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OFFICE OF GENERAL COUNSEL
FEDERAL ELECTION COMMISSION

Re: Advisory Opinion Request - Points for Politics®

Dear Mr. Herman:

Pursuant to 2 U.S.C. §437(f), this is an advisory opinion request on behalf of Points for Politics, LLC¹, a limited liability company organized under the laws of Delaware, (the "Company"), concerning the applicability of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 *et seq.*, ("FECA" or the "Act"), to the proprietary technology and business system developed by the Company by which participants in affinity programs may redeem their earned affinity / loyalty points as contribution(s) to political committee(s).² The system is known as Points for Politics® and the Company has been awarded a patent by the U.S. Patent Office for the system.³

Based on the representations and analysis included herein, the Company requests the Commission's advisory opinion recognizing the Points for Politics® system as permissible under FECA for making contributions to political committees.

Background

Description of Affinity Programs Generally

Many retailers and service providers implement programs for customers to reward or encourage customer loyalty ("Affinity Programs"). Affinity Programs may be sponsored by credit card issuers, airlines, retailers, service providers, and other merchants ("Affinity Program Sponsor")

¹ The Company is established by individual investors/partners and taxed as a partnership.

² Points for Politics LLC has registered the trademark "Points for Politics®".

³ The Company has applied for and received a patent on the technology and business system. U.S. Patent Application Pub. No. US 2009/0024483 A1, Patent Issue Date – August 9, 2011 (referred to herein as the "Patent"). A copy of the Patent is attached to this Advisory Opinion Request.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 2

or “Sponsor”). Customers of Affinity Program Sponsors are provided with an account, an account number that tracks Affinity points earned by customers from purchases and utilization of the Affinity Program Sponsor’s products and services, based on the terms of the Affinity Program. Affinity Programs include “points” or “frequent flyer miles” or some other similar reward mechanism (collectively, “Affinity Points”). Customers, under the terms of the Affinity Program, are allowed to redeem reward points for cash, prizes, free travel, discounts on merchandise or travel, or other rewards. Examples of Affinity Programs include airline frequent-flyer programs and credit card programs such as American Express’s Membership Rewards® Program, Bank of America’s WorldPoints® Program, Citibank’s ThankYou Network® Program and Visa’s Extras® Program, among others. In recent years, Affinity Programs have developed mechanisms whereby participants can make charitable contributions through redeemed Affinity Points.⁴

Affinity Programs are essentially marketing devices designed to enhance brand loyalty by cultivating an ongoing relationship between the Sponsor and its customers. Loyalty programs encourage customers to buy frequently, to increase the amount spent with the Sponsor, and provide incentives to purchase goods and services from the Sponsor. Affinity Programs offer perks for membership in the Program and reward purchases in such a way as to encourage sales of the Sponsor’s products and services. See Patent, ¶16.

Generally, contracts governing Affinity Programs allow the Sponsor to alter at will the terms of the Affinity Program vis-à-vis the customers. However, the popularity of reward programs stems at least in part from the treatment of the points as owned not by the Sponsor but by the customer. Successful Affinity Programs trumpet the ability of customers to choose from multiple options the manner in which their Affinity Points may be redeemed.

Affinity Programs treat Affinity Points as having an established dollar value as described under the terms of the Affinity Program, normally ranging from \$0.002 to \$0.008 per reward point. Under Generally Accepted Accounting Principles (GAAP), Sponsors must include the cash value of unredeemed reward points as a contingent liability on their balance sheets.⁵

⁴ See, e.g., “Donating Credit Card Points to Help Haiti,” Jennifer Saranow Schultz, New York Times Website, January 27, 2010, available at: <<<http://bucks.blogs.nytimes.com/2010/01/27/how-to-donate-reward-points-to-help-haiti/>>> (accessed Feb. 5, 2012).

⁵ See, generally, Foundations of Airline Finance, Bijan Vasigh, et. al. (2010).



FOLEY & LARDNER LLP

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 3

Points for Politics®

Points for Politics® is a patented business process that allows customers to convert their accumulated Affinity Points into contribution(s) to federal political committees: principal authorized candidate committees, political action committees and/or political party committees⁶. Points for Politics® does not generate or award affinity points; rather, it is a process whereby the owner of the Affinity Points is able to redeem his/hers points for political contributions as described herein.

Upon instruction by the Affinity Program customer, Points for Politics® automatically, through its patented technology system, is able to redeem the customer's Affinity Points in the customer's account with the Sponsor at a rate set by an agreement between the Company and the Sponsor. Points for Politics® will then be able to instantaneously convert the customer's Affinity Points to a dollar value in an amount as directed by the customer, to remit the funds to the customer-selected political committee, together with the information required for the recipient committee's reporting purposes. Points for Politics® is a mechanism that is designed to support Affinity Programs for all types of Affinity Sponsors. It is solely designed to convert Affinity Points into political contributions, and no other type of redemption.

The Company believes that the Points for Politics® system will benefit both the general public and political committees by allowing for the conversion of Affinity Points into direct contributions to political committees. Points for Politics® will enable more American citizens to become engaged in the political process in a unique way.

User Interface Process

The step-by-step Points for Politics® system will work as follows:

1. Individuals / customers accumulate Affinity Points with various Affinity Sponsors.
2. Individual customers identify a political committee to which he/she wishes to contribute.

⁶ The Points for Politics® system described in this AOR presumes that the contribution(s) will be directed toward political committees subject to FECA source prohibitions and contribution limits as set forth in the Act. Use of Affinity Points for making contributions to Independent Expenditures Only Committees registered with the Commission would follow the same procedures as described herein, albeit with separate disclaimers and without the restrictions regarding individual ownership of the Affinity Account and the dollar limitation on contribution(s) of Affinity Points to such a committee. This AOR addresses committees that receive contributions subject to the Act.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 4

3. The individual customer instructs the Company to redeem Affinity Points to a particular recipient political committee in an amount within applicable limits under FECA.
4. The instruction to utilize Affinity Points for the contribution takes the individual to a specially designed web portal. Individuals will be able to reach the Points for Politics® web portal by way of either the Affinity Program's website or the websites of political committees who have agreed to host the Points for Politics® feature as part of the committee's website.
5. If the individual customer accesses Points for Politics® through the Affinity Program website, the individual will be able to access a database of candidates and political committees. The database will have simple information, including the office the candidate is seeking and the candidate's party affiliation. This website portal will not prefer any particular candidate, political party, or political committee and its search function will contain no preference for any political committee or group of political committees.

The Company will enter into agreements with political committees which will allow the political committee to host a link or interface for Points for Politics® so that the political committees can encourage customers to donate Affinity Points to the particular political committee.

6. If the individual accesses Points for Politics® from a political committee website, the system allows for accessing the donor's Affinity Program account with participating Sponsors for purposes of effectuating a contribution to the participating political committee utilizing the Points for Politics® system.
7. If the individual accesses Points for Politics® from the Sponsor's Affinity Program website, the individual will identify the intended political committee recipient to which he/she wishes to contribute. Individuals will then indicate the amount of the intended contribution and the number of Affinity Points donated to equal the dollar amount of the contribution, based on the formula defining the value of each Affinity Point.
8. There is a security / compliance mechanism to ensure that the donor of the Affinity Points is:

- a) a permissible individual donor (a U.S. citizen or a foreign national with permanent resident status in the United States);

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 5

b) that the donor owns the Affinity Points individually and not in a corporate capacity; and

c) that the person directing / making the contribution is the actual owner of the Affinity Program points.

This will be accomplished by requiring that before a contribution of Affinity Points is converted and any contribution(s) transferred, the system will:

- ask the individual to provide and confirm his or her donor identification information (name, mailing address, occupation, and employer);
- confirm that the Affinity Program account is the property of the individual;
- confirm that the Affinity Program account is not the property or held in the name of a national bank, corporation, labor union, federal government contractor, or foreign national without permanent resident status;

Points for Politics® will limit any individual from making a contribution in excess of the applicable federal limit for the recipient committee. Further, Points for Politics® only converts the Affinity Points previously awarded to the owner. The maximum contribution any donor can make is determined not only by the contribution limits, but also by the number of points and value thereof.

Upon completion of the process for converting Affinity Points to political contributions, the system will provide to the individual donor the contribution amount for purposes of FECA reporting (in dollars) and state that the amount of the contribution is a contribution to a political committee and counts against the applicable contribution limit(s) for that donor and that the contribution is not deductible as a charitable contribution for federal income tax purposes.

The identical process is followed regardless of the political committee chosen by the donor for his/her contribution. There is no partisan or candidate preference on the part of Points for Politics®.

Mechanics of the Contribution

After the individual has selected the recipient committee, entered the dollar amount of the proposed contribution, confirmed the donor and compliance information required under FECA, the System will advise the donor as to the number of Affinity Points required for the dollar amount



FOLEY & LARDNER LLP

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 6

of the proposed contribution⁷. Once the donor re-affirms the desired contribution amount, the Points for Politics® system automates the redemption of the Affinity Points and the transfer of the dollar amount to the recipient committee, as directed by the customer.

The Affinity Program Sponsor will transfer the funds to the Company's segregated account for political contributions, similar to the manner in which a credit card merchant bank processes credit card contributions to political committees. Within ten days of the authorization by the donor of the contribution, the Company will transfer the funds to the designated political committee, net the Fee (as described below), with the accompanying donor information: Points for Politics® will provide to the political committee the requisite information regarding the gross amount of the contribution, the fundraising costs reflecting the Fee and the specific FECA-required donor information, including donor's name, mailing address, employer and occupation.

