

The Libertarian National Committee.

Minutes.

Saturday and Sunday, December 14 and 15, 2013.

Regular Meeting, Dallas.

Draft 1. Updated December 20, 2013.

CALL TO ORDER.

The regular two-day meeting of the Libertarian National Committee was called to order on Saturday, December 14, 2013, at 8:40 a.m. Central Standard Time in Dallas, Texas, at the Hyatt Regency DFW Airport Hotel, 2334 North International Parkway.

The meeting had been rescheduled from the previous weekend due to an ice storm.

ATTENDANCE.

A quorum was present.

Chair, Mr. Geoffrey J. Neale, present;
Vice Chair, Mr. R. Lee Wrights, absent;
Secretary, Mr. David Blau, absent;
Treasurer, Mr. Timothy Hagan, present;
At Large Representative, Mr. Michael Cloud, present;
At Large Representative, Mr. Mark Hinkle, present;
At Large Representative, Mr. William Redpath, present;
At Large Representative, Starchild, present;
At Large Representative, Mr. Arvin Vohra, present;
Region 1 Representative, Mr. Norm Olsen, present;
Region 2 Representative, Ms. Vicki Kirkland, present;
Region 3 Representative, Mr. Sam Goldstein, present;
Region 4 West Representative, Mr. Daniel Wiener, present;
Region 4 East Representative, Mr. Brett Pojunis, present;
Region 5 North Representative, Mr. Rich Tomasso, present;
Region 5 South Representative, Dr. James W. Lark III, present;
Region 6 Representative, Mr. Dianna Visek, present;
Region 7 Representative, Mr. Gary Johnson, present;
Region 1 Alternate, Mr. Tony Ryan, absent;
Region 2 Alternate, Mr. Doug Craig, absent;
Region 3 Alternate, Mr. Steven R. Linnabary, present;
Region 4 West Alternate, Dr. Scott Lieberman, present;
Region 4 East Alternate, Ms. Audrey Capozzi, absent;
Region 5 North Alternate, vacant;
Region 5 South Alternate, Mr. Scott Spencer, absent;
Region 6 Alternate, Mr. Michael Knebel, absent;
Region 7 Alternate, Mr. Paulie Frankel, present.

Also present were Wes Benedict, executive director; Robert Kraus, operations director; and Aaron Starr, chair of the Audit Committee.

Later, during the meeting, Carla Howell, political director, and Gary Sinawski, legal counsel, would speak with the LNC by telephone.

SECRETARY PRO TEM.

The secretary, Mr. Blau, was absent. Dr. Lark, the assistant secretary, moved to appoint Mr. Johnson secretary pro tem for the session. Mr. Neale asked the committee members if they wanted Mr. Johnson or former secretary Alicia Mattson to serve. The motion to appoint Mr. Johnson passed.

PUBLIC COMMENTS.

Pat Dixon, the state chair of the Libertarian Party of Texas, reported that the Texas affiliate was running candidates in all statewide races in 2014.

Aaron Starr, the chair of the Audit Committee, welcomed the LNC.

CREDENTIALS.

The secretary, Mr. Blau, had prepared a written Secretary's Report, saying that since the last LNC meeting on July 14, 2013, in Las Vegas, Jillian Mack had resigned as Region 3 Representative on July 25, Sam Goldstein had moved from Region 3 Alternate to Region 3 Representative, and Steven R. Linnabary had been appointed Region 3 Alternate on August 9.

Mr. Johnson noted that the Region 2 Alternate was no longer Richard Schrade and was Doug Craig.

ADOPTION OF AGENDA.

Mr. Neale moved to adopt a proposed agenda he distributed in advance.

Call to Order (8:30 a.m.)

Opportunity for Public Comment (5 minutes).

Credentials Report (5 minutes).

Paperwork Check (10 minutes).

Adoption of Agenda (10 minutes).

Report of Potential Conflicts of Interest (5 minutes).

Chair's Report (15 minutes).

Treasurer's Report (15 minutes).

Secretary's Report (15 minutes).

Staff Reports (30 minutes).

Audit Committee Report (60 minutes).

2014 Goals (15 minutes).

Initial Budget Presentation (60 minutes).

Building Committee Report (15 minutes).

Counsel's Report (4:00 p.m., 15 minutes).

Final Budget Review and Approval (Sunday 8:30 a.m., 120 minutes).

Advertising and Publication Review Committee (5 minutes).

Affiliate Support Committee -- Wrights (5 minutes).
Convention Oversight Committee -- Goldstein (15 minutes).
Convention Management Committee -- N. Neale (15 minutes).
Executive Committee -- Neale (5 minutes).
Membership Level Committee -- Lark (5 minutes).
Report of Libertarian State Leadership Alliance (5 minutes).
Unfinished Business and Items Postponed from Previous Meeting.
Region 1 -- AK, AZ, CO, HI, ID, KS, MT, UT, WA, WY -- Olsen, Ryan (5 minutes).
Region 2 -- FL, GA, TN -- Kirkland, Craig (5 minutes).
Region 3 -- IN, KY, OH, MI -- Goldstein, Linnabary (5 minutes).
Region 4 -- AR, CA, NV, NM, NY -- Wiener, Pojunis, Lieberman, Capozzi (10 minutes).
Region 5n -- CT, MA, ME, NH, NJ, RI, VT -- Tomasso (5 minutes).
Region 5s -- DC, DE, MD, NC, PA, VA, WV -- Lark, Spencer (5 minutes).
Region 6 -- IL, IA, MN, MO, NE, ND, SD, WI -- Visek, Knebel (5 minutes).
Region 7 -- AL, LA, MS, OK, TX -- Johnson, Frankel (5 minutes).
New Business With Previous Notice.
New Business Without Previous Notice.
Announcements (5 minutes).
Opportunity for Public Comment (5 minutes).

Mr. Redpath moved to amend the proposed agenda to add "Ballot Access Action Report" for 20 minutes before "Counsel's Report." The motion to amend passed.

Mr. Redpath moved to amend the proposed agenda to add "Unpaid Pennsylvania Attorney" for 15 minutes before "Counsel's Report." The motion to amend passed.

