

UUC 607

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

MAR 25 11 22 AM '94 JUL 25 2 43 PM '94

David K. Walter  
1505 Cotswald Court  
West Chester. PA 19382

March 23, 1994

Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

AOR 1994-25

UUC 607  
MAR 25 PM 3:34

RECEIVED  
SECTION

Dear Sir or Madam:

We would appreciate an advisory opinion from the Federal Election Commission as to whether the following activity is in compliance with the Federal Election Campaign Act and FEC regulations.

The Libertarian National Committee has traditionally designated individuals to take on the task of organizing, promoting and staging bi-annual conventions. At the appropriate conventions, a block of time is set aside for the purpose of selecting the Libertarian Party's candidates for President and Vice President of the United States. The reason for "contracting out" conventions is that the LNC has insufficient staff to organize a convention while engaged in the extensive work necessary to qualify a third-party candidate for the ballot in as many states as possible. Another consideration is that the LNC does not want to be burdened by any financial loss should attendance or revenues not meet expectations.

The individuals selected for organizing the 1996 convention wish to incorporate as a for-profit corporation. They understand that the law does not permit corporations to make donations (cash or in-kind services) to candidates or national committees.

They wish your advisory opinion on the legality of the following arrangement:

1. The corporation would charge the Libertarian National Committee for the use of the convention hall for that period of time when the Libertarian Party was nominating and electing its candidates for President and Vice President, and for any time when the banquet room was being used to raise funds for either the LNC or the candidates' committees. The corporation would also be purchasing space advertising in the LNC's monthly newspaper and mailing lists from the LNC in order to promote the convention to delegates, members and friends of the LNC. Those wishing to attend would pay fees directly to the corporation.

2. All charges would be at fair market value. The hotel/convention center would provide the corporation with a letter stating the fair market rental value of the rooms in question. (The hotel actually would be providing the convention meeting room free of charge should enough attendees stay overnight in the hotel's rooms.) The LNC would charge the corporation the same per page advertising rates and the same mailing list usage rates charged any other organization. These rates would be substantiated by published rate cards.

3. Except as above, no other funds would change hands between the LNC, the corporation, and the candidates. The corporation, should it make a profit, owes nothing to the LNC or the candidates. Should a loss occur, there would be no reimbursement from the LNC or the candidates.

4. All activities involving the selection of the presidential and vice presidential candidates, the approval of the platform on which they run, and fund raising for the LNC and their campaigns take place on one day. Convention activities on other days are typically social events, numerous speakers and panels on major issues, reports by LNC officers, and LNC business not specifically related to federal candidate election campaigns.

5. The corporation would not file with the FEC nor would it be required to report receipts and expenditures. The LNC would include revenue from the corporation and expenses paid to the corporation as part of its regular quarterly FEC reports.

Please review this suggested arrangement and present us with an advisory opinion as to whether it meets the requirements of FEC regulations. If it does not, please suggest where it fails.

Yours truly,



David K. Walter,  
for the 1996 convention organizers



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1994

David K. Walter  
1505 Cotswald Court  
West Chester, PA 19382

Dear Mr. Walter:

This refers to your letter dated March 23, 1994, on behalf of the Libertarian National Committee (the "National Committee"), concerning the application of the Federal Election Campaign Act of 1971 ("the Act") to the proposed method the National Committee wishes to use in making the preparations for its 1996 convention.

You state that the National Committee has traditionally designated individuals to take on the task of organizing, promoting and staging its biannual conventions. At the appropriate conventions, a block of time is set aside for the purpose of selecting the Libertarian Party's candidates for President and Vice President of the United States. You state that the reason for "contracting out" conventions is that the National Committee has insufficient staff to organize a convention while, at the same time, engaged in the extensive work necessary to qualify the Party's candidates as third-party candidates on state ballots. You also state that the National Committee does not want to be burdened by any financial loss that might occur should attendance or revenue relating to the convention not meet expectations.

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the requesting person. 2 U.S.C. §437f(a). The request must concern a specific transaction or activity that "the requesting person plans to undertake or is presently undertaking and intends to undertake in the future." 11 CFR 112.1(b). Inquiries presenting only a general question of interpretation or the activities of third parties do not qualify as advisory opinion requests. The regulations further explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c). Finally, this office is authorized to determine if a request is incomplete or otherwise not qualified as an advisory opinion request. 11 CFR 112.1(d).

David K. Walter  
page 2

Your inquiry concerns a group of individuals who may form an entity, possibly a corporation, which will play a central role in your proposed activity. Therefore, before further consideration can be given to your questions, these individuals and the entity they represent should join with you in a combined or joint request.

Furthermore, additional information is also necessary for the Commission and this office to evaluate your situation. Please provide the information requested below.

1. Describe the relationship to the National Committee and the Libertarian Party of the individuals who have formed or will form the proposed corporation. For example, state whether these individuals are members or are otherwise associated with the National Committee, the Libertarian Party or any of its State or local affiliates. Similarly, describe the relationship that any director, shareholder, executive or administrative officer of the proposed corporation has, or will have, with the Libertarian Party, the National Committee or any related entity.
2. Describe the process by which these individuals were chosen. For example, did this process include any competitive bidding contract award procedure. If so, please explain.
3. State whether any other professional organization will be involved in the organizing, promoting and staging of the conventions or in the formation of the corporation mentioned in your request.
4. List or describe any loans, donations or other contributions of capital to start the proposed corporation. Provide a copy of its general business plan or prospectus.
5. If the corporation or entity mentioned in your request is not yet sufficiently organized for you to give a response to the above questions, please provide the requested information as it relates to recent past nominating conventions of the Libertarian Party such as the 1992 national convention.