Fee(s) Charged by Points for Politics®

The Company will charge a ten percent (10%) processing fee of the gross contribution, which is in addition to the merchant bank account processing costs and fees as may be imposed by third-party processors (collectively, the "Fee"). The Fee will be the same regardless of the entry point from which the donor has accessed the Points for Politics® system or the identity of the political committee. The Fee will be deducted as a fundraising cost prior to the transfer of the contribution to the recipient committee.

Disclaimers

The Company will work with Sponsors and political committees to ascertain when and what disclaimers are appropriate and required to appear on any website associated with the system and to ensure that necessary disclaimers are included.

Question Presented

Are contributions that originate in the form of Affinity Points, redeemed into cash-value and transmitted to political committees utilizing the patented Points for Politics® system and subject to the procedures described herein, permissible under the Act?

⁷ The contract between the Company and the Sponsor will provide that the Sponsor must redeem the individual's Affinity Points at a rate equal to or less than the rate the Affinity Program redeems or exchanges Affinity Points for other rewards.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 7

Proposed Conclusion and Legal Analysis

Yes, the Points for Politics® system, which involves facilitating the redemption of an individual's Affinity Points and conversion into a specific dollar amount to be contributed to a political committee designated by the donor, complies with the Act.

The Affinity Points are owned by the individual Contributor and the Points for Politics® system merely (i) provides a service to the individual donor, or (ii) provides a service to a political committee to enhance its fundraising options. The Company serves as a vendor in this process, similar to the merchant bank in a credit card processing system for online and credit card contribution. The Company will be paid a fair market value for its services.

Applicable FECA Regulations and Precedent of the Commission

FECA contains several general requirements and limitations on contributions to a political committee (other than an independent expenditures only committee). Under FECA, a "contribution" includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i) and 11 C.F.R. § 100.52(a); see also 2 U.S.C. § 441b(b)(2) and 11 C.F.R. § 114.2(b)(1). "Anything of value" includes all in-kind contributions, including the provision of goods or services without charge or at a charge that is less than the usual and normal charge. See 11 C.F.R. § 100.52(d)(1). "Usual and normal charge" is defined as the price of goods in the market from which they ordinarily would have been purchased at the time of the contribution, or the commercially reasonable rate prevailing at the time the services were rendered. See 11 C.F.R. § 100.52(d)(2).

A "commercial vendor" is any person "providing goods or services to a candidate or political committee whose usual and normal business involves the sale, rental, lease or provision of those goods or services." 11 C.F.R. § 116.1(c). FECA permits a commercial vendor to provide goods or services to political committees in the ordinary course of business and at the usual and normal charge; such a transaction is not treated as a contribution under FECA. See 11 C.F.R. § 114.2(f)(1).

FECA prohibits contributions from certain sources. Corporations may not contribute to political committees. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b)(1). National banks, labor unions, federal government contractors, and foreign nationals without permanent resident status are also prohibited from making contributions to political committees. 2 U.S.C. §§ 441b(a), 441c(a), and 441e. A political committee may not accept contributions made in the name of another individual. 2 U.S.C. § 441f.

FECA also contains limitations on the total amount each individual may contribute to particular types of political committees. 2 U.S.C. § 441a.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 8

Under FECA, political committees have information collecting and reporting requirements. The treasurer of a political committee must keep an account of all contributions from individuals, including their name, mailing address, occupation, and name of his or her employer. 2 U.S.C. § 432(c); *see* 2 U.S.C. § 431(13). FECA provides that a political committee may comply with these requirements by showing that it has made "best efforts" to obtain the information required to be collected. *See* 2 U.S.C. § 432(i). Generally, "best efforts" includes a clear request by the solicitor for all information required to be reported at the time the donation is made, a statement of Federal law regarding the collection and reporting of contributor identification included on the solicitation, and, if the information is not collected, one follow-up request. *See* 11 C.F.R. § 104.7(b). Under 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2), a person must transmit contributor information, and the contribution, within the applicable period of time to the appropriate political committee.

Under FECA, public communications made by a political committee, including those communications made on a website or fundraising solicitations, must contain an appropriate disclaimer. *See* C.F.R. § 110.11, referring to 2 U.S.C. § 441d.

Application of FECA to the Points for Politics® System

The Company is a 'commercial vendor' as that term has been defined by the Commission and its Points for Politics® proprietary technology system is being made available to the public on a fee charged basis, as described herein, because it is "providing goods or services to a candidate or political committee whose usual and normal business involves the sale, rental, lease or provision of those goods or services." 11 C.F.R. § 116.1(c). The conversion of Affinity Points to political contributions from individual Affinity Point owners will be transaction(s) in the ordinary course of business and therefore, are not contributions from the Company under FECA. *See* 11 C.F.R. § 114.2(f)(1).

Points for Politics® is a service / product offered by the Company in the ordinary course of the Company's business, at a usual and normal charge. Thus, Points for Politics® comports with the commercial vendor definition and prior FEC Advisory Opinions addressing other technological advances in the manner in which political committees are permitted to receive contributions. The Points for Politics® system does not constitute a contribution from the Company or the Affinity Program Sponsors to the participating political committees and thus, does not implicate the prohibition on corporate donations.

Points for Politics® will include procedures that fulfill general FECA rules on contributions to political committees, including the disclaimers and information gathering required to fulfill a political committee's "best efforts" obligations under 11 C.F.R. § 104.7(b), and the notice of prohibitions of contributions from certain sources, limitations on the amount of the contributions, and presence of the appropriate disclaimer.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 9

Points for Politics® will conform to FECA requirements and should be treated as a commercial vendor, pursuant to related Commission Advisory Opinions.

1. Points for Politics® is Similar to Other Methods of Making Contributions Previously Approved by the Commission

The FEC has issued a number of opinions approving creative ways for donors to make contributions to political committees, so long as the prohibition on corporation donations in 2 U.S.C. § 441b(a) and applicable Commission regulations are observed.

In Advisory Opinion 2003-16, the FEC approved a credit card affinity program whereby card users could opt to direct their rewards to a national party committee in lieu of receiving the rewards themselves. Because the individuals were otherwise entitled to the rewards, the FEC opined that the contribution had come from the individual card holders, as opposed to the bank offering the cards.

Points for Politics® simply follows this identical, approved approach, with the only difference being that the technology developed by the Company allows the 'reward' to be automatically converted from Affinity Points to a dollar contribution to the recipient committee through the patented system. In all other respects, the approach authorized under AO 2003-16 is the same as that envisioned by Points for Politics®.

In Advisory Opinion 1997-09, the FEC approved the collection of PAC contributions from individual members through electronic debiting of trading accounts after receiving assurances that the trading accounts were owned by individuals and that the PAC would not receive funds drawn on credit or loaned funds. Points for Politics® technology ensures that the Affinity Points redeemed are owned by the individual donor in accordance with this and other Advisory Opinions of the Commission.

Points for Politics® is in keeping with these approaches previously approved by the Commission.

2. Amount of Contribution to be Reported through Points for Politics® Contributions Complies with FECA and Commission Requirements.

The FEC has repeatedly confirmed that any vendor's fee for facilitating a contribution is included in determining the amount of the contribution(s), regardless of the fee structure. The FEC summarized its past opinions in Advisory Opinion 2007-04 (Atlatl), stating "the Commission has determined that for purposes of the Act's amount limitations and reporting requirements, the contribution includes the entire amount authorized by the contributor, including any processing fees deducted by the financial service provider" (citing Adv. Ops. 1999-8 (Specter) and 1995-34 (Politechs)). In Advisory Opinion 2007-04, the FEC concluded similarly that a "convenience" fee

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 10

negotiated between a vendor and a political committee was included in the contribution because it represented something of value to the recipient political committee.

Points for Politics® will notify the recipient committee at the time of the transfer of the contribution to report the gross amount / full dollar value of the affinity points redeemed. The Fee deducted from the contribution will also be reported to the recipient committee for purposes of its reporting to the Commission of applicable fundraising cost(s).

When determining the terms of conversion for contributions to political committees, Points for Politics® will utilize and apply the same (or lower) conversion rate established by the Sponsor for other redemption purposes. See Adv. Ops. 2006-34 and 2004-18.

3. *Points for Politics® is Consistent with Other Affinity Programs Approved by the Commission.*

The FEC has examined various affinity programs involving political committees and providers of credit card or telephone services. In various advisory opinions, the Commission permitted the political committee to pay a third-party a commercially reasonable fee in exchange for the third-party's efforts to market services that offer an opportunity for a purchaser to contribute to the political committee. So long as the third-party and the political committee (i) enter into a commercially reasonable transaction in which the political committee pays the usual and normal charge for any services provided or such services are provided in exchange for bargained for consideration of equal value and (ii) the amounts contributed to the political committee are from the individual customer's funds and not from the third-party's funds, then these arrangements are *bona fide* commercial transactions and are not treated as contributions from the vendor. See Adv. Ops. 2006-34, 2003-16, 2002-07 and 1995-34.

Points for Politics® meets both requirements described in these Advisory Opinions. Points for Politics® charges a standard fee for the technology and service(s) which convert contributors' Affinity Points to contributions to political committees. This is a valuable service both for the political committee and the donor. In exchange, the Company is paid a Fee, deducted from the gross contribution. The Fee does not represent a subsidy to a political committee, and it is within the normal range of similar financial transactions processing contributions to political committees. The Company will receive a reasonable profit from the use of its service(s) and technology.

