



LNC Meeting Minutes, June 30, 2006, Portland, OR

To: Libertarian National Committee
From: Bob Sullentrup
CC: Shane Cory, Chris Thorman
Date: 6/30/2006

Current Status: [Approved 8-19-2006](#)

Version last updated August 19, 2006.

The meeting commenced at 1:08pm on June 30, 2006.

Upon arriving at the meeting, LNC members found at their seats plaques of appreciation for their two-year service on the LNC signed by Shane Cory, Stephen Gordon, Robert Kraus, Chris Thorman, and John Labeaume. These were provided for by the staff themselves.

Moment of Reflection

Chair Michael Dixon called for a moment of reflection, a practice at LNC meetings.

Thanks

Frank Dane, the Oregon Vice-Chair, welcomed the Party to Oregon and thanked the many local volunteers who have helped create this successful convention. He also noted the LPOR office in Beaverton will hold a party Saturday evening at 7pm. The office is accessible via Portland's Metrolink.

In addition, there will be a lunch at the office on Monday.

Jim Lark expressed his thanks to Christiana and Adam Mayer, Richard Burke and the many activists of Oregon who has helped create this successful convention.

Conflicts of interest

Stephen Gordon submitted a disclosure statement that is included as Appendix A.

Attendance and Credentials

Secretary Bob Sullentrup confirmed the attendance of the members and alternates.

Attending the June 30, 2006 LNC meeting in Portland, OR were:

Officers: Michael Dixon, Mark Nelson, Bob Sullentrup

Officer Lee Wrights was not in attendance.

At-Large Representatives: BetteRose Ryan, Mark Rutherford, Bill Redpath, and Rick McGinnis.
Admiral Michael Colley was not in attendance.

Regional Representatives: Dan Karlan, Ed Hoch, M Carling, Aaron Starr, Jeremy Keil, George Squyres and Dr. James Lark. Not attending were Dena Bruedigam, and Michael Gilson deLemos (aka MG).

Regional Alternates: Tony Ryan, Scott Lieberman, Tim Hagan, Richard Burke, Emily Salvette, and Chuck Moulton attended. Not attending were Trevor Southerland and Mark Cenci.

Executive Director Shane Cory attended.

For completeness, the following table lists the composition of the current LNC as accepted at the May 31, 2004 meeting, and as subsequently amended. This was the final meeting of the 2004-2006 LNC.

Region	Affiliates	Representative	Alternate
Region 1, East	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, Connecticut, New Jersey	Dan Karlan, New Jersey	Mark Cenci, Maine
Region 1, West	Alaska, Washington, Montana, Wyoming, Idaho, Colorado	Ed Hoch, Alaska	1 st : Joseph Thompson Colorado 2 nd : Mike Fellows Montana
Region 2	California, Oregon, Hawaii	Aaron Starr, California M Carling, California	1 st : Richard Burke Oregon 2 nd : Scott Lieberman California
Region 3	Indiana, Michigan, Ohio, Kentucky	Dena Bruedigam, Ohio	Emily Salvette Michigan
Region 4	Georgia, Florida, Alabama, Mississippi, Tennessee, North Carolina, South Carolina	Michael Gilson deLemos, Florida	Trevor Southerland Georgia
Region 5 West	Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas	Jeremy Keil, Wisconsin	Tony Ryan, South Dakota

Region	Affiliates	Representative	Alternate
Region 5 East	Virginia, Maryland, Delaware, West Virginia, District of Columbia, Pennsylvania	Jim Lark, Virginia	Chuck Moulton Pennsylvania
Region 6	Nevada, Texas, New Mexico, Arizona, Utah, Oklahoma	George Squyres, Arizona	Tim Hagan, Nevada

Consent Agenda

The Charlotte meeting minutes were automatically approved on June 20 in accordance with the provisions in the Policy Manual, there having been no objection to the final version released earlier.

The minutes of the June 1 conference call, amended after the comment period for automatic approval had expired, were approved as a part of the Secretary's Report (below).

Approval of the Agenda

The group amended the agenda as follows (the appended item appears in italics and deletions in strikethrough):

Libertarian National Committee **June 30th 2006** **Portland, Oregon**

Call to Order	1:00 P.M.
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Moment of Reflection	1 minute
Opportunity for Public Comment	10 minutes
Credentials Report and Paperwork Check (Secretary)	5 minutes
Report of Potential Conflicts of Interest	5 minutes
Approval of the Agenda	5 minutes

Standing Reports

Chair's Report	15 minutes
Treasurer's Report	10 minutes
Secretary's Report	5 minutes

Staff Report

Staff Report	30 minutes
Counsel's Report	15 minutes

Executive Session

Executive Session (To receive confidential reports)	15 minutes
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Action Items Previously Submitted in Writing

Project Policy (Nelson, Ryan, Redpath) <i>Program (Dovner)</i>	15 minutes 15 minutes
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Reports Previously Submitted in Writing

Campus Organizing Report (Lark)	5 minutes
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Region 5E (Lark)	5 minutes
Topics for Discussion	
Convention Report	30 minutes
Policy Manual Changes	20 minutes
Caucus Model (Lieberman)	5 minutes
Ballot Access	5 minutes
Action Items	
Platform Committee Replacements	10 minutes
Credential Committee Replacements	10 minutes
Adjournment	5:00 p.m.
<i>Point of personal privilege, Dan Karlan</i>	

Report of Potential Conflicts of Interest

Stephen Gordon submitted a Disclosure Letter to the Secretary on June 21, 2006, included as Appendix A.

No other conflicts of interest were reported since the last meeting in Charlotte, NC.

Officer Reports

Chair's Report

Chair Michael Dixon reported he was on CNBC Wednesday discussing second hand smoke and along with Richard Burke has been on Oregon radio on the Lars Larson show.

In addition, the print media have been very favorable to the Libertarians this convention week. Michael will host the 'Chair's Circle' dinner at the convention, attended by those who give \$5k to the LP.

Treasurer's Report

Mark Nelson's treasurer's report is attached as Appendix D. Mark ended his report after having compared this year's performance against last and with a list of recommendations pertaining to dues, the convention and fundraising.

Mark noted several new programs including the iPod give-away at the Convention for those who increase their pledges by \$10 or more per month.

Mark moved to transfer \$7,500 of \$10,000 from Software Website Upgrade and \$5,000 of \$10,000 of Renew Lapsed Donors, to the Ballot Base program.

Aaron Starr moved to table the matter until Monday but later rescinded. The body agreed to park the motion for now and take it up again after Shane's ED report.

Secretary's Report

Bob Sullentrup noted the June 1 conference call minutes did not qualify to have been automatically approved since there had been alterations outside the duration allowed for automatic approval. Emily Salvette moved to approve those minutes, and they passed unanimously.

Bob also asked the assembled Libertarians to pick up their Delegation Chairs Manual and open the platform plank ballots envelope. There could be as many as 90,000 decisions (1450 delegates and 62 planks) to record in a very short period of time.

Finally, Bob Sullentrup moved: The LNC authorizes its Secretary to determine the recipients of, and produce the awards for, this term's 'Most Valuable Player' and 'Rookie of the Year'.

The motion passed unanimously.

Winning **Rookie of the Year** was **Admiral Michael Colley** who helped the Chair this term by:

- Searching for a replacement for Joe Seehusen
- Orchestrating and negotiating the office move
- Chairing the EPCC
- Provided substantive input to the LP Program rewrite
- Interviewed HQ staff and crafted recommendations for improvements
- Spoke at state conventions

Winning the **Most Valuable Player Award** was **Dr. Jim Lark**. Bob said that it was at the Baltimore meeting when an item on the agenda, 2006 Budget, loomed like an iceberg bearing down on the meeting. It was Dr. Lark's leadership and deftness in guiding the group into a positive outcome that he noticed. Then it occurred to him that Dr. Lark had been doing this all term long.

Staff Reports

Executive Director's report

Shane Cory presented the Executive Director's and HQ reports attached as Appendix B. Shane allowed his staff to speak first, since they 'had to get back to work'. Stephen Gordon, Chris Thorman, John LeBeaume, and Robert Kraus addressed the group.

Terry Quick, our convention consultant from Entco also addressed the group noting that a reporter from KIRO in Seattle is coming to the convention to provide live updates.

In addition, he noted some of the convention income, \$29.4k from corporate sponsorships resulting in a net of \$11.9k and vendor income that netted \$5.3k should be increased in subsequent years. Terry will provide a seminar with recommendations of locating, scheduling and optimizing national conventions. Bill Hall, our legal counsel, noted such income is not for the LNC, but for the direct benefit of delegates (BCRA compliance).

At this point the body reconsidered Mark Nelson's motion, earlier parked, to transfer \$7,500 of \$10,000 from Software Website Upgrade and \$5,000 of \$10,000 of Renew Lapsed Donors, to the Ballot Base program. The motion carried.

Counsel's Report

Bill Hall noted that corporate sponsorships for the convention are not income to the LNC. Instead, they are financial arrangements that benefit directly the delegates at the convention.

At this point the LNC entered executive session

Project Policy

Mark Nelson provided a replacement for Article 9, Projects, and moved to have that adopted as presented in Appendix E. This change would provide clarification concerning projects, and would codify the procedure for projects in the policy manual.

