

# EXHIBIT 30

**From:** Luther Lowe [mailto:[luther@yelp.com](mailto:luther@yelp.com)]  
**Sent:** Wednesday, September 24, 2014 1:44 PM  
**To:** Jay Riesterberg  
**Subject:** Re: Yelp's membership in ALEC

Here's the statement:

Yelp allowed its membership in ALEC to expire months ago and we did not join Google in Dallas at the meeting in July. When we joined in 2013 we [were very specific and transparent about our goals](#): to encourage the adoption of model anti-SLAPP legislation. Anti-SLAPP laws make it tough to bring meritless lawsuits against individuals that have shared their honest opinions online. It should be no surprise that at Yelp, we're highly supportive of any effort to promote and protect free speech online; we advocate for free speech on both sides of the aisle. We found ALEC provided a unique forum to bring a good idea to the table. [Our approach was not without irony and it invited a backlash](#), yet to ALEC's credit, our model bill passed unanimously: the Public Participation Protection Act -- a model bill we advanced to protect consumers from bullying -- [is live on ALEC.org today](#), and we hope lawmakers in states across the country are able to draw inspiration from it for years to come. Given that our very specific goal was achieved, we allowed our membership to expire.

Amidst the backlash to our joining, we had a direct conversation with the ALEC leadership and encouraged more transparency within the organization. Specifically, we suggested ALEC invite C-SPAN to fully cover their meetings. Such sunlight on the organization would exert important pressure on ALEC to steer clear of controversial issues it has taken up in the past, while revealing to the broader public that providing a forum for policy makers and industry leaders to collaborate can result in consumer benefit (as was our experience).

Luther Lowe  
Director of Public Policy  
Yelp  
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[+1-202.460.8098](tel:+12024608098) (mobile)

[@lutherlowe](#)

# EXHIBIT 31



**Atiba D. Adams**  
Chief Governance Counsel

Pfizer Inc.  
235 East 42nd Street, New York, NY 10017  
Tel +1 212 733-2782 Fax +1 212 338 1579  
[atiba.d.adams@pfizer.com](mailto:atiba.d.adams@pfizer.com)

October 20, 2014

Mr. Timothy Smith  
Senior Vice President, Director  
Of ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your letter and for sharing your views concerning Pfizer's relationships with external organizations, including the American Legislative Exchange Council (ALEC). I am pleased that we were able to speak recently on this issue.

To recap our discussion, let me begin by addressing your request that our Board of Directors engage in a high level review of our relationship with ALEC. Our Corporate Governance Committee of the Board is responsible for maintaining an informed status on public policy and corporate political spending matters. In the Committee's oversight capacity, it looks to leaders in Government Affairs, who are experts in the public policy and political space, to evaluate annually our relationships with outside organizations. This review takes into consideration our business objectives and priorities as well as Pfizer's "Third Party Funding Criteria", which includes:

- The organization ought to have an interest and expertise in health care policy/advocacy and engage on issues that impact the life science industry (intellectual property/tax/trade);
- The interactions between Pfizer and the organizations should support key issues of importance to Pfizer including advancing biomedical research, health care innovation, advocating for protecting intellectual property rights and access to care;
- The organization ought to have a strong presence nationally and/or statewide in priority states with unique capabilities to reach priority constituencies;



- Organizations requesting funds must confirm that Pfizer has not provided more than 50% of the organization's funding in the calendar year;
- Organizations will be required to sign a Letter of Agreement (LOA) or other appropriate agreement acknowledging Pfizer's funding for the purposes outlined in the Agreement.

In addition, other factors taken into consideration include the views of our stakeholders, and an assessment of the risks/benefits to Pfizer for its association with any particular organization.

With respect to ALEC, we are aware that the organization is under scrutiny for its support of legislation in some states that choose to block certain renewable energy standards as well as greenhouse gas reduction initiatives established by the EPA. It is important to keep in mind that a majority of the trade associations, think tanks and other organizations with whom we work also focus on a broad range of other issues that extend beyond the scope of the key issues of importance to Pfizer.

At times, our views may differ from those held by these organizations or their members. Because of this, we state on our corporate website that our participation as a member of various industry and trade groups comes with the understanding that we may not always agree with the positions of the organization and/or its members. If concerns arise about a particular issue, it remains our preference to share our concerns through our company representatives who actively serve on the boards and committees of these organizations. For example, in April 2013, with Pfizer's counsel and that of other members, ALEC closed its task force on public safety and election issues. Earlier this year, Steve Brooks, Vice President, Environmental Health Solutions, agreed to serve on ALEC's Environment and Energy Committees to represent Pfizer's position on climate change issues.

In closing, I thought it would be helpful to reiterate some of the benefits to Pfizer and its stakeholders from our continued association with ALEC. In 2014, Pfizer chose to continue this relationship because our Company and its stakeholders have benefitted directly from the organization's model legislation and resolutions to support the repeal of the Independent Payment Advisory Board in addition to its efforts to combat the production and distribution of counterfeit pharmaceuticals, promote innovation and intellectual property protection, assist with the PhRMA Code and Self-Regulation, and to model bills in the area of tax policy. These initiatives are of high importance to Pfizer and essential to advancing our business objectives and increasing shareholder value.

Mr. Timothy Smith  
October 20, 2014  
Page 3

We appreciate your continued commitment to good governance practices, and believe that our discussions have provided meaningful insights about a variety of issues, including our relationships with outside trade and legislative organizations. I have shared your letter with the Corporate Governance Committee of the Board. We look forward to further discussions with you on this, and other governance topics of interest.

Sincerely,

A handwritten signature in blue ink, appearing to read "Atiba D. Adams". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Atiba D. Adams

# EXHIBIT 32



Stacey Maris  
Senior Vice President  
and Secretary

AT&T Inc.  
208 S. Akard Street  
Room 3241  
Dallas, TX 75202

August 29, 2014

Mr. Timothy Smith  
Senior Vice President, Director of ESG  
Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your August 19, 2014 letter to Randall Stephenson regarding the American Legislative Exchange Council (ALEC). I have been asked by Mr. Stephenson to respond to your letter. As you are no doubt aware, AT&T supports a wide variety of organizations across the political spectrum, including many whose policy views diverge sharply from our own. This support is designed not just to give us a voice in political debates, but also to foster civil political dialogue in the hope that it will result in better and wiser governmental policies.

We have faced pressure from many groups over the years for our support of, or positions on, issues and entities as disparate as the U.S. Chamber of Commerce, our Chairman's support of the Boy Scouts' decision to open its membership to gays, and our support for comprehensive immigration reform. We have been attacked for supporting liberal causes and for opposing them, for supporting conservative causes and for opposing them. While we carefully consider views of stakeholders who may disagree with our decisions, we do so with an eye towards what is fair, balanced, consistent with our corporate values, and in the best interest of our shareholders.

We do not agree with all of the positions of the various organizations we support, including ALEC. We believe, however, that it is better to work from within these organizations rather than from the outside looking in. Our support of ALEC over the years has rested on the fact that its broad membership consists of a significant number of elected state legislators across the country. ALEC is run by legislators, and any model legislation proposed by ALEC comes from legislators themselves and is approved for adoption only by legislators. Our main focus within ALEC has been on state legislation aimed at achieving and maintaining a favorable business climate. AT&T participates in the Communications & Technology and Tax & Fiscal Policy task forces, and our focus has been limited to those issues that may impact our company.

In recent years, at the urging of AT&T and other like-minded participants, ALEC has moved away from social and other non-economic legislation. Instead, it has refocused on economic issues. We believe ALEC can continue to make valuable contributions toward helping businesses like AT&T achieve the sort of government reforms that are good for the economy and for society.

Mr. Timothy Smith

Page 2

August 29, 2014

In light of the fact that more than a quarter of all of the nation's state legislators are engaged at ALEC, AT&T views our relationship with the group to be an important part of our public policy outreach.

We hope you will find this information helpful. Thank you for your interest in AT&T.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacy Martin". The signature is written in a cursive, flowing style. The first name "Stacy" is written in a larger, more prominent script, and the last name "Martin" follows it in a similar but slightly smaller script. The ink is dark and the background is plain white.

# EXHIBIT 33



Craig L. Silliman  
Senior Vice President  
Public Policy

One Verizon Way  
Basking Ridge, NJ 07920  
  
Phone 908.559.1358  
Fax 908.696.2136  
craig.silliman@verizon.com

August 28, 2014

Mr. Timothy Smith  
Senior Vice President  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

I am in receipt of your August 19, 2014 letter to Verizon CEO Lowell McAdam regarding the company's participation in the American Legislative Exchange Council (ALEC).

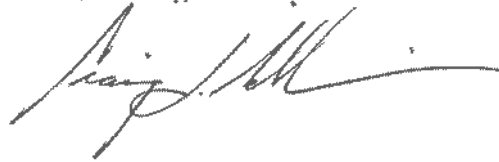
As a nationwide communications company that provides wireless and wireline video, voice and data services throughout the country, Verizon routinely engages with elected officials at the federal, state and local levels. We also participate in organizations that allow us to constructively engage with these policymakers on issues of importance to our company and our customers. These organizations span the political spectrum, and we do not agree with their policies on all issues. When we engage with elected officials individually or as members of a group, we advocate for positions on certain issues, primarily those related to communications and tax policy.

ALEC is made up of almost 200 members of state legislatures, and it provides input on a wide range of state legislative issues. Our involvement with ALEC has been focused on legislative issues of direct importance to Verizon, such as consumer-oriented policies on telecommunications and taxation issues. Our engagement with ALEC does not involve other efforts. In particular, we were not involved with ALEC in its legislative efforts on environmental issues.

Verizon is proud of its commitment to the environment and sustainability. We have reported on our energy usage and efficiency goals for more than a decade. All of our energy-efficiency strategies support our voluntary goal of cutting in half the amount of carbon emissions produced per terabyte of data flowing through our global wired and domestic wireless networks by 2020. We are making significant progress toward that goal, aided by energy efficiency measures and a significant investment in renewable energy. Just this week we announced an additional \$40 million investment to install 10.2 megawatts (MW) of new solar power systems at eight Verizon network facilities in five states: California, Maryland, Massachusetts, New Jersey and New York. With the 2014 solar investment, we will have invested nearly \$140 million to deploy 25 MW of on-site green energy. Verizon was named as an ENERGY STAR Partner of the Year in 2013—the first and only wireless company to win this award. In addition, we are included on the following socially responsible investment lists: Calvert Equity Income Fund, FTSE4Good Index, and Vigeo ESI Excellence Global Index.

If you would like more information about Verizon's ongoing environmental sustainability efforts, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig M. [unclear]". The signature is fluid and cursive, with a long horizontal stroke extending to the right.



# EXHIBIT 34



**David L. Cohen**  
Executive Vice President

September 12, 2014

Mr. Timothy Smith  
Senior Vice President, Director of ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street, 33rd Floor  
Boston, MA 02108

Dear Mr. Smith,

On behalf of Comcast, I am writing in response to your recent correspondence to Brian Roberts regarding our involvement with the American Legislative Exchange Council (ALEC). Thank you for expressing your concerns.

In general, Comcast tends to support non-profit organizations that add to the quality of the public debate on issues – particularly communications policy issues – that are important to our company. We support organizations from many different perspectives and our support for an organization is not tied to any particular position on a public policy issue, nor can it be reasonably construed to be an endorsement of every position or action a particular organization may take. I'm sure you know that this is a very common approach for businesses who are asked to support non-profit and civic organizations.

Specifically, we participate as a member of the ALEC Communications and Technology and the Tax and Fiscal Policy Task Forces, which address a range of communications and technology related policy matters impacting our business, including VoIP deregulation, increased spectrum in the 5GHz band, and extending the Internet Tax Freedom Act. We do not participate in or support other ALEC positions and committees. Comcast has not participated in or been privy to any conversation or debate on immigration reform and environmental policies at ALEC, and therefore was not a part of the dialogue nor any advocacy related to the model legislation you referenced. In fact, it is our understanding that ALEC maintains no model policy on immigration.

With respect to your concerns about reputational issues, we agree that the issue of political transparency and accountability, as well as reputational risk associated with political activity, is an important one. On an annual basis, management reports to the Board of Directors on our political activities, including all political contributions. Additionally, we are committed to complying with all applicable laws and regulations concerning political contributions. Finally, as a company we are committed to leveraging our global assets in ways that go beyond creating value for our customers and shareholders to connecting and strengthening communities. To see the exhaustive list of our corporate endeavors, please visit [Comcast.com/csr2013](http://Comcast.com/csr2013) to read our Corporate Social Responsibility Report.

Thank you again for your correspondence.

Sincerely,

David L. Cohen,  
Executive Vice President

# EXHIBIT 35

**Jeffrey N. Neuman**  
Vice President and  
Corporate Secretary

Honeywell International Inc.  
101 Columbia Road  
Morristown, NJ 07962-2245

Phone: (973) 455-2945  
Fax: (973) 455-3222  
Email: [jeffrey.neuman@honeywell.com](mailto:jeffrey.neuman@honeywell.com)

September 8, 2014

Mr. Timothy Smith  
Senior Vice President  
Director of ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith,

Mr. Cote passed along to me your letter dated August 20, 2014 concerning Honeywell's involvement in the American Legislative Exchange Council (ALEC). We very much appreciate Boston Trust Investment Management, Inc.'s ownership of Honeywell shares and want to make sure that the matters raised in your letter are satisfactorily addressed.

Honeywell is extremely thoughtful about engagement in the political process, and due to the types of products and services we offer, deems engagement in the political process as critical to our success. Our future growth depends on forward-thinking legislation and regulation that makes society safer and more energy efficient and improves public infrastructure. For example, nearly 50% of Honeywell's products are linked to energy efficiency. In fact, if our existing technologies were widely adopted today, energy demand in the U.S. could be reduced by 20-25%.

Honeywell also believes that engagement in the political process requires careful oversight, from both the Board of Directors and management. With respect to Board of Directors oversight, our public policy efforts, including all lobbying activities, political contributions and payments to trade associations and other tax-exempt organizations, is the responsibility of the Corporate Governance and Responsibility Committee (CGRC), which consists entirely of independent, non-employee directors. Each year the Senior Vice President of Global Government Relations reports to the CGRC on Honeywell's policies and practices regarding political contributions. The CGRC's oversight of our political activities ensures compliance with applicable law and alignment with our policies and our Code of Business Conduct. In addition, each year the Senior Vice President, Global Government Relations reports to the full Board of Directors on our global lobbying and government relations program.

With respect to management oversight, our Senior Vice President of Global Government Relations reports to the General Counsel and also works closely with the Vice President, Global Compliance whose organization ensures compliance with our political spending policy. The General Counsel, Senior Vice President, Global Government Relations and Vice President, Global Compliance meet regularly with the Chairman and Chief Executive Officer and his leadership team about legislative, regulatory and political developments.

Our policies do not contemplate use of shareholders' cash for political contributions. And, we have not made any political contributions using corporate funds since at least 2009 and have no intention of making such political contributions in the near future. Even before 2009, any such contributions were extremely rare and for *de minimis* amounts of less than \$5,000.

In a limited number of circumstances, Honeywell does participate in trade associations and organizations such as ALEC who may engage in political activity. The organizations to which we belong represent a broad range of perspectives on public policy issues, not all of which we support. Our membership in these organizations is intended to accomplish a wide of range of objectives:

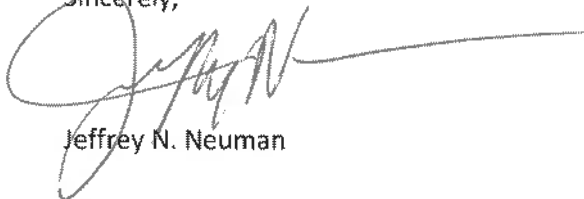
- Support our commercial growth initiatives where we believe engaging in coalitions with other industry participants is likely to enable growth of end markets;
- Promote development of our internal technical and regulatory expertise as well as enable us to share with other companies our technical and regulatory expertise;
- Provide us with valuable information and research in various policy areas that complement our priorities at the state level; and
- Assist in political advocacy and outreach, particularly related to public education efforts regarding major issues common to our industries.