Ms. Visek moved to amend the proposed agenda to combine "Convention Oversight Committee" and "Convention Management Committee," make the item 45 minutes, and move it to after "2014 Goals." The motion passed.

Ms. Visek moved to amend the proposed agenda to add "Staff Bonuses" for 20 minutes after "Final Budget Review and Approval." The motion passed.

Mr. Pojunis moved to amend the proposed agenda to add "Purposes of Committees" for 15 minutes before "2014 Goals." The motion passed.

Dr. Lark moved to amend the proposed agenda to add "Set Time of Next Meeting" for 5 minutes after "Counsel's Report." The motion passed.

The motion to adopt the agenda as amended passed.

AGENDA.

The following agenda was adopted.

Call to Order (8:30 a.m.)
Opportunity for Public Comment (5 minutes).
Credentials Report (5 minutes).
Paperwork Check (10 minutes).
Adoption of Agenda (10 minutes).
Report of Potential Conflicts of Interest (5 minutes).
Chair's Report (15 minutes).
Treasurer's Report (15 minutes).

Secretary's Report (15 minutes).
Staff Reports (30 minutes).
Audit Committee Report (60 minutes).
Purpose of Committees -- Pojunis (15 minutes).
2014 Goals (15 minutes).
Convention Oversight Committee and Convention Management Committee -- Goldstein, N. Neale (45 minutes).
Initial Budget Presentation (60 minutes).
Building Committee Report (15 minutes).
Ballot Access Action Report -- Redpath (20 minutes).
Unpaid Pennsylvania Attorney -- Redpath (15 minutes).
Counsel's Report (4:00 p.m., 15 minutes).
Set Time of Next Meeting (5 minutes).
Final Budget Review and Approval (Sunday 8:30 a.m., 120 minutes).
Staff Bonuses (20 minutes).
Advertising and Publication Review Committee (5 minutes).
Affiliate Support Committee -- Wrights (5 minutes).
Executive Committee -- Neale (5 minutes).
Membership Level Committee -- Lark (5 minutes).
Report of Libertarian State Leadership Alliance (5 minutes).
Unfinished Business and Items Postponed from Previous Meeting.
Region 1 -- AK, AZ, CO, HI, ID, KS, MT, UT, WA, WY -- Olsen, Ryan (5 minutes).
Region 2 -- FL, GA, TN -- Kirkland, Craig (5 minutes).
Region 3 -- IN, KY, OH, MI -- Goldstein, Linnabary (5 minutes).
Region 4 -- AR, CA, NV, NM, NY -- Wiener, Pojunis, Lieberman, Capozzi (10 minutes).
Region 5n -- CT, MA, ME, NH, NJ, RI, VT -- Tomasso (5 minutes).
Region 5s -- DC, DE, MD, NC, PA, VA, WV -- Lark, Spencer (5 minutes).
Region 6 -- IL, IA, MN, MO, NE, ND, SD, WI -- Visek, Knebel (5 minutes).
Region 7 -- AL, LA, MS, OK, TX -- Johnson, Frankel (5 minutes).
New Business With Previous Notice.
New Business Without Previous Notice.
Announcements (5 minutes).
Opportunity for Public Comment (5 minutes).

CONFLICTS OF INTEREST.

Mr. Redpath disclosed that he was Treasurer of Citizens in Charge and Treasurer of the Citizens in Charge Foundation.

Dr. Lark said he would provide a written disclosure.

Mr. Olsen disclosed that he was no longer Campaign Director for the Libertarian Party of Colorado. He disclosed that he had a financial interest in Big L Solutions Inc.

Starchild disclosed that he was no longer an At-Large Representative of the Libertarian Party of California. He said he would provide a written disclosure.

Mr. Cloud disclosed that he was working on Archimedes Online for online recruiting.

Mr. Pojunis disclosed that he was chair of the Libertarian Party of Nevada.

CHAIR'S REPORT.

Mr. Neale presented a written Chair's Report.

He advocated using a wiki to document staff procedures, support for state affiliates, and ballot access.

TREASURER'S REPORT.

Mr. Hagan presented the Treasurer's Report including the Statement of Operations and Balance Sheet through October 31.

He said the party was accepting Bitcoin contributions through Bitpay and he said he had "a good feeling" that the Federal Election Commission would allow it.

He reported that both revenues and expenses were under budget and the reserve was being maintained. He reported some figures for the end of November.

Starchild asked for a breakdown of LNC meeting expenses, including the cost of snacks. Mr. Neale directed Mr. Kraus to prepare a report by January 15.

SECRETARY'S REPORT.

No LNC or Executive Committee minutes had been approved since the last LNC meeting.

Mr. Blau had updated the Potential Conflicts of Interest of LNC Members since the last meeting.

Mr. Blau had prepared a written Secretary's Report on the results of eight e-mail ballots, all of them sponsored by the chair, since the last LNC meeting and updated the Policy Manual to reflect those votes.

E-Mail Ballot 2013-11: July 30 to August 20. Passed, with 13 in favor and 3 against. Blau, Goldstein, Hagan, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Cloud, Johnson, and Wrights against. (Alternate Lieberman voted in favor but was superseded.)

Insert in the Policy Manual,

"Section 3.03.3: SPECIFIC STAFF RESPONSIBILITIES: Accounting Policies and Procedures Manual

The Operations Director in consultation with the Treasurer and the Audit Committee shall review the Accounting Policies and Procedures Manual at least annually and update as needed."

E-Mail Ballot 2013-12: July 30 to August 20. Passed, with 12 in favor and 6 against. Blau, Goldstein, Hagan, Kirkland, Neale, Olsen, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Cloud, Hinkle, Johnson, Lark, Vohra, and Wrights. (Alternate Lieberman voted in favor but was superseded.)

Delete from the Policy Manual,

"Section 2.03.5: Financial Matters: Expense Reimbursements

The Chair or Treasurer shall be required to approve (and evidence by signing or initialing) all expenses and expense account reimbursements more than \$200 made to the Executive Director or other officers prior to payment. No officer shall approve his or her own expenses. To avoid possible hardship due to delays in such approvals, the Chair or the Treasurer may at his or her discretion authorize a

permanent expense advance of up to \$200 per individual, which shall be considered a draw against any reimbursable expenses incurred but not yet reimbursed. Any such advances so made shall be fully reflected on the Party financial statements and shall be repayable in full by the individual immediately upon termination of employment or ceasing to hold LNC office for any reason. Any exception to this policy must be approved in writing by the Chair.