Bill Redpath and Aaron Starr crafted amendments as follows, changing

8. PROJECT EXPENSES

Restricted Project Funds are to pay:

- A. All of the direct expenses of fund raising, including:
 - dedicated staff time for writing and/or proofreading;
 - all of the hard costs associated with fundraising (LP News ads, printing and postage).
- B. A 10% surcharge on the gross revenue to cover common costs. This 10% surcharge includes:
 - caging and accounting for funds received and expenses paid;
 - management oversight of caging, expenses and program implementation; and
 - an allocated portion of occupancy and operations cost.
- C. All of the direct expenses necessary to implement the project.

To:

8. PROJECT EXPENSES

Restricted Project Funds shall be charged:

- A. All of the direct expenses of fund raising, including:
 - dedicated staff time for writing and/or proofreading;
 - all of the hard costs associated with fundraising (LP News ads, printing and postage).
- B. 10% of the gross revenue to cover common costs, which includes:
 - caging and accounting for funds received and expenses paid;
 - management oversight of caging, expenses and program implementation; and
 - an allocated portion of occupancy and operations cost.
- C. All of the direct expenses necessary to implement the project.

The words "Are to pay" were changed to "shall be charged".

The words “A 10% surcharge on the gross revenue” were changed to “10% of the gross revenue”

The words “. This 10% surcharge” were changed to “, which”

Aarron Starr requested time for him and Bill Redpath to bring this item back after the action items on the agenda. There was no objection.

The changes Aaron and Bill crafted included inserting a bullet point “credit card discounts, if any” and changing the first line of item B to “10% of the amount of each contribution not to exceed \$10 which includes:”.

The resultant change now read:

8. PROJECT EXPENSES

Restricted Project Funds shall be charged:

- A. All of the direct expenses of fund raising, including:
 - dedicated staff time for writing and/or proofreading;
 - all of the hard costs associated with fundraising (LP News ads, printing and postage).
 - *credit card discounts, if any.*
- B. ~~10% of the gross revenue to cover common costs, which includes:~~
10% of the amount of each contribution not to exceed \$10 which includes:
 - caging and accounting for funds received and expenses paid;
 - management oversight of caging, expenses and program implementation; and
 - an allocated portion of occupancy and operations cost.
- C. All of the direct expenses necessary to implement the project.

The amendment passed.

Chuck Moulton moved to amend item number 4, adding a bullet “Establish an easy and prominent way to donate and pledge to projects on the website”.

Item 4 became:

4. STAFF FUNCTIONS

LNC staff will:

- process and cage all fund raising receipts and maintain all project donor records in the donor database;
- pay all approved project expenses and maintain records of all project expenditures; creating contact (mail, e-mail, phone) lists at the request project manager;
- send bulk e-mails at the request of the project manager;
- provide bids for all printing and mailing expenses;
- provide an approved list of vendors for project expenses, where applicable;
- establish separate bank accounts, at the discretion of the executive director.
- *establish an easy and prominent way to donate and pledge to projects on the website.*

Staff shall not be responsible for oversight or direction of any project activity. All projects activities are to be directed by the Project Manager, or by a delegated party.

Chuck's amendment passed.

The body next returned to Mark Nelson's motion as amended. The motion passed.

Program

Bruce Dovner who has been working on a new LP Program brought two versions for consideration. One version avoided having anything to do with endorsing or manipulating taxes or tax incentives. The other version did have such provisions.

Aaron Starr moved to adopt the version without the mention of tax incentives as LP program. This version is included as Appendix F.

Aaron Starr moved to amend the document by eliminating the 'Limit Cost Pressure on Health Care' section and eliminating the first sentence in 'Reduce our Tax Burden'.

The proposal needed 12 votes to pass but failed.

The chair noted that we have come 'infinitely closer' than we have before. And in our history the LNC has also voted down a program, but the text and ideas became the source of many outreach letters, press releases and so on. The chair commended Bruce for his hard work.

Campus Organizing

Dr. Lark's report is included as Appendix C.

Dr. Lark noted the LP is building a website for campus activists and he himself has contributed \$5000 to its development.

Regions 5E and 1E

Dr. Lark noted he has been unable to get in touch with officers of the LP West Virginia, and that the Region 5E states will probably form a new region that does not include West Virginia.

Dan Karlan reported the Maine LP party has apparently collapsed.

Convention Report

The convention report was skipped in as much as Shane Cory and others covered the details earlier in the meeting and in the reports listed in the appendices.

Policy Manual

Mark Nelson reported he and Shane Cory spent two hours in the last month reviewing Policy Manual items in an effort to bring the Policy Manual in line with practices. He proposed a series of 'housekeeping changes' en masse.

The items Mark requested were approved. The text of his e-mail describing his motion is given below:

Shane and I reviewed the National Headquarters portion of Policy Manual (I have attached Article IV, Section 1 and Section 2 at the end of this note) on Thursday to be sure the language was consistent with the current operations. As part of that review, he has asked that I move the following changes at the meeting on Friday:

Article IV Section 1. C. 3.
Delete and renumber

Article IV, Section 1. D. 2 & 3.
Delete and renumber

Article IV, Section 1. E. 1.
Delete and renumber

Article IV, Section 2. B. 3.a. and 3.b.
change 27th to 18th.

and in 3.b.
Replace third bullet with:

A donor report covering the past two years to include the number of donors who have made a contribution with the past 12 months, with a separate number of new donors for the previous month, and

A membership report covering the past two years to include the total number of member signed certificates with a separate report of the number of new member signed certificates for the previous month.

In Article IV, Section 2, B. 3. c.
bullet 2 - replaced "candidates currently recruited" with " candidates on the ballot for office"

bullet 3 - add (best efforts).

remove bullets 4, 5, and 6.

In Article IV, Section 2, B. 3.d.
change 27th to 18th

And in reviewing these changes for this e-mail, I noted that we have not complied with Article IV, Section 2, E, and suggest we delete it.

The section now reads:

ARTICLE IV.

NATIONAL HEADQUARTERS

Section 1: LP HEADQUARTERS RESPONSIBILITIES

The purpose of LPHQ is to provide full-time, professional support for the on-going political activities of the Party. The activities of LPHQ include:

A. RECORD KEEPING

1. membership/contributor database
2. accounting
3. FEC reports
4. archives

B. MEMBER SERVICES

1. filling orders and requests
2. answering questions
3. handling complaints
4. acknowledging and reviewing correspondence

C. DEVELOPMENT ACTIVITIES

1. inquiry response
2. direct mail prospecting
3. ~~regular membership/subscription renewals~~
4. process liberty pledge payments
5. direct mail fundraising
6. telemarketing support
7. membership packets/cards
8. premium fulfillment
9. long-term renewals
10. major donor program
11. wills and bequests
12. donor thanks and recognition

D. LNC AND AFFILIATE PARTY SERVICES

1. reports to state affiliates, LNC, and Executive Committee
2. ~~activist newsletter (Libertarian Volunteer)~~
3. ~~activist directory~~
4. state and national contact lists
5. lists of Libertarian office holders
6. mailing the updated Bylaws and Platform to all LNC members, alternates, and state chairs
7. state, local, and campus organizing

8. activist training and support

E. EXTERNAL COMMUNICATION

1. ~~development and sale of literature and other outreach materials~~
2. news releases
3. response to media inquiries/requests
4. development and maintenance of media contacts and lists
5. public testimony
6. participation in outside conferences

F. POLITICAL ACTION

1. ballot access
2. campus support
3. candidate recruitment and training

Section 2: POSITION DESCRIPTION OF EXECUTIVE DIRECTOR

- A. The Director serves as the chief operating officer of the LPHQ, and in that capacity:
 1. directs, administers, and coordinates the activities of the LPHQ, in accordance with the policies of the LNC;
 2. directs the development and preparation of short-term and long-term plans and budgets for the LPHQ;
 3. ensures the general and daily management of the LPHQ;
 4. develops and maintains the organizational structure of LPHQ;
 5. ensures that LPHQ procedures are fully documented;
 6. appraises and evaluates the performance of LPHQ and Party operations, personnel, and activities;
 7. initiates, reviews, and approves the appointment, employment, and termination of all LPHQ personnel, vendors and volunteers;
 8. develops adequate and equitable personnel policies, including those dealing with employee compensation, and ensures that the interests of employees and volunteers as individuals are preserved and protected;
 9. ensures that all LPHQ activities and operations are carried out in compliance with local, state, and federal regulations and laws governing business operations and political activities;
 10. participates in the acquisition and sale of major assets, and in the investigations, evaluations, and negotiations of cooperative efforts with non-

libertarian political organizations;

11. maintains control over the Party's computer data base and develops distribution and pricing policies for mailing and telephone lists, with the advice and consent of the Executive Committee.
 12. has full authority and responsibility for major donor fundraising and all convention fundraising.
- B. The Director is directly responsible to the Chair, and reports to the LNC, and in that capacity:
1. maintains adequate and necessary communications with the Chair, and ensures that the Chair is kept fully informed of all pertinent LPHQ and Party activities;
 2. submits all contracts of over \$7,500 to the Chair for approval prior to any commitment of the Party to the contracts;
 3. submits periodic written reports to the Executive Committee and LNC including, but not limited to, the following:
 - a. By the ~~27th 18th~~ day of each month, the Executive Director shall distribute to the LNC by email the following reports based on information through the end of the immediate prior month:
 - A balance sheet summary based on closed books for the month, including the balances in all restricted accounts
 - Monthly and year-to-date income statements based on closed books for the month
 - An analysis of income and expense items showing year-to-date dollar and percentage variance from budget at the same level of detail as the approved budget
 - ~~A membership report for a minimum of two years in arrears, including starting membership, new members, and ending membership, and an identical report for LP News.~~
 - **A donor report covering the past two years to include the number of donors who have made a contribution with the past 12 months, with a separate number of new donors for the previous month, and**
 - **A membership report covering the past two years to include the total number of member signed certificates**

with a separate report of the number of new member signed certificates for the previous month.

