

Liberty for America

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News in Brief

The LNC Meets this weekend in Las Vegas. They spent their Saturday morning in an executive session.

The LNC had spent \$50,000 to support the re-election campaign of an Indianapolis City-County Council candidate. Ed Coleman, who had been an at-large member of the Council, opted to run for a district seat against a Republican incumbent, and lost 4,762 to 1,532. The Democrats did not bother to field an opponent. The National Committee spent rather more than \$30 a vote on Coleman's campaign. The money went into a considerable part into a TV ad that does not mention the candidate's party by name.

Summary of Issue

Last month we reported the LNC was considering a motion that really did not do anything except call the Judicial Committee names. The motion passed 12-5.

Outbound Executive Director Wes Benedict notes that the LNC handed over to the LNCC (Wayne Root, Chair) its entire member and donor lists with unlimited use allowed. It is apparently now dawning in DC that if the LNCC actually gets its act together and starts raising money, its fundraising will cut into fundraising by the real LNC, perhaps very substantially.

The LNC on an email ballot rejected hiring Carla Howell as Executive Director. Usually in searches there are advertised search criteria, resumes are collected and read, and nominees are chosen. Here the National Chair simply announced a name.

The LNC has been debating buying a new building. The motion that was passed requires certain dollar sums by certain dates, in cash and signed pledges. The money was not raised. In fact, no signed pledges were collected. LNC member Visek reproved Chair Hinkle for pressure tactics (page 2) that shocked other LNC members (page 3). Hinkle's claims to state chairs were eviscerated by LNC Secretary Alicia Mattson (page 3).

The LNC roundly rejected three separate motions on buying a new building, with margins like 6-10 against, on motions needing 2/3 votes in favor. See pages 4 and 5. **There is no current LNC motion authorizing raising money for a building.** At about this time the LNC discovered that claims that Watergate rents were going through the roof were false; a lease at current rates is available. Read Alicia Mattson's superb timeline on pages 5-9.

Finally, Presidential hopeful Carl Person decided to campaign against what he claims is a victimless crime. Many would differ with his claim. See page 9 for the dismaying details. In my opinion, his campaign is now completely unviable.

LNC Votes to Call Judicial Committee Names

The motion passed 12-5. The full motion, which goes on forever, is in our previous issue. You can read it at LibertyForAmerica.com/201111.pdf on Page 4. The LNC was unhappy that the Judicial Committee has repeatedly rejected their ideas on ejecting Oregon (and, earlier, Lee Wrights) from their associations with the party, Oregon as an affiliate and Wrights was Vice Chair.

Voting "aye": Eshelman, Karlan, Knedler, Lark, Mattson, Redpath, Root, Rutherford, Sink-Burris, Visek, Wiener, and Wolf. Voting "nay": Blau, Craig, Olsen, Ploeger, Ruwart.

National Director Concern About LNCC

We have had forwarded to us a message to the LNC from Wes Benedict: "The LNCC (and chair of the Audit Committee) now has our entire membership database, email database, and full permission from the LNC to use it without limit. Understanding that cannibalization, plus potential general suppression of overall donations to both organizations if there's any blow-back, is something worth considering."

The Libertarian National Congressional Committee, Wayne Root, Chair, was created by the LNC as a match for the Democratic National Congressional Committee and a matching Republican group. It has the same fund raising and spending authority that the LNC does.

LNC Rejects Hiring Howell

The vote on the email ballot was 9-9, so the motion failed. However, **more may happen at the LNC meeting.** The latest vote from each person, as of the end of the voting period, were reported by the Secretary as: Voting "aye": Craig, Flood, Hinkle, Karlan, Kirkland, Redpath, Ruwart, Sink-Burris, and Wiener. Voting "nay": Eshelman, Knedler, Lark, Mattson, Olsen, Root, Rutherford, Visek, and Wolf.

According to sources: The Secretary supplied a narrative. There were two different contracts in circulation. The Secretary explained: "The mail ballot was distributed while Version 1 of the contract was being sent to LNC members. On Nov 25th a Version 2 was distributed. At the time that Version 2 was distributed, the interim total was 3 in favor and 9 opposed. After Version 2 was distributed, of the 12 already voting: 2 "no" votes changed to "yes" votes. 5 individuals who had voted previously reaffirmed their existing votes for Version 2. 5 individuals who had voted previously did not reply again after Version 2 was distributed.

After Version 2 was distributed, of the 6 new votes cast: 2 additional "yes" votes were cast making it clear they were voting on Version 2. 4 new votes were cast not specifying either version - 2 "yes" and 2 "no".

The Secretary commented: Since the final tally was not

sufficient for passage, and the interim totals do not indicate that Version 1 was on a path to passage, I don't believe it to be necessary at this point to settle the question of which contract was being voted upon.

Visek Protests Hinkle Tactics

As supplied to us: Dear Mark,

Your building fund email to the state chairs in my region was totally inappropriate behavior for our national chair. Since you weren't able to convince me directly of the merits of your motion to buy the property on Duke St., you're now trying to get my state chairs to pressure me into changing my vote. This is unfair to me, since I have given considerable thought to this matter and did you the courtesy of calling you to share how I would be voting and why.

And it's even more unfair to my state chairs. They haven't been following this complicated issue as closely as the LNC does and aren't in a position to judge its merits. And your email contains many untruths and partial truths, for example:

1. At the LNC meeting in New Orleans last November, you and Geoff Neale presented an optimistic plan that would enlist past chairs and presidential candidates to solicit donations for a building fund - a plan to raise well over \$300,000. This plan was never implemented, which is why you personally have had to make so many fundraising calls and why less money has been raised than anticipated.

