operating.”

Katz joined the organization in 2003 as Associate Publisher with a mandate to reinvent fundraising at *Mother Jones*. His immediate goal was to alleviate funding pressure on the board, and his long-term goal was to use nonprofit business strategies beyond journalism’s traditional advertising and subscription revenue streams. The news organization was founded as a nonprofit organization and has proudly maintained that status over its 40-plus years, relying on a mix of commercial revenue from advertisements and subscriptions and non-commercial revenue, in the form of philanthropic donations. Between 2003 and 2008, Katz established a robust membership team by combining the operations for subscriptions and direct mailing and investing in outside vendors to professionalize these services. He also began building relationships with major donors to grow the revenue stream for major gifts, and he helped the organization develop its campaign methods. Circulation numbers remained flat between 2006-2007 and 2013-2014. The magazine kept print circulation flat, choosing instead to invest in digital reach, which increased roughly 20-fold during this period as a result of the organization’s new content and audience strategy.

Bauerlein describes the “magic” of bringing together the structure of the campaign with the deeper, sophisticated messaging around journalism. “You can do campaigns anytime and anywhere,” she said. “You can put a blast on the site and emails and have a goal for it, and you have a campaign ... [What’s different here is] taking that campaign structure and filling it with a message, in the voice of the journalist and [that] is about the journalism and ties to current events.”

For *Mother Jones*, there are two types of campaigns – seasonal campaigns and institutional campaigns – which differ in scope, duration and purpose. Seasonal campaigns come up three times per year and respond to the news cycle and related reporting opportunities, each raising dollar figures in the six digits. Institutional campaigns run over several years and reflect the organization’s long-term goals and vision, raising between \$3.75 million to its current goal of \$25 million.

The Benefits of Campaigns

With the help of campaigns, both low-dollar donations and major giving have increased, allowing *MoJo* to develop more stability and expansion in staff and reach. For 2019-2020, low-dollar fundraising totalled \$4.3 million, nearly outpacing advertising (at \$1.9 million) and print magazine subscriptions (at \$2.5 million), combined.

Low-dollar donations have played a larger role as seasonal campaigns became a bigger part of *Mother Jones*' strategy. One-time, low-dollar online giving has more than doubled in six years to \$1.25 million in 2018-2019 from \$522,000 in 2013-2014. During an average non-campaign month, *MoJo* might see about \$30,000 in low-dollar giving. In a typical campaign month with more aggressive site asks and emails, *MoJo* sees \$200,000 to \$400,000 in donations. Large donations remain critical to institutional campaigns, which raise bigger sums of money. Major giving, built on personal asks and one-on-one relationships, represented 68 percent of all giving in 2019-2020. As part of its increased focus on "reader-supported journalism" as the message, the organization also began promoting the importance of sustaining (monthly) donations, which resulted in a significant increase in sustaining gifts from online readers.

One-time online giving has steadily risen at Mother Jones, while one-time offline giving has

Together, the two types of campaigns create a roadmap for both short- and long-term planning. Seasonal campaigns require short-term, strategic planning months in advance. These campaigns sometimes “crowdfund” around specific journalism priorities, making it clear for staff and readers alike what the organization’s priorities and goals are. *MoJo*’s most successful campaign—in that they hit their fundraising target within five days—raised \$380,000 to dig deep on the Russia scandal in spring 2017.

Institutional campaigns require long-term, strategic planning over the course of several years. *Mother Jones* first piloted a major institutional campaign in 2006 called “*Mother Jones 2.0*,” which raised \$3.75 million over three years. Over the past five years, *MoJo* has been focused on a more ambitious fundraising campaign, unprecedented in the nonprofit news space, called “The Moment for *Mother Jones*” with an aim to raise \$25 million by the end of 2019. It is structured around five strategic priorities: editorial expansion, technology modernization, revenue growth, training and engagement/impact. For instance, the Moment campaign earmarked \$2.2 million for “Priority 4”: expanding *MoJo*’s training program. The campaign outlined steps toward this goal, which include: expand fellowships to all bureaus and departments, increase financial support for fellows, develop fellowships at pre-college and college level, create residencies for mid-career professionals, and make available other training opportunities in the industry.

“This [Moment] campaign is the first of what I have no doubt will be many such campaigns from other nonprofit journalism organizations in the near future,” said Katz, *MoJo* publisher. “I know of two organizations that are already headed in this direction and have turned to us for advice on our experience.”

As a third benefit, campaigns strengthen and stabilize the connection between readers and *MoJo*, as the campaign framework trains the public to see journalism as a public good akin to other civic institutions. “What my job is really, is to make the case that journalism is a public good, just like a symphony, that part of a good community is vibrant journalism,” said Katz.