Travel expenses incurred by officers for the explicit purpose of conducting Party business (excluding those incurred for the purpose of attending LNC meetings) may be reimbursed. Business travel expenses not pre-authorized by the LNC must be deemed necessary and approved in writing by the Chair to qualify for reimbursement. All travel expense reports are to be audited by the Treasurer, and approved by the Treasurer and the Chair."

Insert in the Policy Manual,

"Section 2.03.5: Financial Matters: Credit Cards and Expense Reimbursements

All expenditures shall be evidenced by receipts. The Chair or Treasurer shall be required to approve (and evidence by signing or initialing) all expenses and expense account reimbursements in excess of \$200 made to the Executive Director or LNC members prior to payment or within thirty days of payment if the expenditure is incurred with a Party issued credit card. No advance shall be made. No officer shall approve his or her own expenses.

Travel expenses incurred by officers for the explicit purpose of conducting Party business (excluding those incurred for the purpose of attending LNC meetings) may be reimbursed. Business travel expenses not pre-authorized by the LNC must be deemed necessary and approved in writing by the Chair to qualify for reimbursement. All travel expense reports are to be audited by the Treasurer, and approved by the Treasurer and the Chair."

E-Mail Ballot 2013-13: July 30 to August 20. Passed, with 11 in favor and 5 against. Blau, Goldstein, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Visek, and Wiener voted in favor. Cloud, Hinkle, Johnson, Vohra, and Wrights voted against. (Alternate Lieberman voted in favor but was superseded.)

Insert in the Policy Manual,

"Insert Section 2.03.6: FINANCIAL MATTERS: Fixed Assets

Staff shall maintain a listing of fixed assets and update it monthly to record any additions or disposals. Depreciation shall be recorded monthly on a straight-line basis over the estimated useful lives of the related assets."

E-Mail Ballot 2013-14: July 30 to August 20. Passed, with 11 in favor and 6 against. Blau, Goldstein, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Visek, and Wiener voted in favor. Cloud, Hagan, Hinkle, Johnson, Vohra, and Wrights voted against. (Alternate Lieberman voted in favor but was superseded.)

Insert in the Policy Manual,

"Section 2.03.7: FINANCIAL MATTERS: Time Sheets and Expense Allocation

Each employee shall submit a timesheet at least once per pay period to reflect the number of hours worked, allocating such time to corresponding categories specified in the annual budget. Time sheets shall be reviewed and approved prior to employee time being entered in the payroll system. Payroll costs for each employee shall be allocated to expense categories in proportion with approved time. Separate general ledger accounts shall be used for allocated payroll costs.

Where appropriate, an expense shall be allocated to one category. Expenses that benefit more than one category or that are general administrative in nature shall be allocated to a general

administrative account in the general ledger. Those expenses shall then be allocated on a monthly basis to expense categories in proportion to the allocation of payroll costs. Separate general ledger accounts shall be used for allocated general administrative costs.

Monthly financial statements shall separately report allocations of payroll and overhead to corresponding categories."

E-Mail Ballot 2013-15: July 30 to August 20. Passed, with 13 in favor and 5 against. Blau, Goldstein, Hagan, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Cloud, Hinkle, Johnson, Vohra, and Wrights voted against. (Alternate Lieberman voted in favor but was superseded.)

Insert in the Policy Manual,

"Section 2.03.8: FINANCIAL MATTERS: Inventories

Staff shall maintain an inventory listing of promotional and other inventoried items, costing units on a first-in, first-out basis. The list shall be updated periodically and an inventory count shall at a minimum be conducted annually at year-end. The results of each count shall be reconciled to the general ledger and accounting entries shall be made to ensure accurate presentation of ending inventory on the financial statements."

E-Mail Ballot 2013-16: July 30 to August 20. Passed, with 13 in favor and 5 against. Blau, Goldstein, Hagan, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Cloud, Hinkle, Johnson, Vohra, and Wrights voted against. (Alternate Lieberman voted in favor but was superseded.)

Delete from the Policy Manual,

"2.04.3: Legal Matters: Contracts and Contract Approval

All contracts or modifications thereto shall be in writing.

The Chair shall approve any contract in excess of \$7,500.

All contracts of more than one year in duration or for more than \$25,000 shall be reviewed and approved by General Counsel prior to signing by the Chair.

Independent contractors doing business with the LNC are required to sign formal contracts that clearly set forth the parties' intention that they be treated as independent contractors.

Each contract for director-level employment must be circulated to the LNC on a strictly confidential basis after it has been reviewed by Counsel and the EPCC."

Insert in the Policy Manual,

"2.04.3: Legal Matters: Contracts and Contract Approval

All contracts or modifications thereto shall be in writing and shall document the nature of the products or services to be provided and the terms and conditions with respect to the amount of compensation/reimbursement or other consideration to be paid.

The Chair shall approve any contract in excess of \$7,500.

All contracts of more than one year in duration or for more than \$25,000 shall be reviewed and approved by General Counsel prior to signing by the Chair.

No agreement involving a financial transaction with a related party shall be executed unless first approved by the LNC. Any such agreement shall be disclosed in a conflict of interest statement.

Independent contractors doing business with the LNC are required to sign formal contracts that clearly set forth the parties' intention that they be treated as independent contractors.

Each contract for director-level employment must be circulated to the LNC on a strictly confidential basis after it has been reviewed by Counsel and the EPCC."

E-Mail Ballot 2013-17: July 30 to August 20. Passed, with 12 in favor and 5 against. Blau, Goldstein, Hagan, Kirkland, Lark, Neale, Olsen, Pojunis, Redpath, Starchild, Visek, and Wiener voted in favor. Cloud, Hinkle, Johnson, Vohra, and Wrights voted against. Tomasso did not vote. (Alternate Lieberman voted in favor but was superseded.)