Second, individual donors are contributing their own individual assets (affinity points) under their customer Affinity Programs, not the assets or income derived from the Affinity Program Sponsors or the Company. Points for Politics® will convert only existing Affinity Points to political contributions, as directed and designated by the donor. As noted above, the Affinity Program Sponsor's liability for outstanding, unredeemed Affinity Points is reflected on the Sponsors' balance sheets. Under Points for Politics®, the individual donor makes the choice to participate in the System and to convert his or her Affinity Points into a political contribution to the

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 11

political committee of his / her choosing. In so doing, he or she is converting an obligation owed to him or her by from the Affinity Program Sponsor into a contribution to a political committee. As the FEC has previously opined, when customers have the choice to retain their Affinity Points or convert the points to political contributions, the Affinity Points will be treated as owned by the customers and thus such contributions are individual contributions. Adv. Op. 2003-16.

4. Points for Politics® Is Established to Conform to FECA Requirements and Commission Precedent for Affinity Programs.

In Advisory Opinion 2010-21 (ReCellular), the FEC summarized its criteria for approving corporate affinity programs and affinity-type business arrangements with political committees. Advisory Opinion 2010-21 reads “the Commission concluded that corporations may offer affinity programs and enter into affinity-type business arrangements with political committees so long as

(1) the corporations and political committees enter into commercially reasonable transactions in which the political committees pay the usual and normal charge for any services provided by the corporations; and

(2) the amounts contributed to the political committees via rebates, rewards or remittances are from consumers’ funds and not from the corporations’ funds.” (citing to Adv. Ops. 2010-06 (Famos), 2008-18 (Mid-Atlantic Benefits), 2006-34 (Working Assets), and 2003-16 (Providian National Bank).

The FEC, in Advisory Opinion. 2010-21, provides two more specific factors for determining whether the second standard is met:

“(i) whether the revenue or rebate is offered to individual customers or users in the ordinary course of business and

(ii) whether the revenue is the property of the individual customer who—rather than the corporate affinity partner—controls the disposition of the revenue” (citing Adv. Op. 2010-06 (Famos)).

a. Commercially Reasonable Transaction

The Company intends to contract with political committees to offer the Points for Politics® to contributors and prospective contributors on the political committee’s website (where the customer of the Affinity Program accesses the Points for Politics® through the Affinity Program website, the customer may also donate to a political committee that has not entered into a contract with the Company. In that instance, the recipient political committee pays the ‘normal and

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 12

customary' charge for the Company's product and thus the "commercially reasonable transaction" criteria is still met).

For the service of converting Affinity Points to political contributions, the Points for Politics charges the Fee (10% plus third party merchant bank fees). The amount of the gross fee is within the normal range of other similar financial transactions and does not represent a subsidy to any political committee. The Company's business plan states that providing the Points for Politics® system in exchange for this fee is intended to generate a reasonable profit for the Company.

In Advisory Opinion 2010-21 (ReCellular), the FEC approved a vendor's proposed program to allow individuals to donate the proceeds of cell phone sales to a political committee. The program was deemed commercially reasonable to the political committee because the vendor charged the political committee for the costs incurred by the vendor. Similarly, in Advisory Opinion 2007-04 (Atlant), the FEC approved a vendor providing credit card processing services to political committees. The FEC held that transaction was commercially reasonable because the vendor added a "convenience fee" to the contribution that compensated the vendor for the costs it incurred in processing and forwarding contributions and also provided for a reasonable profit.

b. Affinity Points are Awarded to Individuals in the Ordinary Course of Business

Participants in Affinity Programs earn Affinity Points in the ordinary course of business. Affinity Programs are already a large, full-functioning industry. While Points for Politics® system offers the ability to convert Affinity Points to political contributions, Points for Politics® will function within the context of numerous Affinity Programs, all of which award Affinity Points for purposes other than political contributions. Those awards are provided at the same or better "redemption value" than for political contributions. Within this context, the Points for Politics® system is merely another product / service available to the public and political committees for purposes of making and receiving permissible contributions.

The FEC has approved contribution programs where the vendor is extending the opportunity to contribute to a political committee on the same terms as donations to entities that are not political committees. In Advisory Opinion 2010-21 (ReCellular), the FEC approved a vendor offering the option to individuals to donate the proceeds of the resale of a cell phone because the plan was only "to extend to political committees this same program without making any changes beyond those necessary to recoup costs incurred by [the vendor] and to avoid making a corporate endorsement of any candidate or political committee." In Advisory Opinion 2011-19 (Givingsphere), the FEC found that rebates were in the ordinary course of business when merchants in the affiliate program "will rebate the same amounts to all Givingsphere customers, regardless of whether the particular customers use the rebates as political contributions." Similarly, in Advisory Opinion 2010-06 (Famas), the FEC determined that payments made under a commission scheme

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 13

that paid all accountholder's the same, regardless of whether the payments were made to a political committee or elsewhere, were made in the ordinary course of business.

c. Affinity Points are Property of the Individual Contributor

When individuals use Points for Politics® to convert Affinity Points to political contributions, the individuals are contributing their own assets (Affinity Points). Points for Politics® will convert only existing reward points to political contributions. Participants will make their own determination as to when funds are transferred, the amount of the contribution from their individual Affinity Points, and to which political committees they intend the contributions to be directed. The reward points are owned by and treated as the property of the customers and thus such contributions are individual contributions. Adv. Ops. 2011-19 and 2003-16.

Under Points for Politics®, the individual customer makes the choice to participate in the System, and to redeem his or her Affinity Points for a political contribution. In so doing, he or she is converting a right or obligation owed to him or her from the Sponsor into a contribution to a political committee. Redeeming Affinity Points for political contributions does not increase their value; rather, when determining the terms of redemption, Points for Politics® will apply the same or lower conversion rate as that for redemptions of Affinity Points for other purposes. See Adv. Ops. 2006-34 and 2004-18.

There have been some proposals related to affinity programs and political committees which the Commission has rejected. Where a third-party pays a fee to a political committee in exchange for the right to use a political committee asset in conjunction with the third-party's marketing efforts, or the third-party pays a fee to a political committee to market a product to the committee's supporters, the FEC regards the payment as a contribution instead of a commercial transaction. See, e.g., Adv. Ops. 2008-18, 1992-40, 1988-12 and 1979-17. However, that is *not* how Points for Politics® works.

The structure of Points for Politics® deliberately avoids this concern. Unlike impermissible affinity agreements, where the political committee's commission was paid out of the third-party's business profits, the Fee paid to Points for Politics® will be deducted from the donor's gross contribution of his/her redeemed Affinity Points. The contribution to the political committee extinguishes the Affinity Program Sponsor's outstanding liability in an amount equivalent to the Affinity Points redeemed for the contribution. Thus, the contribution is not paid out of business profits of either the Affinity Program Sponsor or the Company. Rather, the *donor* reduces the value / amount of his/her Affinity Points by the amount of Affinity Points redeemed for his/her political contribution. The recipient political committee is not engaging in any activity other than utilizing the service(s) as a means of receiving contributions, and paying a fair market value for the costs of doing so.

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 14

This arrangement is similar to affinity and affinity-like programs approved by the Commission in the past. In Advisory Opinion 2010-21 (ReCellular), the Commission approved a program where the proceeds of the sale of a contributor's phone were sent to the consumer, a charity or a political committee based solely upon the consumer's choice. In Advisory Opinion 2003-16 (Providian National Bank), the FEC concluded that rebates were the property of a cardholder because the consumers retained the final authority to choose whether or not to contribute part or all of the rebates to the political committee.

5. Points for Politics® Is Patterned After Prior FEC Guidance Related to Credit Card Contributions.

In Advisory Opinions 2004-19 and 2002-7, the FEC required vendors collecting online contributions to forward contributions to political committees through separate merchant accounts and incorporate adequate screening procedures within their websites to ensure that the vendors were not forwarding illegal contributions. See 11 C.F.R. § 114.2(f)(1). See also Adv. Op. 1999-36. The FEC indicated that when commercial vendors receive one payment that includes both amounts to be forwarded to a political committee and amounts kept by the third-party vendor, the amounts must be kept separate to avoid commingling third-party funds with contributions. See also Adv. Op. 2006-34.

Points for Politics® conforms to this requirement. The Points for Politics® system will send to the designated political committee the funds converted from Affinity Points as a result of a donor's redemption of his/her Affinity Points. The contribution(s) will be received and disbursed from a segregated contributions account and will not be commingled with other Company funds.

6. Points for Politics® Conforms to FECA Rules Governing Internet Solicitations.

As outlined above, the Points for Politics® system will require the donor to confirm the ownership of the Affinity Points to screen out prohibited contributors and contributions. Points for Politics® will submit all information to the political committee within the applicable time limits in 11 C.F.R. § 102.8(b)(2).

Points for Politics® will contain webpages that allow donors to make contributions of Affinity Points to specific political committees. Each political committee that receives a contribution through the system will pay a standard fee for utilizing the Points for Politics® redemption system. Regulations under FECA state that where webpages are paid for by a political committee, the webpage must contain an appropriate disclaimer. 11 C.F.R. § 110.11 (referring to the definition of public communication in 11 C.F.R. § 100.26). See Adv. Op. 1995-9 and 71 Fed. Reg. 18613 (Apr. 12, 2006). Points for Politics® will work with political committees to ensure that appropriate disclaimer notices are included on its webpages.



FOLEY & LARDNER LLP

Mr. Anthony Herman, Esq.
Office of General Counsel
Federal Election Commission
March 2, 2012
Page 15

The best efforts information must be received from the donor at the time of the redemption of the Affinity Points in order to effectuate and complete the conversion into a dollar contribution to a political committee. The Commission, in Advisory Opinions 1995-9 and 1999-9, has stated that "in the unique case of a contribution received over the Internet, the [follow-up] request [required under 11 C.F.R. § 104.7(b)(2)] could consist of an electronic message sent to the contributor's e-mail address." See 64 Fed. Reg. 32397 (June 17, 1999) and Adv. Op. 1999-17. However, it is the intent of the Company that the information be obtained at the time of the contribution, thus eliminating the need for follow-up requests for information. The donor information will then be transmitted to the political committee at the time the contribution funds are transferred.

Request for Advisory Opinion

For all of the foregoing reasons, Points for Politics, LLC hereby requests the Commission's Advisory Opinion that the Points for Politics® proprietary business and technology system for converting Affinity Points to cash-value contributions to political committees is permissible under the Act, subject to the terms, process and procedures outlined herein.

Please contact me at (202) 295-4081 if you have questions or require additional information regarding this Advisory Opinion Request.

Sincerely,

Cleta Mitchell, Esq., Counsel
Points for Politics, LLC

Attachments

CMI:cmi

ATTACHMENT 1



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APPLICATION NO.	ISSUE DATE	PATENT NO.	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/219,272	08/09/2011	7996262	DJU.01	4616

75396 7590 07/20/2011
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600 13th street NW
SUITE 790
WASHINGTON, DC 20005

ISSUE NOTIFICATION

The projected patent number and issue date are specified above.

**Determination of Patent Term Adjustment under 35 U.S.C. 154 (b)
(application filed on or after May 29, 2000)**

The Patent Term Adjustment is 519 day(s). Any patent to issue from the above-identified application will include an indication of the adjustment on the front page.

If a Continued Prosecution Application (CPA) was filed in the above-identified application, the filing date that determines Patent Term Adjustment is the filing date of the most recent CPA.

Applicant will be able to obtain more detailed information by accessing the Patent Application Information Retrieval (PAIR) WEB site (<http://pair.uspto.gov>).

Any questions regarding the Patent Term Extension or Adjustment determination should be directed to the Office of Patent Legal Administration at (571)-272-7702. Questions relating to issue and publication fee payments should be directed to the Application Assistance Unit (AAU) of the Office of Data Management (ODM) at (571)-272-4200.

APPLICANT(s) (Please see PAIR WEB site <http://pair.uspto.gov> for additional applicants):

David J. Urban, Potomac, MD;

ATTACHMENT 2



US 20090024483A1

(19) **United States**

(12) **Patent Application Publication**
Urban

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(43) **Pub. Date: Jan. 22, 2009**

(54) **SYSTEM AND METHOD FOR REDEEMING AFFINITY REWARDS AS POLITICAL CONTRIBUTIONS**

Publication Classification

(51) **Int. Cl.**
G06Q 30/00 (2006.01)
(52) **U.S. CL** **705/14**
(57) **ABSTRACT**

(76) **Inventor: David J. Urban, Potomac, MD (US)**

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WASHINGTON, DC 20006 (US)

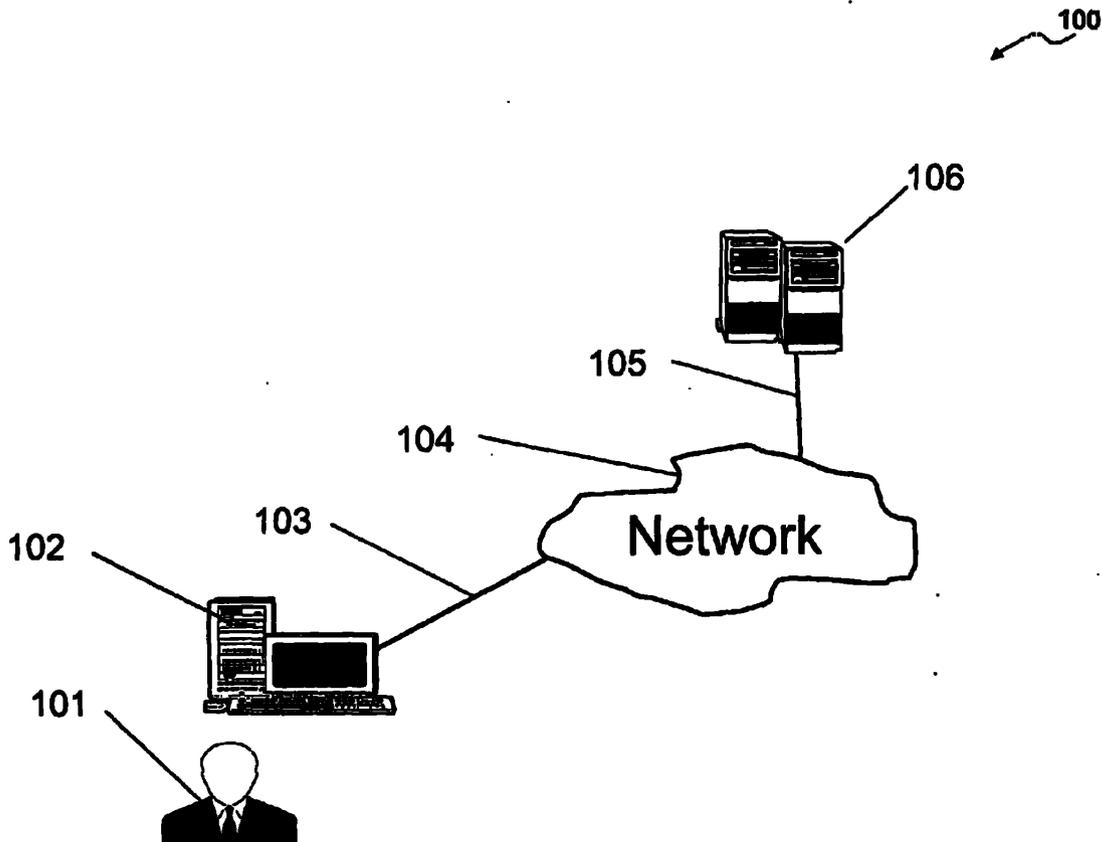
Systems, methods and computer program products for facilitating the redemption of affinity reward points as political contributions are disclosed. In an aspect, "points" or "miles" created through various existing affinity programs prevalent in the credit card and airline industries can be redeemed as political donations. Typically, such reward, award or bonus "points" or "miles" have been redeemed for free or discounted rewards such as airline tickets, hotel room stays, restaurant vouchers or other goods and services. However, millions of vested affinity points or miles are left unused (i.e., unredeemed). The present invention allows a consumer who holds such points or miles to link to a political campaign, political party or political action committee allowing excess points to be converted into cash donations to such political campaigns, political parties or political action committees.

(21) **Appl. No.: 12/219,272**

(22) **Filed: Jul. 18, 2008**

Related U.S. Application Data

(60) **Provisional application No. 60/961,390, filed on Jul. 20, 2007.**



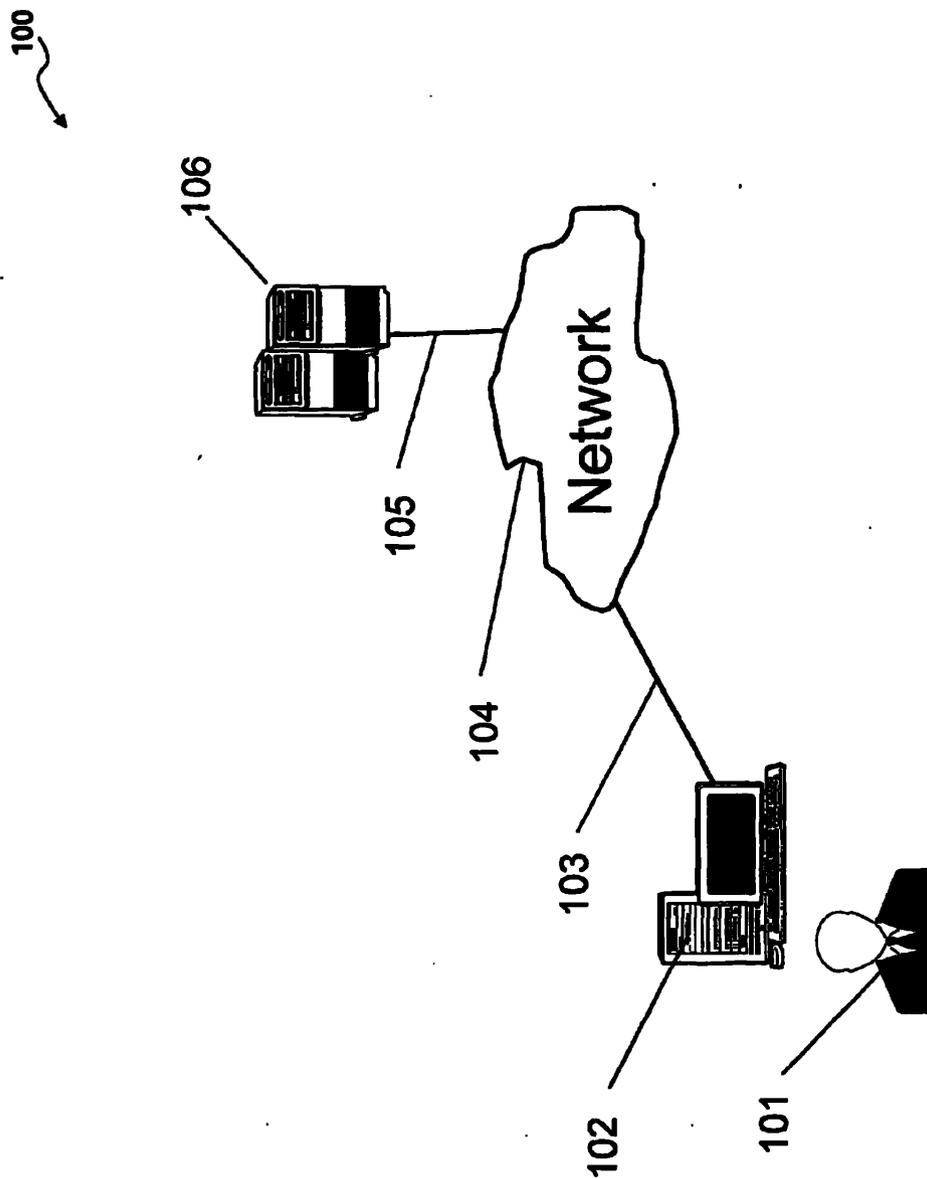


FIG. 1

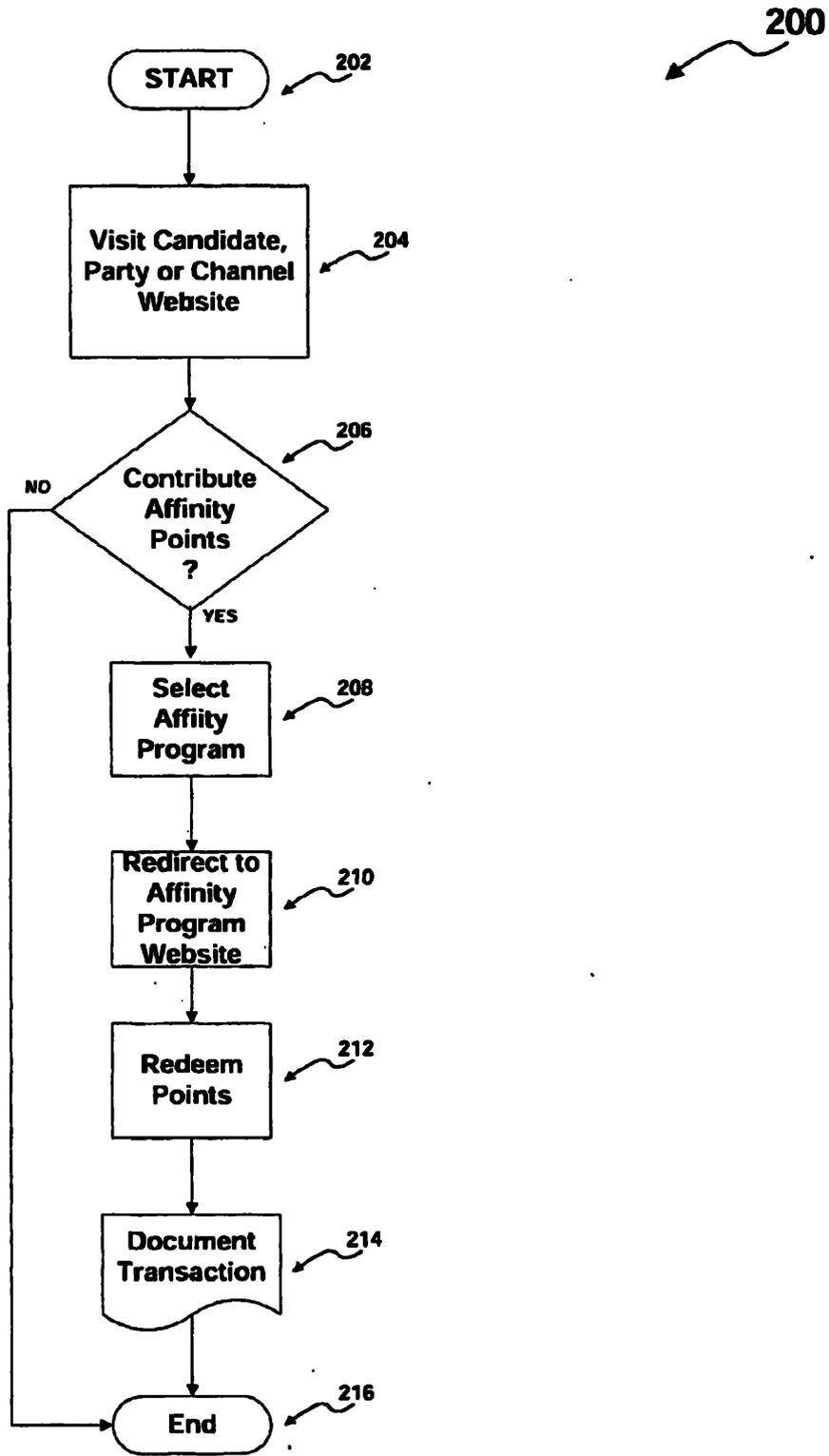


FIG. 2

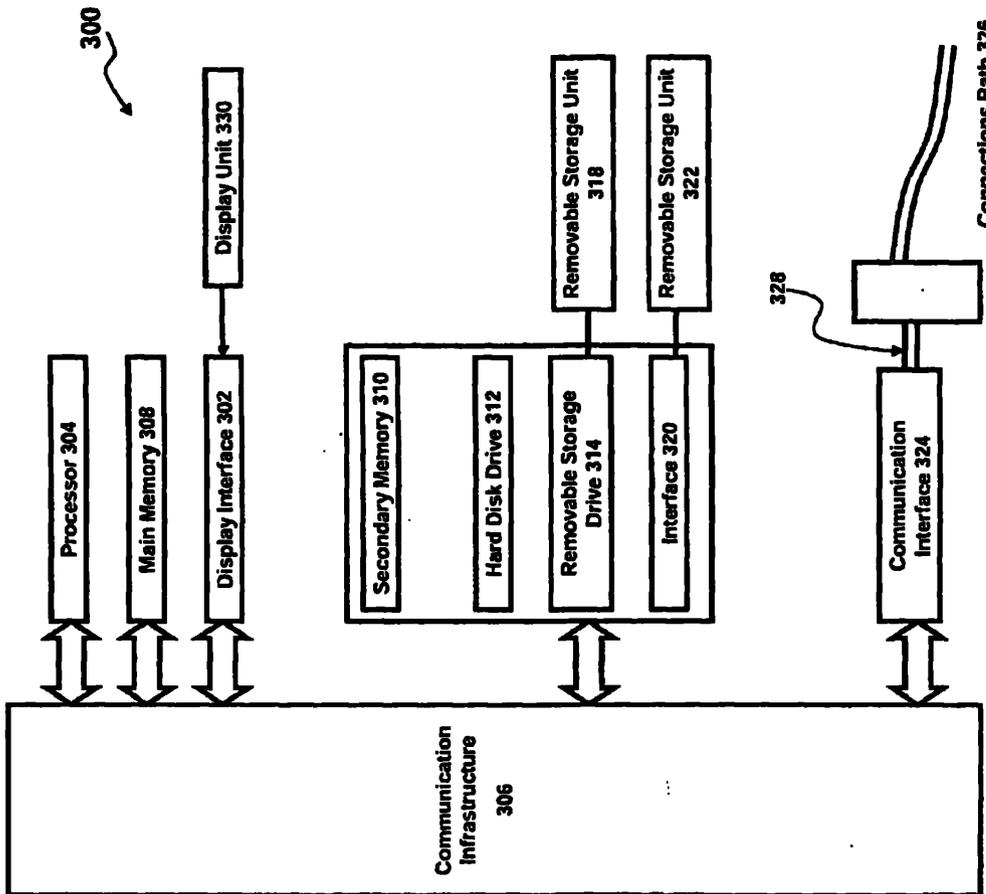


FIG. 3

SYSTEM AND METHOD FOR REDEEMING AFFINITY REWARDS AS POLITICAL CONTRIBUTIONS

CROSS-REFERENCE TO RELATED APPLICATIONS

[0001] This Application claims the benefit of, and is related to, Applicant's co-pending application: U.S. Provisional Patent Application No. 60/961,390 titled "System for Redeeming Affinity Rewards as Political Contributions," filed on Jul. 20, 2007; which is incorporated by reference herein in its entirety.

BACKGROUND OF THE INVENTION

[0002] 1. Field of the Invention

[0003] The present invention generally relates to affinity rewards granted to users of financial transaction cards and airline passengers, and more particularly to systems and methods for facilitating political campaign contributions using such affinity rewards programs.

[0004] 2. Related Art

Political Donations

[0005] In the United States, the Federal Election Commission administers and enforces the Federal Election Campaign Act (FECA) and its associated regulations, which limit the sources and amounts of the contributions used to finance federal elections. Under these complex rules, an individual is permitted to contribute limited amounts of money based on the Consumer Price Index (CPI) in a particular election cycle. In the current 2007-2008 election cycle, for example, an individual can contribute up to \$2,300 to each candidate or candidate committee per election, and up to \$28,500 to national party committees (e.g., the Democratic National Committee (DNC) or the Republican National Committee (RNC), etc.) per calendar year.

[0006] Contributions of cash (currency) which in the aggregate exceed \$100 from one person are prohibited. Thus, contributions exceeding \$100 must be made by check, money order or other written instrument. In addition to money, donated items and services, fundraising tickets and items, as well as loans and loan endorsements are also considered contributions and thus count against the limits described above.

[0007] In addition to federal regulations promulgated and enforced by the FEC, the states themselves commonly place limits on contributions to candidates, political action committees (PACs) and political parties. Only five states, Illinois, New Mexico, Oregon, Utah and Virginia, place no limits on contributions at all. Another eight states—Alabama, Indiana, Iowa, Mississippi, Missouri, North Dakota, Pennsylvania, and Texas—have minimal contribution limits.

[0008] Current campaign finance law at the federal level requires candidate committees, party committees and PACs to file periodic reports disclosing the money they raise and spend. Federal candidate committees must identify, for example, the names, occupations, employment and addresses of all individuals who give them more than \$200 in an election cycle. Additionally, they must disclose expenditures to any individual or vendor. Similar reporting requirements exist in many states for state-wide and local candidates, and for PACs

and party committees. Increasingly, political committees on all levels are required to electronically file campaign finance statements.

[0009] Political contributions for federal elections cannot be deducted for tax purposes. Similarly, most state revenue agencies do not permit deductions for state or federal political contributions. Also not deductible are contributions made to organizations that directly lobby for political parties or candidates.

[0010] Within the regulatory framework described above, there were an estimated 2.8 million "small donors" contributing to federal, state and local political campaigns and parties in 2004 (the last presidential election year). "Small donors" are defined as those individuals who donated less than \$200 in a given year. In fact, the average small donor made a contribution of just \$75 in light of the \$2300 maximum contribution. Thus, there is a lot of room for growth in political donation dollars and contributors.

Transaction Accounts & Affinity Programs

[0011] A "transaction account," as used herein, refers to an account associated with an open account or a closed account system (as defined below). The transaction account may exist in a physical or non-physical aspect. For example, a transaction account may be distributed in non-physical aspects such as an account number, frequent-flyer account, telephone calling account or the like. Furthermore, a physical aspect of a transaction account may be distributed as a financial transaction instrument.

[0012] A financial transaction instrument may be traditional "plastic" transaction cards, or other transaction cards such as credit, charge, debit, gift, pre-paid or stored-value cards, or any other like financial transaction instrument. Examples of such cards include the American Express®, Visa®, MasterCard® and Discover® cards, which are "open cards" and may be used at many different retailers and other businesses. In contrast, "closed cards" are financial transaction cards that may be restricted to use in a particular airline, particular store, a particular chain of stores or a collection of affiliated stores. One example of a closed card is a pre-paid gift card that may only be purchased at, and only be accepted at, a clothing retailer, such as The Gap® store.

[0013] With regard to use of a transaction account, users may communicate with merchants in person (e.g., at the ticket box office), telephonically, or electronically (e.g., from a computer via the Internet). During the interaction, the merchant may offer goods and/or services to the user. The merchant may also offer the user the option of paying for the goods and/or services using any number of available transaction accounts. Furthermore, the transaction accounts may be used by the merchant as a form of identification of the user. The merchant may have a computing unit implemented in the form of a computer-server, although other implementations are possible.

[0014] In general, transaction accounts may be used for transactions between the user and merchant through any suitable communication means, such as, for example, a telephone network, internet, the global public internet, a point of interaction device (e.g., a point of sale (POS) device, personal digital assistant (PDA), mobile telephone, kiosk, etc.), online communications, off-line communications, wireless communications, and/or the like.

[0015] Through use of the financial transaction instrument associated with a transaction account, the issuer of the finan-

cial transaction instrument may implement an affinity (or loyalty) program where "points", "frequent flier miles" or other rewards or awards (collectively, "points") are given the accountholder for using the instrument. Such points are typically redeemable for cash, prizes, free travel or discounts on merchandise and travel.

[0016] Affinity programs are essentially marketing programs designed to enhance brand loyalty by cultivating an ongoing relationship between a marketer and its customers. Loyalty programs encourage customers to buy frequently, to increase the amount spent each time, and to concentrate all or most of their related purchases on the brand offering the affinity program. Most affinity programs offer perks for membership in a club or program and reward purchases in such a way that it encourages behavior that is potentially of benefit to the issuer.

[0017] Typically, affinity programs issue a loyalty card, rewards card, points card, or club card that can be a plastic or paper card, visually similar to a financial transaction instrument such as a credit card, charge card, or debit card, that identifies the card holder as a member in the affinity program. Oftentimes, financial transaction instrument issuers associate their credit card or debit card with an affinity program without issuing a separate loyalty card, rewards card, points card, or club card. Examples of such affinity programs include airline frequent-flyer programs and credit card programs such as American Express's Membership Rewards® program with an estimated 9 million account holders, Bank of America's WorldPoints® program with an estimated 22 million account holders, Citibank's ThankYou Network® program with an estimated 22 million account holders, and Visa's Extras(V program with an estimated 55 million account holders. (All estimates are as of January 2006.)

[0018] Studies have shown that 60-70% of the reward points awarded through these credit card-related affinity programs go unredeemed. This is true even though most of these affinity programs allow such points to be converted into cash (ranging from \$0.002 to \$0.008 per point). The cash value of these unredeemed points, in 2006, was estimated to be \$2.13B. Further, in 2005, Economist magazine reported that frequent flyer miles topped the U.S. dollar as the world's leading currency with some 14 trillion unredeemed miles worth over US \$700B.

[0019] Given the foregoing, what is needed are systems, methods and computer program products for facilitating the redemption of affinity reward points as political contributions within the existing FECA statutory and regulatory framework described above.

BRIEF DESCRIPTION OF THE INVENTION

[0020] The present invention meets the above-identified needs by providing systems, methods and computer program products for facilitating the redemption of affinity reward points as political contributions within the existing regulatory framework described above.

[0021] The method and computer program product, in an aspect, comprise presenting an individual, via the website of a service provider, with a list of affinity programs from which to donate points to a political organization. Next, after receiving a selection of an affinity program, the individual is asked for a desired amount of (vested) points to be redeemed. Then, the desired amount of points is converted into a cash equivalent amount using the affinity programs stated conversion rules. In such an aspect, the desired amount of points is then

deducted from the balance of the individual's affinity program account. The service provider can then forward a portion of the cash equivalent amount to the political organization (after deducting a percentage as a "processing" or "transaction" fee).

[0022] An advantage of the present invention is that it enables voting age American citizens to be engaged in the political process in a unique way that can grow the current base of 2.8 million small donors.

[0023] Another advantage of the present invention is that it facilitates connecting the appropriate stakeholders thereby enabling donors to convert credit card and other affinity program reward points to dollars for donation to federal, state and local political parties, organizations, and campaign runners.

[0024] Another advantage of the present invention is that it provides a new funding source, with over \$2B in market potential, for new donations by converting affinity program reward points to cash.

[0025] Yet another advantage of the present invention is that it provides federal, state, and local political parties, organizations, and campaign runners access to over 80 million potential new small donors via frequent flyer, credit card and other affinity rewards programs.

[0026] Yet another advantage of the present invention is that it drives larger average per-donor contributions and thus increases the \$75 average small-donor contributions by adding affinity program-related donations to current cash donations.

[0027] Yet another advantage of the present invention is that it allows consumers to benefit from government agencies' and corporations' best practices of awarding full ownership of affinity points to employees using corporate credit cards, and awarding frequent-flyer miles to employees traveling on business.

[0028] Further features and advantages of the present invention, as well as the structure and operation of various aspects of the present invention, are described in detail below with reference to its accompanying drawings.

BRIEF DESCRIPTION OF THE DRAWINGS

[0029] The features and advantages of the present invention will become more apparent from the detailed description set forth below when taken in conjunction with the drawings in which like reference numbers indicate identical or functionally similar elements. Additionally, the left-most digit of a reference number identifies the drawing in which the reference number first appears.

[0030] FIG. 1 is a system diagram of an exemplary environment in which the present invention, in an aspect, would be implemented.

[0031] FIG. 2 is a flow chart of an exemplary process for facilitating the redemption of affinity reward points as political contributions, according to an aspect of the present invention.

[0032] FIG. 3 is a block diagram of an exemplary computer system useful for implementing the present invention.

DETAILED DESCRIPTION

[0033] The present invention is directed to systems, methods and computer program products for facilitating the redemption of affinity (i.e., mileage, reward, award, bonus, loyalty, etc.) points as political contributions.

[0034] In an aspect of the present invention, a system is provided whereby "points" created through various existing affinity programs prevalent in the airline and credit (or charge or debit) card industries can be redeemed as political donations. Typically heretofore, such "miles" or "points" have been redeemed for rewards such as free or discounted airline tickets, hotel room stays, restaurant vouchers or material goods. For many consumers, however, the affinity rewards become difficult to redeem because the traveling and spending that earned them itself often creates opportunities for free or discounted travel, hotel room stays and other goods. As a result, thousands of reward points accrue and are left unused. The present invention allows a consumer who holds points to link to a political campaign and excess points are converted to a cash donation to the campaign, or in some circumstances to a political entity such as a PAC or a political party through various legal entities created for political or issue-based fundraising.

[0035] In accordance with one aspect of the present invention, a donor chooses to donate points to a candidate or political party or cause. The donor is then directed to a affinity program and selects among affinity programs. The affinity program sponsor performs redemption and converts points to cash, which it sends to the donee. Alternatively, the donor may go directly to the affinity program's website once the donor becomes familiar with the redemption for political donation concept. In one aspect, the transaction is carried out via a series of linked, secure webpages and modules carrying certain data (e.g., donor name, etc.) from one website to another. In one aspect, the system is secure and provides auditable transaction records to ensure compliance with FEC and other applicable regulations.

[0036] In accordance with another aspect of the present invention, "micro" donations, via points or the electronic transfer of funds, are made to particular elected officials or candidates on an immediate basis to reflect approval of a particular statement made by the official or candidate or in the case of an elected official, to reflect approval of a vote on a specific issue. For example, if a member of Congress votes to lower a tax, the millions of supporters of lower taxes could immediately donate funds, in amounts smaller than the typical political donation (e.g., 1000 points, 5000 miles, \$1 or \$5), reflecting their support of the issue and of the member's vote.

[0037] The present invention is now described in more detail herein in terms of the above exemplary contexts. This is for convenience only and is not intended to limit the application of the present invention. In fact, after reading the following description, it will be apparent to those skilled in the relevant art(s) how to implement the following invention in alternative aspects (e.g., under different regulatory schemes, other jurisdictions, etc.).

[0038] The terms "individual," "user," "donor," "consumer," "contributor," "card member," "customer," "cardholder," and/or the plural form of these terms are used interchangeably throughout herein to refer to those person(s) seeking to redeem affinity reward points as political contributions within the existing (and future) regulatory framework described above, and thus would benefit from the systems, methods and computer program products of the present invention.

[0039] Referring to FIG. 1, a (simplified) system diagram of an exemplary "Points for Politics™ system" in which the present invention, in an aspect, would be implemented is shown.

[0040] FIG. 1 presents an exemplary system diagram 100 of various hardware components and other features in accordance with an aspect of the present invention. As shown in FIG. 1, in an aspect of the present invention, data and other information and services for use in system 100 are, for example, input by a user (i.e., an individual consumer/political contributor) 101 via a terminal 102, such as a personal computer (PC), minicomputer, laptop, palmtop, mainframe computer, microcomputer, telephone device, mobile device, personal digital assistant (PDA), or other device having a processor and input, display and communications capabilities. Terminal 102 is coupled to a server 106, such as a PC, minicomputer, mainframe computer, microcomputer, server computer, or other device having a processor and one or more associated repositories for data or connection to one or more repositories for maintaining data, via a network 104, such as the global, public Internet, via wired and/or wireless communications couplings 103 and 105.

[0041] As will be appreciated by those skilled in the relevant art(s) after reading the description herein, in such an aspect, a service provider (i.e., a political contributions processor organization) may allow access, on a free registration, paid subscriber/membership, and/or pay-per-use basis, to the tool the present invention provides for facilitating the redemption of affinity points as political contributions via one or more World-Wide Web (WWW) sites on the Internet 104. Thus, system 100 is scalable such that multiple participants may utilize it to allow their constituents to redeem, donate and generally interact with other users of system 100.

[0042] As will also be appreciated by those skilled in the relevant art(s), in an aspect, various screens (e.g., login, admin, account information, resources, upload, search, logout, redemption, registration, contribution, etc.) would be generated by server 106 in response to input from users 101 over the Internet 104. That is, in such an aspect, server 106 is a typical Web server running a server application at a Web site which sends out Web pages in response to Hypertext Transfer Protocol (HTTP) or Hypertext Transfer Protocol Secure (HTTPS) requests from remote browsers being used by users 101. Thus, server 106 is able to provide a graphical user interface (GUI) to users 101 of system 100 in the form of Web pages. These Web pages are sent to the user's PC, laptop, mobile device, PDA or like device 102, and result in the GUI screens being displayed.

[0043] As will also be appreciated by those skilled in the relevant art(s) after reading the description herein, alternate aspects of the present invention may include providing the tool for facilitating the redemption of affinity reward points as political contributions as an enterprise system wherein all the components of system 100 are connected and communicate via an intra-corporate wide area network (WAN) or local area network (LAN), rather than as a Web service (i.e., application service provider (ASP) model) as shown in FIG. 1.

[0044] Referring to FIG. 2, a flowchart illustrating an exemplary process 200 for facilitating the redemption of affinity reward points as political contributions, according to an aspect of the present invention, is shown. Process 200 begins at step 202 with control passing immediately to step 204.

[0045] In such an aspect of the present invention, a user 101 (e.g., an individual donor), utilizing terminal 102 visits the website of a political candidate, political party or other organization in step 204. While visiting that website, user 101 is presented with the option of contributing to the candidate or

party in step 206. If user decides not to contribute, process 200 terminates as indicated by step 216. Otherwise, process 200 proceeds to step 208.

[0046] In step 208, user 101 is presented with the choice of affinity programs from which they would like to contribute to the political candidate or party. That is, as will be appreciated by those skilled in the relevant art(s) after reading the description herein, user 101 is given a list of participating affinity programs from which they can redeem available (i.e., vested) points earned from their transaction account. Such participating affinity programs, for example, may include American Express' Membership Rewards® program, Bank of America's WorldPoints® program, Citibank's ThankYou Network® program, Visa's Extras® program, Continental Airlines' OnePass® program, Delta Airlines' SkyMiles® program, JetBlue Airways' TrueBlue Awards® program, Southwest Airlines' Rapid Rewards® program, US Airways' Dividend Miles™ program and the like.

[0047] Upon receiving an input reflecting the affinity program user 101 desires to redeem points from, process 200 redirects user 101 to the selected affinity program's proprietary website in step 210. Then, in step 212, the user may select the amount of points they wish to redeem from their available points based upon the selected affinity program's points-to-cash conversion rates (e.g., \$0.003 per point). As will be appreciated by those skilled in the relevant art(s) after reading the description herein, affinity points redeemed as political contributions by a transaction account holder (e.g., cardholder) must be vested (i.e., points already earned) such that the contribution will be attributed, for FECA purposes, to the cardholder and not to the affinity program sponsor or, if the points were earned from a corporate card or business travel, the cardholder's employer.

[0048] As will be appreciated by those skilled in the relevant art(s) after reading the description herein, a service provider (i.e., a political contributions processor organization) would facilitate process 200 by establishing non-length, commercially-reasonable contractual relationships with affinity program sponsors/providers (e.g., credit card issuers and airlines) and political organizations (e.g., individual election campaigns, political parties or associations, or political action committees). Such contractual relationships would facilitate the affinity program selection (step 208) and website redirection (step 210) described above. Further, this would allow the service provider to document the affinity points redemption transaction in step 214 and thus allow the service provider to charge a transaction or processing fee (i.e., a percentage, say for example 10%, of the cash equivalent of the affinity points donated) to the political campaigns benefiting from process 200. In such an aspect, the transaction or processing fee is charged to the campaign, PAC or political party and allows the service provider to cover its operating costs and/or earn a profit. Thus, the party would need to record the full cash value of the donated affinity points as a contribution, even though their actual cash-on-hand would be less. (Thus, if the processing fee is, for example, 10%, then a vested affinity points contribution equating \$100 would be recorded as a \$100 contribution from the donor even though the campaign, PAC or political party would only receive \$90 cash-in-hand.)

[0049] Process 200 then terminates as indicated by step 216. As will be appreciated by those skilled in the relevant art(s) after reading the description herein, the service provider, in an aspect of process 200, could receive the cash

equivalent of the donated affinity points from the affinity points sponsor (i.e., be paid like any other vendor or merchant that accepts credit/debit cards) and then forward the "cash" minus the processing fee to the campaign, PAC or political party.

[0050] It should be understood that process 200 shown in FIG. 2 is presented for example purposes only. The present invention is sufficiently flexible and configurable, such that it may be implemented in ways other than that shown in FIG. 200. For example, users 101 may be presented with a single website where they can select an affinity program, check their points balance, convert some or all of those points to cash and then donate them to a political candidate or party, thus obviating the need to be redirected to another site with certain (HTTP referer) information (e.g., donor name, affinity program, transaction account number, etc.) having to traverse the Internet 104. In such an aspect, user 101 may be presented, for example, with a "Donate Points Now" button while visiting the website of a campaign, PAC or political party. By pressing or selecting such button via their device 102 in a "one-click" fashion, user 101 would be presented with a list of affinity programs from which to donate points, be allowed to select an affinity program and the desired amount of points (e.g., via a pop-up window), have their transaction account associated with the selected affinity program be queried to assure the balance is equal to or greater than the desired contribution amount, have the points converted into a cash equivalent amount and deducted from their account balance, and then have the cash equivalent amount be forwarded to the campaign, PAC or political party (minus the "processing" or "transaction" fee).

[0051] The present invention (i.e., system 100, process 200, and the systems and methods for facilitating the redemption of affinity reward points as political contributions described above of the present invention, or any part(s) or function(s) thereof) may be implemented using hardware, software or a combination thereof and may be implemented in one or more computer systems or other processing systems. However, the manipulations performed by the present invention were often referred to in terms, such as "selecting" or "documenting," which are commonly associated with mental operations performed by a human operator. No such capability of a human operator is necessary, or desirable in most cases, in any of the operations described herein which form part of the present invention. Rather, the operations are machine operations. Useful machines for performing the operation of the present invention include general purpose digital computers or similar devices.