Framing journalism as a public good also helps *MoJo* avoid excessive reliance on any particular one story or project, further protecting its business. Aside from the 47 percent story about Romney in 2012, *MoJo*’s spikes in donations have not come off any specific, big scoops. “We generate those spikes with deliberate, strategic appeals that explain the value (and values) of our journalism,” said Bauerlein.

Multiple Methods to Build Campaigns

innovate rather than being content with what we were doing,” said Bauerlein.

Multiple subjects to engage readers: Different genres of seasonal campaigns, as defined by this case study analysis, ask for support of different beats.

The “Crowdfund Reporting” campaign asks for donations to support the reporting of a specific subject. For example, a **campaign focused on corruption reporting** raised \$467,000 in spring 2019; a **campaign focused on disinformation reporting** raised \$372,000 in spring 2018; and, a **campaign focused on the Russia scandal** raised \$380,000 in spring 2017.

Then there’s the “Journalism as a Beat” campaign, which helps readers better understand threats to journalism and asks for donations to fend off those threats. The “**There’s One Piece of Democracy That Fat Cats Can’t Buy**” campaign, from the end of 2015, raised \$238,000. The “**It’s a Perfect Storm for Destroying Journalism**” campaign raised \$378,000 in late 2017.

Finally, the “Inside MoJo” campaign goes deeper on *MoJo*’s spending, budget and decisions and explains why the organization needs reader support. For example, the “**We Were Sued by a Billionaire Political Donor. We Won. Here’s What Happened.**” campaign from fall 2015 raised \$233,000 in low-dollar donations. In “**It’s the End of News as We Know It (and Facebook is Feeling Fine)**” campaign, *MoJo* opened its books and showed exactly what Facebook’s algorithm tweaks meant for *MoJo*. That campaign, from late 2018, raised \$417,000.

Examples of MoJo’s seasonal campaigns. The “Crowdfund Reporting” genre of campaigns is consistently the most successful in raising dollars in the shortest period of time.

Multiple formats to reach readers: Offline (direct mail and phone) and digital fundraising efforts operate independently, though content and strategy are coordinated. A digital campaign generally kicks off with a reader support column, then moves on to direct emails from reporters, such as DC Bureau Chief David Corn. *MoJo* keeps up direct pressure with spots on every webpage that are

campaign), which are also subject to iterative improvement on the longer time scales of print production. The messages are reworked and repurposed yet again for both digital and mailed appeals to *MoJo*'s major gifts and advancement (intermediate) donor lists.

Multiple ways to donate: *MoJo* ensures that there are multiple entry points and opportunities for giving, with digital (email and website) and offline (direct mail, phone) messaging. Messages come with customized “gift strings” allowing donors to select various levels of giving; donors are also encouraged to consider giving as sustainers, use different payment systems (e.g. PayPal), and have options such as giving gifts of stock, legacy gifts, or giving from donor-advised funds.

Multiple times per year: With at least three campaigns a year, *MoJo* can play off current events and the cycle of typical giving. The spring campaign starts in April or May; the fall campaign launches typically in September; and the end-of-year campaign begins in December. End-of-year and springtime campaigns are typically most successful, while fall campaigns struggle the most, competing with a busy news cycle.

FOUR: *MoJo* Places Small Bets to Build Audiences

Experimentation plays a major role in *Mother Jones*' sustainability. A habit of testing new approaches with small bets is particularly pronounced with social media and engagement. When considering projects and opportunities, once *MoJo* commits to a project or new experiment, they avoid a waterfall model of planning and instead apply a minimal approach to whatever they are planning. In other words, they spend one week on an idea rather than go through a six-month planning process.

For example, *MoJo* is currently testing sponsored content with two paid posts, rather than building out a broader strategy. They also tried out Facebook Live and found it was mildly successful, but wasn't worth being part of their major strategy because neither the end product nor the reader response was substantial.

“Facebook Live came around, and we felt like we should try it,” said Ben Dreyfuss, editorial director for growth & strategy. Dreyfuss joined *Mother Jones* in 2013 to run the organization's social media accounts. “It turns out it wasn't great enough that we were happy enough with it.”

Another example is the recent expansion of news blogging on the *MoJo* website to take advantage of the wave of impeachment news around President Trump. From an audience-development perspective, the goals of the blogs are to increase the number of posts people are producing without cannibalizing other content and to raise site traffic.

think about how it will engage a social audience. That carrot and stick — it is like being a front page editor.”

MoJo constantly redesigns social content to fit reader preferences. To prompt stickiness as smart, conversational and relevant, *MoJo* mixes up the content and tone of its engagement strategies. On social media, they think in terms of long-term story arcs, iterative story coverage, and news of the day. “Whenever we publish stories, we come up with like 10 different headlines,” said Dreyfuss. “One of the first things we do is tweet them with different UTMs to see if one vastly over-performs. We A/B test them. And then we change the actual post. There are clear wins.”