- b. By the ~~27th~~ **18th** day of each month, the Executive Director shall distribute to the LNC by email the following reports based on information through at least the end of the immediate prior month:
 - A report showing accounts payable with aging information based on data no more than five days old
 - A report showing accounts receivable with aging over 60 days based on data no more than five days old
 - The status of any pending litigation
- c. By no later than 14 days prior to each regularly scheduled LNC meeting the Executive Director shall distribute to the Committee:
 - A report detailing staffing changes
 - A report showing the number of ~~candidates~~ currently recruited **candidates on the ballot for office**
 - A report showing the number of Libertarians serving in elected or appointed office (**best efforts**)
 - ~~A report regarding ongoing ballot drives, including cumulative costs~~
 - ~~A report when a direct mailing (other than a routine fundraising letter) is scheduled showing the scheduled drop date, estimated costs, and any other component of the project plan~~
 - ~~A report showing when a direct mailing (other than a routine fundraising letter) is completed showing the costs, responses, and revenues associated with that direct mailing~~
 - A report of media contacts, interviews, op eds, and television appearances, tabulated monthly
- d. If the Executive Director is unable to distribute one or more of the reports enumerated immediately above in a timely manner by the ~~27th~~ **18th** day of each month, the Executive Director shall distribute to the LNC by email a written explanation of why that report was not distributed to the LNC and the date by which it shall be distributed.

- e. Within five business days of receipt, the Executive Director shall distribute to the LNC a complete copy of the annual audited financial statements along with any other materials – including such things as management letters – provided by the auditor as part of the audit.
- C. The Director, along with the Chair and the Executive Committee, is actively involved in the development of policies, plans, programs, and projects that cover Party operations, financial performance, growth, communication, and political action.
- D. The Executive Director shall not change the LNC, Inc. Employee Manual without the written approval of the Chair. The Executive Director shall provide a copy of the most current LNC, Inc. Employee Manual to each newly elected LNC member or alternate at or before the member's first LNC meeting. The Executive Director shall provide a revised copy of the LNC, Inc. Employee Manual to the LNC within 30 days of any change and an indication of any changes made.
- E. ~~If the Director discovers that a policy of the LNC—whether contained in this Policy Manual or otherwise—has been violated, the Director shall promptly inform the LNC of the violation.~~
- F. The Executive Director shall notify affiliates, via the state chair email list, of drop dates for direct response fund raising a minimum of 30 days prior to the mailing schedule.

Ballot Access

Bill Redpath reported there has been no funding of petition drives.

A check for \$500 has been paid to an attorney in Alabama. A judge ruled against us in a case appealing a deadline to obtain 41,000 signatures by June 6.

The balance in the fund stands at \$3,200.

Platform Committee

George Squyres has had several resignations from the Platform Committee and named replacements. Although alternates to the Platform Committee had been named, the pool was reduced when several of the alternates were named by the largest states as actual members. The issue of what should happen next is not addressed in the Bylaws.

Bob Sullentrup moved to ratify the additions and replacements to the Platform Committee. The motion carried.

Credentials Committee

Dena Bruedigam has been incommunicado since January. Moreover, Gary Johnson resigned from the Committee. Emily made up the losses with Gerhard Langguth from AR and Kevin Nevler of OH. Emily moved to have the LNC ratify the committee composition. The LNC approved the replacements.

Chair's Statement

Michael Dixon thanked the LNC for their efforts and participation during this term. He said he has enjoyed his eight years on the Committee, but that after this term he will be stepping down as chair. He will disclose additional considerations impacting his decision to step down at the end of the Convention.

The last scheduled meeting for the LNC term 2004-2006 adjourned at 4:15, PST.

Next Meeting

The schedule for subsequent LNC and national meetings is as follows

2006 New LNC	July 3, 2006	Portland, OR
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Stephen Gordon Disclosure Letter

Dear Mr. Sullentrup,

In accordance with Article 1, Section 5, Paragraph B of the LNC Policy Manual, I am directed to "disclose to the LNC situations in which such person's own economic or other interests, or duties to others, might conflict with the interests of the Party in the discharge of his/her duties" to the Secretary of the Libertarian National Committee.

Toward this end, before beginning employment with the Libertarian Party, I terminated my business relationships with various active and potential independent and Libertarian campaigns. These include, but are not limited to: Barry Hess in Arizona, Ed Thompson in Wisconsin, Sue Jeffers in Minnesota and Loretta Nall in Alabama. While I am no longer providing any services or advice to these campaigns, I do hold several thousand dollars in accounts receivable for services rendered prior to my acceptance of a position with the Libertarian Party. It is my intent to collect on monies owed to me for services rendered prior to my employment with the Libertarian Party.

I am in the process of turning over my e-mail list (LibertarianLists.com) to another party. LibertarianLists is a voluntary opt-in e-mail list which I've provided as a tool for various Libertarian candidates and causes in exchange for direct compensation. It has raised a dollar amount in the five-digit range for such campaigns and causes over the last year.

Appendix A provides a copy of the terms we are attempting to negotiate. It is to be noted that I have a business relationship with Stephen VanDyke (detailed below) and sit on the board of Freedom Ballot Access. Freedom Ballot Access is a PAC dedicated to ballot access issues and they do make payments directly to candidates, state parties, and petitioners on the ground. The other board members are Richard Winger, R. Lee Wrights, Sean Haugh and George Phillips.

In addition to sitting on the board of Freedom Ballot Access, I'm also listed as being on the board of a now inactive organization named FreeMarta. FreeMarta is an organization which was established for the one time purpose of reuniting a local baby with his mother and forcing the resignation of the state cabinet official responsible for the separation. The mother and baby are reunited and the cabinet official was forced to resign in disgrace, so there will likely be no further activity from this organization.

I'm listed as president of Alabamians for Caring Use. This is an educational organization (501C3) for issues pertaining to medicinal marijuana in Alabama. The organization is inactive at this time, but will resume significant educational activities later this year. I'll likely be tendering my resignation with this organization sometime before November. I've been asked to lobby certain Alabama legislators with respect to the Hinchey-Rohrabacher bill. This activity should reflect positively with most libertarians.

I am currently the Alabama media contact for the Smoker's Club. This national organization is dedicated to educational and media activities pertaining to halting the increasing amount of smoking bans throughout the country. I intend to continue with this position until such time as a suitable replacement can be found. There should be no conflict of interest with this position, as the verbal understanding I have with the Smoker's Club is that I identify myself as being with the Smoker's Club for state issues, and as the LP Communications Director for out-of-state or national issues. Examples of other state spokespersons for this organization include Sue Jeffers and Gary Nolan.

Partially because of allegations suggesting that I might "Alabamafy" the national Libertarian Party, I've resigned from my position as Vice Chair of the Libertarian Party of Alabama. This will also reduce criticisms that I'm using my official capacity to favor my home state. I'd held this position for two and a fraction terms.

I've been conducting telephone polling for libertarian (and other) campaigns. Some of these activities are being transferred to another party. Some of them will be dropped. The only polling activity I expect to conduct will involve the 2008 presidential races. This activity will be non-partisan, is highly likely to be very high profile, will treat LP presidential candidates in a fair manner (based on the relatively objective criterion of polling results), and is likely to be an asset for all Libertarian Party presidential candidates.

I'm a founding member of Independent Alabama. This organization influences legislation on ballot access and electoral reform issues. It generally sponsors and/or promotes 10 or more bills per legislative year in Alabama. Most of the bills are non-controversial from a libertarian perspective. Independent Alabama did run one television commercial about a proportional representation bill for electoral votes in presidential elections. This is the one topic about which some libertarians might object.

Appendix A. Stephen P. Gordon, Disclosure Letter

The activity in which I'm currently involved which receives the greatest amount of public attention is my position as co-editor at HammerOfTruth.com. Stephen VanDyke is the publisher of this Internet media outlet. This website generates advertising revenue, of which I receive a portion. Additionally, it could be equated to the Libertarian Party version of DailyKos.com, in that certain Libertarian (and libertarian) candidates are promoted on the site. Certain candidates promoted at HammerOfTruth have obtained significant campaign contributions as a result of postings on this site. Others advertise on the site in hopes of gaining further media attention or campaign contributions.

Aside from editorial (as in grammatical and spelling corrections) I have no control of what other people write at that website. However, since my hire date at the Libertarian Party, I've limited about which candidates I write to those who have received the nomination from the appropriate affiliate organization. I am no longer covering people who I have any reason to believe might be seeking a future higher office which would be contested within the Libertarian Party (i.e. Michael Badnarik, Barry Hess, Steve Kubby). I'm also not covering people who are running for public office who I have any reason to believe might be seeking party office (i.e. George Phillies, Chuck Moulton, Ernie Hancock). This seems to be in excess of Article IV, Section 3 of the LNC Policy Manual.