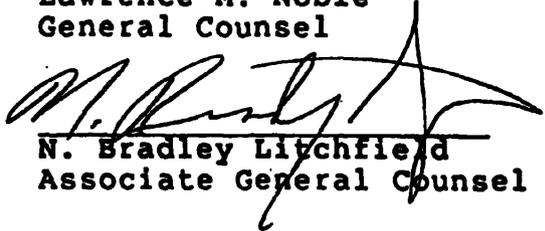
David K. Walter  
page 3

After receiving the above information, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions concerning the advisory opinion process or this letter, please contact the undersigned.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
N. Bradley Litchfield  
Associate General Counsel

David K. Walter  
1505 Cotswald Court  
West Chester, PA 19382

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
STATE AND LOCAL DIVISION

April 15, 1994

APR 25 10 10 AM '94

Mr. N. Bradley Litchfield  
Associate General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

APR 25 11 42 AM '94

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dear Mr. Litchfield:

Thank you for your prompt response to my letter of March 23, 1994. Below you will find additional information that you require in order to issue an advisory opinion in the matter I described to you.

This request is made by the four individuals who would form a corporate entity for the purpose of organizing, staging and promoting the 1996 Libertarian Party convention.

Their relationship to the Libertarian National Committee is as follows: John Famularo is Secretary of the Libertarian National Committee; Donald Ernsberger is an At-Large Member of the National Committee; Louise Ernsberger and David Walter are dues-paying members of the Libertarian Party. None are officials of any State or local affiliates. None contribute more than \$200 per year to the Libertarian National Committee.

The Libertarian National Committee solicited bids for organizing the 1996 convention. Three groups submitted bids: a group representing the Texas Libertarian Party proposed Dallas; a group, including California LP officials, proposed Oakland; and the group making this request proposed Washington, DC. The Libertarian National Committee voted 9-4 at its December 16, 1993 meeting to accept the bid from the Washington group. A "convention oversight committee" reviewed all proposals to determine if the principals were capable of organizing the event, whether the site chosen had hotel and convention facilities acceptable to the LNC, and that their plans included provisions for the organizational sessions of the LNC. None of the bids provided any financial advantage to the Libertarian National Committee. The principal reason favoring the Washington bid was its proximity to C-SPAN and other major media. Mr. Famularo and Mr. Ernsberger abstained from voting on the question. The bidders were responsible for recruiting however many participants/investors they thought desirable.

It is contemplated that the only other professional organizations involved would be a law firm competent to

file the required incorporation papers, for which the customary fee would be charged. There would, of course, be various vendors of goods and services included in the entirety of the convention - the hotel, printers, etc. - all of whom are expected to charge their customary prices.

At this time, it is believed that each of the four individuals involved will contribute start-up capital of \$3,333 to the corporation to be created, and will each own 25% of the corporation's stock. This is thought to be sufficient working capital as the corporation plans to offer advance registration plans that will begin producing revenue in 1995. A copy of the bid made to the LNC is enclosed; no general budget has yet been drawn up.

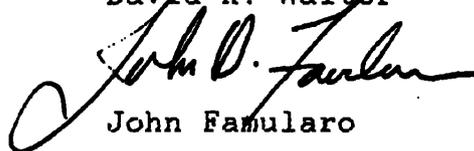
Regarding past practices, we are given to understand that the previous two presidential nominating conventions - 1987 and 1991 - were produced and staged by groups organized as non-profit 501(c)3 corporations. The individuals making this request are, of course, proposing to organize as a for-profit corporation.

We do hope the information provided will enable the Counsel's office to move ahead with providing an advisory opinion in this matter.

Yours truly,



David K. Walter



John Famularo



Donald C. Ernsberger



E. Louise Ernsberger

enc.

UGC 1246

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ADMINISTRATIVE

MAY 9 10 39 AM '94



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 26, 1994

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
MAY 9 3 55 PM '94

David K. Walter  
1505 Cotswald Court  
West Chester, PA 19382

Dear Mr. Walter:

This refers to your letter dated April 15, 1994, in response to our request for more information regarding your advisory opinion inquiry.

Your letter mentions the enclosure of a copy of the bid made by the prospective organizers of the 1996 Libertarian convention. This document, however, was not included in your mailing. In order for this office to proceed further with your inquiry, please provide a copy of this document.

After receiving the document, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions concerning the advisory opinion process or this letter, please contact Michael Marinelli, the attorney assigned to this matter, at 202-219-3400.

Sincerely,

N. Bradley Litchfield  
Associate General Counsel

5/4

Enclosed. Sorry for the oversight.

*"Declare Your Independence"*

**1996  
Libertarian Party  
National  
Convention**

Washington, DC  
Hyatt Capitol Hill  
July 3 - July 7, 1996

# **A Proposal for the 1996 National Libertarian Party Convention**

**From: John Famularo  
Don Ernsberger  
Louise Ernsberger  
Practicing under the name of "FEE Enterprises"**

**Dates: Tuesday July 3rd to Sunday July 7th 1996**

**Hotel Location: Hyatt Regency Capitol Hill  
400 New Jersey Ave NW  
Washington DC 20001**

**Hotel Specs: Ballroom (Convention Hall) (Regency Ballroom)  
10,767 sq ft 97' x 111' 18' ceilings  
seating capacity 860 classroom (LP convention style)**

**Breakfast Ballroom (Columbia Ballroom)  
3,588 sq ft 69' x 52' 12'9" ceilings  
seating capacity 348 breakfast setting**

**Speaker Rooms (3) "Hall of Battles"  
28' x 26' each  
seating capacity 65 seats**

**Conference Theater : For Candidate/ College Workshops  
55 seats - Corporate Conference Style**

**Conference Rooms for National LP Needs / Press Room**

**834 guest rooms, including 31 suites  
locked until May 31, 1996**

**Contract proposal from Hotel guarantees a block of 200  
rooms at \$99.00 per night (single/double) with option to  
expand block to 350. Current rack rate is \$210 single /  
\$235 double. Suites \$350 - \$475.**

**Hotel features swimming pool (all weather), health club,  
steam rooms, sauna. There are 4 restaurants and 2 bars.**

**Theme: "Declare your Independence"**

**Sub Theme of entire week:**

The year 1996 marks the 200th anniversary of George Washington's Farewell Address of 1796 where he warned of the dangers of international alliances; political parties and government by faction. Also, 1996 is the 25th birthday of the Libertarian Party. These two themes will be used as the basis for the entire weeks activity. Each year July 4th is the scene of a giant fireworks display over the Washington monument.