How to Run a Flexible Social Team

To function in a flexible way, Dreyfuss takes on initial pilots himself, then once all the kinks are ironed out, he passes on the work to the rest of his team. “When things become successful enough, I hand off the work and run somewhere else,” said Dreyfuss. “For Facebook, that’s what happened. I was packaging stories and writing every headline for Facebook and changing the art and making sure algorithms were working. I was doing the testing. Eventually it becomes big enough that there’s a system improvement ... I can train someone on how you do it, then move on to something else.”

Dreyfuss, who is based in New York, relies heavily on a social media team of three to feed social platforms while also developing new strategy. His deputy, a news and engagement editor in London, focuses on Facebook and Twitter and also serves as a breaking news reporter. When his deputy in London logs off, an assistant editor in San Francisco begins managing *MoJo*’s Facebook and Twitter accounts. Meantime, a digital media fellow in New York writes and reports on subjects that Dreyfuss believes will perform well on social media. Dreyfuss also works closely with a digital media fellow in New York, who handles Instagram for *Mother Jones*.

It’s critical to embrace each platform on its own terms; to be prepared to change your metrics for success and to engage the editorial team, according to Dreyfuss.

On Instagram and Twitter, shares and engagements have become more important than total referrals as *MoJo* focuses on reach and impact more than monetization on those platforms. “You have to watch the behavior on the [specific] platform,” said Dreyfuss. “Twitter is a publishing platform for people. Facebook is like a yearbook. Once you recognize that [difference], there are ways of playing to it. We’re not treating all platforms the same.”

When Dreyfuss joined *MoJo* six years ago, he focused on growing the organization’s followers on Facebook. Once the list of followers grew to a substantial number that could essentially maintain itself through the network effect of sharing online—what Dreyfuss calls “viral lift”—he pivoted his focus to

After gaining a critical number of Facebook followers, MoJo stopped focusing on growing Facebook followers and pivoted to increasing its referrals to its website from Facebook.

Dreyfuss also considers two audiences in his engagement work: the readers and the reporters. “It’s not just how to get people to do things as readers but also getting those stories made, to motivate people in a certain way,” he said. An example of this is getting reporters and editors excited about high engagement numbers on Instagram.

At times the prioritization of audience preferences can supercede monetization forecasts. *Mother Jones* opted into Apple News+ because readers are there, not because it’s necessarily a good business proposition. *MoJo* moved onto Instagram because readers were there, not because they had a business model figured out in advance for it. “It’s not necessarily our decision to make in an ivory tower whether we’ll be there for them,” Bauerlein said. To check themselves, they ask: Does it score high enough on serving an audience that it could also eventually serve the business?

This is especially relevant as news organizations work to become less dependent on third-party platforms like Facebook or Google in order to protect themselves from outside volatility. In 2014, 24 percent of web traffic to *MoJo*’s website on average came from Facebook. Over the course of the next

Relying on Facebook referrals makes for a bumpy ride.

Major Challenges Ahead

The leaders at *Mother Jones* anticipate a handful of major challenges on the horizon and fully expect the news outlet to keep evolving to meet the changes at hand. These challenges essentially whittle down to two external and two internal areas of change.

Most immediately, it's hard to predict how the upcoming U.S. presidential election will impact news organizations' fundraising. Many news organizations enjoyed what became known colloquially as the "Trump bump," following the 2016 U.S. presidential election, as issues of misinformation and inaccurate news put a premium on quality journalism. For *Mother Jones*, the 2020 U.S. presidential election looms with uncertainty for its impact on the organization's fundraising projections.

Brian Hiatt, who directs digital membership and marketing, said that launching the 2019 Corruption campaign was one effort to address the election, with the aim to improve step-back, investigative election coverage that makes *MoJo's* impact self-evident. This way, regardless of the election outcome, *MoJo* can point to quality investigative reporting that proves *MoJo's* unique value proposition and makes the case for donating that much easier.

be your best self and adapt and adjust as things unfold.”

A second challenge is the current climate of misinformation and disinformation and how it is redefining the media’s relationship with readers. [A survey of Americans](#) conducted in November and December 2018 by Pew Research Center found that 48 percent of respondents said they had a “great deal/fair amount of confidence” in the news media, and 61 percent said that news media “intentionally ignores stories that are important to the public.”

Given the need for new strategies to address attacks on the press, Bauerlein believes that journalists need to learn more about organizing from industries that have harnessed community support in the past.

