



APPROVED NOVEMBER 4, 2021

**MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION
THURSDAY, JUNE 6, 2019**

PRESENT:

Ellen L. Weintraub, Chair, presiding

Matthew S. Petersen, Vice Chair¹

Steven T. Walther, Commissioner

Caroline C. Hunter, Commissioner

Alec Palmer, Staff Director²

Lisa Stevenson, Acting General Counsel

Dayna C. Brown, Secretary and Clerk³

¹ Vice Chair Petersen participated in the meeting via telephone.

² Deputy Staff Director for Management and Administration Kate Higginbotham represented Staff Director Palmer during Item III.

³ Secretary Dayna C. Brown was the recording secretary for the June 6, 2019 meeting. Acting Secretary Laura E. Sinram prepared the minutes of the June 6, 2019 meeting after reviewing the audio recording in its entirety.

Chair Ellen L. Weintraub called the Federal Election Commission to order in an open meeting at 2:06 P.M. on Thursday, June 6, 2019 with a quorum present.

Chair Weintraub stated that Vice Chair Petersen was participating in the meeting by phone and confirmed that the Commission had a quorum.

I. CORRECTION AND APPROVAL OF MINUTES

**Minutes for April 25, 2019
Agenda Document No. 19-22-A**

Chair Weintraub recognized Commissioner Hunter who

MOVED approval of the minutes for the meeting of April 25, 2019, as set forth in Agenda Document No. 19-22-A.

The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen, Walther, and Weintraub voting affirmatively for the decision.

II. DRAFT ADVISORY OPINION 2019-07

**Area 1 Security, Inc. by Daniel Petalas, Esq. and
Garvey Barer, P.C.**

**Agenda Document No. 19-23-A (Draft A)
(Submitted Late)**

**Agenda Document No. 19-23-B (Draft B)
(Submitted Late)**

Chair Weintraub recognized Commissioner Hunter who

**MOVED to suspend the rules on the timely submission of
agenda documents in order that the Commission may
consider Agenda Documents No. 19-23-A and 19-23-B.**

**The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen,
Walther, and Weintraub voting affirmatively for the decision.**

**II. DRAFT ADVISORY OPINION 2019-07
(continued)**

**Chair Weintraub recognized Mr. Joseph Wenzinger of the General
Counsel's Office who presented the draft advisory opinion request from Area 1
Security, Inc. The requestor asks whether it may offer free or low-cost cyber
security services to federal candidates and political committees. Drafts A and
B both conclude that the proposal is impermissible because the provision of
such services would result in in-kind contributions.**

Chair Weintraub welcomed Mr. Daniel Petalas and Mr. Oren Falkowitz.

**Mr. Petalas and Mr. Falkowitz participated in the discussion that followed
including: an overview of the proposal in the requestor's original submission and
subsequent comments; the credentials held by Mr. Falkowitz, the CEO and co-
founder of Area 1 Security, Inc.; the pricing model proposed by the requestor;
the relevance of the Microsoft Advisory Opinion (2018-11); the focus of Area 1
Security, Inc. on anti-phishing services; the history of phishing incidents in**

recent federal elections; the types of entities with which the requestor works; how the needs of those entities affect the requestor's business strategy; the application of the four (4) factor pricing model used by the requestor, including the little to no cost pricing tier; the value of this research and development to the requestor; the effect of the traditional pricing threshold for groups with 5,000 people or more on smaller entities; the application of the pricing model for services provided to federal candidates and committees; the pride aspect as relates to the employee morale of the requestor; whether this exception could create a loophole in allowing corporate in-kind contributions; the possibility of submitting an amended request that better captures the situation presented by the requestor; the pay per phish pricing structure; and how the requestor's software works.

Vice Chair Petersen asked if there was interest on the Commission of having further discussion to find a way to reach consensus on a yes answer to the request. Discussion followed.

Mr. Petalas and Mr. Falkowitz participated in the continuing discussion regarding the proposed pricing model; how many and what types of organizations fall under the little to no cost pricing tier; and what a reformulated advisory opinion request might contain.

Chair Weintraub stated that the Commission looked forward to hearing further from the requestor.

III. MANAGEMENT AND ADMINISTRATIVE MATTERS

**There being no further business to come before the Commission, the
meeting adjourned at 3:33 P.M.**

Signed:



Ellen L. Weintraub

Chair of the Commission (2019)

Attest:



Laura E. Sinram

Acting Secretary and Clerk of the Commission