**Costs:** Based on the contract we have negotiated with the Hyatt, the individual package prices will be less expensive than either the Chicago or the Salt Lake City Conventions. (see attached)

**Airfare (summertime price experience)**

New York \$139	Chicago \$221
Los Angeles \$498	Seattle \$498
San Francisco \$498	Orlando \$199
Dallas \$340	Atlanta \$221

The hotel is two blocks from Union Station and two blocks from the Metro Line Station. National Airport is a direct line on the metro. Shuttle service is available to Dulles.

**Alternative Rooming** Less expensive rooms are available across the street at the Capitol Hill Downtown Inn (est. \$79)

**Room Placement Service:** Starting in January 1996 the convention will offer "room match" a service that matches libertarians to share rooms and split rooming costs. This will include a questionnaire and option matching.

**Financial:** FEE will agree to provide cash flow analysis of the convention for four quarters prior to the convention. Sample Budget attached.

**Child Care Services:** All children of guest are enrolled in the "Camp Hyatt" program. This includes gifts and activities. The Convention will offer child care services as well during sessions.

**IMPORTANT: THIS CONVENTION WILL BE BUILT AROUND MAXIMUM C-SPAN COVERAGE**

**THREE DAYS..... 4 MAJOR SPEAKERS ..... 2 MAJOR PANELS  
1996 NOMINATIONS.....THE LP PROGRAM .... PLATFORM DEBATE**

**Proposed Agenda 1996 LP National Convention  
Washington DC July 2-7 1996**

**Tuesday July 2, 1996**

**Platform Committee Meeting 9:00 AM to 9:00 PM**

**Wednesday July 3, 1996**

**Platform Committee Meeting 9:00 AM to 9:00 PM**

**Credentials Committee Meeting 9:00 AM to 9:00 PM**

**Candidate Training 10:00 AM to 4:00 PM *Conference Theater***

**National Committee Meeting**

**"Liberty in Words and Music" Jefferson Memorial**

**(buses from convention hotel to Memorial 9:00 PM-11:00 PM)**

**Thursday July 4, 1996**

**Platform Committee Meeting 9:00 AM to 9:00 PM**

**Credentials Committee Meeting 9:00 AM to 9:00 PM**

**"The Agora" opens: Convention Exhibit area 9:00**

**Convention Opening Regency Ballroom 9:00 AM \*\*\***

**"Welcome to Washington DC"**

**"George Washington's Farewell Address" - three themes**

**Keynote Speaker 10:00 AM Regency Ballroom \*\*\***

**Opening of Business Session 11:00 AM**

**Reports / Agenda**

**Major Speakers (2) 12:00 noon Regency Ballroom \*\*\***

**Business Session - Platform Committee Report 1:30-5:00 \*\*\***

**"The LP Program"**

**Platform Committee Recommendations**

**Two breakout Speakers 1:30 - 2:30 / 3:00 - 4:00**

**College Workshop 1:30-4:00 *Conference Theater***

**The Fourth of July Fireworks: Special reserved viewing area  
and reception for convention attendees in downtown  
Washington DC overlooking the Smithsonian Mall.**

**\*\*\* C-Span coverage**

Friday July 5, 1996

**Breakfast & Speaker** 8:00- 9:30 Columbia Ballroom \*\*\*

**Credentials Committee** 9:00 Am to 9:00 PM

**"Agora" Opens** 9:00 AM

**Convention Business Session** 9:30 AM- 4:00 PM Regency

Platform Committee Reports

**Candidate Training** 10:00 - 4:00 *Conference Theater*

**Panels and Speakers**

**Panel #1** Columbia Ballroom 10:00 AM to 11:30 PM \*\*\*

**Speaker #1** Lexington Room 10:00 AM to 11:00 PM

**Panel #2** Columbia Ballroom 11:30 AM to 2:00 PM \*\*\*

**Speaker #2** Lexington Room 1:00 AM to 2:00 PM

**Speaker #3** Columbia Ballroom 2:00 PM to 4:00 PM \*\*\*

**Presidential Candidates Debate** 4:00 to 5:30 Regency Ballroom

**"Happy Birthday LP Party"** 8:00 to 10:00 Columbia Ballroom

Candidates Receptions and Suite parties

Saturday July 6, 1996

**Breakfast & Speaker** 8:00 - 9:30 Columbia Ballroom

**Credentials Committee** 9:00 Am to 9:00 PM

**"Agora" Opens** 9:00 AM

**Convention Business Session** 9:30 AM Regency Ballroom \*\*\*

"The Platforms of the Candidates"

Nomination of Presidential Candidate

Nomination of Vice-Presidential Candidate

**Speakers and Workshops** Hall of Battles

**The Presidential Banquet** - Grand Ballroom  
Washington Court Hotel

Reception at 7:00

Banquet at 8:00

Sunday July 7, 1996

**Breakfast & Speaker** 8:00 - 9:30 Columbia Ballroom

**Agora Open** until 12:00 noon

**Convention Business Session** 9:30 AM - 5:00 PM Regency

Election of National Officers

Election of Regional Reps

Election of Judicial Committee

National Committee Meeting

\*\*\* C-Span coverage

# Convention Providers

## F.E.E. Enterprises

### John Famularo:

**National Secretary, Libertarian Party 1993**  
**Former Chair, Pennsylvania LP 1987-1991**  
**Organizer of two Pa LP State Conventions 1988/1989**  
**President, Perseus Systems 1985-1993**  
**(Computer Systems )**  
**Owner Trilog Associates 1966-1970**  
**(sold to Cigna Corp)**  
**Owner General Data Systems 1970-1985**  
**(sold to EDS)**

### Don Ernsberger

**Libertarian National Committee 1990 -1993**  
**Finance Chair LP 1991**  
**Organizer, 1989 LP National Convention, Phila Pa**  
**Coordinator C-Span coverage 1989 LP National Convention**  
**1991 LP National Convention**

