



AGENDA DOCUMENT NO. 12-87
APPROVED DECEMBER 20, 2012

**MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION
THURSDAY, DECEMBER 6, 2012**

PRESENT:

Caroline C. Hunter, Chair, presiding

Ellen L. Weintraub, Vice Chair

Cynthia L. Bauerly, Commissioner

Donald F. McGahn II, Commissioner

Matthew S. Petersen, Commissioner

Steven T. Walther, Commissioner

**Patricia Orrock, Chief Compliance Officer for
Alec Palmer, Staff Director**

Anthony Herman, General Counsel

Shawn Woodhead Werth, Secretary and Clerk

Chair Caroline C. Hunter called the Federal Election Commission to order in an open meeting at 10:23 A.M. on Thursday, December 6, 2012 with a quorum present.

I. CORRECTION AND APPROVAL OF MINUTES

**Minutes for November 15, 2012
Agenda Document No. 12-85**

Chair Hunter recognized Vice Chair Weintraub who

MOVED to approve the minutes for the open meeting of November 15, 2012 as set forth in Agenda Document No. 12-85.

The motion carried on a vote of 6-0 with Commissioners Bauerly, Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for the decision.

Chair Hunter recognized Vice Chair Weintraub who

MOVED to waive the rules on the timely submission of agenda documents so that the Commission may consider Agenda Document Nos. 12-84, 12-83-A, 12-78-B, and 12-81-A.

The motion carried on a vote of 6-0 with Commissioners Bauerly, Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for the decision.

II. DRAFT ADVISORY OPINION 2012-37

**Yamaha Motor Corporation, U.S.A.
by Bryan P. Tyson, Esq.**

**Agenda Document No. 12-84 (Drafts A and B)
(Submitted Late)**

Chair Hunter stated that Mr. Bryan Tyson and Ms. Lisa McManus, requestors' counsel, were available by telephone to answer Commissioners' questions.

Chair Hunter recognized Mr. Anthony Buckley of the General Counsel's Office who presented the draft advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, and Commission regulations to the requestor's proposal. Yamaha Motor Corporation, U.S.A. proposes the establishment of a separate segregated fund (SSF) and solicitation of contributions to the SSF from the executive and administrative personnel of a Yamaha division's dealers and service centers, as well as from the dealers and service centers that are individuals or partnerships. Mr. Buckley summarized the conclusions reached in both drafts.

Chair Hunter stated that because the 60-day response deadline is January 4, 2013, the Commission will have an additional opportunity to discuss the request at the next open meeting if the Commission is unable to vote on it today.

Mr. Tyson, Ms. McManus, and General Counsel Anthony Herman also participated in the discussion that followed.

Chair Hunter stated that this matter would be held over to the December 20 open meeting and that the Commission will continue to accept public comments until noon, December 19, 2012.

III. DRAFT ADVISORY OPINION 2012-35

**Global Transaction Services Group, Inc.
by Michael R. Wofford, President and CEO**

Agenda Document No. 12-83 (Draft A)

**Agenda Document No. 12-83-A (Draft B)
(Submitted Late)**

Chair Hunter stated that Mr. Michael Wofford, the requestor's representative, was available to answer Commissioners' questions.

Chair Hunter recognized Ms. Esther Heiden of the General Counsel's Office who presented the draft advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, and Commission regulations to the requestor's proposal. Global Transaction Services Group, Inc. (GTSG) developed a process to allow wireless users to make contributions of \$50 or less using text messages and the wireless user's credit or debit card. A contributor will be able to initiate a contribution by sending a text message, then complete the transaction by entering certain information into a web form accessed on his/her mobile

phone. GTSG will only collect the contributor's credit or debit card number, expiration date, and security code. In its request, GTSG proposes depositing the funds received from the contributor's credit or debit card account into its corporate treasury account before transferring funds to recipient political committees. GTSG asks whether it may process the contributions using the wireless user's credit or debit card, then forward the funds to the recipient political committees. Ms. Heiden summarized the conclusions reached in both drafts.