A breakout site from Hammer Of Truth is to be/has been launched. This site is called LibertyMix and it is to be reasonably expected to have considerably more traffic than Hammer of Truth. I have no control over who advertises at HammerOfTruth.com or LibertyMix.com, although I receive a portion of the proceeds from such advertising. I intend to continue writing for Hammer of Truth and promoting the offshoot LibertyMix site while maintaining the terms of the Section 3 of the LNC Policy Manual.

I'm also a current (or recently lapsed) member of the American Legion, Veterans of Foreign Wars, Veterans for Peace and the American Association of Political Consultants. I've recently consulted with Republican, Libertarian, and Democrat campaigns and turned down a major offer (hasn't hit the press, yet) for a statewide Republican race. As I am very active in my local community, state politics, and national issues, I have probably forgotten to include a few minor affiliations with some organizations. If I become aware of any such situations, I'll notify the LNC Secretary by e-mail, as appropriate.

My intention is to be present at the next meeting of the Libertarian National Committee. I welcome any questions from the members of this body and am

Appendix A. Stephen P. Gordon, Disclosure Letter

willing to continue work hard to establish an effective working relationship which advances the cause of liberty.

Sincerely,

Stephen P. Gordon
Communications Director, Libertarian Party

Appendix A

[copy of relevant e-mail message]

Shane and Stephen and FBA Board members,

As most or all of you are aware, I've been under fire for conflict-of-issue improprieties since even before starting my new job at the LP national office. In order to ensure that all financial issues are handled above board in as fair as possible a manner without destroying resources which help libertarian campaigns, I've tried to develop a plan which is clearly ethical and still allows this campaign resource to be used in LP campaigns.

If the following is agreeable to each of you, this is how I'd like handle LibertarianLists. Shane, please let me know if these terms are acceptable from the national office perspective. Stephen, while we talked about it yesterday, please let me know if these terms are in accordance with our understanding. FBA Board members, please let me know if you spot any problems with this arrangement.

Sorry to waste your time on trivialities such as this, but I'd like to avoid some of the ethical issues which have plagued the LP in the past.

Stephen Gordon

1) LibertarianLists (LibertarianLists.com) is an opt-in e-mail list of over 20,000 subscribers used to promote pro-liberty (mostly LP, but not all) candidates, issues and causes. It was established by and run by Stephen Gordon. The general term for use of this list is that Stephen Gordon receives compensation of 10%-15% of any immediate financial return from the use of the list – depending on the nature of the e-mail being sent out and the amount of time/effort the candidate/cause devotes to the mailing effort. This list has yielded cumulative contributions in the 5-digit range for various libertarian causes.

2) Because of Gordon's new position working for the Libertarian Party, there will be some instances where the use of this e-mail list will be in violation of LP employee guidelines. There will be some instances where such use will be a clear-cut conflict of interest. There will be some instances where there will be a perceived conflict-of-interest. There will be some cases where there will be no potential for a conflict-of-interest or violation of LP bylaws or standards.

3) This list has a clear tangible value to various Libertarian Party and other libertarian causes and campaigns. It would be wasteful to the cause of liberty to totally discontinue its use.

4) Towards this end, Stephen Gordon has transferred the e-mail addresses on the list to Stephen VanDyke. The list will be maintained and used through Hammer of Truth/LibertyMix. Once the new mailing program has been successfully established at the new site and populated with the e-mail addresses from LibertarianLists, the domain name LibertarianLists.com will be rerouted to Hammer of Truth/LibertyMix. A suitable announcement will be placed at Hammer of Truth before such list is used.

Appendix A. Stephen P. Gordon, Disclosure Letter

5) Stephen Gordon has received financial compensation from Hammer of Truth and is expected to receive future compensation from LibertyMix. Under this new arrangement, Gordon may receive certain additional compensation from the use of the e-mail list he promoted and created as outlined below:

- a. If this list is used for a Libertarian Party candidate who has not been nominated by the appropriate party affiliate, or one who is facing competition from within the Libertarian Party, compensation shall be divided as follows:
 - i. Stephen VanDyke shall receive 50% of the net profits
 - ii. 50% of the net profits will be donated to Freedom Ballot Access
 - iii. Example: Gordon would not receive compensation if this list is used on the behalf of any LP presidential candidate until after the LP nominating convention.
- b. If this list is used for a Libertarian Party candidate who has been nominated by the appropriate party affiliate but who also has stated an intent to run for local or national party office, compensation shall be divided as follows:
 - i. Stephen VanDyke shall receive 50% of the net profits
 - ii. 50% of the net profits will be donated to Freedom Ballot Access
 - iii. Example: Gordon would not receive compensation if this list was used to promote George Phillies presidential race, as Phillies has also stated an intention to run for party chair.
- c. If this list is used for a Libertarian Party candidate who has been nominated by the appropriate party affiliate but who also has stated an intent to run for future political office for which there might be competition within the party, compensation shall be divided as follows:
 - i. Stephen VanDyke shall receive 50% of the net profits
 - ii. 50% of the net profits will be donated to Freedom Ballot Access
 - iii. Example: Gordon would not receive compensation if this list is used on the behalf of Michael Badnarik's congressional race because Badnarik is also considered to be a possible 2008 presidential candidate for LP nomination
- d. If this list is used for a non-LP candidate who has no LP competition, but is running as an independent candidate or one from another political party, compensation shall be divided as follows:
 - i. Stephen VanDyke shall receive 50% of the net profits
 - ii. 50% of the net profits will be donated to Freedom Ballot Access
 - iii. Example: Gordon would not receive compensation if this list is used for Russ Diamond in Pennsylvania, Sue Jeffers in Minnesota (the Minnesota LP recently withdrew their nomination of Jeffers), or for Ed Thompson (should he run as an independent for Congress or Governor).
- e. If this list is used for an LP candidate running on any sort of legal fusion campaign or multi-party affiliation, compensation shall be divided as follows:

Appendix A. Stephen P. Gordon, Disclosure Letter

- i. Stephen VanDyke shall receive 50% of the net profits
 - ii. 50% of the net profits will be donated to Freedom Ballot Access
 - iii. Examples: Gordon would not receive compensation if had William Weld stayed in the NY race or for candidates like Loretta Nall or Kevin Zeece.
 - f. In cases where there is no appearance of conflict-of-interest, violation of local or federal campaign finance laws, or violation of any LP rules or bylaws:
 - i. Stephen VanDyke shall receive 50% of the net profits
 - ii. Stephen Gordon shall receive 50% of the net profits
 - iii. Examples: Barry Hess or David Schlosser in Arizona, Dick Clark in Alabama, David Redick in Wisconsin. This might also include fundraising for organizations like Freedom Ballot Access, Gun Owners of America or Alabamians for Caring Use.
 - g. Gordon is entitled to his accounts receivable for activities which transpired before June 12, 2006.
- 6) Gordon will address this issue, as well as his tie to Freedom Ballot Access, as appropriate, at the next meeting of the Libertarian National Committee. If there are any objections from members of the national committee to this arrangement, Gordon is willing to withdraw from his board position at Freedom Ballot Access.

LPHQ Update

6/23/2006

Executive Director's Report

by Shane Cory

Staff Update

Our staff levels continue to remain low with many of us taking on additional duties and positions.

- Sam New left LNC employment on May 26th to pursue graduate studies.
- Stephen Gordon was hired after consultation with the chair and now serves as the director of communications. Stephen's official start date was June 12th.
- Chris Thorman continues to improve his skills as the development coordinator and is working to streamline direct mail production among other things.
- April Atkins began as our receptionist on March 28th. April has allowed Chris much more time to handle development work and, during business hours, answers the phone directly rather than using the automated system.
- Robert continues to serve as our controller and director of operations while working closing with our FEC consultant and handling data issues for our state affiliates.
- John LaBeaume serves as our national campaign coordinator and has been tracking active candidates and has taken a lead for candidate recruitment efforts. John also contributes web and *LP News* content.
- Matt Dailey continues to serve as our policy analyst and produces the majority of the content for LP.org. Additionally he has taken the lead on the Libertarian Leadership School and is looking to add more classes using local resources.
- Susan Dickson still serves as a full-time employee and, despite taking on the tasks previously performed by Gladis, is extremely productive and still has time left in her day.
- Marc Scribner is now our only caller in the calling program. He is able to increase his hours during the summer and has been extremely helpful with administrative work around the office. Marc is very productive and can handle all calls previously performed by at least four other callers.
- Sara Neugroshel and Pere Garlinghouse have left for the summer. Sara will be moving on to law school while we are hoping Pere will return next semester.
- Lorena Seitz is gone for the summer but is still producing Pledge News. Lorena will be in Portland to assist with speaker support. She may return for one year to serve as a media assistant.

Operations

All move related issues are resolved and no outstanding invoices exist from the move to Suite 200. In fact, a small \$200 credit remains with the building. In the coming months, we will be looking to renegotiate leases on our copier and other equipment as well as investigating the cost benefit of VOIP phone systems.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

Finance and Fundraising

Direct Mail

We've continued to keep fundraising costs down by developing most of our packages in-house.

Since the last LNC meeting and the Annual Report drop, we have sent two Annual Report follow-up grams and two house letters.