2. Your email to the state chairs in my region claims that "last year the LNC created the David F. Nolan Memorial Building Fund both to honor the co-founder of the Libertarian Party and to create a real permanent home for the Libertarian Party in the DC Metro Area."

The LNC never voted on a name for the building fund. You decided to name it after David Nolan. At the time we voted to create the building fund, we had not yet learned of David Nolan's death. We probably would ratify your decision, but we've never had the chance.

3. Your email further claims "Your LNC Representative Dianna Visek is one that is currently voting against the purchase of the building at 1428 Duke Street in Alexandria, VA (in the DC Metro Area) even though she voted for the previous motion to do so."

In November 2010, I only voted to create the building fund and see what the donor response might be to your plan. I never voted in favor of purchasing this particular property. I voted against Dan Wiener's motion to authorize its purchase because nearly a year went by without any serious fundraising and because I have concerns about this property.

4. Your email to the state chairs in my region asks them to "Please instruct her to support the purchase of this building and NOT to force the LP to send back \$150,000+ in donations to our most generous donors."

If we don't buy this particular property, there are many other options besides immediately closing the building fund and returning all the donations. We can keep the donations in the building fund until we later raise a larger down payment and find a suitable property at that time. Even if we decide never to buy a building, we can ask donors to earmark their donations for some other worthy project. Only if donors are unwilling to repurpose their donations would we have to return any money.

In November 2010 when we voted to test the donor re-

sponse to a building fund campaign, Geoff Neale said he could spin it as a positive that we were responsible enough to return funds given for a project if the plans didn't work out. Why would it now be the end of the world if we had to do that?

5. You did not mention to the state chairs in my region that the authorization to purchase had contingencies. The Wiener motion, which passed, stipulated many conditions which aren't being met. For example, you were required to provide our secretary with financial information showing that the Nov. 5 fundraising milestone had been met. Although she requested the financial details necessary to evaluate the milestone, she still hasn't received them.

And we were told that you are not even using the legally enforceable pledge forms required by the motion. The LNC is rightly concerned about our financial obligations once a purchase contract is signed. We want to verify that the pledges we're counting on are more than just emails, which is why we need to verify how much cash is on hand and which pledges are legally enforceable.

6. In your email to the state chairs in my region you imply that the only way for us to save money is to purchase this particular property. In reality, our current lease is so expensive that we would save money by moving almost anywhere. As Alicia Mattson and Stewart Flood found in their recent real estate survey, there are a number of short term leases available that would allow us both to save money and to use the extra time to solicit donations and find a better property to purchase.

In conclusion, I would like to ask if the state chairs of other regions received similar emails from you. Am I the only regional rep being targeted? Did you really think I would respond positively to coercion?

The email you sent out is part of a pattern of disrespect for the LNC. You have a track record of ignoring the LNC and now are sending incomplete information to state chairs to coerce a regional rep to do your bidding. At our meeting in Las Vegas, the LNC needs to have a frank discussion about the relationship between the Chair and the Board.

...Dianna Visek

The Hinkle Letter to Region 6 State Chairs

As supplied to us:

As you may know, last year the LNC created the David F. Nolan Memorial Building Fund both to honor the co-founder of the Libertarian Party and to create a real permanent home for the Libertarian Party in the DC Metro Area.

And as it turns out, it's a lot cheaper to buy than to lease office space, i.e. \$47,000 per year less than our current lease payment!

With some very limited fund raising, i.e. one email message sent out as a Monday Message and a few phone calls by yours truly, we've already raised over \$150,000 towards the down payment of \$172,000.

The LNC has voted twice to pursue the purchase of a

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building, but now that we have a specific site in mind, some LNC members are getting cold feet.

Your LNC Representative Dianna Visek is one that is currently voting against the purchase of the building at 1428 Duke Street in Alexandria, VA (in the DC Metro Area) even though she voted for the previous motion to do so.

Our staff is so taken with the proposed new headquarters they have even donated \$2,000 of their own funds to buy the building.

This truly is a unique period in our history. Our credit rating has never been better thanks to the hard work of Wes Benedict and Robert Kraus, interest rates haven't been this low in decades, and everyone knows they're going to go up a lot, in the near future. And we got the building for \$90,000 off of the asking price. And did I mention we'll save \$47,000 every year by doing this?

So, I'm asking you to instruct your region 6 representative (Dianna Visek) to vote yes to purchase the building.

As you can see by the LNC Auditors Report below, it makes a great deal of financial sense to do this.

And here's the kicker: because of FEC rules, all the money that has been donated to date (\$150,000+) will have to be returned to the donors if we don't buy a building.

Dianna is your representative on the LNC. It's her job to represent you.

Please instruct her to support the purchase of this building and NOT to force the LP to send back \$150,000+ in donations to our most generous donors.

The deadline for the current vote is this Thursday the 17th at 11:59 PM PST. Thank you for your prompt attention to this very important matter. Yours in liberty.....Mark Hinkle,

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Liberty for America will be performing political acts, and other activities that the Federal government calls "Federal Election Activity" and hence FEC-reportable. We must therefore funnel dues to our PAC, "Liberty for America". Dues will not be used to support candidates.

Your Donations are not tax deductible. Federal law requires us to request the occupation and employer of donors of \$200 or more in a year. Paid for by Liberty for America. Your donations may be used in relation to a Federal Election.