### Louise Ernsberger

**Payroll Dept, ASCAP (American Society for Composers, Authors  
& Publishers)**  
**Sales Representative Contract Liaison, ASCAP**  
**Staff Director, 1989 LP National Convention Phila, Pa**

**FEE Enterprises will be incorporated as a profit making corporation**

**FEE Enterprises will be fully bonded and will carry full liability insurance**

**Convention Oversight Contact: Don Ernsberger**  
**865 Meadwood Lane**  
**Warminster, Pa 18974**  
**(215)675-6830**  
**compuserve 71214,2476**

# **Special Notes:**

- 1) **The Convention Presidential Banquet will be across the street from the Hyatt at the new luxury Washington Court Hotel - The Grand Ballroom. This ballroom will be specially decorated for the Presidential Banquet. Attendees will be greeted with a string quartet and a one hour cocktail reception in the hotel foyer area.**
- 2) **Our convention bid does not include any payment to the Libertarian Party for a head fee. This payment was cited by Bob Waldrop as one of the contributing factors to his massive loss in Salt Lake City.**
- 3) **We intend to use the Main Ballroom several times for speakers that will be broadcast over C-Span. In Philadelphia and in Chicago this enhanced the quality of the C-Span coverage. OUR MAJOR GOAL IS TO USE THIS CONVENTION TO REACH OUT TO C-SPAN VIEWERS. Each use will require a delay of the regular Platform Committee report business and will be built into the agenda.**
- 4) **We are required to deposit \$10,000 with the Hyatt Hotel on Wednesday December 15th, 1993. Therefore we want a clause in the contract that holds the LP liable for the cost of convention cancellation (item #1 in old contract agreement). We also do not want to include section 11 (25 person-power requirements / 15 person-power requirements). We want to strike F.E.E. cost and expense obligations for decorations (section 17B).**

# LP Convention Pricing 89-93

*Convention      Early Reg      Middle Reg      Late Reg      At the Door*

## **PHILA**

<b>FULL</b>	<b>\$200</b>	<b>\$240</b>	<b>\$260</b>	<b>-----</b>
<b>BASIC</b>	<b>\$ 75</b>	<b>\$99</b>	<b>\$129</b>	<b>\$175</b>
<b>DEL</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>

## **CHICAGO**

<b>FULL</b>	<b>\$265</b>	<b>\$310</b>	<b>\$325</b>	<b>\$345</b>
<b>BASIC</b>	<b>\$112</b>	<b>\$152</b>	<b>\$165</b>	<b>\$175</b>
<b>DEL</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>

## **S.L.C.**

<b>FULL</b>	<b>\$300</b>	<b>\$350</b>	<b>\$375</b>	<b>\$450</b>
<b>BASIC</b>	<b>\$175</b>	<b>\$175</b>	<b>\$200</b>	<b>\$350</b>
<b>DEL</b>	<b>\$30</b>	<b>\$30</b>	<b>\$40</b>	<b>\$205</b>

## **OUR DC PROPOSAL**

<b>FULL</b>	<b>\$260</b>	<b>\$290</b>	<b>\$320</b>	<b>\$350</b>
<b>BASIC</b>	<b>\$96</b>	<b>\$126</b>	<b>\$156</b>	<b>\$186</b>
<b>DEL</b>	<b>\$25</b>	<b>\$25</b>	<b>\$35</b>	<b>\$45</b>

**"We beat the prices of the last two Conventions"**



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

May 13, 1994

**David K. Walter  
1505 Cotswald Court  
West Chester, PA 19382**

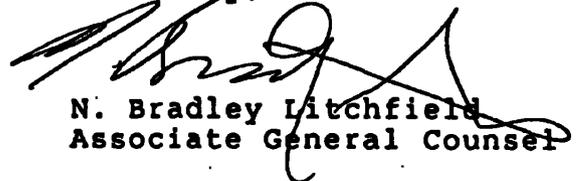
**Dear Mr. Walter:**

**This acknowledges your April 26, 1994, response to our request for more information regarding your advisory opinion inquiry.**

**We have examined the copy of the 1996 Convention Bid ("Bid") included in your response and have determined that additional information is necessary to fully understand the factual situation of your request. Page 5 of the Bid, under the section "Special Notes" number 5, discusses several modifications to a prior contractual arrangement, referred to as the "old contract agreement." To further review the Bid and the emerging relationship of the 1996 Convention organizers to the Libertarian party, this office requires, if available, a copy of the "old contract agreement." In order for this office to proceed further with your inquiry, please provide a copy of this document.**

**After receiving the document, this office and the Commission will give further consideration to your inquiry as an advisory opinion request. If you have any questions concerning the advisory opinion process or this letter, please contact Michael Marinelli, the attorney assigned to this matter, at 202-219-3400.**

**Sincerely,**

  
**N. Bradley Litchfield  
Associate General Counsel**

OGC # 1539

RECEIVED  
FEDERAL ELECTION

ADMINISTRATIVE

David K. Walter  
1505 Cotswald Court  
West Chester, PA 19382

JUN 6 8 57 AM '94

June 2, 1994

Michael Marinelli  
Federal Election Commission  
Washington, DC 20463

Dear Mr. Marinelli:

This is in response to Mr. Litchfield's letter of May 13th, regarding the provision of more information in order to consider an advisory opinion request in the matter of the 1996 Libertarian Party convention.

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JUN 6 9 49 AM '94

The "old contract agreement" referred to in the Bid is the one between the Libertarian National Committee and the providers of the 1993 convention in Salt Lake City. It is simply the starting point by which bids are solicited for the next convention. None of the organizers of the 1996 convention were in any way connected with the providers of the 1993 convention.

The document is rather bulky so we propose to hand-deliver it to you in the next few weeks. John Famularo, one of the principals involved with the 1996 convention, is visiting Washington and the FEC on another matter shortly. He will contact you to make an appointment to deliver the documents and, if you have time, discuss this entire matter. The organizers wish to get moving with plans for '96 and it is our desire to have the FEC give an opinion as soon as possible.