You may recall the mail house letter error that led to the second follow-up gram. Essentially our mail house swapped our lists and a donor letter was mailed to the non-donor list and *vice versa*. As a result of the initial "error" letter, we received a dozen or more messages or notes from our donors and we responded to all possible.

In the "correction" letter, our mail house, Advanced Mailing, included a note from their president apologizing for the error. This was a greatly appreciated service provided by Advanced Mailing and showed their value to us as a vendor despite their initial mistake. They did not dance around the issue, admitted the problem and did their best to make up for it.

During the March LNC meeting I stated that the 2005 Annual Report is expected to bring in \$50k to \$60k. My estimates were significantly off and the fundraiser grossed \$82,890, netting \$70,363.

For comparison, the 2004 Annual Report package grossed \$117,002 but netted approximately \$77,003.

While the response rates for the 2005 Annual report were less than half of the 2004 fundraiser, the average gift amount was double that of 2004 at \$86.71.

The follow-up gram (which was used in 2004 as well), netted an additional \$48,232.

After allowing for a donor break, we mailed the "corruption" house letter on May 16th and the results are still coming in.

On June 19th we dropped our most recent house letter regarding the LP Ballot Base.

Following the convention, we plan to drop another house letter on or around July 14th.

Internet Fundraising

We've had several runs with e-mail solicitations over the past several months. We have sent one "soft-sell" e-mail and one project based e-mail solicitation. Both performed poorly in my opinion bringing in less than \$2,000 each.

Recently, after reviewing a new report on e-mail open and response rates we tried specific timing when sending e-mail solicitations. On Friday the 16th, we sent customized letters to donors within certain giving segments. A solicitation was sent to those who had given in 4 to 12 months; 12 to 48 months; and finally 48 months to 15 years. A solicitation was also sent to pledgers and our general announce list. All combined, the solicitations raised approximately \$8,000 at a cost of my afternoon.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

The messages were timed to arrive on Friday (best day for open rates) and the day after a standard pay day. The bulk of the messages were sent to coincide with the winding down of the business day at around 3 p.m. Eastern but I inadvertently delayed the mailing by two hours and as a result we had many more responses from the West Coast (coinciding with the end of the business day there). In the future, a solicitation could possibly perform better if sent just a few hours earlier on a specified day.

In the future, we will attempt more targeted solicitations based not only on last gift dates but also on specific appeals and topics.

Pledge Program

Since the last LNC meeting, our monthly pledge revenue has remained stagnant at around \$27,000 per month. In order to boost this fund, we created an iPod giveaway to coincide with the national convention. The program began June 9th and the pledge program has increased by \$1,330 as of this writing. The promotion will cost approximately \$670 (for two custom iPods).

Note that this promotion is successful but we were equally successful with the last promotion run in October which cost \$0 and only featured a graphic of an LNC employee along with a request to call and start a new pledge.

Chris Thorman and Marc Scribner have been working to convert bill-by-mail pledgers to EFT pledgers as, historically, bill-by-mail averages a poor return rate (20% to 50%).

Declination rates remain low (between 8.8% and 13.8%) but increase slightly each month due to a lack of clean-up. After convention, we will remove all inactive pledges who have posted declined transactions for the past five months. This will be a monthly procedure.

We'll continue to focus heavily on the pledge program and have created a pledge booth at the convention manned full-time by an LNC employee.

Prospecting

While I had hoped to continue small batch prospecting by June, time has not cooperated. We do plan to begin this next month using lists from outside libertarian circles but falling within the demographics and topics of our recent market survey.

Finance

A/P is down to approximately \$100k. We continue to reduce our accounts payable but not at a rate at which I am satisfied.

After convention we will have more time to spend on Internet fundraising as well as direct solicitation. Additionally, the reformat of LP News should increase monthly revenue; however that is yet to be proven.

Additionally, "zero dues" prospects will be more aggressively pursued for either conversion to volunteers or donors.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

All combined, I'll repeat my close to this section from the March LNC meeting: "Our future outlook is very positive as long as we continue to keep spending down and move forward with improving our pledge and direct mail programs."

Zero Dues Transition

The transition to zero dues is now fully complete but the benefits are just beginning. During the last LNC meeting, our vice chair asked me a direct question regarding zero dues and whether or not it was a success. At the time, I respectfully gave him a non-answer saying it's too early to tell.

I can now say that I do think that zero dues will result in a positive outcome for our Party.

Since the January 1, 2006 (the start of zero dues), we have gained 2,304 new members, albeit they are not yet converted to donors or volunteers.

From January 1 to May 19th, we gained an average of 10.4 new members each day. However, after the conversion to a redesigned website that funnels visitors to specific actions (the first being membership) on May 20th, we have gained an average of 24 new members per day.

Many of these new members are students (I don't have an exact percentage as it is based off of employer/occupation fields that I scan each day). While many are not donors now, they can volunteer now and possibly one day years from now, convert to donors as their financial situations improve.

Additionally, each person who signs the certification is considered a strong prospect. At the current rate of 24 new members a day we'll gain 8,760 new members a year and that many very strong prospects. However, I feel that this number can be greatly increased using the Internet, and reasonably priced television, radio and print campaigns. At this time, our best and least expensive means of increasing our ranks is through the Internet. I am extremely confident that we can double our members per day once again within just a few months.

Convention Planning Preparation

Every weekday I speak with our convention planner, Terry Quick, typically several times a day.

I did not ask him to submit a report for this LNC meeting as I did not want to distract from his duties during this important time period. However, Terry will be present at the LNC meeting to present his work and answer any questions.

I would like to be clear and say that I believe that Terry is doing a great job.

Future Recommendations & Miscellaneous Items

We have done a great deal of work since the last LNC meeting and I cannot reasonably cover all of it with enough detail while keeping this report shorter than novel length.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

Some of our work has been obvious such as the website redesign and logo/branding work.

Much of our work has taken place behind the scenes and will be officially announced at the convention. The bulk of this work has been the Ballot Base which will be briefly demonstrated during our LNC meeting and then fully presented to any interested parties in a separate break out session.

Additionally, Jeremy Keil and Mick McWilliams will be presenting the marketing survey results during a session on Friday. While that session conflicts with our LNC meeting, I ask that you consult with Jeremy for the results. I also ask that you take a moment to track down Mick McWilliams over the weekend and thank him for his many hours of volunteered analytic work on this study. I'm sure each of you will be impressed with the level of detail that Mick embedded within the report along with the unbiased results that are based upon empirical data.

Please let me know if you have any questions regarding this LPHQ report. The reports of the rest of the LNC staff follows.

Director of Operation's Report

by Robert Kraus

Blackbaud – Data Dumps – Internal Customer Service

No new issues to report with RE-7 from Blackbaud. We plan to do a complete NCOA Update (address, death, phone number, congressional dist, etc.) in early July after the convention.

All states are currently using the new format data dumps without issue. We appear to have created an effective dump for the states that includes everything they have wanted such as congressional districts and flags for the signed oath. We continue to receive many positive comments about the new format such as this one posted recently on a blog:

"Georgia has absolutely no problems with the database national sends, we're able to merge it with our state database using Alpha 5 just fine... I don't see why anyone else should have problems with it either, Robert is always more than willing to assist." – Trevor Southerland, ED-LPGA

FEC Filing

We continue to use Paula Edwards to complete the FEC Filing Process on a monthly basis and handle our amendments. Several months ago we added a reconciliation and audit step to this process, prior to filing, to insure that the disbursements and contributions match to our accounting records. The Treasurer and ED also reviews the reconciliation/audit and the Treasurer then approves the draft FEC report prior to Paula filing it.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

Paula has also finished her archival of our old FEC Files and created a clean new file for 2006. She has updated our computers in the office with the new files. We will be training with Paula on the August and September Reports so that we can take over much of the general FEC Filing from our office starting with the post election period.

Financial

As promised in the last meeting, we have used Annual Report proceeds to help pay down the A/P and return to a more stable financial position. We have worked hard to control and maintain our expenses and continue to be very conservative with our cash disbursements. As expected, this has resulted in a 35% reduction of A/P from a high of over \$159,000 last February to just above \$104,000 for EOM May-06. We feel confident that based on our planned mailings and proceeds from generous donors and board members at the convention, we will continue this trend.

Per the last meeting, the Treasurer has hired Koch and Hoos (our FEC Consultant from last year) to provide guidance as to how to set up our internal business rules and policies so that staff knows what is needed to remain FEC Compliant. In addition, we are receiving help and advise on setting up our chart of accounts (for QuickBooks) and funds (for RE) to properly relate to the new Zero Dues structure of the LP. This will allow us to create the operating and accounting procedures needed to support those business rules and report our financials to the board.

Overall, we feel we have made positive improvements and are continuing to focus on solving problems, reducing costs, while creating a more professional working environment. In addition, with the promotion of Shane to ED, we have also enjoyed more open communications with the board and thank them for their continued guidance and direction.

Director of Communication's Report

by Stephen Gordon

As this report is being written on my fifth working day on the job, the amount of detail I'll be able to provide for the period of time before my arrival is limited.

Since my arrival, I've attended one social function conducted by Reason Magazine where I was able to network with members of the media and key players in the libertarian movement.

At this time, Internet traffic is stable and consistent with the previous reporting period.