LNC Members Shocked by Hinkle Letter

Our sources report:

Dianna,

As a current LNC At Large Representative and the former Region 6 Alternate, I share your sentiments and concerns. This inappropriate tactic, coupled with the inaccuracies within the email sent by the Chairman to Region 6 State Chairs, is frankly alarming. I agree that this must be addressed at the earliest possible opportunity.

...Randy Eshelman

Hello All . . . I was dealing with this issue privately, considering it to be something we on the LNC should be dealing with in a **very** private manner. But since the "cat is now out of the bag", please be advised that all nine Region 4 chairs received an (almost) identical letter. Further, I was not afforded the courtesy of being copied on the original distribution.

...Norm Olsen

Norm.

I was outraged when I read this message from our Chair last night. How does a Libertarian who signed our pledge rationalize the attempt at pure intimidation that Mr. Hinkle sent to you and our other regional reps. I hope the LNC does consider this in Las Vegas and takes an appropriate course of action.

Sam Goldstein, Chair (Indiana)

Alicia Mattson:

I was very unhappy to see the nature of the email sent to Dianna's region and then to learn it was also sent to Norm's.

Besides the points Dianna made, a few other parts leapt out at me as being things that would leave the reader of the Chair's message with mistaken impressions.

1. Perhaps this point is just an "amen" to Dianna's rather than an addition, but it is unfair to portray to the state chairs that LNC members voting no on the current motion are getting "cold feet" now, suggesting that we've changed our minds. Not true. We made it clear with the first motion we adopted that we wanted to see a large down payment. And if the current motion fails, we still have authorization to buy via the previous motion. Frankly, if it weren't so frustrating, it would be amusing that those moving the goalposts are accusing others of having "cold feet" or as Neale phrased it, trying to "change the deal".

2. The Chair's message to state chairs suggests that we've raised \$150,000 so far and we've hardly lifted a finger, just one email message and just a few phone calls...no big deal. However, in comments to LNC members the Chair has portrayed it differently, saying that he doesn't have time for other things because he's so busy with building fundraising.

In fact, a week ago the EC adopted a motion directing that a data file be provided to a New Visions Committee member so they could perform the task we assigned to them. Execution of this should have required about 30 seconds of the Chair's time to send an email to staff instructing that it be done. Tuesday there was no data provided. Wednesday there was no data provided. Thursday there was no data provided. Friday there was no data provided...so another committee member inquired with the chair about it. The chair replied that he had been too busy with the building fundraising, and he'd do it on Monday

(costing the New Visions another weekend that they could have worked on their task). After a second LNC member contacted the chair about it, the Chair gave the same reply that it would be done on Monday but this time he copied the message to a staff member, who promptly supplied the data file then instead of waiting until Monday.

I don't understand why state chairs are being told that we've hardly lifted a finger so far, and the money is rolling in - which might leave them with the impression that plenty of funds will be found for this project, so why not proceed - while LNC members are being told the Chair is working so hard to meet fundraising expectations that he doesn't have time in a week to send a 30-second email to staff.

3. I don't think it's yet fair to claim to the state chairs that we've raised \$150K so far, when we have less than half of that as cash in hand. The rest are unenforceable, possibly just emails, not using the language drafted by our legal counsel for our pledges. Yes, some of those will turn into cash. Some will not. If we agree to purchase a building, we have a legal obligation to pay for it with real money, not with email messages. The pledges we count in our decision to buy should be every bit as legally enforceable as our legal obligation to pay for the building.

4. I don't really understand why the auditor's comments are being forwarded to state chairs to argue in favor of this particular purchase decision. It's easy to look at historical data where there are no risks or unknowns left in the equation, and say that if we'd bought in 2003, and if we presume the funds had materialized to pay it off by now, that we'd be in a good financial position now. To me, this is like saying that gold was cheaper in 2003, and if we'd bought gold then and held it until now, we'd be wealthier...therefore we should buy gold now even if we have to borrow to do it. :-) If gold has increased a higher percentage than the Duke St property has over the past 8 years, does that mean we should invest in gold now rather than in a building? :-)

5. I find it distasteful to use the emotional leverage of inaccurately claiming the LNC created the building fund to honor a deceased colleague. To some that suggests that it would be disrespectful to the dead to not vote for purchasing this particular building. But Mr. Nolan's name is not the only one being used. Chairman Hinkle (in a message to Norm's regional chairs) invoked the name of former LNC Treasurer and my good friend Deryl Martin and claimed that he "thinks purchasing is a good idea". One might reasonably conclude from such a statement that Deryl has crunched the numbers on this specific buy decision vs. the other lease options and has given us specific advice to buy this building. But Geoff Neale's recent email said only that he had talked to Deryl at the beginning of this building fund idea, asking for general advice before there was a specific deal on the table. Geoff's account was that Deryl gave general advice no more specific than "if it's cheaper to lease, then lease, and if it's cheaper to buy, then buy".

Surely we should be above such tactics.

-Alicia

LNC Rejects Building Purchase Motion 2

Voting "aye" were Craig, Flood, Karlan, Kirkland, Knedler, Lark, Redpath, Ruwart, and Wiener. Voting "nay" were Eshelman, Mattson, Olsen, Root, Rutherford, Sink-Burris, Visek, and Wolf. That was a 9-8 vote.

Welcome to Liberty for America!

A magazine. A web site. An organization. **Liberty for America** has had several inquiries on launching **Liberty for America** Chapters across America. A draft set of state/regional By-Laws appears on the **LibertyforAmerica.Com** web site.

The motion failed to receive the 2/3 vote required by LP By-laws Article 10.5 which states, "The Party shall not borrow in excess of \$2,000 total without prior approval by 2/3 vote of the National Committee."