With respect to the specific concerns voiced in your letter, ALEC in 2012 announced it is committed to maintaining a focus solely on economic issues and disbanded the Public Safety and Elections Task Force that generated the concern over its posture on social issues, including gun control and immigration. We have and will continue to closely monitor ALEC's adherence to their focus on economic issues and its alignment with our policy objectives.

Public policy organizations and trade associations such as ALEC often take a wide variety of positions on various matters, not all of which Honeywell supports and not all of which are relevant to our business. In instances where trade associations or public policy organizations that we're associated with take positions or promote policies that are detrimental to Honeywell, we work independently to advocate for the position that is in our best interest.

Again, we appreciate the trust placed in Honeywell and its management as evidenced by your ownership of our stock. Hopefully this letter addressed your concerns about our membership in ALEC, and I would be more than happy to discuss with you directly any remaining questions you may have. My direct dial telephone is 973-455-2945.

Sincerely,



Jeffrey N. Neuman

# EXHIBIT 36

**From:** Suzanne Philion [<mailto:sphilion@yahoo-inc.com>]

**Sent:** Tuesday, September 23, 2014 5:00 PM

**To:** Jay Riestenberg

**Cc:** Elisa Shyu

**Subject:** Re: Yahoo's membership in the American Legislative Exchange Council (ALEC)

Hi Jay -- thanks for your patience. Not sure if you've published yet? Here's our statement, attributable to a Yahoo spokesperson:

At Yahoo, we engage in the political process in a variety of ways to promote and to protect the long-term interests of our users and our company. One of the ways we do so is through memberships in organizations that help advance our business objectives. We may not agree with all the positions of an organization, its leaders or its supporters. At this time, we are members of ALEC and limit our engagement to their Communications and Technology Task Force. We periodically review the organizations in which we participate to ensure that they continue to promote and protect the long term interests of our users and our company. More information on our corporate governance policies is available [here](#).

# EXHIBIT 37



**From:** "Smith, Abby" <[abismith@ebay.com](mailto:abismith@ebay.com)>

**Date:** December 5, 2014 at 5:26:10 PM EST

**To:** "[JRiesterberg@commoncause.org](mailto:JRiesterberg@commoncause.org)" <[JRiesterberg@commoncause.org](mailto:JRiesterberg@commoncause.org)>

**Subject:** FW: eBay's membership in the American Legislative Exchange Council (ALEC)

Hi Jay,

In follow up to your question to John Donahoe, below is eBay's response.

*"As a global company, with broad business and public policy interests worldwide, we engage with a diverse range of trade associations and public policy advocacy groups. We only work with ALEC on one area and that is to support small businesses and help to protect them from threats including unfair tax legislation and state and local legislative issues. This helps enable our sellers' voices to be heard just as loudly as those with vast resources and assets that no small business can match on their own. While we do not agree with ALEC on other issues, including climate change, we believe we can still work collaboratively on this specific area. We review our membership on an annual basis and are doing so currently for 2015.*

*eBay believes strongly in environmental leadership and stewardship. We are proud of our leadership on climate change, and we intend to continue being a strong voice for both climate change and small business. More details can be found at <http://www.ebayinc.com/social-innovation/enabling-greener-commerce>."*

Best,

Abby

**Abby Smith**

Senior Director, Corporate Communications

[abismith@eBay.com](mailto:abismith@eBay.com)

cell: [408-839-6028](tel:408-839-6028)

# EXHIBIT 38



November 3, 2014

**Eli Lilly and Company**

James B. Lootens  
Direct Dial: 317.276.5835  
E-mail: [lootens.j.b@lilly.com](mailto:lootens.j.b@lilly.com)

Mr. Timothy Smith  
Walden Asset Management  
One Beacon Street  
Boston, Massachusetts 02108

Lilly Corporate Center  
Indianapolis, Indiana 46285  
U.S.A.  
+1.317.276.2000  
[www.lilly.com](http://www.lilly.com)

Dear Tim:

Our CEO, Dr. John Lechleiter, has asked me to respond to your recent correspondence regarding Eli Lilly and Company's connection with the American Legislative Exchange Council (ALEC). As always, we appreciate you sharing your concerns. I apologize for the delay in the response.

Lilly is committed to discovering and developing life-saving medicines and to ensuring that patients have access to our medicines. Accordingly, we work with a number of think tanks and policy groups, specifically because of their policy work in areas that affect medical innovation, health care, biopharmaceuticals, and fiscal policy. These organizations have a wide range of political and ideological positions on multiple topics, many of which are not at all related to our business. Therefore, it is not surprising that these groups sometimes take positions that we do not align with or support, particularly in areas outside of health care policy.

In the case of ALEC, our involvement is limited to the Health and Human Services Task Force, which works to promote free-market, pro-patient health care reforms at the state level. Access to health care is obviously very important to our business, and we believe that our active participation in the health care debate benefits both the patients we serve and our shareholders. We do not participate in other ALEC task forces, and thus have no involvement in ALEC initiatives on other topics, including those referenced in your letter.

As you know, our board's Public Policy and Compliance Committee oversees the company's public policy and political involvement. The committee is aware of Lilly's ongoing work the ALEC Health and Human Services Task Force. We will continue to keep them apprised of our work with ALEC and other policy organizations and will incorporate their input and feedback as we establish our priorities for our policy involvement in the future.

If you have any questions or would like to arrange a phone call to discuss this or any other issues, please don't hesitate to contact me.

Very truly yours,

James B. Lootens  
Secretary and Deputy General Counsel

JBL/mat

# EXHIBIT 39



Julie S. Janson  
Executive Vice President, Chief  
Legal Officer and Corporate  
Secretary

Duke Energy Corporation  
550 South Tryon Street  
Mail Code: DEC 48H  
Charlotte, NC 28202

Mailing Address:  
DEC 48H / P.O. Box 1321  
Charlotte, NC 28201

o: 704.382.3025  
f: 980.373.1368

[julie.janson@duke-energy.com](mailto:julie.janson@duke-energy.com)

December 19, 2014

Mr. Timothy Smith  
Senior Vice President  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith,

Thank you for your inquiries regarding our company's engagement with the American Legislative Exchange Council (ALEC) and our management's review of membership in various associations. We share your goal of making sure our participation supports the long-term interests of our customers, company and its shareholders.

Duke Energy works with a wide array of groups or associations because we believe it is important to have a seat at many tables. Our intent is to represent the interests of our customers and shareholders with these groups, monitor their developments and provide input into their approach to and advocacy for issues at the state and federal policy levels.

We continually monitor the activities and review our engagement with all the various groups with which we are associated. This review and assessment includes evaluating how they help us accomplish our long-term goals of providing safe, reliable, clean and cost-effective energy for our customers and provide a competitive of return for our shareholders.

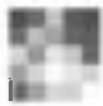
As always, we appreciate your interest and investment in Duke Energy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie S. Janson', with a long horizontal line extending to the right.

Julie S. Janson

# EXHIBIT 40



Altria

Altria Client Services

**Bruce A. Gates**  
Senior Vice President, External Affairs

September 23, 2014

Mr. Timothy Smith  
Senior Vice President, Director of ESG  
Shareholder Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your recent letter to Mr. Barrington regarding the American Legislative Exchange Council (ALEC). We appreciate you reaching out to us on this topic.

Our approach to the issues you've raised starts with Altria's Mission and Values--which set direction for all our companies' activities. Among other things, we try to understand our stakeholders' perspectives, align our business practices where appropriate, and measure and communicate our progress. Since 2011, we have published an annual corporate responsibility report, available at [www.altria.com](http://www.altria.com). This report describes our responsibility approach, focus areas, programs and progress against our goals. We are proud that our results have been recognized by a number of outside organizations. For example, for the past several years, *Corporate Responsibility Magazine* has included Altria in its "100 Best Corporate Citizens List." The "100 Best Corporate Citizens List" evaluates the largest U.S. publicly-traded companies in the Russell 1000 on their performance in environmental management, climate change, employee relations, human rights, governance, finance and philanthropy.

We agree with your observation that a company should thoughtfully consider how a public policy organization serves the company's objectives before providing financial support. Thus, we regularly assess whether our participation in these organizations is consistent with Altria's Mission and Values. Of course, giving to an organization does not mean we agree with every position it takes. If an organization we support adopts a public policy position we disagree with, we may voice our objection and not participate in advocacy on that position. Our participation in an organization also is an opportunity to positively influence how it operates, and we actively pursue those opportunities.

As we disclose on our website, Altria Client Services has contributed to ALEC and one of our representatives serves on the ALEC Private Enterprise Advisory Council. We have done so because ALEC is a forum for sharing views on issues important to us -- mainly, tax policies that are pro-business and fair to consumers. We regularly evaluate our support of ALEC and other public policy organizations to assess whether the organization effectively addresses our issues,

and on balance, serves the long-term interests of our companies and shareholders. The specific review you have suggested is consistent with our current processes, which we also regularly evaluate. In doing so, we will consider your perspective and determine whether there are opportunities to enhance our processes.

Again, thank you for your letter. If you have questions, please let me know.

With kind regards,

A handwritten signature in black ink, appearing to read "Bruce A. Gates". The signature is fluid and cursive, with the first name "Bruce" being more prominent.

Bruce A. Gates  
Senior Vice President, External Affairs

cc: Martin J. Barrington  
Brandt Surgner



# EXHIBIT 41



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215  
AEP.com

Nicholas K. Akins  
Chairman, President & CEO

614-716-3000

October 17, 2014

Timothy Smith  
Senior Vice President, Director of ESG  
Shareholder Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your letter of August 20, 2014 regarding American Electric Power's involvement with American Legislative Exchange Council (ALEC). The Board's Committee on Directors and Corporate Governance monitors and oversees the preparation of the Company's annual Corporate Accountability Report, which includes a section on political and lobbying activities. Our Board fully understands and discharges its oversight role with respect to these expenditures and American Electric Power's membership in various organizations. As stated in the Lobbying and Political Activity portion of our report regarding the Company's participation in these organizations:

We believe, as a general rule, that it is more beneficial to AEP to remain involved in these organizations, even if we occasionally disagree, than to withdraw. We believe we can be far more effective in shaping the policies of the organizations from within rather than sitting on the sidelines.

From time to time, many, if not most, of the organizations to which we belong reach conclusions or take positions on issues with which we disagree. If we feel strongly enough, we voice our disagreement and work to change the organization's position. Sometimes our views prevail, sometimes they do not. Many times we are able to reach some sort of compromise.

AEP also publicly discloses its policies for lobbying and corporate political contributions as well as the portion of dues/membership fees paid to trade organizations that is used for lobbying activities. These policies clearly state the process for oversight, which we believe to be sufficient. Here are the links to the information on our websites:

**Lobbying and political activity annual overview**

<http://www.aepsustainability.com/business/governance/politics.aspx>

**Lobbying and political disclosure, including policies**

<http://www.aep.com/investors/CorporateLeadersAndGovernance/PoliticalContributionsLobbyingActivities.aspx>

Again, I appreciate your interest in American Electric Power.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas K. Akins', written in a cursive style.

# EXHIBIT 42

**From:** Kerley, Beth [<mailto:Elizabeth.Kerley@anheuser-busch.com>]

**Sent:** Tuesday, October 14, 2014 4:07 PM

**To:** Jay Riestenberg

**Subject:** RE: Anheuser-Busch's membership in the American Legislative Exchange Council (ALEC)

Jay – Good afternoon. Please see the following response.

**For attribution to an Anheuser-Busch spokesperson:**

Anheuser-Busch believes participation is key to the democratic process, a view consistent with Common Cause's stated objective: "This is our democracy, it's up to all of us to make it work." It's why we support groups and organizations across the political spectrum. This involvement ensures that the voices of our employees and the consumers we serve are heard in important public policy debates that affect our business.

Thanks,

**Beth Kerley**

Direct 314.765.2329 | Mobile 214.876.9907

# EXHIBIT 43

**From:** Dean, Scott D [<mailto:Scott.Dean@bp.com>]  
**Sent:** Monday, October 13, 2014 4:59 PM  
**To:** Jay Riesterberg  
**Subject:** FW: BP's membership in ALEC

Yes, ALEC is one of several organizations that BP participates in to help educate policy-makers about energy and natural resource issues that affect our business.

**From:** Jay Riesterberg [<mailto:JRiesterberg@commoncause.org>]  
**Sent:** Monday, October 13, 2014 1:24 PM  
**To:** USPRESS  
**Subject:** BP's membership in ALEC

Hello,

I'm updating public records on the companies that are members and funders of the American Legislative Exchange Council (ALEC). BP America is currently listed as member of ALEC.

Could you please confirm that BP is currently a member and/or funder of ALEC?

Thank you.

---

**JAY RIESTENBERG** | Research Analyst  
**Common Cause** - *Holding Power Accountable*  
202-736-5741 (office)  
513-607-9343 (cell)  
[jriesterberg@commoncause.org](mailto:jriesterberg@commoncause.org)  
[@JayRiesterberg](#)

# EXHIBIT 44



**Lydia I. Beebe**  
Corporate Secretary and  
Chief Governance Officer

**Corporate Governance  
Department**  
6001 Bollinger Canyon Road  
San Ramon, CA 94583  
Tel 925 842 3232  
Fax 925 842 2846  
lydia.beebe@chevron.com

October 6, 2014

Mr. Timothy Smith  
Senior Vice President  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Tim,

Thank you for your letter dated August 19, 2014 regarding Chevron's involvement with the American Legislative Exchange Council (ALEC). We appreciate receiving your views on ALEC and assure you that the Public Policy Committee of the Board annually reviews the policies and expenditures for Chevron's political activities, including political contributions, and direct and indirect lobbying. Chevron participates in a large number of outside organizations and associations in order to support our global and diverse portfolio of operations and activities and to engage in policy discussions on the breadth of policy and regulatory matters that affect our business. Our participation is not intended to suggest that we agree with every opinion of each organization.

ALEC is one of many organizations with which we engage on climate change issues. Our approach to climate change issues, as expressed in our letter to you dated April 17, 2014, includes our effort to have responsible and constructive contributions to policy discussions with governments, think tanks, trade associations and academia across the globe. On the subject of climate change, we have recently posted on our website our refreshed Policy Principles for Addressing Climate Change. You can find this at [www.chevron.com/globalissues/climatechange/principles/](http://www.chevron.com/globalissues/climatechange/principles/).

Please let us know if you have any further questions.

Best regards,

A handwritten signature in cursive script that reads "Lydia".

Lydia

cc: Mr. Christopher A. Butner  
Ms. Silvia Garrigo



# EXHIBIT 45

**From:** Smith, Todd C. (CCI-Atlanta) [<mailto:Todd.Smith@cox.com>]  
**Sent:** Tuesday, September 30, 2014 4:08 PM  
**To:** Jay Riesterberg  
**Subject:** FW: Cox's ALEC Membership

Jay:

I can confirm that Cox Communications is a member of the American Legislative Exchange Council (ALEC), the National Conference of State Legislatures Foundation and other intergovernmental public policy organizations. We participate in ALEC through the Communications and Technology Task Force. This task force strictly works on issues that have a direct impact on our company and our industry. We have not and will not participate in discussions or debates within ALEC about other issues.

Todd C. Smith  
Director, Media Relations  
Cox Communications  
office: 404-269-3124  
mobile: 678-362-8346  
email: [tsmith@cox.com](mailto:tsmith@cox.com)  
[Twitter](#) [Facebook](#) [LinkedIn](#)

**From:** Jay Riesterberg [<mailto:JRiesterberg@commoncause.org>]  
**Sent:** Tuesday, September 30, 2014 11:01 AM  
**To:** Holliday, Mallard (CCI-Atlanta)  
**Cc:** Smith, Todd C. (CCI-Atlanta)  
**Subject:** RE: Cox's ALEC Membership

Just following up on this request. Thank you.