Yours truly,



David K. Walter

cc. J. Famularo

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUL 22 11 44 AM '94

**FEE Enterprises Inc.**  
**1420 Locust St., 36-D**  
**Philadelphia, PA 19102**  
**215-735-6426 voice**  
**215-545-6993 fax**

JUN 15 2 00 PM '94

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Mr. Michael Marinelli  
Office of General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

AOR 1994-25

June 13, 1994

Dear Mr. Marinelli:

Enclosed is a copy of the "old contract agreement" referred to in the communications between Mr. Litchfield and Mr. Walter concerning the 1996 Libertarian Party convention. I will call you in the next few days. I will be in Washington on the 16th and 17th of June and would like to arrange to meet you on one of those days.

Sincerely,



John D. Famularo

## AGREEMENT

THE LIBERTARIAN PARTY (the "LP"), through its governing body, The Libertarian Party National Committee (the "LNC") has authorized ROBERT WALDROP d/b/a MORNING GLORY PRODUCTIONS ("MGP") to host and produce the 1993 Libertarian Party National Convention (the "Convention") in Salt Lake City, Utah.

The LP and MGP enter into this agreement on this \_\_\_\_ day of December, 1991, for the purpose of clarifying the rights, obligations and liabilities of each party with respect to the hosting and production of the Convention.

MGP is solely responsible for the financing and production of the Convention, and shall be in charge of all program and production details except as otherwise expressly noted in this Agreement and any amendments hereto.

Any conflict which might arise between the above statement of general principles and the specific agreements set forth below is to be resolved in favor of the specific agreements set forth below.

Therefore, for the above delineated purposes, and in consideration of the mutual agreements set forth below, and for other good and valuable consideration, the parties hereto contract and agree as follows:

1. Time; Location. The Convention shall be held in Salt Lake City, Utah, during the week of August 31, 1993, through September 5, 1993, inclusive, at \_\_\_\_\_ (the "Convention Hotel") and \_\_\_\_\_ (the "Convention Floor Site"), (collectively, the "Convention Site"). The LNC may unilaterally change the site and/or time of the Convention. However, neither the time nor the site of the Convention shall be changed except under circumstances of an extraordinary nature, and then only by a vote of the LNC, in accordance with the LP Bylaws. MGP's consent to such a change shall not be required. To facilitate the consideration of such a change, MGP agrees to provide to the LP, upon thirty (30) days' advance notice, a summary of the assets and liabilities of MGP relating to the Convention.

In the event of such a vote, MGP shall have the right to terminate this Agreement within seven (7) days after the vote by notice to the LP, in which case MGP shall transfer all assets and liabilities of MGP relating to the Convention to the LP or its designee, and the LP or its designee shall accept and assume the same. Should MGP decide not to terminate this Agreement as aforesaid, then this Agreement shall remain in full force and effect; provided that the time and/or site of the Convention, as specified herein, shall be deemed changed to reflect the LNC's

action.

2. Agents of Parties. MGP and the LP shall each act solely through an authorized agent (an "agent"). The agent may be a single person or a committee of not more than five (5) members.

Each agent shall designate an individual (a "representative") with full power and authority to speak on behalf of the agent and to bind the agent, as well as the party it represents, in all matters related to this Agreement. The agent shall also designate another individual (an "alternate representative") who may exercise the powers of the representative if, after making reasonable attempts, the representative cannot be contacted.

A reasonable attempt shall be deemed to have been made if (1) the representative has been called by telephone or fax at least two times per day for three consecutive days and there has been no answer, (2) a telephone message has been left at the representative's last known number and the representative has not responded within seventy-two (72) hours, or (3) a fax transmission has been completed to the representative's last known fax number and the representative has not responded within seventy-two (72).

Both parties shall attempt to assure that either the representative or the alternative representative can be contacted within a short time frame to deal with matters which may arise.

Each party may conclusively rely upon the authority of such designations, until such time as the designations may be changed, as provided below.

The power and authority of each agent, representative, and alternate representative shall extend only to the respective powers and responsibilities of the parties set forth in this Agreement. No agent, representative, or alternate representative shall have any power or authority to agree to an amendment of this Agreement.

Each party may withdraw its agent's authority, and each agent may redesignate its representative or alternate representative on due notice to the other party. Each party may make its own rules concerning how its agent will be chosen or replaced and will verbally notify the other party of any change of agent or representative within 24 hours. Verbal notification shall be followed as promptly as possible by written notification. The agents, representatives, and alternative representatives, together with their respective addresses and telephone numbers are set forth on Appendix A attached hereto.

3. Attendance. "Convention attendees" shall be defined as those persons who are present at any one or more Convention functions during the time of the Convention. Names and addresses

of Convention attendees shall be entered onto an official list to be kept by MGP and shall be the joint property of MGP and the LP.

"Registered convention attendees" shall be defined as those persons who have, at any point during the convention, registered with and been credentialed as Delegates or Alternates by the LP Registrar. Registered convention attendees are a subset of convention attendees.

4. Convention Business Sessions. MGP shall provide at the Convention site, at its expense, all meeting room facilities necessary for conducting the official business of the Convention. This will include a large Convention hall to be used as the Convention Floor Site, and rooms for meetings of the LNC, the Platform Committee, the Rules and Bylaws Committee and the Credentials Committee.

A. MGP shall have the authority to limit or prohibit access to the Convention hall by persons who have not paid the requisite admission fees, with the following exceptions:

i. There shall be no charge made to registered convention attendees, media representatives, and those providing convention services to the LP (e.g. parliamentarian, clerical assistants, pages to distribute materials, persons hired to assist the LP in setup of computers).

ii. The Keynote Address shall be open to the public at no charge.