Insert in the Policy Manual,

"Section 2.03.9: FINANCIAL MATTERS: Related Party Reporting

For each related party engaging in one or more financial transactions with the Party, all interim financial statements shall include a report of the status, nature and current and year-to-date amounts with respect to such transactions, including contributions, expenses, loans, commitments, guarantees or any other transaction."

E-Mail Ballot 2013-18: September 6 to September 18. Passed, with 15 in favor, 1 against, and 1 abstaining. Cloud, Goldstein, Hagan, Hinkle, Johnson, Kirkland, Lark, Lieberman, Neale, Redpath, Tomasso, Visek, Vohra, Wiener, and Wrights voted in favor. Olsen voted against. Blau abstained. Starchild did not vote.

"To increase budget authority for legal expense in the 2013 LNC budget by \$3,500 to fund the costs of an appeal, to the Supreme Court of the United States, of the decision that kept the Libertarian Party presidential ticket from appearing on the ballot in Michigan in 2012."

STAFF REPORTS.

Mr. Benedict and Mr. Kraus presented written reports. Mr. Benedict discussed marketing, answered questions, and described the functions of each worker at the headquarters.

Mr. Neale moved to extend time 10 minutes. The motion passed.

Without objection, the meeting recessed from 10:35 a.m. to 10:55 a.m.

EXECUTIVE SESSION.

Mr. Neale proposed to go into executive session to discuss the Audit Committee Report. Ms. Visek suggested including the chair of the Audit Committee and this was approved without objection. Starchild asked for the secret meeting to be for narrow purposes. Ms. Visek asked for the executive session to comply with the special rule of order for executive sessions in the Policy Manual.

Mr. Neale moved to meet in executive session for pending legal matters, pending regulatory and compliance matters, contractual compliance, and evaluation of personnel matters that must remain confidential. The motion passed, with 15 in favor and 1 against. Neale, Hagan, Cloud, Hinkle, Redpath, Vohra, Olsen, Kirkland, Goldstein, Wiener, Pojunis, Tomasso, Lark, Visek, and Johnson voted in favor. Starchild voted against.

The executive session began at 11:05 a.m. The session broke for lunch from 12:20 p.m. to 12:40 p.m. and recessed from 1:45 p.m. to 1:55 p.m. and from 4:00 p.m. to 4:10 p.m.

Mr. Benedict attended the session from 4:10 p.m. to 4:50 p.m. Ms. Howell spoke to the session by telephone from 4:45 p.m. to 5:25 p.m. Mr. Kraus attended the session from 5:25 p.m. to 6:10 p.m.

The executive session ended at 6:10 p.m.

Mr. Redpath moved to change the agenda to delete "Initial Budget Presentation," change "Final Budget Review and Approval" to "Budget Review and Approval," and delete the specific starting time

of Sunday at 8:30 a.m. for "Budget Review and Approval." The motion passed.

MICHAEL CLOUD MOTION.

Mr. Cloud moved to adopt a resolution written by Ms. Visek.

Motion to Pay Mr. Cloud a Fair Amount for his Fundraising Services.

Whereas, Mr. Cloud first disclosed to the National Committee on July 15, 2012 his intention to become a vendor to the Party;

Whereas, in violation of LNC Policy no written agreement with Mr. Cloud was crafted, reviewed by General Counsel or signed by the Chairman detailing the terms and conditions of the vendor relationship between Mr. Cloud and the Party;

Whereas, LNC Policy is that no LNC Member, Party officer or employee "shall transact business with the Party unless the transaction is fair and equitable to the Party;"

Whereas, the Party desires to pay Mr. Cloud an amount that is fair and equitable to the Party;

Whereas, the Party, in keeping with Mr. Cloud's commitment on July 15, 2012 to provide services at "Walmart rates, rather than Neiman Marcus" rates, finds it reasonable to set a rate of pay at the lower end of the range for a freelance writer;

Whereas, Mr. Cloud's billings to the Party in the amount of \$38,800 for his services is not fair and equitable to the Party; now, therefore be it

Resolved, That the Libertarian National Committee finds that Mr. Cloud performed no more than 100 hours of work as a vendor at a fair rate of \$50 per hour (or \$5,000 total);

Resolved, That Mr. Cloud owes the Libertarian National Committee \$33,800, and

Resolved, That the Audit Committee is instructed to work with the Party's outside CPA firm to make appropriate adjustments to the 2012 financial statements to reflect this.

Dr. Lieberman moved to postpone the motion until Sunday after "Counsel's Report."

Mr. Pojunis moved to adjourn for the day and to start the Sunday meeting at 8:00 a.m. instead of 8:30 a.m. The motion to adjourn passed. The meeting ended at 6:25 p.m.

COUNSEL'S REPORT.

The meeting started on Sunday, December 15, at 8:05 a.m. Mr. Redpath moved to suspend the rules to take up the agenda item Counsel's Report. The motion passed.

Gary Sinawski, the legal counsel, spoke by telephone from 8:10 a.m. to 8:20 a.m. During this period, Starchild asked Mr. Sinawski about attorney client confidentiality. Mr. Sinawski replied that, while a topic may not be confidential, the particulars of the topic were confidential. Also, in answer to question from Mr. Tomasso, Mr. Sinawski said litigation in Connecticut will still planned.

MICHAEL CLOUD MOTION.

Mr. Wiener moved to call all previous questions. The motion passed. Dr. Lieberman withdrew his motion to postpone until after the Counsel's Report since it was moot.

The motion by Mr. Cloud to adopt the resolution "Motion to Pay Mr. Cloud a Fair Amount for his Fundraising Services" failed, with 4 in favor and 11 against. Goldstein, Lieberman, Starchild, and Visek voted in favor. Cloud, Hagan, Hinkle, Kirkland, Johnson, Lark, Olsen, Redpath, Tomasso, Vohra, and Wiener voted against.

CARLA HOWELL MOTIONS.

Ms. Visek moved to adopt a resolution.

Motion Addressing Ms. Howell's Moving & Commuting Expenses -- Rental Deposits and Friend's Airfare.