---

**JAY RIESTENBERG** | Research Analyst  
*Common Cause - Holding Power Accountable*  
202-736-5741 (office)  
513-607-9343 (cell)  
[jriesterberg@commoncause.org](mailto:jriesterberg@commoncause.org)  
[@JayRiesterberg](#)

**From:** Jay Riesterberg  
**Sent:** Wednesday, September 24, 2014 2:22 PM  
**To:** '[Mallard.Holliday@cox.com](mailto:Mallard.Holliday@cox.com)'  
**Cc:** '[tsmith@cox.com](mailto:tsmith@cox.com)'  
**Subject:** Cox's ALEC Membership

I'm writing a press release on the numerous companies announcing this week that they are dropping or have dropped their membership in the American Legislative Exchange Council (ALEC). Given Google, Facebook, Yelp, and Microsoft's recent departure from ALEC, has Cox Communications reconsidered its position or membership in the organization?

---

**JAY RIESTENBERG** | Research Analyst

**Common Cause** - *Holding Power Accountable*

202-736-5741 (office)

513-607-9343 (cell)

[jriestenberg@commoncause.org](mailto:jriestenberg@commoncause.org)

[@JayRiestenberg](#)

# EXHIBIT 46



500 Water Street, J420  
Jacksonville, FL 32202  
Quintin\_Kendall@csx.com  
T: 904-359-2485

Quintin C. Kendall  
Vice President  
State Government and Community Affairs

September 10, 2014

Mr. Timothy Smith, Senior Vice President  
Director of ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, Massachusetts 02108

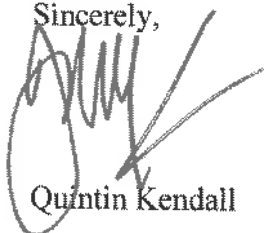
Dear Mr. Smith:

I am writing in response to your letter to Michael Ward regarding CSX Corporation's involvement with the American Legislative Exchange Council (ALEC).

Your correspondence states that CSX "continues to maintain a relationship with ALEC." Please note that CSX is not a member of any national organization composed of state and local officials, such as the National Association of Counties, the National Conference of State Legislatures, the United States Conference of Mayors or ALEC. However, we will on occasion sponsor events hosted by these organizations. These interactions are generally intended to address specific and timely policy issues of direct bearing on the railroad industry, and sponsorship of these organizations' annual or regional conferences does not constitute an endorsement of the often wide-ranging policy platforms adopted by these bodies.

Thank you for your letter and your insight on this matter.

Sincerely,



Quintin Kendall

# EXHIBIT 47



August 29, 2014

Mr. Timothy Smith  
Senior Vice President  
Director of ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Tim,

Thank you for your letter regarding ExxonMobil's support for the American Legislative Exchange Council.

As you know from your ongoing engagement with ExxonMobil, we take our corporate responsibilities seriously, particularly responsibilities to our shareholders. We consider many factors when making decisions about how best to steward shareholder dollars, both in our operations and in public affairs.

ExxonMobil promotes discussion on issues relevant to the company through contributions to organizations that conduct research and facilitate dialogue on domestic and foreign policy. As is true of all non-profits we support, we conduct an annual evaluation of the merits of each organization and reserve the right to initiate, sustain, or withdraw support at any time.

While our support is consistent with our longstanding commitment to engage multiple perspectives on issues facing our business, I would note that our contributions do not constitute an endorsement of every policy position or point of view expressed by a recipient organization.

As you can see from our annual disclosure of donations to 501(c)(3) organizations on our web site, ExxonMobil support for ALEC in 2013 totaled \$49,000. These funds supported its annual conference and dialogue around energy and taxes, both important areas for our company.

While ExxonMobil may not agree with some of the views of ALEC's 2,000 state legislator members on certain issues, we do not believe that is sufficient grounds to withdraw our current modest support. A robust civil society requires the airing of different voices and perspectives as part of the nation's ongoing public policy debate.

Sincerely,

A handwritten signature in black ink, appearing to be "K. Cohen", written over a light blue horizontal line.

# EXHIBIT 48



From: Mark Griffin <[mgriffin@overstock.com](mailto:mgriffin@overstock.com)>  
To: Adrienne Psarras <[apsarras@overstock.com](mailto:apsarras@overstock.com)>, Nick Surgey <[nick@prwatch.org](mailto:nick@prwatch.org)>, PR <[pr@overstock.com](mailto:pr@overstock.com)>  
Cc: Board – Mark Griffin <[boardofdirectors@overstock.com](mailto:boardofdirectors@overstock.com)>, Mark Harden <[mharden@overstock.com](mailto:mharden@overstock.com)>  
Subject: RE: Question from reporter about Overstock.com funding of ALEC  
Date: September 26, 2014 at 2:52:21 PM CDT

Suggested response:

Nick, your assertion is incorrect: Overstock.com had a previous one-year association with ALEC, but no more.

Our association concerned a state sales tax issue, and we joined to allow better contact with state legislatures on our issue. However, at the end of that one-year association, we determined not to renew membership for business reasons, unrelated to any position ALEC had taken. It would be misleading to say otherwise. I believe our membership terminated sometime in 2013.

From: Judd Bagley <[jbagley@overstock.com](mailto:jbagley@overstock.com)>  
To: Nick Surgey <[nick@prwatch.org](mailto:nick@prwatch.org)>  
Cc: Mark Griffin <[mgriffin@overstock.com](mailto:mgriffin@overstock.com)>, PR <[pr@overstock.com](mailto:pr@overstock.com)>, Board – Mark Griffin <[boardofdirectors@overstock.com](mailto:boardofdirectors@overstock.com)>, Mark Harden <[mharden@overstock.com](mailto:mharden@overstock.com)>  
Subject: RE: Question from reporter about Overstock.com funding of ALEC  
Date: December 19, 2014 at 12:39:30 PM CST

I've just learned that, because the internet sales tax issue is back under consideration, it's necessary for us to communicate with policy makers involved in deliberations over future legislative actions on the subject.

That being the case, we've recently renewed our membership with ALEC.

# EXHIBIT 49



PEABODY ENERGY  
Peabody Plaza  
701 Market Street  
St. Louis, MO 63101-1826  
Direct : 314.342.7994  
Fax : 314.342.3419  
kwagner@peabodyenergy.com

KENNETH L. WAGNER  
Vice President, General Counsel -  
Corporate and Assistant Secretary  
Chief Compliance Officer

October 8, 2014

Mr. Timothy Smith  
Senior Vice President, Director of  
ESG Shareowner Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your letter dated August 22, 2014, to Gregory H. Boyce regarding Peabody Energy Corporation's membership with the American Legislative Exchange Council (ALEC), and thank you for taking the time to share with us your views on ALEC.

Peabody Energy's Board of Directors is well aware of and supports the company's continued participation in ALEC, and strongly disagrees with your contention that Peabody Energy's relationship with ALEC presents significant reputational and business risks. ALEC's association with bipartisan legislative leaders throughout every state makes it a leader in public policy and an effective forum for policy debate. Given Peabody Energy's global role as a leader in the coal industry, the company believes that it is essential for us to participate constructively and responsibly in helping to shape the debate around global energy, environmental and economic policies. The Board of Directors believes that ALEC's objectives are consistent with our own and are deserving of our continuing support.

As noted in our 2014 Corporate and Social Responsibility Report, Peabody's participation in organizations such as ALEC is directed by our executive leadership team, with oversight from the Board of Directors. Management reports to the Board's Nominating and Corporate Governance Committee at least annually with respect to these matters. We believe that the Board and its Nominating and Corporate Governance Committee have the appropriate governance processes in place to properly evaluate Peabody Energy's participation in trade associations and other organizations such as ALEC.

Best regards,

A handwritten signature in black ink, appearing to read "Kenneth L. Wagner".

Kenneth L. Wagner

cc: Gregory H. Boyce  
Henry E. Lentz

# EXHIBIT 50

ALEC

40<sup>TH</sup>  
ALEC  
ANNUAL MEETING

# BOARD MEETING



## BOARD/PEAC COMMITTEE MEETINGS

August 6, 2013

Finance Committee: 8:00 am – 10:00 am – Buckingham

Membership Committee: 8:00 am – 10:00 am – Price

Task Force Committee: 10:00 am – 12:00 pm – Buckingham

Public Affairs Committee: 10:00 am – 12:00 pm – Price

## AGENDA ALEC Board Meeting August 6, 2013 Chicago, Illinois

### ALEC's Mission

"To advance free markets, limited government and federalism"

### Strategic Plan Overriding Objective

All key objectives and strategic initiatives of the strategic plan will be measured against one overriding objective:

"Support state legislators to be more effective in their role to advance public policy initiatives consistent ALEC's principles"

- |      |  |                  |         |
|------|--|------------------|---------|
| I.   | Call to Order  | Chairman Piscopo | 1:00 pm |
| II.  | Changes to Agenda  |                  |         |
| III. | Chairs' Report   | Chairman Piscopo |         |
|      | <ul style="list-style-type: none"><li>• Additional conflict of interest disclosures per agenda items</li><li>• Introduction of new Board members</li><li>• Chairs items since last Board meeting</li></ul> |                  |         |
|      |  | Chairman Seale   |         |
|      | <ul style="list-style-type: none"><li>• Introduction of new Board members</li><li>• Chairs items since last Board meeting</li></ul>  |                  |         |
| IV.  | Executive Director's Report  | Ron Scheberle    |         |
|      | <ul style="list-style-type: none"><li>• ALEC update</li><li>• Office move update</li><li>• Governance update</li><li>• Congressional hearing</li></ul>   |                  |         |

## **ACTION AGENDA**

- |       |   |   |         |
|-------|---|---|---------|
| V.    | Consent Agenda  | Chairman Piscopo                                    | 1:30 pm |
|       | <ul style="list-style-type: none"><li>• Approval of Minutes from May 3, 2013 Board Meeting</li></ul>                |   |         |
| VI.   | Finance Committee Report  | Rep. Leah Vukmir<br>Lisa Bowen                      | 1:35 pm |
|       | <ul style="list-style-type: none"><li>• Approve the Financial Statements ending May/June 2013</li></ul>             |   |         |
| VII.  | Strategic Plan Key Objective IV<br>Organizational Capacity - Initiative 3   | Rep. Dave Frizzell<br>Jeff Lambert                  | 2:10 pm |
|       | <ul style="list-style-type: none"><li>• Approve Bylaw Changes for State Chairs</li></ul>                            |   |         |
| VIII. | Strategic Plan Key Objective 1<br>Membership - Initiative 2   | Chairman Piscopo<br>Ron Scheberle<br>Michael Bowman | 2:30 pm |
|       | <ul style="list-style-type: none"><li>• Discussion and Approval of Jefferson Project Operating Procedures</li></ul> |   |         |

## **DISCUSSION AGENDA**

- |     |   |                                    |         |
|-----|---|------------------------------------|---------|
| IX. | Strategic Plan Objective IV<br>Organizational Capacity - Initiatives 1 and 2        | Rep. Dave Frizzell<br>Jeff Lambert | 3:15 pm |
|     | <ul style="list-style-type: none"><li>• Job Descriptions for State Chairs</li></ul> |                                    |         |

## **INFORMATION AGENDA**

- |       |                                    |                                  |         |
|-------|------------------------------------|----------------------------------|---------|
| X.    | Public Affairs Committee Update    | Rep. Phil King<br>Bill Meierling | 3:45 pm |
| XI.   | Membership Committee Update        | Dave Frizzell<br>Jeff Lambert    | 4:15 pm |
| XII.  | Task Force Committee/Policy Update | Rep. Jim Buck<br>Michael Bowman  | 4:45 pm |
| XIII. | Other business                     | Chairman Piscopo                 | 5:00 pm |

**Next Board Meeting  
December 4, 2013 - Washington DC**

**Approval of Minutes from May 3, 2013 Board Meeting**

**Recommendation**

That the Board of Directors approves the minutes from the May 3, 2013 ALEC Board of Directors meeting.

**Background**

Ron Scheberle and ALEC staff have reviewed and approved the minutes from the Board of Directors meeting on May 3, 2013. They are now before the Board of Directors for approval.

**Fiscal Impact**

There is no fiscal impact associated with approving the minutes.



Minutes  
American Legislative Exchange Council  
Joint Board of Directors and Private Enterprise Advisory Council Meeting  
May 3, 2013  
Oklahoma City, OK

In Attendance:

Board of Directors:  
Representative Gary Banz  
Representative Liston Barfield  
Senator James Buck  
Senator Barbara Cegavske  
Representative David Frizzell  
Senator Michael Lamoureux  
Representative Ray Merrick  
Representative Tim Moffitt  
Senator Wayne Niederhauser  
Representative John Piscopo  
Senator William Sertz  
Representative Thom Tillis  
Representative Curry Todd  
Senator Leah Vukmir  
Senator Susan Wagle

Private Enterprise Advisory Council:

Mr. Jeffery Bond  
Mr. Bill Carmichael  
Mr. Kelly Mader  
Mr. Michael Morgan  
Mr. David Powers  
Mr. Steve Seale  
Mr. Daniel Smith  
Mr. Russell Smoldon  
Mr. Patrick Thomas  
Mr. Bob Williams

Others:

Mr. Michael Bowman  
Ms. Lisa Bowen  
Mr. Jim Dunlap  
Mr. Alan Dye  
Mr. Jeff Lambert  
Mr. Bill Meierling  
Ms. Briana Mulder

Mr. Tom Nelson  
Mr. Colin Rotrie  
Mr. Ron Scheberle

- I. **Call to Order:** Chairman John Piscopo called the meeting to order at 9:30 AM CST
- II. **Changes to Agenda:** There were no changes to the agenda.
- III. **Conflict of Interest Declaration:** There were no conflicts disclosed.
- IV. **Executive Director's Report:**
  - **New Staff Hires:** Executive Director Ron Scheberle reported on Executive Director Ron Scheberle introduced ALEC's new Senior Director of Public Affairs Bill Meierling and new Senior Director of Membership and Development Jeff Lambert.
  - **Office Move:** He also provided an overview of ALEC's office relocation from Washington, D.C. to Arlington, VA.
  - **Governance Changes Based on Legal Audit:** Ron Scheberle provided an update on the changes to ALEC bylaws previously approved by the ALEC Board of Directors via conference call.

#### **ACTION AGENDA**

- V. **Consent Agenda:**
  - **Approval of the minutes from the November 2012 Board Meeting:** The Board approved the minutes of the November 12<sup>th</sup>, 2012 Board meeting.
  - **Approval of the minutes from the March 2013 telephonic Board Meeting:** The Board approved the minutes of the March 13<sup>th</sup> telephonic Board meeting.
  - **Approval of the proposed changes in Task Force Operating Procedures:** The Board approved that only public sector task force members would be permitted to introduce proposed model legislation.
- VI. **Finance Committee Report:**
  - **Accept the Financial Statements ending February 2013:** Lisa Bowen presented on the financial statements. The Board accepted the Financial Statements ending February 2013.
  - **Approve 2013 Operating Budget:** Lisa Bowen presented on the 2013 Operating Budget. The Board approved the 2013 Operating Budget.
  - **Approval of Legislative Expense Reimbursement:** The Board delayed discussion of changes to the Legislative Expense Reimbursement until the 2013 Annual Meeting Board Meeting.

#### **DISCUSSION AGENDA**

- VII. **Strategic Plan Objective IV: Items 1&2 – Communication/Public Affairs:**

- **Framework and Components of an Effective Public Affairs Program:** Bill Meierling provided an update on the Public Affairs staff and strategy.

**VIII. Strategic Plan Objective I: Item 1 – Membership:**

- **Identify Gaps in Membership Areas and Discuss Strategies to Engage/Increase Private and Public Sector Membership:** Jeff Lambert gave an overview of the Membership Department strategies.

**INFORMATION AGENDA**

- IX. Policy Report:** Michael Bowman provided an update on the Policy Department activities.
- X. Adjourn:** The meeting adjourned.