B. Appendix B attached hereto sets forth the requirements for these rooms. Additionally, the LP shall have the responsibility for providing all LP documents (including but not limited to the 1991 Platform, and Rules and Bylaws) necessary for use by delegates at the business sessions. The LP shall have sole authority over matters pertaining to the actual conduct, scheduling and agenda of the business sessions of the Convention. The LP shall submit a proposed business session schedule to MGP no later than January 1, 1993. The LP shall specify any planned changes to the same no later than June 1, 1993. MGP acknowledges that the actual agenda and allocation of time at the convention business sessions will be determined by vote of the delegates and is subject to change beyond the control of either party. MGP shall, therefore, hold the LP harmless for any damages which may arise from changes to the convention business session schedule as a result of actions taken by the Convention, so long as the final convention business session is adjourned no later than 6:00 PM, Sunday, September 5, 1993.

C. If requested to do so by the LP, MGP shall provide secretarial services to the Platform Committee, the Rules and Bylaws Committee, and/or the Credentials Committee to assist in keeping minutes for the meetings of those committees and to prepare typed copies of the reports of those committees in sufficient quantities and in such a timely fashion as is required to present the same to the Convention delegates prior to floor debate of the reports. The LP shall bear the reasonable out-of-pocket costs to MGP of these secretarial services. MGP will inform the LP no later than June 1, 1993, of the hourly charge for secretarial services and will proceed with secretarial arrangements only on the approval of the LP. The LP and MGP shall reach agreement on a time limit for reimbursement for these expenses.

The LP may contract in its own name for secretarial services should it wish to do so.

The LP may contract in its own name for a parliamentarian with any compensation, honorarium or remuneration to be paid by the LP.

5. Convention Services. MGP shall, in its own name and at its own expense and liability, contract or subcontract with other parties for any goods and services necessary to produce the Convention, except as otherwise expressly provided in this Agreement. Generally, MGP shall have the power and the duty to organize, finance and administer all aspects of the Convention, except as expressly provided to the contrary herein. In particular:

A. MGP shall arrange with the Convention Hotel to block out a suitable number of guest rooms to be made available for Convention attendees wishing to rent hotel guest rooms. The LNC and its subcommittees shall take no action which might encourage attendees to rent rooms at hotels other than the Convention Hotel. If such encouragement is given, and MGP does not reach its guaranteed number of room nights contracted for with the Convention Hotel, the LP will be liable to reimburse MGP for any additional charges imposed by the Convention Hotel for this failure.

B. MGP shall additionally provide all services necessary for the preregistration, registration and identification of all persons who shall attend the Convention as convention attendees. MGP's responsibilities include, but are not limited to, providing the arrangements and facilities for acceptance of registration fees from those persons.

C. The LP, through its Credentials Committee, shall be responsible for accepting and issuing credentials to delegates

and alternates, thereby identifying them as registered convention attendees.

D. MGP shall provide a suitably equipped and staffed "media room" at the time and site of the Convention. The requirements for this room shall be determined no later than June 1, 1993, by mutual consent of the parties.

E. MGP shall provide the LP with four (4) complimentary full Convention registration packages. The LP may, at its sole discretion, sell, transfer, or otherwise assign these packages to the persons or organizations of its choice.

F. MGP shall provide or make available certain facilities and services at the time and site of the Convention at a reasonable charge to users. MGP shall provide LP with a final schedule of charges for these facilities and services no later than April 1, 1993. LP shall be solely responsible for dissemination of the availability and cost of these facilities and services to its members. MGP shall be solely responsible for accepting and processing requests for such facilities and services, as well as for all financial aspects of these transactions. MGP shall assure that all requests received by MGP prior to August 1, 1993, to use such facilities or services shall be honored. Facilities and services include:

- i. Child care
- ii. Typing and/or word processing equipment
- iii. Photocopying equipment
- iv. An open event room
- v. Any other item which MGP and LP mutually agree in writing shall be added to this list.

6. Keynote Speaker. MGP shall choose the Keynote Speaker for the Convention and be responsible for any financial arrangements with said speaker. MGP shall give notice to the LP of its choice no later than December 1, 1992.

A. The LP shall have the authority to veto any such choice by notice to MGP; provided, however, that if the LP does so after June 1, 1993, it shall reimburse MGP for any additional expenses it incurs by reason of the change in Keynote Speaker.

B. The Keynote Address shall be open to the public without charge.

7. Program and Events. MGP shall organize, finance, promote and administer the nonbusiness program of the Convention. Such nonbusiness program shall be similar in general scope and content to the nonbusiness programs of past LP national conventions.

MGP's responsibilities shall include, without limitation, the duty of providing invitations to the speakers selected to appear at the Convention, arranging seminar and speaking locations for such speakers and providing all other services necessary to insure their appearance at the Convention. MGP agrees that all events and activities of the Convention for which it is responsible shall not conflict with the purposes of the LP or the resolution of the LNC attached hereto as Appendix C (the "LNC Resolution"). In particular:

A. MGP shall have final authority over the selection and content of all events, speakers and activities of the Convention, except as otherwise expressly set forth in this Agreement.

B. MGP shall bear full responsibility and cost for any and all events, speakers and activities over which it has authority.

C. MGP shall organize, finance and administer a banquet on the evening of Saturday, September 4, 1993 (the "Convention Banquet").

8. Exhibits. MGP shall provide for suitable space at the Convention site for exhibitors offering goods and services, and may charge such rentals or other fees to these exhibitors as it deems appropriate, with the exception that one exhibitor booth shall be made available at no cost to the LP. Staffing of said booth shall be provided by the LP.

No exhibitor shall be permitted who violates the intent or spirit of the LNC Resolution. MGP shall provide written notice to the LP listing all exhibitors and their displays no later than June 1, 1993. The LP shall have the right to veto any exhibitor and/or display; provided, however, that if it does so after August 1, 1993, it shall reimburse MGP for any losses it incurs as a consequence of such veto. The LP, at its sole discretion, may determine whether or not to allow the addition of any exhibitor after June 1, 1993. In the event that the LP determines not to allow the addition of any exhibitor after that date, the LP shall have no liability to MGP with regard to that exhibitor.

9. Fee Structure. MGP shall be the sole determiner of all fees and prices for the Convention program or portions thereof, except as provided for elsewhere in this Agreement.