Whereas, payments for rent security deposits for Ms. Howell in the amount of \$3,550 and airfare for her friend Leslie Fish in the amount of \$173.40 were made, but not authorized by Ms. Howell's employment agreement (as detailed in an exhibit in the Audit Committee's Second Interim Report);

Whereas, LNC Policy requires that the Chair or Treasurer approve (and evidence by signing or initialing) all expenses and expense account reimbursements more than \$200 made to the Executive Director or other officers prior to payment, and such approval was not obtained; and

Whereas, Ms. Howell has only repaid \$1,800 of this amount to the Libertarian National Committee; now, therefore be it

Ordered, That Ms. Howell is obligated to promptly repay the balance of \$1,923.40 to the Libertarian National Committee; and

Ordered, that Robert Kraus and the Audit Committee be notified of this decision so that appropriate adjustments be made to the 2012 financial statements.

Mr. Vohra noted that Ms. Howell had agreed to make repayments.

The motion passed, with 13 in favor and 2 against. Cloud, Goldstein, Hagan, Johnson, Kirkland, Lark, Lieberman, Olsen, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Hinkle and Vohra voted against.

Ms. Visek moved to adopt a resolution.

Motion Addressing Ms. Howell's Moving & Commuting Expenses -- Expenses without Receipts.

Whereas, the Party reimbursed Ms. Howell \$1,118.00 for expenses and Ms. Howell directed the Party to pay \$1,422.84 directly to vendors for expenses, all of a nature allowed by her employment agreement, but without receipts (as detailed in an exhibit in the Audit Committee's Second Interim Report);

Whereas, the Party also paid \$565.40 for airfare that Ms. Howell states is not related to her employment agreement, but that she may be able to substantiate as being employment related by presenting receipts, along with other supporting documentation; and

Whereas, LNC Policy requires that the Chair or Treasurer approve (and evidence by signing or initialing) all expenses and expense account reimbursements more than \$200 made to the Executive Director or other officers prior to payment, and such approval was not obtained; now, therefore be it

Ordered, that Ms. Howell promptly repay \$3,106.24 to the Libertarian National Committee, but allow her to reduce that amount by providing receipts and other documentation to the Audit Committee by December 31, 2013 to substantiate those expenses as employment related, provided the Chair or Treasurer also approve (and evidence by signing or initialing) such expenses; and

Ordered, that Robert Kraus and the Audit Committee be notified of this decision so that appropriate adjustments be made to the 2012 financial statements.

Mr. Cloud moved to delete the references to \$565.40 for airfare but withdrew the motion.

Mr. Tomasso moved to amend the resolution to add "the commuting and moving expenses of" to the second Whereas clause between "not related to" and "her employment agreement." The motion to

amend passed. Thus, the amended resolution became:

Motion Addressing Ms. Howell's Moving & Commuting Expenses -- Expenses without Receipts.

Whereas, the Party reimbursed Ms. Howell \$1,118.00 for expenses and Ms. Howell directed the Party to pay \$1,422.84 directly to vendors for expenses, all of a nature allowed by her employment agreement, but without receipts (as detailed in an exhibit in the Audit Committee's Second Interim Report);

Whereas, the Party also paid \$565.40 for airfare that Ms. Howell states is not related to the commuting and moving expenses of her employment agreement, but that she may be able to substantiate as being employment related by presenting receipts, along with other supporting documentation; and

Whereas, LNC Policy requires that the Chair or Treasurer approve (and evidence by signing or initialing) all expenses and expense account reimbursements more than \$200 made to the Executive Director or other officers prior to payment, and such approval was not obtained; now, therefore be it

Ordered, that Ms. Howell promptly repay \$3,106.24 to the Libertarian National Committee, but allow her to reduce that amount by providing receipts and other documentation to the Audit Committee by December 31, 2013 to substantiate those expenses as employment related, provided the Chair or Treasurer also approve (and evidence by signing or initialing) such expenses; and

Ordered, that Robert Kraus and the Audit Committee be notified of this decision so that appropriate adjustments be made to the 2012 financial statements.

The amended motion passed, with 14 in favor and 1 against. Cloud, Goldstein, Hagan, Hinkle, Johnson, Kirkland, Lark, Lieberman, Olsen, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Vohra voted against.

SHIPPING MOTION.

Mr. Hinke moved to suspend the rules to take up the agenda item Budget Review and Approval. The motion failed, with 5 in favor and 10 against. Cloud, Hinkle, Kirkland, Olsen, and Vohra voted in favor. Goldstein, Hagan, Johnson, Lark, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted against.

Ms. Visek moved to adopt a resolution.

Motion Regarding Shipping Expenses.

Whereas, the Audit Committee found general ledger records stating that UPS and Fedex Kinko's transactions in the amount of \$956.30 were incurred for Ms. Howell's move in March and April of 2013 (more than one year after she moved); and

Whereas, Mr. Kraus did not provide the Audit Committee copies of those records supporting those transactions; now, therefore be it

Ordered, Mr. Kraus shall provide to the Audit Committee receipts or statements from UPS and FedEx Kinko's supporting the \$956.30 in incurred expenses; and

Ordered, if complete records do not exist at headquarters, Mr. Kraus shall within the next seven days contact the vendors to obtain copies of those records.

The motion passed, with 11 in favor and 4 against. Goldstein, Hagan, Johnson, Kirkland, Lark, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Cloud, Hinkle, Olsen, and Vohra voted against.

F.E.C. MOTION.

Mr. Pojunis moved to extend time for the Audit Committee Report 5 minutes. The motion to extend passed.

Ms. Visek moved to adopt a resolution.

Motion Regarding FEC Matters.

Whereas, the Audit Committee identified a number of FEC-related issues, as addressed in the confidential section of the Audit Committee's Second Interim Report and reviewed by FEC Consultant Paula Edwards; now, therefore be it

Ordered, Treasurer Tim Hagan shall review the relevant transactions reported on previous reports, as recommended by FEC Consultant Paula Edwards, to determine the scope of the problems and follow her recommendations, including the filing of amended reports, if required, by no later than February 28, 2014.

The motion passed, with 12 in favor, 1 against, and 2 abstaining. Cloud, Goldstein, Hagan, Johnson, Kirkland, Lark, Pojunis, Redpath, Starchild, Tomasso, Visek, and Wiener voted in favor. Hinkle voted against. Olsen and Vohra abstained.