**Next Board Meeting August 2013, Chicago**

**Acceptance of Financial Report ending June 2013****Recommendation**

That the Board of Directors accept the financial report for the period ending June 30, 2013.

**Background**

Finance Committee Chair Senator Leah Vukmir has reviewed the financial statements for the period ending June 30, 2013. They are now before the Board of Directors for acceptance.

**Fiscal Impact**

There is no fiscal impact associated with accepting the financial report for June 30, 2013.

Financial Statements for the period ending June 2013 will be distributed at the August 6,  
2013 ALEC Board Meeting.

**Approve Bylaw Changes for State Chairs****Recommendation**

That the Board of Directors accept proposed changes to the bylaws for the State Chair job descriptions.

**Background**

The proposed changes to the Bylaws aim to bring clarity to the state chair position. They are now before the Board of Directors for acceptance.

**Fiscal Impact**

There is no fiscal impact associated with accepting the proposed changes to the Bylaws.

**ARTICLE X  
STATE CHAIRS AND STEERING COMMITTEE**

**Section 10.01 Appointment.** A State Chair that accepts the terms of the office and training in roles and responsibilities shall be appointed by the national chairman. All State Chairs are appointed by the National Chair. When possible Co-Chairs shall be appointed representing with one Co-Chair from each chamber. All Private Sector State Chairs are appointed by the respective ALEC State Chair, and confirmed by the, the National Chair. Each respective ALEC State Chair shall appoint a Private Sector State Chair to serve concurrently with the respective State Chair.

**Section 10.02 Term.** State Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1<sup>st</sup> of an election year with the term beginning January 1<sup>st</sup> the following year. The State Chair may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner.

**Section 10.03 Duties. Chair**

Legislative State Chairs duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events, and working with the Private Sector State Chair.

The Private Sector State Chairs duties shall include recruiting new private sector members, planning an annual membership event, and assisting the Public Sector State Chair.

**Section 10.04 Training.** Training and orientation. The State Chair shall participate in a training program consisting of an orientation at the States and Nation Policy Summit in Washington, DC that will include a peer-to-peer orientation and overview of roles and responsibilities.

**Section 10.05 State Chair Agreement.** The State Chair Agreement will include a job description that will define roles and responsibilities. Roles and responsibilities will define duties related to membership recruitment, both public and private, and travel reimbursement fund responsibilities. For appointment consideration by the National Chair the State Chair must agree to the terms set forth in the State Chair Agreement. The National Chair and executive committee will perform an initial evaluation of the State Chair at 90 days and annually thereafter.

**Section 10.06 Termination of Term.** Should the terms of the State Chair Agreement not be met by the State Chair the National Chair can remove the State Chair at his or her discretion.

**Section 10.07 Meetings.** State Chairs shall meet at least three (3) times a year in conjunction with the scheduled meetings of the Legislative National Board of Directors as outlined in Article IV Section 4.

**Section 10.08 Elections.** The Chair of the State Chairs and the Private Sector Chair of the State Chairs shall meet at the ALEC Annual Meeting to separately elect a Chair of the State Chairs and a Private Sector -Chair of the State Chairs from their respective members whose duties shall be to preside at their State Chairs meetings. Pursuant to Article V, Section 5.02, the State Chairs shall nominate six members, one of whom shall be the Chair of the State Chairs, whose names shall be submitted to the ALEC Legislative Board of Directors Nominating Committee for consideration as ALEC Legislative Board of Directors. The duty of the Private Sector -Chair of the State Chairs is to assist the Chair of the State Chairs in fundraising and private/public sector recruitment and retention. The Chair of the State Chairs and the Private Sector Chair of the State Chairs may not serve more than two (2) consecutive two-(2) year terms. In addition, the State Chairs shall establish an Executive Committee composed of the following: the Chair of the State Chairs (who will Chair the Executive Committee) the Private Sector Chair of the State Chairs, the

three designated public sector State Chairs currently serving on the ALEC Legislative Board of Directors, and three Private Sector State Chairs selected by the Private Sector State Chair of the State Chairs. The Executive Committee shall meet at the States and Nation Policy Summit, and at the Annual Meeting.

**Section 10.09 Steering Committee.** State Steering Committees shall consist of a Legislative State Chair, a Vice Chair from the opposite party, if appropriate, Senate and House Membership Coordinators, and such other members as set forth in ALEC'S strategic plan.

**Section 10.10 State Expense Reimbursement Funds .** All funds for ALEC State Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing the accounts. Account expenses can be for ALEC only. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.



## **Establish Leadership and Rules for the Jeffersonian Project**

### **Recommendation**

The Board should adopt the following as operating rules for the Jeffersonian Project:

- All of the Jeffersonian Project's Board members will be chosen by ALEC's Board of Directors.
- No action can be taken by the Jeffersonian Project unless it is supported by a current ALEC policy.
- All ALEC Issue Alerts and testimony will be done by the Jeffersonian project.
- Any activity that could be done by ALEC may be done by Jeffersonian Project if legal counsel advises it would provide greater legal protection or lessen ethics concerns.

### **Background**

Due to ever- changing state ethic rules a 501(c)(4) provides better legal protection for the parent ALEC organization, which is a 501(c)(3). Upon the recommendation from ALEC's legal counsel, ALEC's Board voted to establish a 501(c)(4). Today's vote is to approve the Jeffersonian Project's standard operating procedures as they relate to ALEC.

### **Fiscal Impact**

The Jeffersonian Project will be a new revenue source for ALEC and will lead to increased funding.

**THE JEFFERSONIAN PROJECT**  
ALEC's 501(c)(4)

**Purpose:**

- Due to ever- changing state ethics rules a §501(c)(4) organization provides better legal protection for the parent ALEC organization, which is a 501(c)(3).
- Allows ALEC to communicate a strong and consistent message to our members as we have since our founding.
- Removes questions of ethical violations made by our critics and state ethics boards and provides further legal protection.

**Benefits:**

- Increases ALEC's funding by providing a new revenue source.
- All ALEC Policy Briefs can be sent out as Issue Alerts by the Jeffersonian Project, which can include legislative bill numbers and Support or Oppose positions.
- ALEC can again freely provide testimony on pending legislation.
- Lessens restrictions on our Public Affairs Department by allowing increased communications to the public.
- Allows ALEC to aggressively and effectively respond to false and misleading attacks.
- Allows ALEC to defend our members who are under attack, both public and private, by organizing grassroots support.

**Protections:**

- Jeffersonian Project is created and controlled by ALEC as an organization
- All of the Jeffersonian Project's Board members will be chosen by ALEC's Board of Directors.
- All of the Jeffersonian Project's staff will also be ALEC staff.

LAW OFFICES  
WEBSTER, CHAMBERLAIN & BEAN, LLP  
1747 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, DC 20006

(202) 785-9500  
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GEORGE D. WEBSTER (1927-1996)  
CHARLES E. CHAMBERLAIN (1917-2002)

OF COUNSEL  
J. COLLEEN BEAN  
KENT ANDERSON BROWN  
MICHAEL P. FARRIS

\* NOT ADMITTED TO D.C. BAR

ARTHUR L. HEROLD  
ALAN P. DYE  
EDWARD G. COLEMAN  
FRANK W. NORTHAN  
JOHN W. HAZARD, JR.  
HUGH K. WEBSTER  
DAVID P. BOCH  
JAMES S. NELSON, JR.  
CHARLES M. VICKERS  
HEIDI K. ARDIS  
DAVID M. ADRIANUS  
JOHN R. STROUT  
BRIAN E. MOONEY

MEMORANDUM

TO: American Legislative Exchange Council  
FROM: Alan P. Dye  
RE: Jeffersonian Project  
DATE: June 4, 2013

The Jeffersonian Project, Inc., has been established as an organization exempt from tax under section 501(c)(4) of the Internal Revenue Code. As such, its activities must be primarily devoted to the promotion of social welfare. This includes educational activity such as that carried on by ALEC, but it also includes activity that the Internal Revenue Service would consider to be direct or grassroots lobbying.

As I understand it, the Project is intended to fulfill three needs.

First, there are states which use a definition of lobbying for purposes of their lobbying registration statutes that is far broader than the definition used by the IRS. In those states, some communications that would not be considered lobbying by the IRS are considered lobbying for purposes of state law and require registration of the lobbyist with the state. ALEC does not wish to be perceived as a lobbying organization and therefore does not wish to register as a lobbyist in any state. The Jeffersonian Project can be used to distribute communications in states that have broad lobbying definitions. The Project would be required to register as a lobbyist in some of those states, but ALEC would not.

Secondly, it is possible that at some point the Internal Revenue Service will audit ALEC. Though we do not believe that any activity carried on by ALEC is lobbying, the IRS could disagree. If that is the case, it would be possible to resolve any such issue with the IRS by agreeing to transfer the activity in question from ALEC to the Jeffersonian Project.

There are also gray areas in the IRS definitions, and, when a proposed ALEC communication approaches such a gray area, it could be placed in the Jeffersonian Project to avoid any argument that ALEC has engaged in lobbying.

Third, ALEC has been approached by donors who are willing to make sizable donations, but insist that the donations go to a section 501(c)(4) organization. Jeffersonian Project would provide a vehicle to accept such contributions.

- No action can be taken by the Jeffersonian Project unless it is supported by a current ALEC policy.
- ALEC will not lobby, but will communicate its positions like we did in the past, which may result in registering a few employees as lobbyists, because of the over expansive definitions of "lobbying" in some states.

#### Perception

Many conservative nonprofit organizations have 501(c)(4)'s

- Heritage Foundation/*Heritage Action*
- Americans For Prosperity Foundation/*Americans for Prosperity*
- Americans for Tax Reform Foundation/*Americans for Tax Reform*
- American Builders Contractors -- Trimmer Education Foundation/*Free Enterprise Alliance*

#### Opposition

A number of our left-wing opponents use 501(c)(4)'s

- Color of Change 501(c)(4)
- Common Cause 501 (c)(4)
- Sierra Club Foundation 501(c)(3)/Sierra Club 501(c)(4)

The Jeffersonian Project is indirectly controlled by ALEC through a provision in its bylaws requiring that its board of directors be appointed (or removed) by ALEC. Though under District of Columbia law, the Board of Directors of the Jeffersonian Project manages its activities, the ability to remove and reappoint directors should give ALEC confidence that no future Jeffersonian Project board will cause the Jeffersonian Project to diverge from ALEC's principles.

In order to ensure the Project's alignment with ALEC's principles, the board of directors of the Jeffersonian Project could adopt a resolution allowing it to take a position on an issue or legislation only if the position taken is consistent with ALEC model legislation or policies that have undergone ALEC's rigorous adoption procedures.

**Approval of Job Descriptions for State Chairs****Recommendation**

The Board should approve the following job descriptions for State Chairs.

**Background**

ALEC's State Chair program is one of the best membership recruitment and retention tools. The following job description and agreement form has been developed to improve State Chair training and accountability.

**Fiscal Impact**

There is no fiscal impact to approving job descriptions for State Chairs.

## The American Legislative Exchange Council (ALEC) State Chair Job Description and Agreement

*Adopted [INSERT DATE]*

### **Position Title:** State Chair

As a State Chair of ALEC I, [ENTER NAME], understand that my duties and responsibilities include the following:

### **Time Required:**

- Attend State Chair meeting at ALEC Annual Meeting
- Attend ALEC State Chair Training at States and Nation Policy Summit
- Attend all ALEC in state events
- Serve two year term(s) as State Chair
- As time permits, attend monthly State Chair meetings conducted via conference call

**General Description:** As a State Chair of ALEC I shall attend all monthly meetings, serve an active role in all discussions concerning the organization, and represent my state at all national and local events.

### **Specific Responsibilities:**

- Support ALEC's membership by efforts to increase my state delegation by at least ten percent a year.
- Attend all ALEC State Chair and membership events.
- Chair the ALEC Delegation. The chair is the primary POC for all ALEC members in the state. The chair coordinates all in-state events focused on legislative membership, state development support and the development of the annual ALEC state strategic plan.
- The Private Sector Chair, along with the Public Sector Chair monitors both contributions and expenditures from State Reimbursement Fund Account. The purpose of the State Reimbursement Fund Account is to provide funding for state lawmakers to attend ALEC conferences, state focus events, and membership events. In those states which allow the establishment of a State Reimbursement Fund Account, it will be administered by ALEC in Arlington, VA. All expenditures from the fund – where applicable – must be approved by the State Chair. No expenditures shall be approved for State Reimbursement Fund Accounts with negative balances. Likewise, no expenditures shall be approved if such will result in the State Reimbursement Fund Account having a negative balance. No disbursement will be approved if it violates any applicable law, including but not limited to, ethics rules.
- Membership Events. The Public Sector Chair has the duty to plan, fund, and conduct a state Public and Private Sector Membership Event. As permitted by law, the Chair can use State Travel Reimbursement Account funds for this purpose. This event can be held in conjunction with Private Sector membership drives, as permitted by law. Its purpose is to attract and recruit new ALEC members. Each state should have at least one event a year. The chair should send a list of new candidates to the Senior Director of Membership and Development for follow-up.
- Membership Recruitment. The key to developing the public-private sector partnership is the recruitment of members from both sectors. The Public Sector Chair should work with the Private Sector Chair to recruit members, with particular focus on legislative members.
- Meeting Attendance. Key to membership retention is meeting attendance. Members who attend meetings and are involved in Task Forces continue their membership. The Public Sector Chair should work with the Private Sector Chair and ALEC staff to encourage legislative member attendance and private sector member attendance. Significant gaps in meeting attendance, that are not financially related, may result in removal as State Chair.

- **Task Force Appointments.** The Public Sector Chair is responsible for appointing legislative members in their state to the nine Task Forces. Appointments occur every two years in January of years following national elections. Be informed about the organization's mission, services, policies and programs.
- **Term.** Shall be appointed/reappointed by December 1st of a national election year with the term beginning January 1st the following year.
- **Public Sector State Chairs** duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events and working with the Private Sector State Chair.
- **The Private Sector State Chairs** duties shall include working with ALEC staff to recruit new private sector members, planning an annual membership event and assisting the Public Sector State Chair.
- **The State Chair** shall participate in a training program consisting of an orientation at States and Nation Policy Summit in Washington, DC., that will include a peer-to-peer orientation and overview of roles and responsibilities.
- Report quarterly to the ALEC regional representatives the progress of the duties that have been assigned.
- Give a report to ALEC membership at the Annual Meeting regarding the progress of the state's goals.
- I am morally responsible for the health and well-being of this organization. As a State Chair, I have pledged myself to help realize the mission, which is: **To advance free markets, limited government, and federalism.**
- I understand if I am absent without excuse from regularly scheduled national meetings, I will be asked to resign as State Chair.
- I will act with care and loyalty and put the interests of the organization first.
- Comply with all applicable laws, including ethics laws, and seek relevant opinions where necessary.
- I promise to preserve the investment of time and money made over years by all the volunteers who created this organization and brought it to this point. Every State Chair is making a statement of faith to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval and support of all.
- Legislators must inform ALEC of any public records/FOIA requests that include ALEC documents.

**In its turn, ALEC is responsible to me in a number of ways:**

- I will be sent from my regional representative, without request, monthly membership and travel reimbursement reports that allow me to review my state's current position.
- The Coordinator of Corporate and Nonprofit Affairs maintains the State Reimbursement Fund account and issues monthly reports of State Reimbursement Fund activity to the regional representatives at ALEC.
- I can call on ALEC staff to discuss program and policy goals and objectives.
- Staff will provide public sector and private sector membership packets, a list of public and private sector members in your state and a list of potential private sector members (if available).
- The Membership Department will work with the State Chairs to have a representative from ALEC at a membership event. A Membership Department staff person will primarily represent ALEC at these events. However, ALEC's Executive Director, National Chair, or Private Enterprise Advisory Council Chair may be available as well.
- Staff will respond in a straightforward and thorough fashion to any questions I have that I feel are necessary to carry out my responsibilities to this organization.
- ALEC will provide legal assistance on an as needed basis.