10. Fundraising. MGP grants to the LP or its designee the exclusive right to solicit financial contributions from attendees of the Convention Banquet. The MGP banquet program and the LP fundraising program at the Convention Banquet shall be coordinated by the two parties, but the overall program for this event shall be

administered by MGP. The LP shall indicate when during the banquet program the fundraising will be done. The LP and MGP shall reach agreement on the maximum amount of time to be allocated to fundraising at the Convention Banquet. All such matters shall be resolved no later than August 1, 1993.

The LP may, at its option, designate one other Convention event at which it will solicit financial contributions. The LP shall notify MGP of its specific proposal for exercising this option, including the program content of such event, no later than June 1, 1993.

MGP shall neither authorize nor permit any other individual or organization to solicit financial contributions at convention events or in convention facilities during Convention activities without the prior written approval of the LP. MGP shall obtain agreement from all exhibitors regarding this limitation.

Contributions received by the LP or an affiliated committee or organization as a result of its solicitation efforts at the Convention shall not be considered as Convention revenues to which MGP would ordinarily be entitled.

MGP shall have the exclusive right to manufacture and/or market T-shirts, buttons, coffee mugs, pens and similar souvenir items of the Convention. MGP shall have the right to permit others to do so, so long as they do not violate the intent or spirit of the LNC Resolution. Exhibitors which have not been vetoed by the LP shall be deemed to meet this requirement.

11. Personnel and Staff. MGP shall provide all personnel necessary for the complete and efficient conduct, management and supervision of the Convention, with the exception that the LP shall have the responsibility for the conduct of official Convention business, including, but not limited to, issuance of credentials, committee meetings, Rules and Bylaws debate, Platform debate, candidate selection, the election of the LNC and other party officers and committee members, and such other activities which are or become a part of the Convention business schedule.

MGP shall provide the following staffing to assist the LP in setting up prior to the Convention and packing up thereafter:

A. Five (5) able-bodied persons from 6:00 PM to 11:00 PM on Wednesday, September 1, 1993.

B. Five (5) able-bodied persons to begin working for a period of three (3) hours beginning approximately thirty (30) minutes after the close of the final business session of the Convention on Sunday, September 5, 1993.

12. Advertising and Promotion. The LP shall be responsible for national media promotion, except as otherwise expressly provided in this Agreement. MGP may undertake, at its own expense, such media promotion as it deems necessary. Nothing in this paragraph shall be construed to limit the promotional activities of either party or to deter either party from assisting with or supplementing the promotional efforts of the other.

A. The LP shall promote the Convention by publication in LP NEWS of one full page (or such lesser amount as may be requested by MGP) of camera-ready advertisements, in any three (3) issues preceding the Convention. MGP shall notify the LP of which issues it intends to use no later than September 1, 1992. MGP may subsequently request to alter the publication schedule. The LP will attempt to accommodate such request.

Such advertising shall be prepared by MGP and must be submitted in accordance with the established advertising schedule of LP NEWS. In the event that one or more of the three (3) selected issues of LP NEWS are not published or the advertising is omitted, the LP shall publish the advertisement in the next issue of LP NEWS. If a sufficient number of issues of LP NEWS are not published to eventually publish a total of three (3) advertisements prior to the Convention, then the LP shall distribute to all parties on the LP NEWS mailing list the same advertisement as a separate mailing. In either case, the cost will be borne by the LP.

B. The LP shall provide MGP with the appropriate mailing labels from all lists maintained in the LP computers, as needed for Convention mailings. If MGP does not give the LP thirty (30) days' notice of its intention to make such a mailing, then the LP retains authority to confine mailing drop dates for that mailing so as to minimize conflicts with LP mailings. The cost of labels and their printing will be borne by the LP. The mailing list and labels provided by the LP shall remain the sole property of the LP. MGP shall not copy or otherwise use the information contained therein except as expressly permitted hereby, and shall exercise every reasonable effort to maintain the confidentiality of such information.

C. MGP shall provide typewritten copy to LP NEWS for the purpose of promoting the Convention, subject to editorial approval by the editor of LP NEWS. All such copy will be published except that total LP NEWS space devoted to such material, the cost of which will be borne by the LP, will not exceed twelve (12) pages, with no more than six (6) pages in any issue. All such publication shall be in issues distributed after the signing of this Agreement and prior to August 31, 1993.

D. The LP agrees that at least one issue of LP NEWS shall be mailed between June 1, 1993, and July 31, 1993, inclusive. The penalty for failure to comply with this requirement shall be \$200 per day of delay beyond July 31, 1993, not to exceed \$2500, payable by the LP to MGP. No penalty shall be payable if MGP has not timely provided any advertising or typewritten copy for such projected issue, as provided above, or if the LP makes an alternative mailing to the LP NEWS mailing list, as provided in subparagraph A above, within the required time period.

**13. Allowances and Authorized Expenditures:** In consideration for this Agreement, MGP agrees to pay to the LP an allowance in the amount of Fifteen Dollars (\$15.00) for each registered convention attendee as defined in Paragraph 3 above. Subject to its right of offset noted below, the LP intends to use this allowance to fund certain aspects of Convention productions which are under the control of the LP. However, the LP may use these funds for any purpose it deems appropriate.

The LP may, at its sole discretion, direct MGP to contract for certain equipment or services ("authorized expenditures"). The LP shall indemnify MGP for all liabilities pertaining to authorized expenditures. MGP shall use accrued allowances (or reasonable estimates of allowances projected to accrue to the LP) to pay for authorized expenditures.

No later than September 20, 1993, the LP will present a complete listing of the names of all registered convention attendees to MGP. The LP will also present the addresses and telephone numbers of these persons, to the extent that they are known to the LP Registrar. No later than September 20, 1993, MGP will present the LP with a complete listing of the names of all convention attendees to the LP. MGP will also present the addresses and telephone numbers of these persons, to the extent that they are known to MGP. MGP will also present a complete accounting of all authorized expenditures. Each party shall then determine if it wishes to dispute any portion of the submission of the other party. Written notification of any disputed amount, detailing the nature of the dispute, shall be given no later than September 30, 1993.