Mr. Wofford participated in the discussion that followed.

Chair Hunter stated that the Commission will attempt to issue another draft as soon as possible. She noted that the request will be held over to the December 20 meeting and that the Commission will accept comments on the drafts until noon, December 19, 2012.

IV. DRAFT ADVISORY OPINION 2012-36

Green Party of Connecticut by Christopher Reilly, Treasurer

Agenda Document No. 12-82

Chair Hunter recognized Mr. Buckley of the General Counsel's Office who presented the draft advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, and Commission regulations to the requestor's proposal. The Green Party of Connecticut is a political committee registered with and reporting to the Commission, and

it asks whether it qualifies as a state party committee of the Green Party of the United States.

Chair Hunter recognized Vice Chair Weintraub who

**MOVED to approve the response to the Green
Party of Connecticut in Advisory Opinion 2012-36
as set forth in Agenda Document 12-82.**

**The motion carried on a vote of 6-0 with Commissioners Bauerly,
Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for
the decision.**

**Chair Hunter stated that the agenda would be re-ordered to consider
Item VI (Notice of Proposed Rulemaking on Limited Liability Partnerships)
before Item V (Draft Advisory Opinion 2012-34).**

**VI. NOTICE OF PROPOSED RULEMAKING ON LIMITED LIABILITY
PARTNERSHIPS**

**Memorandum from Commissioner Steven T. Walther
dated November 29, 2012**

Agenda Document No. 12-80

**Chair Hunter recognized Mr. Buckley of the General Counsel's Office
who summarized the Notice of Proposed Rulemaking. The Notice explains
and seeks comment on proposed rules that would change how certain
limited liability partnerships (LLPs) are treated under the Act and**

Commission regulations. If enacted, LLPs that opt for federal corporate tax treatment would be treated as corporations for purposes of the Act and Commission regulations. A corporate LLP would no longer be able to make direct contributions to candidates and political committees but, instead, would be able to establish a separate segregated fund that could solicit contributions from the solicitable class, and make contributions to candidates and political committees.

Chair Hunter recognized Commissioner Walther who provided background information on the Notice and stated that it would be helpful to give the public an opportunity to comment on the proposed rule.

Discussion followed.

Chair Hunter recognized Commissioner Walther who

MOVED to approve the Notice of Proposed Rulemaking on Limited Liability Partnerships as set forth in Agenda Document 12-80 with a 60-day comment period and authorize the Office of General Counsel to make any appropriate technical and conforming amendments.

The motion carried on a vote of 6-0 with Commissioners Bauerly, Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for the decision.

V. DRAFT ADVISORY OPINION 2012-34

**Freedom PAC and Friends of Mike H
by Laurence A. Levy, Esq.**

Agenda Document No. 12-78

Agenda Document No. 12-78-A (Draft B)

**Agenda Document No. 12-78-B (Revised Draft A)
(Submitted Late)**

(Held over from the meeting of November 15, 2012)

**Chair Hunter stated that Mr. Laurence Levy, the requestor's counsel,
was available to answer Commissioners' questions.**

**Chair Hunter recognized Mr. Neven Stipanovic of the General
Counsel's Office who summarized the conclusions reached in each of the
three drafts for this advisory opinion.**

Chair Hunter recognized Vice Chair Weintraub who

**MOVED to approve Revised Draft A in Advisory
Opinion 2012-34 as set forth in Agenda Document
No. 12-78-B.**

**The motion carried on a vote of 6-0 with Commissioners Bauerly,
Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for
the decision.**

VII. PROPOSED FINAL AUDIT REPORT ON MINNESOTA DEMOCRATIC-FARMER-LABOR PARTY (A09-08)

**Memorandum from the Audit Division dated
November 20, 2012**

Agenda Document No. 12-81

**Memorandum from the Audit Division dated
December 5, 2012**

**Agenda Document No. 12-81-A
(Submitted Late)**

**Chair Hunter provided background information on the status of this
matter.**

Chair Hunter recognized Vice Chair Weintraub who

**MOVED to approve the Proposed Final Audit Report
on the Minnesota Democratic-Farmer-Labor Party (A09-08)
as set forth in Agenda Document No. 12-81-A.**