**Qualifications:**

- Has been nominated to serve and duly appointed by the National Chair.
- An active member of ALEC

\_\_\_\_\_  
Signature of State Chair

\_\_\_\_\_  
Date [ENTER YEAR]

For State Chair term beginning January 1<sup>st</sup> of [ENTER YEAR] and ending January 1<sup>st</sup> of [ENTER YEAR]

\_\_\_\_\_  
Signature of National Chair

\_\_\_\_\_  
Date [ENTER YEAR]

**2014 MEMBERSHIP GOAL for** [Click here to enter text.](#) **STATE**

**Tell us about your membership plan for 2014.**  
*(Please fill in the information in the gray boxes)*

**1. What is your estimate for 2013 membership retention?**

Your total membership on December 31, 2013

[Click here to enter text.](#)

What is your anticipated retention rate for 2014?

[Click here to enter text.](#)

Total number of renewals anticipated for 2014

[Click here to enter text.](#)

**2. How many new members will you recruit in 2014?**

Anticipated new members to be recruited monthly  
(Always include National & Chapter-Only members.)

[Click here to enter text.](#)

**x12 months**

Total new members anticipated for 2014 =

[Click here to enter text.](#)

**3. Complete your 2014 Membership Goal (Include all members)**

Total Renewals from section one:

[Click here to enter text.](#)

Total New Members from section two:

[Click here to enter text.](#)



**\*YOUR 2014 Membership Goal**

**\*We always encourage you to establish goals of at least 10% growth for the year.  
If possible, provide a number greater than your 2013 end of year number.**

Please e-mail this report to [jlambert@alec.org](mailto:jlambert@alec.org) or fax it to (703) 373-0927 on or before January 31,  
2014

Thank you!

**State Chair Initials:** [Click here to enter text.](#)

**Senior Membership Dir. Initials:** [Click here to enter text.](#)

American Legislative Exchange Council  
Joint Board of Directors Meeting  
August 6, 2013

Public Affairs Update

The American Legislative Exchange Council Strategic Plan calls for robust engagement and support of state legislators to empower their effectiveness. Key objective three also calls for an aggressive public affairs and communications program to effectively promote the organization and its policies. During the first half of 2013, American Legislative Exchange Council members and staff have engaged in an aggressive, proactive media campaign to promote research and issue-based communication as well as correct inaccuracies in the media.

The American Legislative Exchange Council has a defined, leadership position as the largest voluntary membership organization of state elected officials in the country. While this leadership position made the organization a target for big-government and activist groups, it also created an opportunity to grow and elevate the profile of the membership.

As members and staff continue communication and earned media outreach on issues, research and model policy, the organization is increasingly recognized as a conservative, free-market think tank, rather than a "corporate bill mill that secretly manipulates thousands of legislators." Members of the media and third party groups are increasingly contacting public affairs staff for comment and inclusion in the story. Whereas one year ago stories about the organization contained little factual information, today the media and public are more interested in the facts.

Coordinated outreach across all external channels provided lift to the organization and developed opportunities to cultivate understanding and develop credibility. Report releases and proactive media and member outreach led to record-setting earned media, third-party support, online/social conversations and website traffic throughout May and June.

While the *State of Florida vs. George Zimmerman* verdict presented an opportunity for opposition groups to cast ALEC in a negative light based on model policies no longer endorsed by the organization, public affairs staff successfully redirected the discussion and remained largely out of the story.

The following report clearly illustrates coordinated outreach regarding issues that matter to the membership and public created the opportunity for the media and coalition partners to focus

attention on the positive elements of the organization and the value provided to society by the American Legislative Exchange Council.

During Q2 and Q3 (partial) 2013, public affairs staff worked closely with task force staff, leadership and membership to promote the organization through:

1. Report releases
2. Proactive media engagement
3. Member relations and support
4. Online community management
5. Coalition and third-party outreach

#### 1. Report Releases

On May 23, 2013, the release of the sixth edition of *Rich States, Poor States* garnered more than 100 positive articles, nearly 12,000 webpage visits, and more than 17,000 downloads from ALEC and partner websites.

Media mentions include broadcast and feature articles in print and online from sources including *Investor's Business Daily*, *USA Today*, *The Dallas Morning News*, *The Washington Examiner*, and *The Washington Times*, among others. Top website referrals came from Facebook (2,144), *Investor's Business Daily* (1,693), Twitter (1,335), PRNewswire, PolicyMic and ArsTechnica.com.



On June 26, 2013, the third report on Environmental Protection Agency over-regulation was released and garnered more than two dozen positive articles including coverage from *The Washington Times*, *Investor's Business Daily*, and the *Daily Caller*.

In both cases, traffic and attention was driven by a coordinated outreach approach which included cross platform promotion of the reports via the website, social media and blog posts. In addition, advance work was conducted with media, and coalition calls, Capitol Hill briefings and third-party roundtables were hosted to continue report promotion.

## 2. Proactive Media Engagement

Proactive media engagement has continued to increase. Staff members are being positioned as policy experts and are becoming a resource for media rather than a target of media. Issues-based communication is at the forefront of media engagement. Successful media outreach activities include:

- **Earned Media**

- *Investor's Business Daily* (5/23/13) - Texas, Red States Beat Blue States on Jobs, Growth
- *Washington Examiner* (5/23/13) - Report: Texas leads nation in growth and job creation, Michigan dead last
- *Washington Times* (5/23/13) - Red states hold the edge in growth
- *Fox Nation* (5/23/13) - Report: Texas Leads Nation in Growth and Job Creation, Michigan Dead Last
- *Breitbart* (5/23/13) - California ranks 47th in Economic Opportunity
- *The Dallas Morning News* (5/23/13) - Texas ranks 12th in competitiveness, conservative group's report says
- *The Dallas Morning News* (5/23/13) - ALEC report: Why Texas ranks 12th in state competitiveness
- *Salt Lake Tribune* (5/23/13) - Utah is tops for 2013 economic outlook, ALEC says
- *Deseret News* (5/23/13) - Utah ranks No. 1 for economic outlook 6th year in a row
- *The Waterbury Republican* (5/23/13) - Time to open Connecticut for Business
- *Fox 13 News Salt Lake City* (5/23/13) - Utah ranks #1 for economic outlook
- *Chicago Business Journal* (5/23/13) - What a new report has to say about Illinois' economic outlook
- *Sunshine State News* (5/23/13) - ALEC Economists: florida in Top 10 for Economic Outlook
- *Orlando Business Journal* (5/23/13) - Florida ranks high in economic outlook
- *Tampa Bay Business Journal* (5/23/13) - Florida ranks high in economic outlook
- *The Washington Times* (6/26/13) - Obama administration pumps unprecedented power into EPA.
- *The Daily Caller* (6/26/13) - Report: Obama's EPA power balloons
- *Science and Public Policy Institute* (6/26/13) - ALEC Report: The U.S. Environmental Protection Agency's Assault on State Sovereignty.
- *Georgia Public Policy Foundation* (6/26/13) - New Report Highlights How EPA's Stepping on State Toes.
- *Investor's Business Daily* (6/25/13) - Obama's Climate Change Plans Include a War on Coal.

- *Hawaii Reporter* (6/28) - Report: Hawaii Worst State in the Country to do Business
- *Washington Post* (7/1) - Business Interests Influencing Education Laws in Virginia, Report Says, Lindsay Russell
- *The American Spectator* (7/5) - EPA Growth Knows No Limits, Todd Wynn
- *KGAB AM Cheyenne News* (7/16) - Wyoming a Top Five State for Business
- *YourWestValley* (7/21) - Ariz's Low Spending, Taxes Get High Marks on National Economic Ranking
- **Op-ed Campaign**
  - *The Clarion Ledger* (4/26/13) - Exchanging ideas produces positive results for Mississippi - C. Steve Seale
  - *Rapid City Journal* (5/4/13) - FORUM: Membership in legislative group helps me make better decisions - Rep. Hal Wick, SD
  - *The Capital Journal* (5/6/13) - Attacks on lawmaker participation in educational group shows closed-mindedness - Rep. Hal Wick, SD
  - *The Argus Leader* (5/7/2013) - My Voice: Attacks on lawmaker group unjust -Rep. Hal Wick, SD
  - *News and Observer* (5/9/13) - ALEC chief: Group provides lawmakers a chance to share, learn and grow - Ron Scheberle
  - *Deseret News* (5/28/13) - My view: Utah's economic advantage continues, Sen. Wayne Niederhauser, UT and Jonathan Williams
  - *Kansas City Star* (6/25/13) - Kansas tax reform is a good model for Missouri, Rep. Tim Jones, MO
  - *Real Clear Politics* (7/30/13) - California's Non-Comeback, Ben Wilterdink

### 3. Member Relations and Support

Member engagement in public affairs and communications activities has increased dramatically. With an increase in regular communication and an eye toward issue tracking, rapid response to member inquiries and process development, the American Legislative Exchange Council is poised to better engage and support both public and private members.

Regular communications with membership include:

- **Daily trend report** – identifies trends relevant to public policy in specific task force areas
- **Weekly news highlights report** – provides reporting on feature stories and threats
- **Weekly newsletter** – provides a weekly update on events, membership activities, blog posts and other important membership information

- **Monthly strategy email** – shares information with leadership on accomplishments from the past month and strategy for the month ahead
- **Bimonthly *Inside ALEC* magazine** – shares public policy trends and issues related to state policy

#### 4. Online Community Management

A welcome increase in followers and supporters has come from robust engagement in the online community as well as a redesign of the organization's online presence. Year to date, website traffic has increased by more than 30%, Facebook "likes" have increased by 13.2% and Twitter follows have increased by 39.6%. Each online property continues to grow at a rate of between one and five percent per week.

#### 5. Coalition and Third-party Outreach

Outreach to third-party organizations is beginning to generate increased understanding about the American Legislative Exchange Council. Q2/3 has welcomed a dramatic increase in third party engagement by the American Legislative Exchange Council with both supportive and opposition organizations.

To-date, outreach and meetings have been conducted with:

- American Majority
- Competitive Enterprise Institute
- Common Cause
- Empowerment Temple AME Church
- The Franklin Center for Government and Public Integrity
- The Heritage Foundation
- The Joint Center for Political and Economic Studies
- National Association of Latino Elected Officials
- National Black Fellowship of the Assemblies of God
- National Republican Campaign Committee
- Univision Communications, Inc.

Membership  
Committee  
Packet

2013 AM

*ALEC*

American  
Legislative  
Exchange  
Council

Agenda,  
Documentation  
and Resources



Time	Subject	Resources
8:00 a.m. – 8:05 a.m.	Welcome: Objectives for 2014 <i>Rep. Dave Fritzell, Chair</i>	
8:05 a.m. – 8:15 a.m. X	Bylaws Changes: Bylaws overview <i>Rep. Dave Fritzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	1. Bylaws changes
8:15 a.m. – 8:25 a.m.	Fundraising: Program Overview and objectives X Planned Giving X Alumni Program X State Dinners X Major Donors	2. Major donor sheet
8:25 a.m. – 8:30 a.m. X	Regional Map and State Chair Contacts: Overview of the new regions and philosophy behind the new structure. <i>Rep. Dave Fritzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	3. Region map
8:30 a.m. – 8:40 a.m. L	State Chair Job Description: Review proposed operating procedures and logistics. <i>Rep. Dave Fritzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	4. Job description and agreement
8:40 a.m. – 8:50 a.m.	<ul style="list-style-type: none"> <li>Engaging the state chair in BOTH public and private member recruitment</li> <li>Membership drives?</li> <li>Contests?</li> <li>Feedback from committee?</li> </ul>	
8:50 a.m. – 9:00 a.m.	Prospect List: The group will review the current prospect list and provide key contacts to staff. <i>Jeff Lambert, Senior Director of Membership and Development</i>	5. Prospect list
9:00 a.m. – 9:10 a.m.	Break	
9:10 a.m. – 9:40 a.m.	Prodigal Son Project: The group will review the former members and provide key contacts to staff. <i>Rep. Dave Fritzell, Chair and Jeff Lambert, Senior Director of Membership and Development</i>	6. Former members
	State Reimbursement Funds: The group will review the proposed templates, propose a time frame and approve the final documents. <i>Lisa Bowen, Senior Director of Finance and Jeff Lambert, Senior Director of Membership and Development</i>	7. Template letter 8. Template invoice 9. Template reimbursement form
	<ul style="list-style-type: none"> <li>Template Letter</li> <li>Template Invoice</li> <li>Who signs? Public or private? Both?</li> <li>Time frame?</li> <li>Amendment to job descriptions</li> </ul>	10. Job description and agreement
9:40 a.m. – 9:50 a.m.	Wrap-up/Questions and Answers: Comments from Rep. Dave Fritzell, Chair	
9:50 a.m.	Adjourn	

## 2013 AM Membership Committee Packet

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Former members .....	10
Template letter .....	11
Template invoice .....	12
Template reimbursement form .....	13

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**ARTICLE X  
STATE CHAIRS AND STEERING COMMITTEE**

**Section 10.01 Appointment.** A State Chair that accepts the terms of the office and training in roles and responsibilities shall be appointed by the national chairman. All State Chairs are appointed by the National Chair. When possible Co-Chairs shall be appointed representing with one Co-Chair from each chamber. All Private Sector State Chairs are appointed by the respective ALEC State Chair, and confirmed by the, the National Chair. Each respective ALEC State Chair shall appoint a Private Sector State Chair to serve concurrently with the respective State Chair.

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**Section 10.02 Term.** State Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1<sup>st</sup> of an election year with the term beginning January 1<sup>st</sup> the following year. The State Chair may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner.

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**Section 10.03 Duties, Chair**

Legislative State Chairs duties shall include recruiting new legislative and private sector members, suggesting legislative task force membership, establishing a state steering committee, planning issue events, and working with the Private Sector State Chair.

The Private Sector State Chairs duties shall include recruiting new private sector members, planning an annual membership event, and assisting the Public Sector State Chair.

**Section 10.04 Training.** Training and orientation: The State Chair shall participate in a training program consisting of an orientation at the States and Nation Policy Summit in Washington, DC that will include a year-to-year orientation and overview of roles and responsibilities.

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**Section 10.05 State Chair Agreement.** The State Chair Agreement will include a job description that will define roles and responsibilities. Roles and responsibilities will define duties related to membership recruitment, both public and private, and travel reimbursement fund responsibilities. For appointment consideration by the National Chair the State Chair must agree to the terms set forth in the State Chair Agreement. The National Chair and executive committee will perform an initial evaluation of the State Chair at 90 days and annually thereafter.

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**Section 10.06 Termination of Term.** Should the terms of the State Chair Agreement not be met by the State Chair the National Chair can remove the State Chair at his or her discretion.

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**Section 10.07 Meetings.** State Chairs shall meet at least three (3) times a year in conjunction with the scheduled meetings of the Legislative National Board of Directors as outlined in Article IV Section 4.

**Section 10.08 Electives.** The Chair of the State Chairs and the Private Sector Chair of the State Chairs shall meet at the ALEC Annual Meeting to separately elect a Chair of the State Chairs and a Private Sector Chair of the State Chairs from their respective members whose duties shall be to preside at their State Chairs meetings. Pursuant to Article V, Section 5.02, the State Chairs shall nominate six members, one of whom shall be the Chair of the State Chairs, whose names shall be submitted to the ALEC Legislative Board of Directors Nominating Committee for consideration as ALEC Legislative Board of Directors. The duty of the Private Sector Chair of the State Chairs is to assist the Chair of the State Chairs in fundraising and private/public sector recruitment and retention. The Chair of the State Chairs and the Private Sector Chair of the State Chairs may not serve more than two (2) consecutive two- (2) year terms. In addition, the State Chairs shall establish an Executive Committee composed of the following: the Chair of the State Chairs (who will Chair the Executive Committee) the Private Sector Chair of the State Chairs, the

three designated public sector State Chairs currently serving on the ALEC Legislative Board of Directors, and three Private Sector State Chairs selected by the Private Sector State Chair of the State Chairs. The Executive Committee shall meet at the State and Nation Policy Summit, and at the Annual Meeting.