This is the motion "The LNC hereby rescinds..." starting on page 6 of the previous issue.

LNC Rejects Purchase Motion #3

Motion 3 was made by Stewart Flood, Mary Ruwart, Vicki Kirkland, and Kevin Knedler. The final vote was 7-9. A two-thirds vote was required, because it is a motion to borrow more than \$2000. Voting in favor: Craig, Flood, Hinkle, Karlan, Kirkland, Redpath, and Ruwart. Voting against: Eshelman, Lieberman, Mattson, Olsen, Root, Rutherford, Sink-Burris, Visek, and Wolf. The motion included an operational clause allowing the Chair to advance if 2/3 of the LNC voted in favor by November 22. Secretary Mattson reported that the 2/3 was not attained.

The Motion read:

The LNC hereby approves the purchase of 1428 Duke St, Alexandria, VA with the purchase contract and loan terms attached, which are summarized as:

Selling price of \$860,000.00 with an all-inclusive 45 day feasibility period ending on December 22, 2011 during which the LP can opt out for any reason

Minimum down payment of \$172,000.00 with no penalty for accelerated payments on the principal

1st Trust deed of \$688,000.00 (5% 5/1 ARM – fixed rate for 5 years with subsequent annual adjustments not to exceed 7.5% max - 80% Loan to Value – based on 25 year amortization – with a ½ point origination fee)

Mark Hinkle will be considered to have acted within his authority if he informs the seller that two-thirds of the members of the Libertarian National Committee have approved the purchase contract, but only if two-thirds of the LNC members have voted in favor of this motion by November 22, 2011.

Mark Hinkle and Mark Rutherford are each directed to exercise the opt-out clause if this motion fails to pass by a 2/3 majority vote (this provision is severable from the rest of the motion, and requires only a majority vote to pass).

Mark Hinkle and Mark Rutherford are each directed to exercise the opt-out clause if \$248,000 in actual money which was donated to the building fund has not been raised by December 22, 2011.

The provisions of the mail ballot started 10/28/2011 regard-

ing approval of a backup lease shall be suspended until the purchase contract is terminated.

Previous notice is hereby provided that the LNC may in its December 10-11, 2012 meeting amend or reconsider or rescind this motion, or it may choose to exercise the opt-out clause of the purchase contract.

LNC Rejects Purchase Motion #4.

This is Mark Hinkle's motion, made as Chair. The vote was 6-10 against. Voting Yes were Hinkle, Kirkland, Lark, Redpath, Ruwart, and Wiener. Voting against were Eshelman, Flood, Karlan, Lieberman, Olsen, Root, Rutherford, Sink-Burris, Visek, and Wolf. Specifically Stated Abstentions were Knedler and Mattson.

Motion: The LNC hereby approves the purchase of 1428 Duke St, Alexandria, VA with the purchase contract and loan terms attached, which are summarized as:

Selling price of \$860,000.00 with an all-inclusive 45 day feasibility period ending on December 22, 2011 during which the LP can opt out for any reason

Down payment of \$172,000.00 with no penalty for accelerated payments on the principal

1st Trust deed of \$688,000.00 (5% 5/1 ARM – fixed rate for 5 years with subsequent annual adjustments not to exceed 7.5% max - 80% Loan to Value – based on 25 year amortization – with a ½ point origination fee)

An opt-out clause exercisable on or before December 22, 2011 by the Chair or Vice Chair

The Chair will be considered to have acted within his authority if he informs the seller that two-thirds of the members of the Libertarian National Committee have approved the purchase contract, but only if twelve members of the LNC members have voted in favor of this motion by November 22, 2011.

The Chair and Vice Chair are each directed to exercise the opt-out clause if any of the following conditions are not met:

\$248,000 in donations restricted by the donors at the time of the gifts for the purpose of purchasing a building are collected by no later than December 21, 2011. The donations and pledges reported to the Secretary on November 16, 2011 are deemed to have been properly restricted for the building fund.

To ensure that general fund donations are not being cannibalized by the fundraising effort for the building fund, unrestricted donations of at least \$153,043.53 (the lowest monthly figure of \$91,237.49 during 2011 multiplied by 1 + 21/31), must be collected during the period starting November 1, 2011 and ending December 21, 2011.

The determination of the conditions having been met shall be made by a majority vote of the Audit Committee. The Audit Committee shall be provided with the backup for the donations by no later than December 21 at 6:00 pm EST so that they may render their determination that \$362,834.53 (\$248,000 less \$38,209 collected prior to November 1 plus \$153,043.53) was collected and deposited between November 1, 2011 and December 21, 2011. The backup shall include screen shots of the Party's bank accounts showing that deposits have been made along with a listing of all the donations including the names of the donors, their dates and amounts. To facilitate the determination process, Staff shall on a weekly basis provide updates to the Audit Committee with such backup.

The down payment for the building shall be no less than

\$248,000, all of which must be paid with restricted donations collected.

The provisions of the mail ballot started 10/3/2011 authorizing the purchase of a building are hereby rescinded.

The provisions of the mail ballot started 10/28/2011 regarding approval of a backup lease are hereby rescinded.

In the event that the above mentioned conditions have not been met, the Chair and staff are required to negotiate and execute a 3-year lease at a location of their choosing in the greater Washington, D.C. area, so long as the annual expense, including

- rent,
- \$9 per square foot for operating/tax/maintenance, if not a full-service lease, and
- outside storage space,

does not exceed \$110,000.