**The motion carried on a vote of 6-0 with Commissioners Bauerly,
Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for
the decision.**

**VIII. AUDIT DIVISION RECOMMENDATION MEMORANDUM
ON MCCAIN-PALIN 2008, INC. AND MCCAIN-PALIN
COMPLIANCE FUND, INC.**

**Memorandum from the Audit Division dated
October 19, 2012**

Agenda Document No. 12-77

(Held over from the meeting of November 15, 2012)

Chair Hunter recognized Ms. Rickida Morcomb of the Audit Division who summarized the findings in the Audit Division's Memorandum: 1) that McCain-Palin 2008, Inc.'s method of billing the press did not result in material harm; and 2) that the McCain-Palin Compliance Fund, Inc. failed to file 48-hour notices for contributions totaling \$240,700 that were received prior to the general election.

Ms. Lisa Stevenson, Mr. Lawrence Calvert, and Mr. Lorenzo Holloway of the General Counsel's Office and Mr. Thomas Hintermister of the Audit Division also participated in the discussion that followed concerning the methodology for billing the press.

The meeting recessed at 12:06 P.M. and reconvened at 2:41 P.M. with a quorum present.

**VIII. AUDIT DIVISION RECOMMENDATION MEMORANDUM
ON MCCAIN-PALIN 2008, INC. AND MCCAIN-PALIN
COMPLIANCE FUND, INC. (Continued)**

Chair Hunter noted that Mr. Matthew Sanderson, the Committees' counsel, said that he would like an opportunity to address the Commission on the issue discussed during the morning session.

General Counsel Herman participated in the discussion that followed.

Chair Hunter recognized Commissioner McGahn who

MOVED that representatives of the audited committees are permitted to appear before the Commission and address issues that they think may be salient in light of the earlier discussion concerning this audit and that their presentation be limited to 15 minutes.

The motion carried on a vote of 4-2 with Commissioners Hunter,

McGahn, Petersen, and Walther voting affirmatively for the decision.

Commissioners Bauerly and Weintraub dissented.

Chair Hunter recognized Mr. Sanderson who addressed the issues discussed during the morning session.

Chair Hunter recognized Commissioner Petersen who

MOVED to approve the Audit Division Recommendation Memorandum on McCain-Palin 2008, Inc. and McCain-Palin Compliance Fund, Inc. as set forth in Agenda Document No. 12-77.

The motion failed by a vote of 3-3 with Commissioners Hunter,

McGahn, and Petersen voting affirmatively for the motion. Commissioners

Bauerly, Walther, and Weintraub dissented.

Chair Hunter recognized Vice Chair Weintraub who

MOVED to find that McCain-Palin 2008, Inc. (the General Committee) received press reimbursements during the general election campaign period which exceeded the maximum allowed under 11 C.F.R. § 9004.6(b).

The motion failed by a vote of 3-3 with Commissioners Bauerly, Walther, and Weintraub voting affirmatively for the motion. Commissioners Hunter, McGahn, and Petersen dissented.

Chair Hunter recognized Vice Chair Weintraub who

MOVED to find that the McCain-Palin Compliance Fund, Inc. failed to file 48-hour notices for contributions totaling \$240,700 that were received prior to the general election.

The motion carried on a vote of 6-0 with Commissioners Bauerly, Hunter, McGahn, Petersen, Walther, and Weintraub voting affirmatively for the decision.

IX. MANAGEMENT AND ADMINISTRATIVE MATTERS

**There being no further business to come before the Commission,
the meeting adjourned at 2:58 P.M.**

Signed:



Caroline C. Hunter

Chair of the Commission

Attest:



Shawn Woodhead Werth

Secretary and Clerk of the Commission