**Section 10.096 Steering Committee.** State Steering Committees shall consist of a Legislative State Chair, a Vice Chair from the opposite party, if appropriate, Senate and House Membership Coordinators, and such other members as set forth in ALEC's strategic plan.

**Section 10.106 State Expense Reimbursement Funds.** All funds for ALEC State Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing the accounts. Account expenses can be for ALEC only. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws. All funds for ALEC State Expense Reimbursement Funds shall be deposited in accounts designated by the ALEC Legislative Board of Directors. State Chairs are prohibited from establishing, maintaining, or utilizing any other such accounts for ALEC purposes. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.

## Major Donor Program - Membership Board Committee

Identify 3 or more major individual contributors per state

- Arizona (Smoldon)
- Arkansas (Lamoureux, Faris, Hogue)
- Nevada (Cegavske)
- Oklahoma (Banz, Dunlap)
- Indiana (Frizzell, Buck)
- Texas (King, Craddick, Blocker, )
- Kansas (Wagie, Merrick, Morgan)
- Iowa (Upmeyer, Mertz)
- South Carolina (Barfield)
- Louisiana (Harrison, Ellington)
- Wisconsin (Vukmir)
- North Carolina (Tillis, Moffitt, Brubaker)
- Virginia (Howell, Smith)
- Utah (Niederhauser)
- Tennessee (McDaniel, Todd)
- North Dakota (Thoreson)
- Ohio (Seitz)
- Connecticut (Piscopo)
- Colorado (Cadman)

## 2013 Prospects

1. HP (dropped)
2. Boeing
3. Home Depot
4. Allstate
5. BGR Group
6. Eric Group
7. Cassidy & Associates
8. The Duberstein Group
9. Akin Gump
10. Holland & Knight
11. Slade Gorton, LLC
12. Law Offices of Frederick H. Graefe
13. Williams & Jensen
14. Lugar Hellmann Group
15. Hogan & Lovells
16. Fierce, Isakowitz & Blalock
17. Dow Lohnes Government Strategies
18. Federal Policy Group
19. Brownstein Hyatt Farber Schreck, LLP (member)
20. Peck, Madigan, Jones & Stewart
21. Dutko Grayling
22. Navigators Global
23. Quinn, Gillespie & Associates
24. Business Roundtable
25. Aircraft Owners and Pilots Association
26. Information Technology Industry Council
27. Association of American Railroads
28. National Association of Home Builders
29. America's Health Insurance Plans
30. Federation of American Hospitals
31. USTelecom
32. Independent Insurance Agents and Brokers of America
33. Portland Cement Association
34. Consumer Electronics Association
35. Natural Products Association
36. Financial Services Roundtable
37. National Association of Wholesaler-Distributors
38. Advanced Correctional Healthcare
39. NADCP (Nat'l Assoc of Drug Court Professionals)
40. National Association of Surety Bond Producers
41. Institute for Legal Reform (Chamber)
42. Motorola
43. Energi
44. BNSF Rail
45. TIA (Transportation Intermediaries Alliance)
46. Surety Financial Association of America
47. American Trucking Association
48. Alliance of Auto Manufacturers
49. International Sign Association
50. Academic Partnerships
51. Altair Management Inc. (iQity)
52. American Association of Community Colleges
53. American Public Education, Inc.
54. Amplify Insight
55. Canvas (Online learning)
56. Capella Education Co.
57. Career Education Corporation
58. Center for Education Reform
59. DeVry
60. Edison Learning
61. Education Management Corporation
62. Microsoft
63. Pearson Higher Education
64. White Hat Management
65. Business Higher Education Forum
66. John Wiley & Sons, Inc.
67. Texas Instruments
68. American Council of Trustees & Alumni
69. JWP Civitas
70. Manhattan Institute
71. Federalist Society
72. Washington Legal Foundation
73. National Restaurant Association
74. Canadian Pacific
75. CSX
76. Watco
77. Union Pacific
78. Motion Pictures Association of America
79. Comcast
80. Consumer Energy Alliance
81. Association for Unmanned Vehicle Systems International
82. National Association of Manufacturers
83. Windstream Communications
84. Frontier Communications
85. Uni-Vision
86. Sprint
87. Trac-Phone
88. Dish Network
89. Apple
90. NTCA - The Rural Broadband Association
91. Expedia
92. Orbitz
93. Airbnb
94. Uber
95. Enbridge
96. Retail Industry Leaders Association
97. Devon Energy
98. Organization for International Investment
99. ConocoPhillips
100. Jim Clark
101. CenterPoint Energy
102. UTC

Prodical San Project

Company	Key Contact	Staff Contact	Task Force	Action Items	Follow-up/Result
Coca-Cola Company					
Pepsi					
Kraft					
Intuit					
McDonald's					
Wendy's					
Mars					
Arizona Public Service					
American Traffic					
Blue Cross Blue Shield					
FUMI Brands					
Procter & Gamble					
Kaplan					
Scantron Corporation					
Amazon.com					
Medtronic					
Wal-Mart					
Johnson & Johnson					
Dell Computers					
John Deere & Company					
CVS Caremark					
MillerCoors					
Hewlett-Packard (HP)					
Best Buy					
Express Scripts/Medco					
Walgreens					
Amgen					
General Electric (GE)					
Western Union					
Enberg					
Wells Fargo					
Merck					
Sanofi					
Bank of America					
WellPoint					
Bristol-Myers Squibb					
Brown-Forman Company					
Publix Super Markets					
GlaxoSmithKline					
Unilever					
ConocoPhillips					

# ALEC

American  
Legislative  
Exchange  
Council

Date:

Dear,

I am writing to ask for your support of the State Reimbursement Fund of the American Legislative Exchange Council (ALEC). ALEC is the nation's largest nonpartisan, individual membership association of state legislators, with over 2,000 members. In addition, with over 200 corporate, non-profit, and private foundation members, ALEC is one of America's most dynamic public-private partnerships.

We have consistent participation by legislators in ALEC. Members participate in one of the eight Task Forces ranging from: Energy, Environment and Agriculture to International Relations to Tax and Fiscal Policy to Communications and Technology. These Task Forces commission research, publish issue papers, convene workshops, and serve as clearinghouses of information on free market policies in the states. The Task Forces identify issues and then respond with common sense policies.

I believe participation in this helps legislators understand the impact that state and national policies have on our businesses. Given the tough competitive environment that businesses operate in, the legislative membership needs this knowledge more than ever.

Your support of the State Reimbursement Fund is critical, enabling legislators to join and attend the annual meetings. Please note that 100% of the raised funds are tax-deductible and are for ALEC expenses directly related to education efforts for legislators.

Your generous contribution of \$500, \$1,000 or \$2,000 is much appreciated. As a member of the business community, we hope you support these common goals to enhance a common vision of sound state policies, highlight our region's interests and flourishing economy, and promote the free flowing exchange of ideas between the public and private sectors. Please fill out and fax the attached form to ALEC at (703) 373-0927. For more information about ALEC membership, please contact the Membership Department at (571) 482-5051 or you can contact me at (Phone/Email).

Sincerely,

(INSERT PUBLIC SECTOR STATE CHAIR)

(INSERT TITLE)

CC:

American Legislative Exchange Council

Attn: Brendan Barber

2900 Crystal Drive, Suite 600

Arlington, VA 22202

[bbarber@alec.org](mailto:bbarber@alec.org)

Office: (571) 482-5013

Fax: (703) 373-0927



## ALEC - Membership Statistics

	Private	Public	Total	
Overall				Retention Rate
2009	224	1,661	1,885	77%
2010	228	1,760	1,988	75%
2011	280	2,200	2,480	71%
2012	241	2,010	2,251	85%
2013	214	1,810	2,022	75%

Dropped/Term				Attrition Rate
2009	45	94	139	23%
2010	31	232	263	25%
2011	20	76	96	29%
2012	68	173	241	15%
2013	38	482	521	25%

New				Growth Rate
2009	25	262	287	n/a
2010	35	199	234	5%
2011	72	516	588	17%
2012	29	88	117	-3%
2013	15	264	275	-9%

New Members					
#	Company	Join Date	Task Force 1	Task Force 2	Notes
1	Academy of General Dentistry	3/24/2013	0000		1 New Membership
2	API The Plastic Industry Trade Association	3/26/2013	001A		
3	Arner Law	3/26/2013	0000		
4	Arubaker and Associates	3/26/2013	0000		
5	Chamber Oklahoma City Chapter	4/11/2013			
6	Chapman Personnel	4/11/2013			
7	Charmers Energy, Inc.	3/22/2013	003A		
8	ENJOY	4/5/2013	0000	Yes	
9	Energy Solutions	4/11/2013	003A		
10	Envy	4/26/2013	00		
11	Equinox Nutrition	3/5/2013			
12	Excel Energy Development	3/5/2013	0000		
13	U.S. Chamber of Commerce - International Inc.	3/5/2013			
14	Thomas Fendley Institute	3/14/2013	00		
15	Small Business Association of Michigan	4/11/2013			

Lapsed Members					
#	Company	Termination Date	Task Force 1	Task Force 2	Notes
1	American Council of Trustees & Alumni	3/24/2013	Education		
2	Chapman Energy	3/26/2013	0000		Consolidated w/ of PBM issue, merged with Express
3	Chapman McMillan Cooper & Bell Inc.	3/26/2013			
4	Chapman Institute	3/26/2013	001A		Want to change membership to Education
5	Chapman Energy	3/26/2013	003A		Merged with Duke, new contract
6	Chapman Energy Corporation	3/26/2013			
7	Chapman	3/26/2013	001A		
8	Chapman Energy Security LLC	3/26/2013	001A		waiting to see what issues emerge in JTC, opposite
9	Chapman Energy Industries Association	3/26/2013	001A		left because they still did not pass the task force
10	Chapman International	3/26/2013	001A	00	
11	Chapman Energy, Inc.	3/26/2013	001A		
12	Chapman Energy	3/26/2013	001A		Did not want to renew
13	Chapman Builders and Contractors	3/26/2013	001A	00	
14	Chapman Institute	3/26/2013	001A	Yes	Former JPM members - JPM did not renew membership
15	Chapman Energy Solutions, Inc.	3/26/2013	001A		Merged with Express Energy
16	Chapman Industries	3/26/2013	001A		
17	Chapman Foundation	3/26/2013	001A	Yes	Former JPM members - would like to get again if can fit in budget
18	Chapman Institute	3/26/2013	001A	Yes	Wanted out of JTC (?) because of education issue
19	Chapman Capital USA	3/26/2013	001A		
20	Chapman for Communities Policy	3/26/2013	001A		JTC no longer works on issue
21	Chapman	3/26/2013	001A		left as they do not want to renew
22	Chapman Long & Aldridge	3/26/2013	001A		
23	Chapman Blue Point	4/5/2013	001A		left after issue on exchanges workshop
24	Chapman Health Care	4/5/2013	001A	Yes	joined for single stock
25	Chapman Against Government Waste	4/5/2013	001A	Yes	
26	Chapman	4/5/2013	001A		
27	Chapman Institute	4/5/2013	001A		will not renew
28	Chapman Education	4/5/2013	001A		Budget cuts
29	Chapman	4/5/2013	001A	Yes	Unable to reach contact, history of being late on payments
30	Chapman Institute	4/5/2013	001A		
31	Chapman Energy Group	4/5/2013	001A		
32	Chapman Energy Corporation	4/5/2013	001A		Merged with Express Energy, new contract
33	Chapman Energy	4/5/2013	001A		"budget cuts"
34	Chapman Energy, Inc.	4/5/2013	001A		
35	Chapman Energy	4/5/2013	001A		Current effort to get a hold of, possibly did not renew because only interested in database related issue
36	Chapman Energy	4/5/2013	001A		
37	Chapman Energy	4/5/2013	001A		Left along with JTC
38	Chapman Energy	4/5/2013	001A		Considering going back outside of membership
39	Chapman Energy	4/5/2013	001A		Former JPM members - would like to get again if can fit in budget

# ALEC Membership Totals and Percentages

Lost Over 40%

State	# of Legislators	# of ALEC Members	% of ALEC Membership in Legislature
AK	60	9	15%
AL	140	21	15%
AR	135	51	38%
AZ	90	44	49%
CA	120	11	9%
CO	100	25	25%
DE	62	2	3%
FL	160	29	18%
GA	230	90	38%
IA	150	150	100%
ID	105	21	20%
IL	177	31	18%
KS	165	69	42%
LA	144	42	29%
MA	200	4	2%
MD	188	22	12%
ME	186	8	4%
MI	148	30	20%
MO	197	57	29%
MS	174	51	29%
MT	150	36	24%
ND	147	45	31%
NE	49	17	35%
NH	424	24	6%
NJ	120	2	2%
NM	112	39	35%
NV	63	14	22%
NY	212	2	1%
OK	149	70	47%
OR	90	17	19%
PA	253	31	12%
RI	113	12	11%
SC	170	66	38%
SD	105	105	100%
TN	132	38	29%
TX	181	81	45%
UT	104	34	33%
VA	140	31	22%
VT	100	7	4%
WA	147	32	22%
WI	132	43	33%
WV	134	13	10%
WY	90	32	36%
Total:	7388	Total: 1810	Total: 24%

## 2013 Foundation Support

BUDGET				
Organization	Date	Amount Granted	Purpose	Status
Gleason Family Foundation	Apr. 2013	\$45,000	Education Reform	Pending
Searle Freedom Trust	May 2013	\$175,000	Rich States Poor States	Pending
Koch/Claude Lamb	June 2013	\$150,000	Rich States Poor States	Pending
Lynde and Harry Bradley Foundation	July 2013	\$75,000	Center for State Fiscal Reform	Pending
Allegheny	July 2013	\$45,000	Education Reform	Pending
New Prospects		\$75,000	General	Pending
	GOAL	\$565,000		
GRANTS RECEIVED				
Organization	Date	Amount Granted	Purpose	Status
Donor Capitol Fund	February 2013	\$25,500	General Support	Received
	A/R	\$25,500		
PROPOSALS MAILED				
Organization	Date	Requested	Purpose	Status
Donor Capitol Fund	February 2013	\$25,500	General Support	Received
Sunmark Foundation	Mar. 2013	\$12,500	General Operations	Denied
Jacquelin Hume Foundation	Mar. 2013	\$50,000	Education Reform	Denied - Immigration
Adolph Coors Foundation	Mar. 2013	\$100,000	Center for State Fiscal Reform	Pending
Gleason Family Foundation	Apr. 2013	\$75,000	Education Reform	Pending
Searle Freedom Trust	May 2013	\$135,000	Rich States Poor States	Pending
Searle Freedom Trust	May 2013	\$100,000	Center for State Fiscal Reform	Pending
Vernon K. Knibbe Foundation	May 2013	\$20,000	Affordable Energy Under Attack	Pending
W. David Steidman and Sarah White				
Steidman Foundation	May 2013	\$10,000	General Operations	Pending
Dickson Foundation	May 2013	\$10,000	General Operations	Pending
Edward A. and Catherine L. Lottick Foundation	May 2013	\$5,000	General Operations	Pending
Anschutz Foundation	May 2013	\$25,000	General Operations	Pending
Armstrong Foundation	May 2013	\$10,000	General Operations	Pending
Lynde and Harry Bradley Foundation	July 2013	\$125,000	Center for State Fiscal Reform	Pending
Koch/Claude Lamb	June 2013	\$200,000	Rich States Poor States	Pending
Allegheny	July 2013	\$50,000	Education Reform	
	TOTAL	\$953,000		

## ALEC Office Space Case Study

ALEC was occupying 14,206 square feet of space at 1101 Vermont Avenue in the heart of Washington, DC. The ALEC board determined the office space did not meet the design and functionality needs of the organization.

### PROCESS

ALEC successfully secured a subtenant, IMPAQ International, headquartered in Columbia, Maryland. IMPAQ is a public policy firm that applies state-of-the-art quantitative and qualitative research methods to evaluate and research the effectiveness of domestic and international programs and policies.