“If we’re looking to the audience to rally and save journalism and become the bedrock of engagement, financial support and conversation, and political support in the face of threats to freedom of the press ... we have to become much better organizers,” she said.

Pivoting to internal challenges, a third shift is around staff and talent. Swift changes in journalism have required new roles in the field, and more leadership training is required. An evolving vocabulary for journalism roles has cropped up in the past two decades, such as “product manager” and “engagement specialist” and “director of partnerships.” As the world of nonprofit news continues to codify, there’s also a growing demand for entrepreneurial journalists to become newsroom leaders of the future.

To build a pipeline for media entrepreneurs, *MoJo* has aspirations to borrow from the success of its fellowship program for budding journalists and to create a similar fellowship program for media entrepreneurs. Bauerlein said that for nonprofit news, it’s especially important to find business-minded people who are committed to the mission, not to profit.

“I think we’re going to continue to find these people among journalists who have an entrepreneurial bent,” said Bauerlein, who mentioned Ben Dreyfuss, the engagement and social media leader at *MoJo*, as an example. “His role has become a hybrid of very straightforward editorial and newsroom work but also [he’s] trying to figure out how to mobilize readership support and how to relate to a platform like Facebook.”

A fourth and final challenge to *Mother Jones* is keeping its fundraising on campaign footing. Organization leaders are already looking into what the nature of the next revenue push will look like, and *MoJo*’s publisher Steve Katz said that he sees the organization’s 50th anniversary in seven years as a pivotal moment for new fundraising.

affordable investing funds. “We’ve tested the waters of using the Moment campaign as a philanthropic source for investment and growth but there’s really not a marketplace for journalism NGOs (non-government organizations) to go to for financing,” said Katz. To develop sound financial footing, Katz said he is brainstorming the sustainability benefits of an endowment and described it as “the next transformative step for us.”

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About the Author:

Caroline Porter is a journalist and media strategist. Her consulting work largely focuses on business models for journalism, working with media companies, academic institutions and others on subjects such as newsletter strategy and partnership models. Prior to launching her own consultancy, Caroline worked as a staff reporter for The Wall Street Journal in the Chicago and Los Angeles bureaus, serving as the national K-12 education reporter. She has also produced animated videos on news literacy and served as an adjunct lecturer at Northwestern University’s Medill School. Most recently, she produced an audio program on homelessness in Los Angeles and Berlin for The Big Pond, a podcast from the Goethe Institute and distributed by PRX.

About the Institute for NonProfit News:

The Institute for Nonprofit News is a network of more than 240 nonprofit news media, founded by journalists and community leaders across the country to bring better news coverage and information to thousands of diverse communities. INN is a membership organization that incubates news startups, provides training and services to public service newsrooms and functions as an innovation network, helping members develop new ways to support quality journalism, engage people and serve their communities. INN’s work helps newsrooms bring investigative and civic news to more people, hold the powerful accountable and build participation in public life. More information can be found at inn.org.

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The Shorenstein Center on Media, Politics and Public Policy is a Harvard Kennedy School research center dedicated to exploring and illuminating the intersection of press, politics and public policy in theory and practice. The Center strives to bridge the gap between journalists and scholars, and



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EXHIBIT D



MOTHERJONESMAG

Posts

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Clubhouse that lets him know that tech investors were hosting an "interesting" conversation about the "Future of SF." Some of them were speaking critically about San Francisco's liberal political leaders. Soon, Boudin's own name came up.

The district attorney wasn't necessarily surprised; he's no stranger to heavy chatter about his policies. Since taking office in January 2020, Boudin has built a reputation as one of the most progressive prosecutors in the country—a former public defender who understands the horrors of mass incarceration because both his parents, members of the radical Weather Underground movement, were imprisoned when he was a boy. He won his election with support from communities of color who wanted to make the criminal justice system less racist and improve public safety without imprisoning more people.

But radical change breeds backlash, and the disruption of the old ways seemed to especially bristle some tech investors. For weeks, the tech elite claimed the city was becoming uninhabitable under Boudin, with a growing scourge of crime and homelessness, and some even demanded that he step down from office.

According to police data, overall crime actually decreased in San Francisco during Boudin's first year in office, by more than a quarter, and violent crime has generally fallen as well: Rape is down more than 50 percent, robbery is down 29 percent, and assaults are down 12 percent compared with a year ago.

Venture capitalist's vendetta against Boudin reveals a larger, long-standing rift over what it means to live in SF, and whose voices are privileged in discussions about the city's soul and future.

"In San Francisco, VC lives matter. We're the ones employing people, bringing business, buying properties, you know, paying property taxes," says Ellie Cachette, one of the tech investors who wants to oust Boudin, Newsom, and other San Francisco officials. "And what are we getting in return? Nothing."

Click the link in our bio to read more.