ERIC DIXON MOTION.

Ms. Visek moved to adopt a resolution.

Motion Regarding Eric Dixon's Moving Expenses.

Whereas, employee Eric Dixon was given \$2,000 to cover expenses for relocating to the D.C. area; now, therefore be it

Ordered, That Mr. Kraus is to obtain documentation from Mr. Dixon supporting that he incurred at least \$2,000 in moving expense; and

Ordered, That to the extent receipts cannot be produced, the balance is to be treated as taxable compensation on Mr. Dixon's W2 for 2013.

The motion passed, with 10 in favor, 2 against, and 3 abstaining. Goldstein, Hagan, Johnson, Kirkland, Lark, Olsen, Pojunis, Redpath, Wiener, and Visek voted in favor. Cloud and Hinkle voted against. Starchild, Tomasso, and Vohra abstained.

PURPOSE OF COMMITTEES.

Brett Pojunis suggested disbanding the Affiliate Support Committee and the Information Technology Committee.

Starchild moved that the LP.org Web page listing committee members include links to committee reports posted online and contact information. The motion failed, with 5 in favor, 9 against, and 1 abstaining. Hagan, Johnson, Lark, Starchild and Tomasso voted in favor. Goldstein, Hinkle, Kirkland, Olsen, Pojunis, Redpath, Visek, Vohra, and Wiener voted against. Cloud abstained.

In answer to a question from Mr. Olsen, Mr. Tomasso said the Affiliate Support Committee had not complied with Policy Manual provision that said, "The ASC shall deliver a report to the LNC on November 10th of each year, identifying and prioritizing those needs and interests of the various affiliates."

2014 GOALS.

Dr. Lark moved to adopt goals for 2014.

Dr. Lark moved to amend the motion to adopt the goal "The LP will have at least 15,000 sustaining members as of Dec. 31, 2014." The amendment passed.

Dr. Lark moved to amend the motion to adopt the goal "The LNC will purchase an office building and move its headquarters into that building by Dec. 31, 2014." The amendment passed.

Dr. Lark moved to amend the motion to adopt the goal "The LP will hold a national convention that attracts at least 600 delegates." The amendment passed.

Dr. Lark moved to amend the motion to adopt the goal "The LP will hold a national convention that earns a profit (not counting fundraising at the convention) of at least \$15,000." The amendment failed.

Dr. Lark moved to amend the motion to adopt the goal "The LNC will reevaluate our printed outreach material (especially the pamphlets), and will update that material where appropriate. The LNC will also develop new pamphlets to provide a Libertarian perspective on important topics (e.g., health care, privacy issues (especially government monitoring of communications in the absence of a reasonable, articulated suspicion of criminal activity), and crony capitalism)." The amendment passed.

Mr. Olsen moved to amend the motion to adopt the goal "Establish a very simple, objective, universal, and aggregatable success metric for national, state, and local levels." The amendment passed.

Mr. Redpath moved to amend the motion to adopt the goal "The Executive Director and the Political Director will be in contact with each state chair at least once a month." The amendment passed.

Dr. Lark moved to extend time 5 minutes. The motion to extend failed.

Dr. Lark moved to withdraw for later consideration. The motion to withdraw passed.

Mr. Redpath moved to recess. The motion to recess passed. The meeting recessed from 9:55 a.m. to 10:05 a.m.

CONVENTION REPORTS.

Mr. Goldstein presented the Convention Oversight Committee Report and the written report of the Convention Management Committee.

Mr. Cloud moved to adopt a resolution.

Regarding the 2014 National Convention.

Whereas, the cost of the hotel meeting rooms, plus the cost of the sound system and audio and visual system, plus the cost of room setup (chairs, table, water), plus the cost of delegate materials (tags), for four days at the 2014 Libertarian National Convention will be between \$40,000 and \$50,000; now, therefore be it

Ordered, That these costs be paid for by

(a) Each delegate attending paying an equal share of these costs; or

(b) Each state party paying its share of the cost based on its delegate allocation; or

(c) Taking the \$40,000 to \$50,000 from our party's 2014 general budget; or

(d) Adding them to the costs of paid attendees (Gold, Silver, and Bronze Packages) to pay for those who don't pay.

Mr. Neale ruled that the motion was out of order because it was a multiple choice. Mr. Cloud appealed the ruling of the chair. The ruling of the chair was upheld, with 10 in favor of upholding the

chair, 4 against, and 1 abstaining. Hagan, Hinkle, Johnson, Kirkland, Lark, Olsen, Redpath, Starchild, Tomasso, and Wiener voted in favor. Cloud, Goldstein, Pojunis, and Visek voted against. Vohra abstained.

Mr. Johnson moved to adopt a resolution.

Regarding the 2014 National Convention.

Whereas, the cost of the hotel meeting rooms, plus the cost of the sound system and audio and visual system, plus the cost of room setup (chairs, table, water), plus the cost of delegate materials (tags), for four days at the 2014 Libertarian National Convention will be between \$40,000 and \$50,000; now, therefore be it

Ordered, That these costs be paid for by adding them to the costs of paid attendees (Gold, Silver, and Bronze Packages) to pay for those who don't pay.

Mr. Neale moved to amend the motion to change "four days" to "three days." The motion to amend passed. Thus, the amended motion became:

Regarding the 2014 National Convention.

Whereas, the cost of the hotel meeting rooms, plus the cost of the sound system and audio and visual system, plus the cost of room setup (chairs, table, water), plus the cost of delegate materials (tags), for three days at the 2014 Libertarian National Convention will be between \$40,000 and \$50,000; now, therefore be it

Ordered, That these costs be paid for by adding them to the costs of paid attendees (Gold, Silver, and Bronze Packages) to pay for those who don't pay.

The pros and cons of floor fees were debated.

Mr. Pojunis moved to extend time 5 minutes. The motion to extend failed.

The amended motion passed, with 11 in favor and 5 against. Hagan, Johnson, Kirkland, Lark, Neale, Olsen, Redpath, Starchild, Tomasso, Vohra, Wiener voted in favor. Cloud, Goldstein, Hinkle, Pojunis, and Visek voted against.

BUILDING COMMITTEE.