The sublease with IMPAQ runs through the remainder of the original prime lease term of December 31, 2017.

### RELOCATION PROCESS

ALEC initiated the search for new office space in December of 2012 and after evaluating multiple search criteria, ALEC determined 2900 Crystal Drive (Crystal City) as the best possible relocation alternative to meet all its requirements.

After extensive negotiations with the ownership of 2900 Crystal Drive, ALEC secured a per square foot rate of \$32.00. Simultaneously, ALEC worked closely with its architect in planning the new space design and configuration. ALEC was able to obtain a 16% reduction in total space occupied through the implementation of an efficient and creative design process. Financially, the terms negotiated have allowed the organization to successfully reduce the annual occupancy expense by more than 21% for the remaining lease term through December 31, 2017 at Vermont Avenue. Thereafter, the overall reduction in occupancy expense will increase to more than 48% for the life of the new lease at 2900 Crystal Drive.

The total concession package negotiated was far more than \$1 million. Concessions included 10 months of free rent valued at approximately \$320,000 along with a tenant improvement allowance of approximately \$850,000. This allowance enabled ALEC to fully construct/build new space as well as purchase new furniture for the entire staff.

ALEC was also able to reduce square footage by designing and laying out space specifically to meet the organization's needs. ALEC is very proud of its new home and its ability to maximize space efficiencies increasing space utilization and dramatically minimizing overall occupancy cost.

American Legislative Exchange Council  
Statement of Financial Position  
As of June 30, 2013

	<u>2013</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,276,144.40
Contributions receivable, net	1,622,756.32
Other receivables	8.80
Prepaid expenses	187,685.98
Deposits	31,810.67
Property and equipment, net	<u>1,106,311.50</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,224,717.67</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 346,829.79
Deferred program revenue	98,109.09
Deferred member dues/registrations	79,315.07
Deferred Legacy dues	174,984.84
Capital lease obligations	46,990.30
Deposit - sublease	44,985.66
Deferred rent liability and improvement allowance	<u>1,478,583.43</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 2,267,798.18</b>
<b>NET ASSETS</b>	
Unrestricted	\$ 2,447,267.85
State Reimbursement Accounts	996,420.68
Change in Net Assets	<u>(438,769.04)</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 2,956,919.49</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,224,717.67</u></b>



American Legislative Exchange Council  
Statement of Activities  
For the Six Months Ending June 30, 2013

	YTD 06/30/13	June 2013 Budget	Actual vs. Budget Variance	2013 Annual Budget	YTD 06/30/12	
<b>Revenue, Gains and Other Support</b>						
Conference sponsorship	\$ 402,500.00	\$ 405,000.00	\$ (2,500.00)	\$ 1,725,000.00	\$ 827,500.00	(9)
Conference registration	430,000.00	475,750.00	(45,750.00)	896,450.00	503,000.00	(8)
Conference exhibitors	41,000.00	72,000.00	(31,000.00)	152,000.00	16,000.00	(8)
Conference advertising	-	-	-	-	3,300.00	
Future conferences	-	-	-	200,000.00	-	
General support	542,250.00	5,000,000.00	(4,457,750.00)	1,600,000.00	1,361,625.00	(4)
Online Contributions	580.00	5,000.00	(4,420.00)	10,000.00	7,885.00	
Direct Mail	54,984.00	65,000.00	(10,016.00)	125,000.00	102,841.00	
Legislative dues	24,759.49	42,000.00	(17,240.51)	80,000.00	43,225.00	(6)
Legally revenue	-	-	-	5,000.00	1,857.18	
Future general support	7,000.00	7,000.00	-	445,000.00	14,000.00	
Task Force	532,261.57	537,100.00	(4,838.43)	1,085,100.00	756,625.31	(8)
Task force support	338,725.00	305,000.00	33,725.00	300,000.00	376,000.00	(5)
Future Task Forces	3,000.00	-	3,000.00	130,000.00	8,900.00	
State Contributions	224,536.57	-	224,536.57	-	-	(8)
Special projects	2,500.00	-	2,500.00	-	-	
Advertising	-	8,300.00	(8,300.00)	15,000.00	4,300.00	(8)
Interest	1,182.18	3,300.00	(2,117.82)	6,000.00	2,353.87	
Miscellaneous revenue	51,295.35	-	51,295.35	-	37.87	(10)
Rental income	79,458.54	83,000.00	(3,541.46)	332,000.00	-	
Publications	343.70	1,200.00	(856.30)	2,500.00	1,435.00	
<b>Total revenue, gains, and other support</b>	<b>\$ 2,802,383.17</b>	<b>\$ 3,906,385.00</b>	<b>\$ (1,104,001.83)</b>	<b>\$ 7,822,654.00</b>	<b>\$ 3,891,065.31</b>	
<b>LESS Revenue moved to 2012</b>	<b>\$ (247,000.00)</b>	<b>\$ -</b>	<b>\$ (247,000.00)</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Revenue</b>	<b>\$ 2,555,383.17</b>	<b>\$ 3,906,385.00</b>	<b>\$ (1,351,001.83)</b>	<b>\$ 7,822,654.00</b>	<b>\$ 3,891,065.31</b>	
<b>Expenses</b>						
Salaries	\$ 1,544,024.25	\$ 1,168,856.35	\$ 375,167.90	\$ 2,436,126.56	\$ 1,164,374.36	(17)
FICA Employer	83,508.82	85,032.83	(1,524.01)	171,231.48	82,208.04	
DC Unemployment taxes	5,865.74	5,945.00	(79.26)	5,945.00	5,208.31	
Employee benefits	7,431.04	8,400.00	(968.96)	67,800.00	8,584.06	
Group insurance	106,338.14	121,500.00	(15,161.86)	242,000.00	106,167.20	(11)
Contracted fees	316,276.18	322,800.00	(6,523.82)	584,800.00	487,334.52	(16)
Temporary Services	-	-	-	-	3,778.80	
Artwork graphics	45,105.81	45,850.00	(744.19)	54,450.00	34,722.61	
Computer services	141,680.37	40,580.00	101,100.37	107,200.00	53,502.37	(16)
Conference fees	6,182.49	15,000.00	(8,817.51)	100,500.00	20,730.34	
Dues & Memberships	18,254.89	28,165.00	(9,910.11)	41,110.00	13,724.24	
Printing & postage fee	1,305.00	13,800.00	(12,495.00)	38,000.00	1,800.00	(14)
Postage	43,795.44	75,000.00	(31,204.56)	126,700.00	113,751.12	(10)
Printing & publications	125,287.05	151,800.00	(26,512.95)	237,800.00	151,505.00	(14)
Public relations, advertising	2,319.00	5,150.00	(2,831.00)	5,150.00	-	
Security	-	1,300.00	(1,300.00)	1,300.00	3,227.20	
Subscriptions & research data	38,640.04	30,550.00	8,090.04	58,285.00	14,053.21	
Travel	87,645.38	168,000.00	(80,354.62)	396,650.00	173,913.54	(17)
Delivery costs	13,442.99	9,850.00	3,592.99	20,738.00	12,920.33	
Telephone	43,504.58	41,740.00	1,764.58	121,870.00	38,775.23	
Equipment lease/rentals	2,630.03	2,630.00	30.03	9,720.00	3,081.84	
Equipment maintenance	9,722.79	8,380.00	1,342.79	16,780.00	8,880.58	
Maintenance & repairs	644.76	2,370.00	(1,725.24)	4,150.00	3,718.18	
Office supplies & expense	36,894.47	30,950.00	5,944.47	66,000.00	32,357.28	(10)
Entertainment	-	-	-	15,000.00	-	
Rent & Leasing	158,969.75	256,940.00	(97,970.25)	1,202,620.00	256,328.27	(17)
Auto & bus rental	1,850.77	-	1,850.77	13,000.00	1,778.50	
Awards	328.87	-	328.87	18,000.00	18.46	
Audio visual rental	19,218.24	24,195.00	(4,976.76)	268,800.00	27,992.33	
Accounting fees	33,601.89	41,825.00	(8,223.11)	33,870.00	36,699.88	
Liability & property insurance	13,388.11	13,350.00	38.11	28,300.00	13,187.24	
Legal fees	122,130.13	75,000.00	47,130.13	152,000.00	106,731.37	(10)
Other	263,129.29	167,495.00	95,634.29	1,214,360.00	325,294.98	(10)

Depreciation expense	99,169.92	99,490.00	(3,320.08)	119,000.00	99,999.92
Interest	2,951.32	2,420.00	531.32	4,890.00	5,000.00
Credit card discounts	24,185.01	27,800.00	(3,614.99)	67,500.00	24,099.79
Bank service charges	5,678.53	1,500.00	4,178.53	3,900.00	1,613.94
Staff Development	-	1,800.00	(1,800.00)	1,500.00	398.00
Gain/loss on disposal of equipment	50,120.00	-	50,120.00	-	-
<b>Total Expenses</b>	<b>\$ 3,608,793.21</b>	<b>\$ 3,378,726.14</b>	<b>\$ (230,067.07)</b>	<b>\$ 7,917,079.06</b>	<b>\$ 3,681,899.25</b>
<b>PLUS Expenses Outstanding</b>					
Amex	\$ 8,100.00	\$ 8,100.00			
Amex - June	26,109.00	-	26,109.00	26,599.00	26,109.00
<b>Total Expenses</b>	<b>\$ 3,643,002.21</b>	<b>\$ 3,378,726.14</b>	<b>\$ (264,276.07)</b>	<b>\$ 7,943,678.06</b>	<b>\$ 3,708,008.25</b>
<b>Net Profit(Loss)</b>	<b>\$ (688,019.04)</b>	<b>\$ (57,558.86)</b>	<b>\$ (1,045,177.80)</b>	<b>\$ 5,674.94</b>	<b>\$ 239,113.00</b>

(1) Conference sponsorship -

Total Annual Meeting sponsorship reimbursed for 2012 is \$402,500 + \$167,000 FY = \$569,500. As of June 2012, Total Annual Meeting sponsorship reimbursed was \$771,500 + \$567,500 FY = \$1,339,000. Total SHPS Sponsorship reimbursed for 2012 was \$20,000.

(2) Conference registrations -

Registrations ONE week prior to meeting:

2013 Chicago - 1,358  
 2012 Salt Lake - 1,224  
 2011 New Orleans - 1,864  
 2010 San Diego - 1,418  
 2009 Georgia - 1,371

(3) Conference Exhibitors-

Total exhibitors 2013 - 42  
 Total exhibitors 2012 - 44

(4) General support-

	Budget as of 6/30/12	Actual as of 6/30/13	Variance	Actual as of 6/30/12
Removals (less attrition)	79	85	-6	82
Non-Profit Removals	18	13	-5	17
Board	5	6	-1	5
New Members	20	8	-12	24

Total members up/down

(12)

Attrition as of June 30, 2013 = 36 vs. 38 in 2012.

(5) Legislative Dues -

Legislative Removals were slow to renew the first two months of the year as renewal notices were not mailed timely. Notices were mailed in May and are currently being followed up on by staff. Total Legislative members as of 6/30/12 were approximately 1,810.

(6) Task Forces -

Coordinating:

Total Budgeted for Task Forces year thru June = \$795,000  
 Total awarded = \$412,201.67

Membership:

Total Budgeted thru June = \$657,500  
 Total awarded = \$395,000

Net calculation of attrition leads to a total loss of approx \$144,500



(7) Task Force Summitt -

Total revenue raised for Spring Task Force 2013 - \$611,000 (50,500 transferred to OK State (Rains Act)) vs. \$235,000  
Total registration \$101,275 vs. Budget of \$100,000

Total revenue raised for Spring Task Force 2012 - \$215,000  
Total registration \$149,130 vs. Budget of \$80,000

Registration -

2013: 529  
2012: 513  
2011: 515  
2010: 300

(8) Scholarship contributions -

Not a budgeted item.

(9) Advertising -

Lack of development department has caused sales to be low.

(10) Miscellaneous revenue -

Includes Salary credit for CFE Award program and \$5k toward Open House

(11) Salaries -

Turnover in Development department, Positions filled in April/May 2013, Total of 12 new hires in 2013.

(12) Consultant fees -

AdvisedBoard - \$19,380.21  
Conferences - \$69,224.74  
Fundraising - \$92,940.43  
Grants - \$20,080.21  
Programming - \$33,375.49  
Public Affairs - \$118,000

(13) Computer services -

Transition to new database (50% for licenses for the year plus 15% to do the transition)

(14) Honoraria & writers fees

ALIC continues to look for ways to reduce costs.

(15) Postage -

Timing. Multiple projects have also fallen below budget.

(16) Printing & publications -

Timing. Multiple projects are in process and have not yet been completed.

(17) Travel/Meals and Lodging -

Did not attend as many membership events as anticipated during the first part of the year due to insufficient staffing. Also did not have Education Academy as projected (75K). Remainder is Timing.

(18) Office Supplies & expense-

Timing. Includes 12,500 contribution to Gonor's Trust, 5k Contribution to OCSB and 25k Moving expenses.

(19) Legal fees -

Need to reevaluate Jefferson Project. Multiple states have had issues within the states that have required extra attention (VA, MI, MN)

(20) Rent -

Budget was prepared with rent allocated for whole year to both systems. Should have only been for part of year.

## Tribal Affairs

### Issue Areas:

State-Tribal relations and cooperation

### Groups that work on: NCSL

Pros: 33 states have Native American tribes and a majority of states have standing committees and commissions on Indian affairs.

Cons: There may be little to no private sector funding for this issue. In addition there has been scandal in the past with individuals like Jack Abramoff who lobbied on behalf of Indian Tribes.

Ways to Startup: This could easily be added as an issue area to International Relations Task Force.

### Potential Members:

Individual Native American Tribes

## Science, Technology, Education, & Mathematics (STEM)

### Issue Areas:

- Education Reform
- Public-Private Partnerships
- Advancing the United States economy by creating science, technology, engineering, and mathematics jobs

Groups that work on: AAES, CGI America, StemEd Coalition, STEMx

### Pros:

- This Task Force would have a strong potential for new membership opportunities and stakeholders, including legislators and education leaders
- This Task Force would expand the bandwidth of ALEC's work on education policy and create a greater sagacity for entrepreneurial and innovative model legislation
- ALEC membership is already comprised of public and private members who are involved and/or already doing work on STEM
- Would create discussion between the public sector, private sector, and state legislators to meet the needs of the people and the businesses who will employ them

### Cons:

- ALEC might face challenges drafting model legislation that is appealing to both schools and students

Ways to Startup: This project will be run through the Education Task Force and may start as a subcommittee as there are many interested current and prospective ALEC members.

### Potential Members:

- Energy
  - Exxon\*
  - BP\*
  - Dow AgroSciences\*
  - Shell Oil Company\*
  - Devon Energy Corporation\*
  - American Chemical Society
- Technology
  - Microsoft\*
  - Texas Instruments
- Education
  - Business Higher Education Forum
  - John Wiley & Sons, Inc.
  - Afterschool Alliance

\*Denotes current ALEC member

## Hospitality & Tourism

### Issue Areas:

- Hotel taxes and wage & labor laws
- Cruise line laws and regulations
- State and local tourism promotion
- Passenger rail and Bus issues

Groups that work on: ALEC had a Trade & Tourism Task Force from 1999-2004.

Pros: The travel and tourism industry in the United States generated nearly \$1.4 trillion in economic output in 2011. This activity supported 7.5 million U.S. jobs, and accounted for 7 percent of all U.S. exports. One out of every 18 Americans works, either directly or indirectly, in a travel or tourism-related industry. In 2010, revenues from U.S. travel and tourism represented 2.6 percent of gross domestic product.

Cons: Individual companies that join will be very susceptible to dropping ALEC if there is public pressure. Also many of these groups have little or no history with ALEC.

Ways to Startup: Either startup as a separate initiative or task force. It could be added to International Relations Task Force. The Commerce Task Force currently has too many separate initiatives to add a new one.