Previous notice is hereby provided that the LNC may in its December 10-11, 2012 meeting amend or reconsider or rescind this motion, or it may choose to exercise the opt-out clause of the purchase contract.

Proviso: If the motion achieves 12 votes in favor on or before November 22, 2011 but later fails to pass with a two-thirds vote at the conclusion of the fifteen-day voting period, the Chair and Vice Chair must exercise the opt-out clause because the contract's execution would be deemed to be in violation of the By-laws.

Mattson's Superb Timeline

As supplied to us with permission as quoted:

You have my permission to distribute this to others who might be wondering about my opposition to this building purchase.

This will be long because I have experienced a long string of previous disappointments before I got to the point where I would write a message like this. Some of it is info you already know, but I am piecing it all together in one place to put it in perspective. If you just can't read it all, at least skip to the "AND THE KICKER" section just before the conclusion.

This experience is Exhibit A for why experts will tell you that you should run a capital campaign FIRST and have cash in hand before you pick a site and try to buy. Then there are no urgent races between the fundraising effort and the banks and the seller and the closing agents and the contracts and the lawyers and the mail ballots and the clock.

Regarding the execution of the building fund plan, I feel like this board has been manipulated, repeatedly misinformed, intimidated, and given artificial deadlines to pressure us into voting based on something other than our good judgment and the merits. And I believe that members, donors, and state chairs have been misinformed as well.

Frankly, for some of us, this is no longer about whether it's a better decision to buy or lease. That concern is overshadowed by a fear that our party might be willing to tolerate decisions being made in this way.

SELLING THE IDEA

I'll summarize the story of the plan that was sold to us.

Last November we saw a great presentation with a great plan for a capital campaign to eventually purchase a building. I voted for it without any reservations. If executed, it would be a beautiful thing for the LP. I've reviewed the audio of that ses-

sion, and among the features of the plan were:

- 1) It would be at least a year-long effort, not a rush job just before the end of our Watergate lease.
- 2) We would raise the money first before selecting a site, not pick a site and then wage war to get into that site at all costs. From page 1 of the business proposal that was forwarded to us before the November 2010 LNC meeting, we were told "A decision as to the actual location would not be decided until sufficient funds were raised for the purchase."
- 3) Besides raising funds for the down payment, we would raise funds to also cover \$50K of moving expenses, closing costs, etc.
- 4) We should expect some degree of cannibalization of our general fundraising, though how much is hard to predict.
- 5) We would know by the next LNC meeting if it was "a raging success or the Titanic". If it failed, we would give the money back, and we could spin that as a positive thing, championing our having been responsible and honorable.
- 6) Since it was imperative that we be able to give the money back if it didn't work out, we didn't want the building fund to be used to pay for fundraising costs. To help alleviate this concern, Geoff Neale volunteered to pay any fundraising costs in the "first phase" of the plan.

All we had to do was vote to create the fund, and the team would go to work!

The LNC then voted overwhelmingly to create an unnamed building fund with no specific property in mind.

AUGUST 2011 LNC MEETING

By the August 2011 LNC meeting, approximately 9 months after the vote to create the building fund, there had been essentially no fundraising from anyone except staff and LNC members. The chair indicated he had made about 5 phone calls for the project. We had \$1000 cash and pledges totaling just under \$100,000 for the building fund. This was far short of the numbers we had discussed in November that we'd like to raise.

But there was a piece of property for sale at 1428 Duke St in Alexandria, and the Chair put 15 minutes on the meeting agenda in which we were asked to consider purchasing it. (Tick, tock) We were given a spreadsheet comparing the purchase to some alternative 5-year lease options. The draft minutes reflect that we were told we needed to make a decision by October at the latest due to the amount of time needed to close a purchase deal, and we were told that staying at the Watergate beyond our existing lease which ends in February 2012 would result in our rent increasing dramatically.

Since we didn't have building funds ready to make a purchase yet, we asked if we could get a 3-year lease somewhere while we continued to work on the building fund. We were told no, that 5-year leases were the standard in the DC area, and our options were buy now or lease for 5 years. (A post-meeting spreadsheet update indicated that one particular property was "one of the few" 3-year leases available, and that building had been closed since the DC earthquake and was scheduled for demolition.)

We postponed the discussion until the next day. In discussions outside the meeting that evening, it was evident that a number of LNC members felt like we were being pushed to make a decision too quickly with insufficient information. The next day we voted to send me and another LNC member to the

DC area for up to 10 days to bring back more information. Between the meeting and my DC trip, the Chair repeatedly complained that I would be going and wanted me to cancel. Then it was argued to me that I should shorten my trip, or limit myself to only seeing properties with Staff and our realtor, and not work on my own. But I did work on my own anyway.

On the trip in September, I found that 3-year leases were plentiful. And I found some 3-year lease options that would offer cheaper monthly expense than the building purchase shown on our spreadsheet.

URGENCY TO APPROVE A PURCHASE NOW

During the extensive email discussion, there was a drumbeat that it was imperative that we buy now. We had to get out of the Watergate, and the time was ticking. LNC members wanted a large down payment raised before agreeing to purchase, so that even if no extra principal payments could be made on the mortgage and real estate values dropped we wouldn't find ourselves underwater when the balloon payment came due in a few years.

Even though we hadn't really tried any substantial fundraising so far, the story now became that creating the building fund wasn't sufficient. We had to vote to approve a purchase before they could actually raise the funds.

We gave that a shot. From 10/3/11 to 10/18/11 the LNC adopted a motion dubbed as the "Dan Wiener motion", which authorized a purchase offer to be made under certain conditions, if certain fundraising milestones were made on a certain timeline. It also required that pledges be collected on legally enforceable pledge forms drafted by our attorney so that we could be confident the pledges were worth more than the paper the email was printed on. The Secretary was one of the people tasked with verifying that the milestones were met and verifying that any offer met the conditions of the adopted motion. The attorney provided the pledge form language on October 21st.

The Chair and Staff began trying to fundraise. On October 24th an email blast went to our email list asking for building fund donations. The Chair started working the phones calling those capable of large donations. A fundraising dinner was planned for December.

BACKUP PLAN

One of the requirements of the Dan Wiener motion was that a separate motion would be adopted to authorize signing of a lease in the event that the fundraising milestones could not be met. On October 28 a mail ballot was started to do just that, provide a backup plan. The Chair promptly accused those sponsoring and voting for this motion of "sabotage" and "undermining" the building fund, even though it was a requirement of the motion we had adopted, and for which the Chair had voted. Even last November when we heard the plan, we discussed the need for a backup plan should the fundraising not reach the goal.

THE OFFER TO PURCHASE

The Chair felt it was imperative that we immediately sign an offer to purchase, even though the fundraising requirements of the Dan Wiener motion had not yet been met to permit an offer to be made.

A draft of an offer to purchase was presented to the

Secretary for certification that it was ok for the chair to sign it. The offer contained a 45-day opt-out-for-any-reason clause. The Secretary said that in numerous ways the offer to purchase was not compliant with the approval given by the LNC, including the fact that it was still 66 days before we could determine if the conditions of the Dan Wiener motion would be met, and including the fact that it authorized purchase with a much smaller down payment than the LNC had approved (and would leave us with a larger mortgage balance).

The Chair and Staff wanted to sign it anyway, because it wasn't enough that the LNC had created a building fund and authorized a purchase, now we supposedly had to have a signed contract in hand to show the donors or else we couldn't raise the funds.

The Chair wanted to sign the contract first, and then ask the LNC to ratify the action by rescinding the previous authorization in the Dan Wiener motion and approve this instead.

The Secretary was told time was short because the seller expected it to be signed by October 31st. Keep in mind that this property has been on the market for 2 years, so this seemed to the Secretary like a false urgency.

The Secretary advised the Chair and Staff that she didn't feel it was likely the LNC would approve these purchase terms after-the-fact, and the Chair should talk to LNC members before proceeding. But if they wanted to go ahead and submit a purchase offer that was not compliant with what the LNC authorized, they must include adequate clauses to make sure the contract could not be binding if the LNC did not subsequently approve the offer, and that a backup person should be authorized to opt-out should the Chair for some reason be unable to do so before the opt-out period ended. There was much resistance to these suggestions. The Secretary was initially told that the Seller would not agree to these types of changes, but the Secretary insisted it was imperative to add them before signing a legally binding offer.

To create such protection, the Secretary proposed specific language for the contract that would require LNC approval to be received before the contract became effective and before the 45-day clock started ticking. The Secretary was told that clause was not acceptable, and the Seller would not wait that long. The Secretary suggested that someone instead draft language that would allow the LNC approval to happen during the 45 days, but would result in the contract being automatically canceled on day 45 should LNC approval not be obtained by then.

Instead, the language in the final draft for the Secretary's approval was crafted to allow only 15 days after contract ratification (both parties signing) for the LNC to give approval. Note that only allowing 15 days for approval (tighter than the 45 days the Secretary recommended) created a stronger urgency argument that the LNC must approve this ASAP. And it meant that the LNC would need to approve now before knowing about future fundraising progress.

The Secretary agreed that the contract finally had sufficient protections for cancellation if necessary, so the Chair's plan commenced. A 15-day mail ballot was started on Nov 2 (let's call this the Hinkle motion) asking the LNC to rescind the previous Dan Wiener motion with its conditions and instead approve this offer. Five days later the Chair and seller signed the offer while the mail ballot was underway, starting the contract clock ticking, with 15 days for LNC approval else the contract automatically terminates, and an additional 30 days

after during which we could opt out. The Seller did accept the contract a week later than I was told would be acceptable, and with the clauses that I was told they would not approve.

During the voting on the Hinkle motion, LNC members were lobbied with urgency that if we didn't vote for this motion right now, the Seller and the banks would be done with us, and the deal would be impossible at any future time. It was not enough to just have created the building fund, or to have approved purchase conditional on fundraising results. Now we were told we had to vote for this motion and have the deal locked in or else the rest of the funds could not be raised.

The Chair applied pressure by sending emails to state chairs in two regions where the representatives were poised to vote no, giving those state chairs inaccurate/misleading/incomplete information and asking them on that basis to direct their LNC representative to vote yes. Lobbying is one thing. Misinforming is another. The Chair told those state chairs that though the LNC had previously agreed to do this, now LNC members were getting "cold feet".

The LNC did not approve the Hinkle motion, with the most common objection being that it didn't require a down-payment large enough for what the LNC had said it wanted. Instead of proposing to pay off the building with a capital campaign for a large down payment, the supporting spreadsheets forwarded during the Hinkle motion voting proposed that the mortgage balance would be lowered later by promising to use future general funds to make extra principal payments. Note that this LNC cannot bind future LNC's to make sure they will make such extra principal payments instead of using those funds for something else.

Even though the Hinkle motion had not passed, the Dan Wiener motion was still in effect, allowing an offer if certain fundraising goals were met on a specified timeline.

CONFUSION?