Settlement of any undisputed amounts shall be made no later than October 11, 1993. If the accrued allowances exceed the authorized expenditures made by MGP on behalf of the LP, then MGP shall pay the difference to the LP. If the authorized expenditures made by MGP on behalf of the LP exceed the accrued allowances, then the LP shall pay the difference to MGP.

Any disputed amount shall be subject to negotiation. Failing a negotiated settlement, the provisions of Paragraph 19 below shall

apply.

14. Costs, Revenues, and Liabilities. Except as otherwise expressly set forth in this Agreement, MGP shall bear all costs associated with the conduct, management and supervision of the Convention and shall be entitled to all revenues generated from the Convention and its activities. MGP absolves the LP from any responsibility or liability for debts incurred by MGP in the course of its conduct, management and supervision of the Convention, except as otherwise expressly provided in this Agreement, and shall hold the LP harmless and defend the LP from any legal action resulting from the failure of MGP to settle its debts.

In its dealings with all third parties to this contract, MGP shall assure that no representation is made that the LP is a party to said dealings. Furthermore, should any third party erroneously indicate to MGP either verbally or in writing that the LP is a party to said dealings, then MGP shall cause a written notice to be mailed to both the third party and the LP stating that MGP, and not the LP, is a party to said dealings. Such notices shall be sent by certified mail, return receipt requested, or such other means that proof of delivery to both the third party and the LP is readily available.

15. Reports. MGP shall provide the LP with a monthly financial statement no later than the 15th day of each month. The financial statement, which shall include both a balance sheet and an income statement, shall accurately reflect the financial condition of MGP as of the last calendar day of the preceding month.

MGP shall also provide the LP with written progress reports. Progress reports shall be presented to the LP no later than thirty (30) days prior to each scheduled LNC meeting. The LP shall be responsible for distribution of such progress reports to LNC members. Such reports shall include, but not be limited to,

- A. A synopsis of milestones achieved since the previous report.
- B. A projected convention schedule of events and, when available, details.
- C. A projected facilities allocation.
- D. A registration census.
- E. The identification of any disputed contractual issues between MGP and the LP.

F. The identification of outstanding questions or issues.

G. A list of all contractual deadlines scheduled to occur between the time of the report and the time of the following LNC meeting.

MGP shall prepare and file, in strict accordance with 11 CFR Part 107, and such other provisions of applicable laws, ordinance and regulations, all reports legally required in connection with the Convention, and simultaneously provide to the LP copies of all such filings.

16. Records. LNC shall have the right, at any time and at its own expense, to review the registration and pre-registration records kept for the Convention by MGP, and to make use of the names, addresses, telephone numbers and other information contained therein.

17. Miscellaneous.

A. Identification of LP. MGP shall ensure that all logos, badges, meeting rooms, banners, advertising, stationery, media releases and similar Convention items shall include the words "Libertarian Party". Furthermore, the Convention name shall include the words "Libertarian Party".

B. Decorations. MGP shall install, at its cost and expense, suitable decorations for the Convention. MGP shall send the LP a detailed description of all proposed decorations no later than August 1, 1993. The LP shall have the right to veto any portion of the proposal without giving cause therefore. Final agreement on decorations shall be reached no later than August 16, 1993.

C. Time of the Essence. Time is of the essence of this Agreement.

D. Liability of the LP. The officers, employees, agents and members of the LP and the LNC shall not be personally liable for the obligations of the LP hereunder. MGP may look only to the assets of the LP for the satisfaction of such obligations.

E. Reasonableness. Whenever this Agreement requires that a party hereto shall make a determination or decision, such party shall act reasonably in doing so in light of all the circumstances then existing, and whenever this Agreement requires that a party's approval or consent be obtained, the same shall not be unreasonably withheld or delayed.

F. LP Indemnity. The LP shall indemnify, hold harmless and defend MGP, its partners, directors, employees and members from and against any claims, actions and liabilities, including, without limitation, reasonable attorneys' fees and court costs, arising from the activities which are the responsibility of the LP hereunder.

G. MGP Indemnity. MGP shall indemnify, hold harmless and defend the LP and LNC, and their officers, employees and members, from and against any claims, actions and liabilities, including, without limitation, reasonable attorneys' fees and court costs, arising from the activities which are the responsibility of MGP hereunder.

H. Notices. Unless expressly provided herein to the contrary, all notices herein required shall be in writing and shall be delivered personally to a representative designated hereunder, or mailed by first class mail, postage prepaid, to a party at the address for notices specified in Appendix A attached hereto. An address for notices may be changed by similar notice to the other party. Notice shall be effective upon receipt.

I. Entire Agreement. This Agreement and the Appendices hereto contain all of the representations and statements by each party to the other and express the entire understanding between the parties with respect to the Convention. All prior communications concerning the Convention are merged in and superseded by this Agreement.

18. Amendments to the Agreement. The provisions of this document may be amended from time to time by the joint written approval of MGP and the LP, or by their designated agents.

19. Arbitration. It is expressly agreed by the parties hereto that should a dispute arise between the parties pertaining to the subject matter of this Agreement, and if the dispute cannot be settled in a manner mutually agreeable to the parties, then the parties shall submit that dispute to binding arbitration under the commercial rules of "Judicate: The National Private Court System". Any decision from such arbitration shall be binding on the parties and judgment may be entered thereon and enforceable by any court of proper jurisdiction.

20. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that neither party hereto may assign all or any interest in this Agreement to any other person, except to the extent expressly provided herein.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date noted above.

THE LIBERTARIAN NATIONAL COMMITTEE

ROBERT WALDROP d/b/a  
MORNING GLORY PRODUCTIONS

By: \_\_\_\_\_  
Mary Gingell, Its Chair

By: \_\_\_\_\_  
Robert Waldrop

Attest:

\_\_\_\_\_  
Joseph W. Dehn, III, Its Secretary