I've personally been interviewed or covered by one radio program, one newspaper, and several websites. I've served as the conduit of information for two interviews, one where they were trying to contact a particular candidate and the other where they were trying to contact a particular party.

We've issued one general press release in the last few days, and anticipate another press release late today or early tomorrow.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

A documentary film on the history of the Libertarian Party is near completion at this time. I've taken over as the project manager for that endeavor.

We are currently in the process of general design layout for the new format of LP News. The new format of the publication will contain the updated logo for the Libertarian Party.

John LaBeaume, the National Campaign Coordinator, and I are coordinating activities to better publicize notable campaign activities around the country, as allowed by BCRA and FEC policy.

We are in the process of developing a blog strategy which is intended to increase site traffic. It will be difficult to implement this new strategy until after the convention. In general, we intend to triple the amount of postings, contain more candidate information, have more weekend postings, and deal with some more libertarian issues from a cultural angle.

Most of my time since assuming the position of Communications Director has been spent dealing with the immediately upcoming convention. At this time, we've ordered the folders and developed most of the material for media kits, sent out a special media release with a media credentials application form attached and are starting to track the media applications which have been returned to the office. We are now beginning to make final preparations for logistical issues such as computer hardware, bandwidth for LP staff and media, audio and video feeds for the media and related issues.

Immediately following the convention, I intend to bring several interns on board. Some of the major special projects for these interns will include the development of a master press release distribution database and well as cataloguing and creating a library system for the audio and video tapes stored around the office. As I'll be dealing with journalism and media interns, as opposed to political ones, the media output from this office should be increasing significantly over the next couple of months.

Development Coordinator's Report

by Chris Thorman

Much of my time since the Charlotte meeting has dealt with planning for the convention. I am responsible for overseeing the entire registration process on-site in Portland and I am confident the process will go smoothly and quickly.

With the help of Marc Scribner, one of our development associates, we developed a Microsoft Access database that has information on each of the attendees who has pre-registered for the convention. We included the type of package they bought, how much they paid, the date they registered, their membership category and many other pieces of information.

We will also have remote access to our computers and the database in Washington, DC, so we can "officially" resolve any complaints that may come to that level.

The registration staff will consist of me and three other LPHQ staff members. We have procedures in place to quickly move attendees through the line and to properly record

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

payment information and any other info that we may need. My goal for the registration process is to make the process go as quickly as possible, while solving complaints in a timely manner. I figure that if the registration process is a mess, then the whole convention will be tainted.

Since Charlotte, we have started a program to thank donors for their gifts. Once a week, we mail out letters (hand-signed by Shane) thanking donors for their contributions. No donor gets the same letter twice and we plan on changing the thank you letter in July to keep it current. In the case of larger donations, we send a letter and I make a thank you call to the donor. These are not scheduled calls and occur on a case by case basis.

The pledge program has seen a recent jump in new pledgers due to the iPod raffle at the convention, where we will give two new or recently-increased pledgers a chance to win a special edition LP iPod. Before that though, the pledge program hovered around its usual monthly amount, going down a bit some months and going up a bit other months. We have finally started to promote the pledge program in a big way and it already appears that it will increase our monthly pledge revenue.

Policy Analyst' Report

by Matthew Dailey

Since the March LNC meeting, my duties and responsibilities have continued to evolve. I continue to write an average of 1 to 2 blog entries per day for the national website. In the last few months I have began to cover Libertarian candidates when creating content for the LP website. I write occasional press releases when an important news event occurs.

Within the last month I have been making regular updates to the national convention website. I formatted and posted the entire convention delegation list by state on the convention site.

I created a page on the national website that contains an archive of LNC meeting minutes and conference calls going back to April 2004, plus the 2002 national convention. The meeting and conference call minutes themselves are in pdf format and can be easily downloaded from the links provided on the page.

In the past few months, I have updated various sections of the national website that have fallen out-of-date. This has especially become a priority with the redesign of the LP website. I updated the LP in the News page, adding more recent statements various media outlets have made about the party. I also updated the LP History page, adding the years 2004 and 2005.

I have been posting LP News issues in their entirety, except for a few minor features, on the LP website. The posting of LP News on the LP website had been neglected before I took over the responsibility. I usually post the current issue of LP News within a month after it is published. I do not post the issue right away so to give members an incentive to buy a subscription.

Appendix B. Headquarter's Report, Portland, OR, June 30, 2006

I created a Hot Issues page on the LP site that features a selection of current issues that are prevalent in the news and our corresponding position. For example, on the Hot Issues page I currently cover high gas prices, the Iraq War, immigration, and corruption on Capitol Hill. The page will be updated as new issues come to the forefront and others become less important.

My other regular duties include approving registrations for the Platform Committee discussion website, the management of the LP email lists, and writing the daily poll question.

Libertarian Leadership School

I have taken over the administrative duties for the Libertarian Leadership School (LLS). In addition, I teach the Candidate Training and Blogging courses. Problems have arisen with the online campaign school. Enrollment has declined since the opening of LLS. I'm exploring ways to publicize the school and bring in more students. I am organizing two informational sessions and will have a signup table during the national convention. I'm also looking into advertising on college campuses.

I think a good way to boost enrollment is to create additional courses. I'm looking into finding instructors who would be available to teach these courses. I would like to add courses on ballot access, state affiliate development, and get-out-the-vote strategies.

Another problem that I have noticed since taking over the administrative duties for LLS is an estimated fourth of the students enrolled do very little work. There are some possible explanations for this: the semesters are too long, the students underestimate the amount of work in the course, or students suddenly have new time commitments. I'm going to look into experimenting with the length of the semesters, such as reducing the length of some courses to four weeks instead of six weeks.

The LLS is still a work in progress, but I think with some improvements it can be a great success for the party. It is imperative that we have a successful campaign school with this year's midterm elections coming in November.

CAMPUS ORGANIZING REPORT

Submitted to: Libertarian National Committee, June 16, 2006

Submitted by: James W. Lark, III
Representative, Region 5E
Libertarian National Committee

The following report will provide information concerning efforts to build and support Libertarian campus organizations. I shall provide an updated report at the next LNC meeting should additional information become available.

- 1) I have basically completed the revision of the campus organizing manual, which I am in the process of tweaking. This project took longer than I had hoped to complete. However, I believe the manual is reasonably good, and that it will be helpful to campus group organizers and supporters.
- 2) I am in the process of building a new website for campus outreach. If all goes well, the website will be available for use by mid July. The cost of this and related activities will be underwritten by a \$5,000.00 donation that I recently made to the Campus Organizing project fund.
- 3) I am in the process of updating the LP's campus contact list. To this end I sent e-mails to all of the contacts listed on the LP campus group list; I have received a goodly number of responses.
- 4) My article about the efforts to upgrade the LP campus outreach program appeared in the June 2006 issue of *LP News*. I am pleased to note that the article generated inquiries from Libertarian college students about starting groups at their schools.
- 5) I am continuing to investigate opportunities for LP representatives to appear at conferences, workshops, and other events that involve young people (especially political activists).
- 6) Next week I shall complete my third semester of service as the professor of the Libertarian Leadership School course on campus organizing. So far the feedback I have received about the course from the students has been very positive.
- 7) I am continuing to work with various state and local organizations to assist their efforts for campus outreach. For example, I participated in a strategic plan evaluation session at the LP Florida convention on March 24. During the session I discussed various aspects of campus organizing as part of the LPF's strategic planning process. I also meet with Jason Cronk, chair of the Hillsborough County LP, who is working to build campus groups at various colleges and universities within the greater Tampa area. The Hillsborough County group is currently working to arrange a visit by me to the Tampa area during the fall to assist in building a Libertarian organization at the University of South Florida. (On a purely personal note, I was honored to receive the inaugural "Harry Browne 'Spirit of Liberty'" award,

Appendix C. Jim Lark, Campus Organizing Report, Charlotte, NC, March 11, 2006

presented at the LP Florida convention. In part the award was presented to me because of my campus organizing efforts nationwide.)

- 8) I shall conduct a campus organizing workshop at the 2006 national convention. The workshop is scheduled to take place from 5:00 p.m. – 6:00 p.m. on Friday, June 30.

Treasurer's Report

Treasurer's Report

June 30, 2006 Pre Convention Meeting - Portland, OR

Page 1

General Comments:

The May financial statements are included in the folder and were e-mailed earlier to the LNC Discuss list. No preliminary June information will be available at the meeting.

Membership:

In the past, the primary LNC budget metric was membership. We will need to reexamine this in the next budget cycle and agree on another metric upon which to build budget estimates. The total donors, or some combination of various donor levels and types is the logical starting point. On a similar note, Shane is going to ask for a policy manual change concerning the required membership report.

Reserve Requirement:

The reserve requirement (Article 5, Section 5, Paragraph B) requires an average of 2.5% of Budgeted Revenue, with 2% of Budgeted Revenue in December. We have been seriously out of compliance with the current reserve requirement across this complete LNC term. As I have previously stated, the policy is reasonably functional for our business model. If we can develop a larger portion of our revenue from the Pledge program, enough to cover the majority of our core monthly expenses (occupancy, operations, payroll), a lower reserve requirement may be reasonable. Again, as previously stated, without a cash reserve the LNC needs to be very rigorous in managing cash and payables. The LNC's ability to come into compliance with this Policy post convention should be given considerable attention.