Mr. Kraus reported on the plan to buy office space at 1444 Duke Street in Alexandria, Virginia. He said the price would about \$825,000 and the mortgage would probably be for 10 years. Mr. Neale said that they were close to signing an agreement and that he, as chair, had the authority to sign it.

In answer to a question from Starchild, Mr. Kraus said the location was not large enough for an LNC meeting. In answer to question from Mr. Goldstein, Mr. Kraus said the cost of the build out should be relatively low.

BALLOT ACCESS.

Mr. Redpath presented a written Ballot Access Action Report. He said the Our America Initiative political advocacy committee, formed by Presidential candidate Gary Johnson with his strategist Ron Nielson, might be willing to fund a petition drive in Oklahoma.

Mr. Redpath said the party was in court challenging the Ohio ballot access law recently passed by the state legislature.

Mr. Frankel told how the Alabama party was getting on the ballot district by district.

Ms. Visek reported on ballot access in Illinois.

PENNSYLVANIA ATTORNEY.

Mr. Redpath described the plight of Lancaster, Pennsylvania, attorney Paul A. Rossi, who provided \$20,000 of services to the Libertarian Party of Pennsylvania for its 2012 petition drive but had been paid about half and was still owed about \$10,000. Mr. Redpath said the Pennsylvania L.P. had raised \$1,500. He urged the LNC to find a way to help out.

The meeting recessed for lunch from 12:45 p.m. to 12:20 p.m.

NEXT MEETING.

Mr. Tomasso suggested holding the next LNC meeting in Manchester, New Hampshire, on March 1-2 or March 8-9. Mr. Pojunis suggested Charlotte, North Carolina, on March 1-2 or March 8-9.

Mr. Redpath moved to hold the next meeting on March 1-2. The motion passed.

Mr. Hinkle suggested meeting in Washington, D.C. Mr. Vohra suggested Los Angeles, California.

By show of hands Charlotte was preferred.

Mr. Pojunis moved to extend time 4 minutes. The motion to extend passed.

Mr. Redpath moved to hold the next meeting in Charlotte. The motion passed.

BUDGET.

Mr. Redpath moved to adopt the proposed 2014 budget for the Libertarian National Committee, Inc.

Mr. Wiener moved to rescind the motion adopted at the December 20-21, 2012, meeting, "The LNC shall establish a headquarters building fund. Such funds or pledges of funds for the building fund shall only be used for that purpose. None of these funds shall be used for fundraising or any other expenses." After discussion, he withdrew the motion to rescind.

Mr. Olsen moved to change "Revenue, Building Fund," line 4108, from \$135,300 to \$0 and to change "Expenses, Building Fund Fundraising," line 7085, from \$16,950 to \$0. The motion passed.

Ms. Visek moved to adopt the proviso,
"Ballot access expenditures for 2014 shall only be authorized by the Executive Committee and the total expended cannot exceed the budgeted amount."

Mr. Olsen moved to amend the proviso to add "a two-thirds vote of" between "authorized by" and "the Executive Committee." The motion to amend the proviso passed. Thus, the amended proviso became:

"Ballot access expenditures for 2014 shall only be authorized by a vote of two-thirds of the Executive Committee and the total expended cannot exceed the budgeted amount."

Starchild spoke against saying the expenditures shall "only" be authorized by the Executive Committee. Mr. Neale said he believed that, even if the proviso passed, the LNC could still authorize expenditures.

The amended proviso passed, with 11 in favor, 1 against, and 2 abstaining. Goldstein, Hagan, Johnson, Lark, Lieberman, Olsen, Starchild, Tomasso, Visek, Vohra, and Wiener voted in favor. Hinkle voted against. Kirkland and Redpath abstained.

Mr. Olsen moved to change "Project-Related Expenses, Legal Offense Fund Project," line 7110, from \$0 to \$10,000.

Mr. Hinkle moved to change "Project Revenue, Legal Offense Fund," line 4110, from \$0 to \$10,000.

Mr. Pojunis moved to substitute for Mr. Olsen's change and to instead change "Expenses, Professional Services, Legal - Proactive," line 8210-20, to \$10,000.

Mr. Goldstein left the meeting at about 1:30 p.m.

After discussion, Mr. Hinkle moved to withdraw all pending amendments. The motion passed without objection. And the most recent Olsen, Hinkle, and Pojunis motions were withdrawn.

EXECUTIVE SESSION.

Mr. Neale moved to recess for 10 minutes and then meet in executive session for compensation of personnel matters that must remain confidential. The motion passed.

Ms. Visek moved to include Mr. Starr in the executive session. The motion passed.

The meeting recessed from 1:40 p.m. to 1:50 p.m.

The executive session began at 1:50 p.m. Mr. Benedict and Mr. Kraus were present.

Ms. Kirkland and Dr. Lieberman left the meeting at about 2:35 p.m.

The executive session ended at 3:00 p.m. The meeting recessed from 3:00 p.m. to 3:10 p.m.

BUDGET.

Mr. Redpath left the meeting at about 3:10 p.m. Before Mr. Redpath left, he said that, although he wanted as much as possible for ballot access, he would be willing to accept an expenditure as low as \$106,500.

Mr. Wiener moved to add a new item, "Staff, 6 Months for Art DiBianca," a new line 8015, for \$20,000 and to change "Salary and Related Expense," line 8000, from \$518,700 to \$538,700. The motion passed, with 11 in favor, 2 against, and 1 abstaining. Cloud, Hagan, Hinkle, Johnson, Linnabary, Neale, Pojunis, Tomasso, Visek, Vohra, Wiener voted in favor. Olsen and Starchild voted against. Lark abstained.

Ms. Visek moved to amend the Statement of Operations to change "Support and Revenue, Convention Revenue," line 24, from \$132,500 to \$110,000 and to change "Cost of Support and Revenue, Convention," line 35, from \$132,500 to \$110,000. The motion passed.

Mr. Tomasso asked why "Telefundraising Expense, Donor Renewal," line 7040-20, \$35,500, was greater than "Revenue, Telefundraising, Phone Bank, Donor Renewal" line 4040-20, \$24,100. Mr. Kraus said it was a mistake.