### Potential Members:

Expedia

#### Hospitality trade associations

American Hotel & Lodging Association (AH&LA)  
Council of Hotel and Restaurant Trainers (CHART)  
Hospitality Financial & Technology Professionals (HFTP)  
Hospitality Sales and Marketing Association International (HSMAI)  
International Society of Hospitality Purchasers (ISHP)  
National Tourism Association

Individual hotel companies, Hyatt

Airlines and their trade association

Individual cruise lines and their trade association

Rail and Bus Companies

## Financial Services

### Issue Areas:

- Banks and Credit Unions
- Credit Card laws
- Payday Lending

### Groups that work on: NCSL, CSG

Pros: The Securities and Financial Markets Association is for example one of the largest trade associations in the nation and is not a member of ALEC. Many states have finance committees that deal with banking and loan issues.

Cons: Many of these companies failed to renew at ALEC due to controversy. Removing financial services may also threaten the funding of the CIED task force. Finally, these groups are a threat to leave if we have another financial recession.

Ways to Startup: The CIED Task Force currently has a Financial Services subcommittee, which could be expanded into a Task Force.

### Potential Members:

**Current Financial subcommittee members:** Visa, American Bankers Association, CUNA, Mortgage Bankers Association, CFSA

**New members:** American Express, MasterCard, SFMA, Bank of America, Wells Fargo

## Gaming

### Issue Areas:

- Online gambling
- Sports Betting
- Gambling addiction programs
- State gaming and casino laws

Groups that work on: CSG, NCSL, Competitive Enterprise Institute, Rstreet,

Pros: In 2012 gaming revenue exceeded \$37 billion. This industry is very large and regulated by the states. We believe they would have a strong interest in ALEC. In addition, a number of groups including CSG and NSCL currently work on this issue.

Cons: According to Opensecrets.org, the gaming industry contributed directly over \$64 million in the 2012 elections and \$32 million in lobbying expenses. Casinos spent over \$87 million in Maryland last year on a gambling ballot amendment. This industry could potentially out fund other industries at ALEC. Also for many people this will appear like a social issue, which ALEC has in the past avoided.

Ways to Startup: This could be made a separate task force or initiative. It could also be started in a limited way by allowing a task force like Communications and Technology to work on Internet gambling.

### Potential Members:

#### Casinos

Las Vegas Sands, MGM, Caesars, Penn National Gaming, Wynn Resorts.

#### Trade Association

American Gaming Association

National Indian Gaming Association

Horseracing Industry

**Current Transportation subcommittee members** are Macquarie Capital, UPS, FedEx, Reason Foundation, National Association of Water Companies

**Members that could rejoin:** American Trucking Association, BNSF Rail, American Rail Association, Aircraft Owners and Pilot Association, Cintra, Transurban, and International Air Transport Association.

**New members:** The American Road and Transportation Building Association, American Petroleum Institute and individual airline and rail companies.

## Commercial, Residential, Industrial Development and Transportation

### Issue Areas:

- Landuse and Environmental Law
- Zoning
- Real estate laws
- Transportation Funding
- Rail Issues
- Infrastructure
- Aviation Issues
- Public Private Partnerships

Groups that work on: CSG, NCSL, Heritage Foundation

### Pros:

- Many liberal policies like smart growth are harming the housing industry. ALEC previously had a task force in the mid-1990's that focused in part on real estate.
- Many of their issues align ideologically with ALEC.
- ALEC previously had a Trade and Transportation Task Force and currently has several transportation members. Future member growth may be dependent on ALEC investing more time and resources on this issue.

### Cons:

- Many zoning and land-use decisions are decided locally and not by state governments
- The housing industry is still recovering from the recession and may not have money to join ALEC.
- ALEC does not currently have a great deal of transportation members.

Ways to Startup: This could be added to either the EEA Task Force which does land use issues or the CIED Task Force which handles economic development.

### Potential Members:

National Realtors Association, National Association of Homebuilders, American Builders and Contractors, large national home builders like Ryan homes, Beezer, Centex, and Buzzuto, and commercial development companies. Halliburton, Southern Companies, Zachry, Skanska, Miller and Long, Starcon, Clanbro, and Bovis Lend Lease.



## Agriculture, Forestry and Land Use Task Force

### Issue Areas:

- Farming
- Livestock
- Forestry
- Land use

Groups that work on: NCSL, CSG

### Pros:

- A lot of our public sector members are from rural districts and work in agriculture
- A lot of our public sector members would like to see more agriculture work done at ALEC
- A larger more focused task force could draw more agriculture private sector members to participate
- This Task Force would seem to have a good chance to be financially successful

### Cons:

- ALEC shies away from animal welfare issues due to PR reasons. This means a huge untapped private sector prospect base is untapped and will remain so.
- Agriculture is often not free market oriented and is dependent on subsidies and the Farm Bill. This makes advancing policy difficult. Not impossible but difficult.

Ways to Startup: The EEA Task Force currently works on agriculture issues. This could be split into a new Task Force. The current EEA Task Force Director could manage both for the time being.

### Potential Members:

**Current Members:** JR Simplot, BIO, CropLife America, DowAgro Sciences, Forestry Related members, American Forest and Paper Association, and International Paper

**New members:** Farming equipment companies, Fertilizer Companies, Pesticide Companies, Meat producers like Tyson Chicken, National Milk Producers Federation, and American Feed Industry.

# EXHIBIT 51

**STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**Findings of Fact, Conclusions of Law, and Order  
In the Matter of the Complaint of Common Cause Minnesota Regarding the  
American Legislative Exchange Council**

**I. The complaint**

On May 15, 2012, the Campaign Finance and Public Disclosure Board received a complaint from Common Cause Minnesota (Complainant) alleging violations by the American Legislative Exchange Council (ALEC) and an individual named Amy Kjose of certain of Minnesota's statutes related to lobbying.

The complaint alleges that as the director of an ALEC task force in 2011, Ms. Kjose was required to register as a lobbyist in Minnesota, but failed to do so or to file the required reports. The complaint further alleges that in 2011 ALEC was a "principal" as defined in Minnesota Statutes section 10A.01, subdivision 33, either by virtue of employing Ms. Kjose as a lobbyist, or by virtue of spending more than \$50,000 in a year on activities to influence Minnesota legislative action. The complaint alleges that ALEC failed to provide the annual report of expenditures required of every principal.

The Board notes that the complaint includes a significant amount of legal citation and argument with regard to ALEC's nonprofit tax status and its lobbying reporting obligation under federal law. Additionally, although the complaint specifically notes certain issue alerts sent to Minnesota legislators and identifies expenses reported by three Minnesota legislators to attend ALEC events, most of the allegations of the complaint are of a more general nature applicable to ALEC's activities to influence legislation in the various 50 states rather than only to ALEC's Minnesota activities. Apparently the Minnesota complaint is a derivation of a complaint on the same subject that Common Cause filed with the Internal Revenue Service. The Board has not considered any of the federal questions raised by the complaint.

During the course of the investigation the Board obtained and considered ALEC documents beyond those submitted by Complainant. These documents include internal ALEC documents that were initially disclosed in connection with a news report in *The Guardian* newspaper as well as additional documents from ALEC's public website and documents from other sources that are deemed reliable.

**II. The response**

On May 22, 2012, Board staff notified ALEC of the complaint and offered ALEC an opportunity to provide a general response.

Because of other Board matters more closely related to the 2012 election, in which two constitutional amendment questions were on the ballot, the Board laid the matter over at its June and July meetings. At its August meeting the Board directed the Executive Director to use staff resources on matters related to the upcoming election and to defer further work on the ALEC matter until resources were available. ALEC was notified of this approach in a letter dated August 8, 2012, and expressed no objection.

On March 13, 2013, the Board notified ALEC by letter that staff resources were now available to undertake investigation of the Common Cause complaint. The letter asked ALEC to provide comprehensive information that would allow the Board to make a determination of the legal status of ALEC under Minnesota's lobbying statutes. On April 12, 2013, ALEC responded through its legal counsel, Mike Wittenwyler. Mr. Wittenwyler provided general information about ALEC and its structure and operations, but did not address the Board's specific requests for information.

Board staff compared the information provided in ALEC's April 12 letter to the Board's March 13 request and concluded that the letter was almost entirely nonresponsive. Staff sent this analysis to ALEC on July 11, 2013, and asked ALEC to respond to the Board's specific requests. In a letter dated July 26, 2013, Mr. Wittenwyler provided an additional response that consisted of an explanation of why ALEC was not required to respond to the Board's requests.

The matter was subsequently laid over at successive Board meetings as staff researched the issues raised by the complaint and ALEC's response and sought additional documentary evidence from the internet and other sources. At its November 2013 meeting the Board reviewed in detail the status of the investigation and the difficulties posed by the continued refusal of ALEC to provide anything but the most basic information about its operations. At that time, the Executive Director explained that staff planned to make a request for information from ALEC that would be more limited than previous requests and would not require ALEC to identify any of its members; an approach that would address one of ALEC's key objections.

On February 13, 2014, staff sent ALEC the narrower request for information. On March 10, 2014, ALEC responded and once again declined to provide any information beyond that which was included in its initial response.

In general, the substance of ALEC's response is that it is an educational organization that does not engage in lobbying as that term is defined by the Internal Revenue Code. ALEC also claims that it cannot be required to disclose either its members or its communications with its members under constitutional law principles.

ALEC also argues that it is not a principal under Minnesota law because it employs no lobbyists and because it has never spent more than \$50,000 in a year to influence Minnesota officials; which is the financial trigger that makes an association a principal even if it does not employ lobbyists.

### **III. Further background**

At its meeting of April 1, 2014, the Board reviewed ALEC's reasons for declining to provide information and its contention that it did not fall under Minnesota's lobbying disclosure laws. The Board also reviewed the options available to compel ALEC to provide additional information. After discussion, the Board directed the Executive Director to develop a detailed legal and factual analysis that would allow the Board to evaluate whether the matter could be decided based on information provided by Complainant and assembled by staff from public sources.

The Board discussed staff's detailed analysis at its meeting of July 8, 2014. Mr. Wittenwyler also appeared at the meeting to urge the Board to dismiss the complaint. At its meeting of August 13, the Board further discussed the status of the matter, voted to set the scope of the investigation to include the years 2011 through 2014, and again laid the matter over.

At its meeting of September 2, 2014, the Board directed the Executive Director to continue the investigation by taking sworn testimony from individuals named as the public sector state co-chairs and the private sector state chair of ALEC. Sworn testimony was taken in November 2014 from Senator Mary Kiffmeyer and Representative Pat Garafalo, the ALEC public sector co-chairs, and from John Gibbs, the ALEC private sector state chair.

The Board discussed this matter at its November 2014 and January 2015 meetings. The Board considered draft findings, conclusions, and order at its February 2015 meeting.

#### **IV. Analysis**

ALEC argues that neither it nor its employees engage in lobbying under the Internal Revenue Code definition. That definition is, of course, not relevant in Minnesota. The Board's analysis considers whether Amy Kjose is a lobbyist under Minnesota Statutes section 10A.01, subdivision 21, and whether ALEC is a principal under section 10A.01, subdivision 33.

##### **Is Amy Kjose a Minnesota lobbyist?**

The complaint alleges that Amy Kjose is a lobbyist because she is paid by ALEC for activities that constitute lobbying. In Minnesota, a lobbyist is defined as follows:

[A]n individual engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials, or

who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

Minn. Stat. § 10A.01, subd. 21.

The complaint alleges, and ALEC does not dispute, that Ms. Kjose was the director of ALEC's Civil Justice Task Force during the time relevant to this matter. The complaint further alleges that Ms. Kjose's responsibilities require drafting and lobbying on model legislation and that Ms. Kjose has spent more than \$250 in a calendar year on lobbying. The complaint also alleges that the cost of the email system used to send issue alerts and the cost of ALEC conferences should be included when determining if Ms. Kjose spent more than \$250 on lobbying.

However, the Board interprets the \$250 spending trigger to apply only to individuals spending their own money, not to persons authorized by an association to spend the association's money.<sup>1</sup> The complaint does not allege that Ms. Kjose spent any of her own money to communicate with officials and the materials reviewed for this investigation do not suggest that she did so. Thus, Ms. Kjose is a lobbyist only if she was paid more than \$3,000 in a calendar year to communicate with Minnesota legislators or to urge others to do so.

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<sup>1</sup> The position that the \$250 threshold applies to spending personal funds is of longstanding application. The interpretation is in part based on the statutory language in the same provision that excludes costs of the subject individual's own travel expenses. This principle was recently restated in the Matter of the Complaint Regarding the Coalition for Sensible Siting and others, where the Board said that "An individual who spends more than \$250 of **their personal funds** in a calendar year on lobbying" is required to register as a lobbyist. (Emphasis added.)

The Board notes that the complaint does not allege that Ms. Kjose communicated with others to urge them to communicate with Minnesota legislators to influence legislative action and the Board has found no evidence that she did so. Thus, if a determination is to be made that Ms. Kjose is a lobbyist, it must be based on actions taken by her that constitute communication with Minnesota legislators to influence legislative action.

The evidence submitted by the Complainant includes four issue alerts that Ms. Kjose sent to certain Minnesota legislators in 2011.<sup>2</sup> The complaint also alleges that as a task force director, Ms. Kjose drafted model legislation and lobbied to get it passed.

In its response to the complaint, ALEC indicates that the value of staff time to prepare and send each issue alert is approximately \$30. The issue alerts provided by Complainant and those provided by ALEC indicate that issue alerts were sent by various ALEC staff members. The response confirms that four of the alerts sent in 2011 were from Ms. Kjose. Even assuming that the full cost of staff time for drafting the alert is included in the compensation paid to the staff member, and assuming a reasonable amount of time to draft the alert and a reasonable salary for the staff member, Ms. Kjose would not become a lobbyist based on the drafting and sending of issue alerts alone.

In its purest sense, communicating with an official takes the form of a direct interaction. However, such direct communication is not required and actions beyond the actual exchange of words between the individual and the official are included in the communication. If a person is paid to write a letter to officials to influence official action, the time spent writing the letter is a part of the communication.<sup>3</sup> Similarly, the Board has concluded that the creation of a website urging others to communicate with officials for the purpose of influencing a specific Minnesota administrative action is a communication that is included in the amount spent that can make an individual a lobbyist.<sup>4</sup>

Complainant is apparently arguing that all of the time Ms. Kjose spends drafting and editing model bills, researching and writing supporting papers and talking points, and preparing other materials<sup>5</sup> that *might* be used later in support of a direct communication with a Minnesota legislator should be counted as time spent communicating with Minnesota officials. However, these activities, undertaken with no particular Minnesota purpose, are significantly broader in scope than the activities the Board has previously included when deciding if an individual is a lobbyist.

The problem with this approach is that although it can be assumed that all of the work of an ALEC task force director is undertaken in furtherance of ALEC's overall mission, ALEC's overall mission is not to influence legislative action in Minnesota. It is to influence public attitudes and legislative action in the nation as a whole. With the exception of the Minnesota issue alerts,

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<sup>2</sup> ALEC's response also shows that Ms. Kjose sent one issue alert to Minnesota legislators in 2009 and no alerts in 2010. Although these years are outside the scope of the investigation, they demonstrate that Ms. Kjose's direct communication with Minnesota legislators over the years has been limited.

<sup>3</sup> In the Matter of a Complaint Regarding the Minnesota Licensed Beverage Association and others. [http://www.cfboard.state.mn.us/bdinfo/investigation/06\\_03\\_2014\\_Findings\\_Griffith\\_Ball\\_MLBA.pdf](http://www.cfboard.state.mn.us/bdinfo/investigation/06_03_2014_Findings_Griffith_Ball_MLBA.pdf). Last visited January 27, 2015

<sup>4</sup> In the Matter of the Complaint Regarding Coalition for Sensible Siting, and others. [http://www.cfboard.state.mn.us/bdinfo/investigation/04\\_03\\_2012\\_CSS\\_GWT.pdf](http://www.cfboard.state.mn.us/bdinfo/investigation/04_03_2012_CSS_GWT.pdf). