

ANNUAL REPORT



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A Letter from the Executive Director

Dear Friends.

In 2023, half of all US states introduced age verification bills, banks and financial service companies closed the accounts of hundreds of adult industry members, and our industry was attacked relentlessly in the media. As the sole organization devoted to protecting the rights and freedoms of the adult industry, FSC had our work cut out for us.

I'm proud to say that thanks to the steadfast support of long-time members and an influx of new ones, FSC's small-but-mighty staff rose to the challenge and even chalked up some big wins.

Part of our work is the fight. We mobilized thousands of voters to contact over 1,000 legislators in opposition to age verification bills. We filed three federal lawsuits to strike down unconstitutional laws. We lodged an official complaint against a banking fintech that discriminated against our industry with a federal agency.

Much more of what we do is to educate people in power about who our industry is and what we do. We published a groundbreaking report on the financial discrimination affecting our industry. We brought FSC members to Washington D.C. to put a human face on the issue and enlist Congress in our cause. We met with federal regulators and banking industry insiders to educate them on the reality of our industry and its risk profile. We spoke to scores of journalists, at publications ranging from the New York Times and

Washington Post to Fox News and Breitbart, about our industry and our fight. We helped child safety experts, anti-trafficking organizations, anti-sexual violence practitioners, tech platforms and academic researchers understand how our industry has led the way on these and other issues. We even testified at the UN about how discrimination against sex workers leads directly to evils like human trafficking.

We also keep the industry informed on new developments through our bill tracker, newsletters, industry alerts and social media posts, as well as at town halls and trade show panels. We create critical resources like our age verification FAQ, banking insights, and landing pages for redirected traffic. And we provide extra value to our members through exclusive briefings on policy developments, banking and legal referrals, promotion through our communications channels, and more.

But none of our efforts would have been possible without our members. The challenges we faced in 2023 were enormous and I expect them to only intensify in 2024. With your support, FSC will be there to take on the challenges our industry faces in the coming year and beyond.

Sincerely,

Alison Boden

FSC Executive Director

2023 Impact Snapshot

31

briefs filed by FSC lawyers challenging age verification laws

3

new bank partnerships providing accounts for our members **600**

respondents surveyed for our **financial discrimination report**

788

legislators lobbied in opposition to age verification bills 36

Congressional meetings addressing banking discrimination 4k+

news articles featuring FSC and our fight for rights

91

bills affecting the adult industry tracked in our **Action Center**

1,684

grassroots advocates contacted their legislators using our app 96

new members joined FSC to help us fight for the industry and its rights

The Battle Over Age Verification



Legislative Defense

This year, we saw nearly thirty states introduce age verification mandates for adult businesses. FSC quickly sprung into action, contacting 196 legislators in 10 states, alerting members and allies and making our case — often in hostile circumstances — in the press. We were able to fight back many, but eight of those laws ultimately passed. This year, we expect to see an even more aggressive push nationally and we intend to fight back even harder.

Federal Court Challenges

In three states that passed age-verification mandates, FSC has taken the government to court. These laws were designed to be difficult to challenge, but their unconstitutionality is clear. And the chilling effect on our members is even clearer. We can not expect members to choose between protecting privacy and protecting their business. While the battle is long, we've had some early success, and are eager to make our case in more courts this year.





Legal Resources and Guidance

FSC has been working with our legal team to develop strategies and resources should members face legal challenges. In the meantime, we've published <u>guidance</u> and built tools like <u>landing pages</u> to turn traffic into action.

Rallying the Industry ... and Allies

If we're going to win the fight, we need a united front. FSC has been an organizing force: assembling data, keeping members alert, and coordinating challenges. We've also brought in allies, like the ACLU, EFF, FIRE and the Center for Democracy in Technology to help in our legal fight.



In Pursuit of Banking Fairness

Lobbying in DC

We've now been to Washington DC three times to lobby for banking fairness, and whether on the Hill or on Zoom, we've met with nearly three dozen legislators — influential voices on the Senate Banking Committee and House Financial Services Committee who are willing to champion our cause.





Challenging the Regulators

In addition to meetings with the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency (OCC), Executive Director Alison Boden has gone to the front lines — attending banking conferences, meeting with bank risk departments, and getting regulators like FinCEN to go on record about debanking legal business.

Spotlight: Financial Discrimination and the Adult Industry Report

Our 2023 study, *Financial Discrimination and the Adult Industry*, helped illuminate the depth and breadth of the problem for the first time.

We found, among other things, that nearly 2 out of 3 people who earn money in the adult industry have lost a bank account or financial tool, and nearly 40% have had an account closed in the prior 12 months.

These figures have helped us convince legislators and regulators to make real change. (So have articles in the <u>New York Times</u>, <u>Boston Globe</u>, <u>Wired</u>, <u>Forbes</u>, <u>Vice</u> and dozens of other major publications.)



Building Connections

Sexual Wellness Professional Alliance

to represent the issues and interests of the pleasure products and sexual wellness industries. In 2023, we turned that understanding into action by creating a new division of FSC.



The Sexual Wellness Professional Alliance aims to be equal parts trade organization, advocacy group, and resource provider. Its primary goals are to create a unified voice for sexual wellness industry professionals; improve collaborative, professional communication; offer education, mentorship opportunities, and shared resources; and financially support the FSC's legal advocacy on behalf of sexual wellness retailers.



Changing Public Opinion

Our fight has been national news on NPR, the New York Times, The Guardian, Daily Caller and hundreds of other outlets covering our fight. FSC is constantly working with journalists — sometimes on the front page, sometimes behind the scenes - to make sure the story is accurate, and our position is well represented.

Sex Worker Advocacy

FSC Industry Relations Advocate Lotus Lain has been instrumental in building strong relationships with both industry leaders and sex worker rights groups. In October, she flew to Geneva to testify at the UN on behalf of financial discrimination and sex worker rights.





Advancing Online Child Safety

Contrary to conventional wisdom, our industry is a leader in content moderation. FSC has been active in working with search engines, child safety organizations and trust and safety experts at mainstream platforms to help stop the distribution of illegal content.

Board of Directors

2023 Board Officers

- Jeffrey Douglas, Board Chair
- Tim Valenti, President
- Scott Watkins, Vice President
- · Cathy Beardsley, Treasurer
- Matt Mason, Secretary
- Reed Lee, Legal Committee Chair

2023 Board Members

- Jon Blitt
- Steven Grooby
- Lucy Hart

- Alec Helmy
- Micah Martinez
- Dr. Constance Penley
- · Tony Rios
- Jamie Rodriguez
- Walden Woods

In Memoriam: Reed Lee

On December 26, 2023, the world lost Reed Lee, an astounding intellect, dedicated activist, and wonderful friend. Reed served on FSC Board of Directors for over twenty years, gladly devoting his limited time and boundless analytical ability to defending the adult industry's rights and freedoms from government obstruction and censorship.



Reed with FSC Industry Relations Advocate Lotus Lane

Those who served with him on the FSC Board knew Reed as a deep and critical thinker who loved a spirited debate. He greatly admired the great civil rights icon Bayard Rustin and committed his life and actions to fighting for labor rights, the democratic process, and free expression. He was a person of immense integrity who lived his life in concordance with his principles in every possible way.

For those and many other reasons, the staff and Board of the Free Speech Coalition are extremely grateful for the time we had with Reed and heartbroken by his untimely passing.

Thank You!

Free Speech Coalition members make our efforts to protect the rights and freedoms of the adult industry possible.

Our industry is facing an all-out assault on multiple fronts. We need a strong voice who can advocate for our industry in Washington, in Silicon Valley, in the courts and in the press. Our business is protecting your business.

If you're ready to join the fight, go to freespeechcoalition.com/join

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