Mr. Tomasso moved to change "Telefundraising Expense, Donor Renewal," line 7040-20, from \$35,500 to \$18,000. The motion passed.

Mr. Pojunis moved to change "Revenue, Direct Mail Fundraising, House Fundraising General," line 4010-10, from \$166,300 to \$216,300. He withdrew the motion.

Mr. Pojunis moved to change "Revenue, Direct Mail Fundraising, New Donor Prospecting," line 4020-30, from \$12,600 to 80,000. The motion passed.

Mr. Olsen left the meeting at about 3:45 p.m.

Mr. Pojunis moved to change "Program-Related Expenses, Outreach, PR and Marketing Expense," line 7320, from \$10,000 to \$11,000 and to earmark \$1,000 for "Logo Design." The motion

failed.

Starchild moved to change "Direct Mail Fundraising Expense, House General Expense," line 7010-10, from \$79,400 to \$69,400 and to add a new item, "Crowdfunding Website," a new line 7120, for \$5,000. The motion died for lack of a second.

Mr. Pojunis moved to change "Program-Related Expenses, Media Relations," line 7330, from \$0 to \$6,000 and to earmark \$6,000 (\$500 per month) for "Professional News Wire." The motion failed.

Mr. Pojunis moved to extend time for the budget 30 minutes. The motion to extend failed.

Mr. Wiener moved to extend time 30 minutes to go through the budget to find ways to balance it, beginning with expenses. The motion to extend passed.

Dr. Lark moved to change "Program-Related Expenses, Ballot Access Petitioning Expenses," line 7380-10, from \$122,200 to \$106,500. The motion failed, with 6 in favor and 8 against.

Mr. Hinkle moved to change "Administrative and Overhead Expense, Total Office Rent, Mortg., Maintenance, Utilities, and Storage," "Based on actual 2014 rent for Watergate," line 8170, from \$137,037 to \$122,000. The motion passed.

Dr. Lark moved to change "Administrative and Overhead Expense, Travel, Meeting, and Meals Expense," line 8140, from \$24,800 to \$18,000. The motion passed.

Mr. Hagan moved to change "Program-Related Expenses, LP News," from \$48,000 to \$32,000. He said the proposed budget for LP News had been increased to change the number of issues from four per year to six and the motion would change the number back to four.

Mr. Hinkle moved to extend time to balance the budget 15 minutes. The motion to extend passed.

STAFF BONUSES.

Ms. Visek moved to suspend the rules to take up the agenda item Staff Bonuses. The motion to suspend passed.

Ms. Visek moved to adopt a resolution.

Motion to Establish Annual Target Revenue for Staff Bonuses.

Whereas, bonuses in the employment agreements are based on achieving an Annual Target Revenue;

Whereas, the Annual Target Revenue is agreed upon between the Chair and members of staff prior to the beginning of each calendar year;

Whereas, the Annual Target Revenue of \$1,000,000 for 2013 was easily achievable and not sufficient to cover the party's fundraising costs and operating expenses;

Whereas, even an Annual Target Revenue of \$1,500,000 for 2014 appears to be insufficient to cover the Party's fundraising costs and operating expenses; now, therefore be it

Resolved, That the Libertarian National Committee directs the Chair to establish with staff an Annual Target Revenue for 2014 and beyond that is no less than \$1,600,000.

Mr. Wiener moved to amend the resolution to change "\$1,600,000" in last sentence to "\$1,500,000."

Mr. Wiener moved to call all previous questions. The motion to call the questions passed, with 10 in favor and 3 against.

The motion to amend passed, with 7 in favor and 5 against. Thus, the amended motion became: ***Motion to Establish Annual Target Revenue for Staff Bonuses.***

Whereas, bonuses in the employment agreements are based on achieving an Annual Target Revenue;

Whereas, the Annual Target Revenue is agreed upon between the Chair and members of staff prior to the beginning of each calendar year;

Whereas, the Annual Target Revenue of \$1,000,000 for 2013 was easily achievable and not sufficient to cover the party's fundraising costs and operating expenses;

Whereas, even an Annual Target Revenue of \$1,500,000 for 2014 appears to be insufficient to cover the Party's fundraising costs and operating expenses; now, therefore be it

Resolved, That the Libertarian National Committee directs the Chair to establish with staff an Annual Target Revenue for 2014 and beyond that is no less than \$1,500,000.

The amended resolution failed, with 4 in favor and 9 against. Johnson, Pojunis, Starchild, Visek voted in favor. Cloud, Hagan, Hinkle, Lark, Linnabary, Neale, Tomasso, Vohra, and Wiener voted against.

Ms. Visek and Mr. Cloud left the meeting at about 4:55 p.m.

BUDGET.

The motion by Mr. Hagan to change the proposed budget for LP News from six issues per year to four failed.

Mr. Wiener moved to change "Total Salary and Related Expenses," line 8000, to \$516,700, with the proviso that the \$22,000 reduction would be from the Executive Director and Political Director bonuses. The motion passed.

Mr. Wiener moved to change "Program-Related Expenses, Ballot Access Petitioning Expenses," line 7380-10, from \$122,200 to \$119,700. The motion passed.

The motion by Mr. Redpath to adopt the proposed budget, as amended, passed, with 9 in favor, 0 against, and 1 abstaining. Hagan, Hinkle, Johnson, Lark, Linnabary, Pojunis, Neale, Vohra, Wiener voted in favor. Starchild abstained.

REIMBURSEMENT FOR CANCELLED MEETING.

Mr. Vohra moved to delegate to the Executive Committee the authority to allot the funds raised to reimburse those who traveled to the LNC meeting on December 7-8 that was cancelled due to an ice storm. The motion passed, with 8 in favor and 2 against. Hagan, Hinkle, Johnson, Lark, Neale, Pojunis, Vohra, and Wiener voted in favor. Linnabary and Starchild voted against.

ADJOURNMENT.

Dr. Lark observed that it was Bill of Rights Day. He announced that services would be held in Virginia on December 20 for former LNC member and retired U.S. Navy Vice Admiral Michael C. Colley.

Without objection, the meeting adjourned at 5:15 p.m.

Respectfully submitted,
Gary Johnson.