[0052] In fact, in one aspect, the invention is directed toward one or more computer systems capable of carrying out the functionality described herein. An example of a computer system 300 is shown in FIG. 3.

[0053] Computer system 300 includes one or more processors, such as processor 304. The processor 304 is connected to a communication infrastructure 306 (e.g., a communications bus, cross-over bar, or network). Various software aspects are described in terms of this exemplary computer system. After reading this description, it will become apparent to a person skilled in the relevant art(s) how to implement the invention using other computer systems and/or architectures.

[0054] Computer system 300 can include a display interface 302 that forwards graphics, text, and other data from the communication infrastructure 306 (or from a frame buffer not shown) for display on the display unit 330.

[0055] Computer system 300 also includes a main memory 308, preferably random access memory (RAM), and may also include a secondary memory 310. The secondary memory 310 may include, for example, a hard disk drive 312 and/or a removable storage drive 314, representing a floppy disk drive, a magnetic tape drive, an optical disk drive, etc. The removable storage drive 314 reads from and/or writes to a removable storage unit 318 in a well known manner. Removable storage unit 318 represents a floppy disk, magnetic tape, optical disk, etc. which is read by and written to by removable storage drive 314. As will be appreciated, the removable storage unit 318 includes a computer usable storage medium having stored therein computer software and/or data.

[0056] In alternative aspects, secondary memory 310 may include other similar devices for allowing computer programs or other instructions to be loaded into computer system 300. Such devices may include, for example, a removable storage unit 322 and an interface 320. Examples of such may include a program cartridge and cartridge interface (such as that found in video game devices), a removable memory chip (such as an erasable programmable read only memory (EPROM), or programmable read only memory (PROM)) and associated socket, and other removable storage units 322 and interfaces 320, which allow software and data to be transferred from the removable storage unit 322 to computer system 300.

[0057] Computer system 300 may also include a communications interface 324. Communications interface 324 allows software and data to be transferred between computer system 300 and external devices. Examples of communications interface 324 may include a modem, a network interface (such as an Ethernet card), a communications port, a Personal Computer Memory Card International Association (PCMCIA) slot and card, etc. Software and data transferred via communications interface 324 are in the form of signals 328 which may be electronic, electromagnetic, optical or other signals capable of being received by communications interface 324. These signals 328 are provided to communications interface 324 via a communications path (e.g., channel) 326. This channel 326 carries signals 328 and may be implemented using wire or cable, fiber optics, a telephone line, a cellular link, a radio frequency (RF) link and other communications channels.

[0058] In this document, the terms "computer program medium" and "computer usable medium" are used to generally refer to media such as removable storage drive 314, a hard disk installed in hard disk drive 312, and signals 328. These computer program products provide software to computer system 300. The invention is directed to such computer program products.

[0059] Computer programs (also referred to as computer control logic) are stored in main memory 308 and/or secondary memory 310. Computer programs may also be received via communications interface 324. Such computer programs, when executed, enable the computer system 300 to perform the features of the present invention, as discussed herein. In particular, the computer programs, when executed, enable the processor 304 to perform the features of the present invention. Accordingly, such computer programs represent controllers of the computer system 300.

[0060] In an aspect where the invention is implemented using software, the software may be stored in a computer program product and loaded into computer system 300 using removable storage drive 314, hard drive 312 or communica-

tions interface 324. The control logic (software), when executed by the processor 304, causes the processor 304 to perform the functions of the invention as described herein.

[0061] In another aspect, the invention is implemented primarily in hardware using, for example, hardware components such as application specific integrated circuits (ASICs). Implementation of the hardware some machine may be to perform the functions described herein will be apparent to persons skilled in the relevant art(s).

[0062] In yet another aspect, the invention is implemented using a combination of both hardware and software.

[0063] While various aspects of the present invention have been described above, it should be understood that they have been presented by way of example, and not limitation. It will be apparent to persons skilled in the relevant art(s) that various changes in form and detail can be made therein without departing from the spirit and scope of the present invention. Thus, the present invention should not be limited by any of the above described exemplary aspects, but should be defined only in accordance with the following claims and their equivalents.

[0064] In addition, it should be understood that the figures in the attachments, which highlight the structure, methodology, functionality and advantages of the present invention, are presented for example purposes only. The present invention is sufficiently flexible and configurable, such that it may be implemented in ways other than that shown in the accompanying figures.

[0065] Further, the purpose of the foregoing Abstract is to enable the U.S. Patent and Trademark Office and the public generally, and especially the scientists, engineers and practitioners in the relevant art(s) who are not familiar with patent or legal terms or phraseology, to determine quickly from a cursory inspection the nature and essence of this technical disclosure. The Abstract is not intended to be limiting as to the scope of the present invention in any way.

What is claimed is:

1. A method for facilitating the redeeming of affinity points as political contributions, comprising:

- a) querying an individual, via the website of a political organization, whether said individual would like to donate points from an affinity program to said political organization;
- b) presenting said individual, when the result of said querying step (a) is positive, with a list of affinity programs from which to donate points to said political organization;
- c) receiving, from said individual, a selection of a desired affinity program from among said list of affinity programs;
- d) receiving, from said individual, a desired amount of points to be redeemed from said desired affinity program;
- e) converting said desired amount of points into a cash equivalent amount; and
- f) forwarding at least a portion of said cash equivalent amount to said political organization.

2. The method of claim 1, wherein said political organization is one of: an individual candidate campaign; a political action committee; a national political party; a state political party; and a local political party.

3. The method of claim 1, wherein said list of affinity programs includes at least one of: an affinity program associated with a financial transaction instrument; and an affinity program associated with an affinity frequent-flyer account.

4. The method of claim 1, wherein said desired affinity program is associated with a financial transaction instrument in the form of one of: a credit card; a charge card; a debit card; and a stored-value card.

5. The method of claim 1, further comprising:

g) deducting a percentage of said cash equivalent amount as a processing fee prior to said forwarding step (f).

6. The method of claim 1, further comprising:

g) deducting said desired amount of points from the balance of an account belonging to said individual and associated with said desired affinity program.

7. The method of claim 1, further comprising:

g) redirecting said individual to a website associated with said desired affinity program; whereby at least said step (d) and said step (e) take place within said website associated with said desired affinity program.

8. A method for redeeming of affinity points as political contributions, comprising:

a) presenting an individual with a list of affinity programs from which to donate points to a political organization;

b) receiving, from said individual, a selection of an affinity program from among said list of affinity programs;

c) receiving, from said individual, a desired amount of points to be redeemed from said affinity program selected in said step (b);

d) converting said desired amount of points into a cash equivalent amount;

e) deducting said desired amount of points from the balance of an account belonging to said individual and associated with said affinity program selected in said step (b); and

f) forwarding at least a portion of said cash equivalent amount to said political organization.

9. The method of claim 8, further comprising:

g) deducting a percentage of said cash equivalent amount as a processing fee prior to said forwarding step (f).

10. The method of claim 8, wherein said affinity program selected in said step (b) is associated with a transaction account belonging to the employer of said individual.

11. The method of claim 8, wherein said political organization is one of: an individual candidate campaign; a political action committee; a national political party; a state political party; and a local political party.

12. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to facilitate the redeeming of affinity points as political contributions, said control logic comprising:

first computer readable program code means for causing the computer to query an individual whether said individual would like to donate points from an affinity program to said political organization;

second computer readable program code means for causing the computer to present said individual with a list of affinity programs from which to donate points to said political organization;

third computer readable program code means for causing the computer to receive, from said individual, a selection of a desired affinity program from among said list of affinity programs;

fourth computer readable program code means for causing the computer to receive, from said individual, a desired amount of points to be redeemed from said desired affinity program;

fifth computer readable program code means for causing the computer to convert said desired amount of points into a cash equivalent amount; and

sixth computer readable program code means for causing the computer to initiate a transfer of funds equaling at least a portion of said cash equivalent amount to said political organization.

13. The computer program product of claim 12, further comprising:

seventh computer readable program code means for causing the computer to deduct a percentage of said cash equivalent amount as a processing fee.

14. The computer program product of claim 12, further comprising:

seventh computer readable program code means for causing the computer to deduct said desired amount of points from the balance of an account belonging to said individual and associated with said desired affinity program.

15. The computer program product of claim 12, wherein said political organization is one of: an individual candidate campaign; a political action committee; a national political party; a state political party; and a local political party.

16. A computer program product comprising a computer usable medium having control logic stored therein for causing a computer to redeem affinity points as political contributions, said control logic comprising:

first computer readable program code means for causing the computer to present an individual with a list of affinity programs from which to donate points to a political organization;

second computer readable program code means for causing the computer to receive, from said individual, a selection of an affinity program from among said list of affinity programs;

third computer readable program code means for causing the computer to receive, from said individual, a desired amount of points to be redeemed from said selected affinity program;

fourth computer readable program code means for causing the computer to convert said desired amount of points into a cash equivalent amount;

fifth computer readable program code means for causing the computer to deduct said desired amount of points from the balance of an account belonging to said individual and associated with said selected affinity program; and

sixth computer readable program code means for causing the computer to initiate a transfer of funds equaling at least a portion of said cash equivalent amount to said political organization.

17. The computer program product of claim 16, further comprising:

seventh computer readable program code means for causing the computer to deduct a percentage of said cash equivalent amount as a processing fee.

18. The computer program product of claim 16, wherein said political organization is one of: an individual candidate campaign; a political action committee; a national political party; a state political party; and a local political party.