FEC

- as of June 22, 2006, there are no open requests for additional information.
- Tim Koch, of Koch and Hoos, LLC completed an FEC Policy and Procedures Manual. I met with Tim and staff to review the manual on June 21, 2006. Although this was driven by FEC filing concerns, this is a comprehensive internal financial procedures manual. It is my understanding that this manual is to be implemented immediately.
- the FEC reports reflect a cash balance that varies by less than \$1,000 of our current situation. It is my understanding that this is a longstanding variance. The FEC consultants have provided a plan to be correct this variance effective with the July 20, 2006 (June, 2006) FEC Report.

Accounts Payable/Receivable:

The AP has consistently trended down since January 2006. The largest, oldest payables, is Paula Edwards. She delayed billing us until January, 2006. It is my understanding that we have not received a bill to date for her work in 2006, and are making payments on the 2005 billing. Although I empathize with the staff's difficult decisions on cash management, the

Appendix D Treasurer's Report, Portland, OR, June 30, 2006

delay in payments to Warner, Norcross & Judd is an irritant. Their services are provided at a significant discount, and are highly valuable.

The AR still indicates there are several long overdue advertisers. This has been a longstanding problem, despite policies being put into place to avoid this problem.

BUDGET TO ACTUAL:

The YTD fundraising revenue as of May 31, 2006 was +\$10,000 (2.3%) above budget. This includes the \$9,405 raised for Penn and Teller (Media). In the Contributions category, the significant shortfall in Direct Solicitation line and modest shortfall in the Pledge line were more than offset by the performance of general fund raising (Donations line).

LP News revenue is modestly behind budget. However, it needs to be noted that a substantial portion of this revenue is an internal accounting transfer. This reportedly accounts for almost 50% of the total revenue. This revenue shortfall is compounded by the serious problems with collections for LP News advertising. LP News expenses are below the budgeted expectations.

The only notable Project revenue is the LLS, which has been operated profitably.

Management expenses are \$4,446.97 below budget (1.5%). However, we haven't received a billing from Paula Edwards for 2006 services (Professional Services), which are estimated to be \$7,500 through May.

We have not significantly used the budgeted lines for Donor Acquisition (\$9,679.78 of \$12,500 unused) with no reported revenue.

The \$9,300 expense for Penn and Teller (DS Media) was unbudgeted. As a result, the contributions expenses have exceeded budget by \$7,138.

Notably, none of the budgeted funds (\$4,166 YTD) for Direct Solicitations have been spent (and no Direct Solicitation Revenue has been raised), donations expenditures are \$4,351.49 ($\pm 10\%$) over budget, and pledge expenses are \$2,347.13 (23.5%) under budget.

I believe staff needs encouraged to focus, at least to the extent of the budgeted resources on the Pledge Program. As illustrated by the YTD data below, the Pledge Program provides a considerable higher revenue per expense than Donations.

	Revenue	Expense	Net	\$R/\$E
Pledge	\$136,707	\$7,653	\$129,054	\$17.86
Donations	\$310,295	\$46,351	\$263,943	\$6.69

Convention:

We are going to have a deficit on the convention. The question is how much.

In reviewing prior Treasurer reports, there were several (strongly worded) warnings about the potential for losses on the convention. The problems began with the “political” choice of the convention citing, without adequately researching the attendance potential and related factors, and continued through the LNC not reviewing and approving a budget for the convention.

Offsetting this, ENTCO has clearly proven the benefit of using outside professionals for both the planning and implementation of a convention. I strongly encourage the LNC to use ENTCO, or a similar firm, in the site selection, planning and management of the 2008 convention.

General Conclusions:

The below comments are from the August, 2005 Treasurer's report. At the meeting, I will review what has happened relative to each of these items.

“The review of revenue and the associated expenses suggests that our fund raising activities have been overly focused on direct mail fund raising at the expense of other higher value/lower cost fund raising activities, such as maintaining/building the pledge program revenue and developing direct solicitations revenue.”

“Based on the current circumstances, I have developed several suggestions which are on the following page. I encourage the LNC to keep these suggestions at hand throughout the meeting.

General:

rigorously monitor, and reduce, the payables and receivables over the next six months. increase cash on hand in excess of Accounts Payable to a minimum of one payroll cycle in November, 2005, one months UMP payments on or before January 1, 2006, and to one months UMP payments plus one months payroll on or before July 1, 2006.

2006 Convention:

take all necessary steps to establish strong controls as soon as possible, and to maximize the 2006 Convention revenue and reduce expenses.

ensure convention revenue is strictly segregated from core revenue and that convention revenue is not used for core expenses.

Fundraising:

ensure that a regular schedule of fund raising letters is maintained. The lack of regular fund raising letters was the major cause of the LNC's financial problems in fall 2002.

focusing direct mail fund raising on the segment of our list that has shown a historical expectation that it is likely to respond, plus untested donors, to increase the revenue per letter mailed.

implementing a system of versioning and targeting direct mail fund raising to increase the revenue per letter mailed.

use the expense savings from the lower level of house mailings to increase new donor

Appendix D Treasurer's Report, Portland, OR, June 30, 2006

prospecting.

plan for an earlier drop and lower expenses for the annual report in 2006. the board become active in developing the pledge program by systematically contacting dropped pledgers to determine potential reasons for the drop in pledge revenue.

staff implements a plan to aggressively prospect past pledgers, and current donors who have given to more than one letter, or have given over a certain threshold, for the pledge program.

develop an external incentive for joining the pledge program, such as free travel and hotel for the 2006 convention, or invites to other events or other premiums.

maintain a high level of professional contact with the direct solicitation donors, and continue to develop this program.

consider ceasing the activities of the newly created congressional committee to limit competition to our core fund raising.

Dues:

discontinue all plans for changes to the dues structure, including the already approved \$50 dues increase and the proposed \$0 dues program, to limit our risks.

Article IX

Section 1: REQUIREMENTS FOR ESTABLISHMENT OF A PROJECT

1. DEFINITION

A **Project** is anything that is not a core activity or which is not required to perform core activities. It can be:

- a perpetual project, such as candidate support;
- a long term project, without a clear end date, such as branding;
- a short term project with a distinct completion date, such as implementation of an accounting system; or
- an intermittent project, one that returns periodically, such as purchasing lists of registered voters.

2. PROPOSAL

A detailed proposal specifying the purpose, means, personnel, and objectives proposed for the project or task force must be prepared in writing and approved by the LNC. (All existing projects are to provide a proposal by the LNC meeting following the approval of this section.)

3. PROJECT MANAGER

A Project Manager shall be approved by the LNC. The Project Manager will be responsible for the development and execution of the project as outlined in the proposal. The Project Manager's responsibilities fall under the oversight of LNC Staff. Vendor contracts, project communications to donors or service providers, and the fundraising content and timing are to be coordinated with the Executive Director. Use of the dedicated fund raising list, access to new LNC donor information, or access to available funds shall not be unreasonably withheld.

4. STAFF FUNCTIONS

LNC staff will:

- process and cage all fund raising receipts and maintain all project donor records in the donor database;
- pay all approved project expenses and maintain records of all project expenditures; creating contact (mail, e-mail, phone) lists at the request project manager;
- send bulk e-mails at the request of the project manager;
- provide bids for all printing and mailing expenses;
- provide an approved list of vendors for project expenses, where applicable;
- establish separate bank accounts, at the discretion of the executive director.

Staff shall not be responsible for oversight or direction of any project activity. All projects activities are to be directed by the Project Manager, or by a delegated party.

5. BUDGET

A budget for a new project must be included as part of the proposal to be approved by the LNC. Budgets for ongoing projects will be included in the annual budget process. The approval of ongoing project budgets requires the approval of the LNC, including projects being operated as "accordion" budget lines.

6. FUNDING

Appendix E, Projects; Mark Nelson, Portland, OR, June 30, 2006

All project funds are restricted. Projects are to develop a dedicated funding stream, raising funds in a manner that does not substantially erode core fund raising. Developing targeted mailings for historical project donors and new LNC donors, dedicated single purpose e-mail lists, targeted telephone fundraising, and dedicated pledges are encouraged. Use of the complete donor list for direct response mail, bulk e-mailing or telephone fundraising is not allowed without the approval of the LNC.

7. PROJECT ACCOUNTING

The LNC will separately account for the revenues and expenses associated with all projects. The cash balance for all project funds will be reported as a separate line on the Balance Sheet.

8. PROJECT EXPENSES

Restricted Project Funds are to pay:

- A. All of the direct expenses of fund raising, including:
 - dedicated staff time for writing and/or proofreading;
 - all of the hard costs associated with fundraising (LP News ads, printing and postage).
- B. A 10% surcharge on the gross revenue to cover common costs. This 10% surcharge includes:
 - caging and accounting for funds received and expenses paid;
 - management oversight of caging, expenses and program implementation; and
 - an allocated portion of occupancy and operations cost.
- C. All of the direct expenses necessary to implement the project.

Moving America Forward: A Libertarian Program for America

Quality, Affordable Health Care

Protect People from Increases in Health Insurance Premiums Due to Changes in Their Health.

Allow a civil tort for misleading or failing to adequately inform health insurance subscribers about degree of protection health policies afford against premium increases due to health changes.