Numerous times after the Dan Wiener motion was adopted, the Chair and Staff complained that they didn't understand it, and alleged that nobody could tell them how much they were expected to raise for a down payment - in spite of having at least three LNC members who at any time would calculate from a given set of inputs what the requirement was - in spite of a spreadsheet having been provided on which they could change the inputs and the spreadsheet formulas would do the work - and in spite of the motion itself having laid out example calculations of what were likely the best-case and worst-case scenarios demonstrating a range between \$245,000 and \$300,000 would likely be needed.

Yet the October 24 email blast to our email list told membership that our goal was to raise only \$125-200K.

FIRST MILESTONE

Along the way, Staff in passing told the Secretary and Dan Wiener that the first milestone of the Dan Wiener motion had been met, but provided no data. When pressed for more information to verify, totals of amounts donated and pledged were provided, and it was not actually sufficient to meet the first milestone of the Dan Wiener motion.

When the first Dan Wiener motion milestone date later arrived (Nov 5th which was during the voting on the Hinkle motion), the Secretary requested data to determine if the milestone had been met. No data was provided. Instead the LNC was told we shouldn't bother with such details, that they

weren't using the legally enforceable pledge forms required by the Dan Wiener motion, and we should just wait to see if the Hinkle motion passed, which had no milestones or requirements to verify fundraising.

And we were told that we shouldn't even expect them to abide by the legally enforceable pledge form requirement because it was offensive to ask people to sign a "blood oath". The Chair was apparently not offended by the Seller's requirement that he sign a legally enforceable pledge to pay for the building, and many of us think the pledges we're counting on for the down payment should be as certain as our obligation to pay for the building.

CANNIBALIZATION

We understood from the beginning that during a capital campaign for the building fund would inevitably attract some donations from people who otherwise would have been willing to give the same money to our general fund, thus cannibalizing our general fund somewhat. We expected some, no ballpark predictions attempted, of that to occur. And we'd have to cover some credit card processing fees, naturally.

But it was clear that the goal was not to create the building fund by intentionally cannibalizing our general fund, as we still have to fund party operations, especially coming into a presidential election year.

Early in the discussions some complained that the LNC's fundraising expectations were too stringent, so the Dan Wiener motion generously loosened the terms to allow payment of perhaps \$50,000 of moving costs and closing costs out of the general fund, so only the mortgage down payment would have to be raised.

Both the Dan Wiener motion and the Hinkle motion included explicit provisions that the down payment must be made with donations that had been restricted to the building fund, not from our party's unrestricted general fund.

In early September the LNC was informed of a large donation that the Chair specifically indicated was unrestricted. Later this was reclassified as a restricted building fund donation.

A donor who has previously given the legal annual maximum to our general fund has pledged to give two future-year donations to the building fund. This may well be direct cannibalization of our future general fund.

The original capital campaign fund plan, with its promises of a team of past LNC Chairs and past Presidential candidates making 1-on-1 calls to large donors as phase 1, making calls to medium donors as phase 2, and then finally as phase 3 making general email/letter appeals to our broad membership base to finish the job...that plan was never executed. A handful of large donors have been called by the chair, but largely the fundraising effort has been to send mass emails to our broad donor base which we typically rely upon for our general fund.

The plan offered with the Hinkle motion proposed to replace a large down payment with a smaller down payment and promise of future extra principal payments...from the general fund.

Since the LNC from the beginning a year ago insisted that the building funds had to be protected in case of a need to refund, thus they cannot be used for fundraising costs, I am left to presume that the LNC general fund is paying for a fundraising dinner in Las Vegas in December, so that all revenues can all be preserved in the building fund.

Since there was no "phase 1" fundraising according to the plan, I do not know if Geoff Neale is redirecting his offer to pay for phase 1 fundraising costs and instead helping offset costs of some other aspect of the effort.

Saturday our Executive Director asked the LNC Executive Committee to approve spending \$25,000 out of the general fund to send a fundraising letter out to our broad donor base. Sunday the request was repeated but with only a request for \$10,000. The Executive Committee has so far not considered this idea.

In spite of the intent of minimizing general fund impact, the execution so far has been based nearly entirely on using the general fund to create the building fund.

MISINFORMATION, SPIN, AND MORE PRESSURE

The LNC did not name our building fund, nor has the LNC voted to name any eventual building after anyone. After the LNC created the generic building fund, the Chair began calling it the David F. Nolan Memorial Building Fund and started using that in fundraising appeals. Though when asked later by LNC members, the Chair indicated it was the name of the fund rather than the building, many LP members, understandably, inferred that if we purchased a building, it would be named after Mr. Nolan. When the Chair sent emails to state chairs in at least two regions asking them to pressure the votes of their regional representatives, he claimed that the LNC had created the fund for the purpose of honoring Mr. Nolan, though at the time the fund was created the LNC had not yet learned of Mr. Nolan's death. After complaints from board members, at least this problem has now been addressed with an explanatory message to our email list sent on Monday.

At the beginning we were told that it would be no big deal if we didn't raise enough money, and we could generate good donor vibes even if we had to give the funds back because we hadn't raised enough. But since fundraising efforts began, the Chair has repeatedly applied pressure for continued moving of the goalposts implying that it would be a horrible thing to have to give back any funds.

The Chair's previously-referenced emails to some state chairs indicated that a failure to approve the Hinkle motion would mean we would have to return around \$150K of donations, yet we had less than half of that in cash which would need to be returned.

When on November 16, well past the first milestone date of the Dan Wiener motion, some additional fundraising documentation was provided to two LNC members, it still was counting in pledge totals a \$5,000 pledge that has clearly been retracted. When this was mentioned, the response was dismissive, and I presume that pledge is still being reported in the fundraising status totals.

On Monday a message was sent to the LP email list asking for \$30,000 more to convince those pesky (my word choice) LNC members who have been voting "no". I believe it is inappropriate to use our email list to suggest to future convention delegates that certain LNC members are not performing well. We often praise Ron Paul for being "Dr. No" on things he finds to be unacceptable in Congress. But vote "no" on this plan on the LNC, and the Chair might try to get your state chair to squeeze you, or he might send an email to the membership about you.

AND THE KICKER

All of the above has caused me and many others quite a bit of dismay. But in the past few days, after the Hinkle motion failed to be adopted, I've learned something new that has infuriated me.

All along, we've been pressured that we HAVE to leave the Watergate.

LNC draft minutes from August indicate we were told that if we stay in the Watergate beyond February, our rent will increase dramatically.

The October 24 email blast to our general email list included the following:

"The lease on our national Libertarian Party headquarters is up at the end of February 2012. The landlord has indicated they'll be raising the rates 10% to almost \$140K per year. The building (the infamous Watergate Building) is only 60% leased as it is, so we think they're trying to get everyone to leave. Speculation is that the owners want to sell an empty building, ready to occupy, to George Washington University, which is right across the street from our office. Also, building maintenance has begun to slip and we're overrun with mice and rats! Time to move!"

So I thought it strange when recently I started receiving emails from proponents of this particular purchase saying that if we're not going to buy this particular building, maybe we should just stay in the Watergate for a bit longer while we continue to raise building funds.

When did that become an option? Our rates are going up to an unaffordable level, right? It's rat-infested, right? The owners want us out, right?

I was confused when on November 16 an email from the Chair to the LNC included the following:

"If we want to purchase a building later, it makes more sense to stay put and avoid the moving expenses into another leases building and commit ourselves to a 3 year lease at a minimum. Let's avoid the expense of two moves and move just once, shall we? We don't want to waste our donors' money, do we?"

We haven't even been talking about staying at the Watergate. Wasn't an option. Had to move.

Then over this past weekend in an off-list discussion with some EC members and Staff, I was told that one of our options now that the Hinkle motion had failed was: "Hold off a year and stay at the Watergate at current rent, raising even more funds for a much better HQ..."

About 10 hours later in the same email thread I was told that if we stayed at the Watergate it would cost us double what we're paying now. (Recall that the message to our LP email list on Oct 24 indicated there would be a 10% increase. The numbers have varied.)

I asked which statement was correct, that we could stay at current rate, or it would cost us double to stay. The answer I received was that if we just over-stay our existing lease we will be penalized with a substantial increase, but we could possibly negotiate a new 1-year lease and keep our current rent rate. ! ! ! !

The LNC has not before been told that this was even an option. Instead we, and our members, and our donors heard talk of outrageous rent increases, creating a sense of urgency that we must buy this building right now. And we had been told we shouldn't expect to find a lease for any term less than 5 years.

Has this entire process since August been based on scare tactics about something that wasn't even true? All the sense of urgency, the artificial deadlines, the claims of what the seller will/won't agree to, the attempted intimidation of regional representatives, the difficulty getting accurate information about our fundraising status...???

CONCLUSION

Sadly, with this history of misinformation, moving goalposts, and the bait & switch operation, I'm at the point where it would be naive of me to believe anything I am told about this project. What else might we need to know to make an informed decision? Fool me once, shame on you. Fool me twice, shame on me. Fool me 20 times ... it's downright embarrassing.

Asking me to continue to vote for this particular purchase at this point is to ask me to reward some unacceptable behavior. It's not just been offending people and stepping on toes. It's more than that.

Over this past weekend, the LNC has been asked to scramble (in the 5 days between failure of the Hinkle motion and the automatic cancellation clause of the signed contract) to try to salvage the contract signed by the Chair before he had LNC approval for it, with its artificially urgent 15-day do-or-die deadline that may have been designed to pressure to the LNC to act sooner, a process started before getting LNC input on the idea.

It's no wonder some of us have had enough and are putting our collective foot down. It's no wonder that some of us want some means to verify what we're being told from here on out.

I feel like I've been manipulated and misinformed into wasting a colossal amount of my time over the past few months. And many others have invested a lot of time also. It is quite an understatement to say I am unhappy about this.

At this point, I have to consider which is worse for the future of the party:

a) to spend a little more money for office space for the next few years, or

b) to allow the LP to become one of those parties where \$860,000 internal decisions are based on misinformation, confusion, and manipulation

I can live with (a). If I vote for this purchase now, am I contributing to (b)?

Person Campaign Appears Down

The Presidential nominating campaign of Carl Person came out for repealing laws banning what is claims is a victimless crime. Unfortunately for people who take the party seriously, the crime was bestiality. When the position was questioned, Person's campaign manager Dr. Tom Stevens reiterated it.

In the words of one correspondent: "Has everyone caught that Carl Person is running as a supporter of zoophile rights? And that zoophiles are presumably supporting him? And that Tom Stevens is actually posting this on his blog and then mailing links out to people -- such as me? drtomstevens.blogspot.com/2011/11/zoosexuals-adopt-slogan-in-support-of.html

Your Editor believes that the Person campaign has ceased to be viable, however much Person is personally a good person and a Libertarian of some inclination. If he is nominated, the press will only cover his one stand noted above.

Liberty for America

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LNC Rejects Building Purchase Motions 2, 3, and 4

Mattson's Superb Building Purchase Time Line

Person Campaign Appears Down

First Class Mail

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