Increasing supply and availability of Health Care

Review regulations regarding which services can be provided by which type of medical professional – physicians, physicians' assistants, nurse practitioners, mid-wives, and alternative practitioners – so as to attain the optimal balance of availability and quality, while protecting the public.

Limit Cost Pressure on Health Care

When people pay directly for their health care, they shop prudently. When third parties such as lavish tax-exempt employer-provided insurance pay, consumers overuse service and bid prices up. People who have individual health insurance policies must pay for them with taxable dollars. Therefore, the Libertarian Party favors the elimination of the pre-tax status of employer provided health care and elimination of deductions for Medical Savings Accounts, and a corresponding reduction in the income tax for everyone.

Increasing Access to Life-Saving Medications and Prescription Pharmaceuticals

Amend existing laws to permit new drugs to be marketed after they are proven safe, rather than also requiring that they be proven effective. Review and amend regulations to determine which prescription drugs can safely be made available without a prescription "under-the-counter" with a pharmacist's warnings, or be available over-the-counter without a prescription.

Stimulating Growth and Creating Abundance

Reduce Our Tax Burden

Eliminate all tax credits, personal and standard deductions and IRAs, with corresponding reduction of income tax for everyone. Reduce income tax rate to 15% maximum

Stimulate Savings and Investment

Just to keep from losing value due to inflation, investments must earn interest and dividends, and accumulate appreciation. For this reason, taxes on interest, dividends and capital gains should be reduced or eliminated.

Review of All Business Regulations

Conduct a review, via legislative or congressional commissions, of all business, industrial, environmental, and safety regulations, and amend or repeal those that do not materially protect health, safety, and the environment so as to make them less burdensome, but at the same time allow them to be effective

Anti-trust regulations should be reviewed to determine if they actually improve the competitiveness of the market. Any anti-trust regulation that is not proven to increase competitiveness should be amended or repealed. Regulations and licensing laws that unreasonably impede entry into any market or industry should be amended or repealed.

Subsidies shield business from competition and cause misallocation and inefficiency. Reduce and eventually eliminate subsidies for business and agriculture. *All business and agricultural entities that receive subsidies should be publicly disclosed.*

Eliminate Federal Budget Deficit

Federal borrowing and debt is a burden upon the economy, and upon future generations and future prosperity. Libertarians advocate across-the-board budget cuts so as to balance the budget and pay off the federal debt.

Stabilize Money Supply for Long-Term Stable Growth

The availability of easy money and credit causes inflation, bubbles and recessions in the economy. A stable money supply is the key to long term stable growth. Libertarians would appoint a chairman and members of the Federal Reserve Board who would, in the long term, work to stabilize the money supply.

Making America Safe from Terrorism

Until there was a U.S. military presence in the Middle East, there were few Arab, Palestinian, or Islamic terrorist attacks upon Americans or American interests. Before the 1982 landing of U.S. troops in Lebanon, there were only two such incidents. There were no Arab/Islamic/Palestinian terrorist attacks upon the continental United States until after the 1991 Gulf War. This is very strong evidence that it was U.S. military presence in the region that inspired Arab/Islamic/Palestinian anti-American terrorism.

Reducing Large-Scale U.S. Military Presence

Libertarians advocate a phased military withdrawal from the Middle East, except from Afghanistan where our forces should continue to pursue al-Qaeda and Osama bin Laden.

Invest in Intelligence and Covert Action Capability, Rather Than Large Troop Presence

Covert and intelligence operations have a lower profile and lower visibility than large masses of troops. Libertarians would shift funds from large scale military operations to support human intelligence, signal and communications intelligence, covert operations, and psychological operations against the terrorists.

Winning Hearts and Minds

The conflict with Middle East terrorism is primarily a cultural rather than military conflict. In the long term, it is best fought by cultural means rather than military force.

System of Radio and Television Stations - “Radio and Television Free Middle East”

Shift funds away from military forces to a greatly expanded system of high power satellite or offshore TV and radio stations, and satellite internet, that can cover the Middle East providing high quality reception with standard TVs and radios, and satellite modems. The television and radio stations would provide the following: American cultural products – music, discussion, news, TV shows, and movies - translated into or created in native languages, outreach and public relations materials giving American viewpoints, and replies to terrorist inspired propaganda. Support whatever operations necessary to provide video

and radio receivers and antennae to potential listeners and viewers of "Radio and Television Free Middle East".

Negotiate Free Trade in Cultural Products

Negotiate the lifting of trade barriers to American cultural products like CDs, DVDs, music, movies, literature, newspapers, TV.

Negotiate World-Wide Internet Freedom

In a free interchange of ideas and culture, American ideas and culture will triumph because they are more attractive. The internet gives the world access to Western ideas and culture.

Dissolving Sources of Terrorist Funding

Terrorists derive profits by providing protection for and taxing the illegal drug trade. By regulating rather than prohibiting drug production in the drug producing nations, drug production will be brought under the protection of law. And it will no longer be a source of revenue for terrorists.

Diplomatic Engagement

Libertarians believe that the U.S. should remain diplomatically engaged, but avoid military engagement, unless absolutely necessary to protect against an imminent credible threat to the United States.

Energy Security

U.S. troops have been sent to the Middle East to secure U.S access to Middle East oil. Please see the **Libertarian Party Program** policy on **Energy Security** below.

Energy Security

If the free market is left free, when prices rise, capital will flow into the production of energy, and a plentiful supply of energy will result.

Libertarians want to unburden the production of all sources of energy and stimulate efforts at conservation. Review regulations regarding energy and anti-trust so as to eliminate impediments to production while still protecting the public safety and the environment. Open more areas to low impact, low pollution, and environmentally conscious resource extraction.

Urban Transit Can Save Energy

People do not use urban mass transit because it doesn't go where they want to go and/or it doesn't go when they want to go. On the municipal level, barriers to free entry into bus, taxicab, jitney, and shuttle service should be lowered. Eliminate exclusive franchise or legal monopoly in the provision of bus, taxi and jitney services so as to improve competition and service, and to lower prices.

Securing Our Homes, Businesses, and Property

In order to secure our homes, businesses and property, Libertarians favor state constitutional amendments, and/or a U.S. Constitutional amendment enacted through the Congress but NOT by a constitutional convention, to prohibit the use of eminent domain to take property for private use or development, regardless if any government benefits by higher tax revenues.

Affordable Housing

The price of housing has skyrocketed in many areas for two major reasons – the supply of housing has not kept pace with demand, and the supply of money and credit has greatly increased in the last ten years. To make housing more affordable, the Libertarian Party supports the following:

Increasing the Supply of Housing

The supply of housing has lagged demand due to overly restrictive zoning and cumbersome permitting processes at the local level. The Libertarian Party supports the following to increase the supply of housing.

Review zoning regulations at the local and state level so as to make them less restrictive and to allow more construction. Create mechanisms at the state and local level to appeal restrictive zoning decisions. Review permitting processes at the state and local level so as to streamline them, make them less cumbersome and less restrictive, and to allow more construction. Create mechanisms at the state and local level to more easily appeal negative building permit decisions. Do cost-benefit analyses on the nation's building codes and revise them so as to lower the cost of housing, enable the construction of more units, but at the same time ensure safe construction.

Management of the Nation's Money Supply So As To Stabilize Prices

The availability of easy money and credit drives up the price of all commodities and real estate. In addition, the easy availability of credit has allowed the price of real estate to increase more than the increase in the general price level.

Libertarians would appoint a chairman and members of the Federal Reserve Board who would work to stabilize commodity and real estate prices.

Quality Education

The combination of market competition and parental choice is the only way to encourage educators to provide the highest quality education for our children. Therefore, the Libertarian Party supports the following measures to improve education for America's children.

Public School Competition and Open Enrollment

When public schools have to compete for your education dollar, they will provide more caring, quality education for our children. Parents should have the choice of public schools, anywhere in the state, for their children. Government funding for a child's education should follow the child. Tax money should be distributed on a per-pupil basis. Schools should bill the student's district of residence for a per-pupil fee. Private schools should receive contracts to provide quality education. Education regulations should be reviewed and streamlined to allow more options and efficiencies. Parents who choose to homeschool their children should not be hindered.

Free Local Schools from Intrusive Federal Involvement

Federal money comes with strings attached. Federal regulations often interfere with the operation of local schools, cause bad policies to be institutionalized nationwide, and cause inefficiencies. The money sent to the federal government for education would be more effective if kept in the local district. Libertarians advocate a diminished role of the federal government and the phase out of the federal Department of Education.

Taking Care of Our Veterans

Promises were made to veterans as inducements to military service, or as rightful compensation for those drafted. We support making good on those post enlistment obligations until such time as better alternatives can be put in place. To improve the efficiency and quality of veterans' health care, the Libertarian Party supports the following:

Shift Funds to Privately Underwritten Health Insurance

Contract with a pool of private carriers to underwrite health care obligations to veterans. Or, offer veterans a choice of private health insurance carriers, with premium co-pays, deductibles, co-pays and co-payment maximums adjusted to ensure that those with service connected disabilities receive full benefits, that obligations to other veterans are fulfilled, and that overall costs are controlled.

Pay for the above by shifting funds away from foreign intervention and instead direct those funds to taking care of our veterans. Also, as VA hospital usage decreases, allow competition for veteran's usage to determine the highest quality veterans' hospitals to stay open - those that can treat the unique health concerns of veterans - and phase out the rest.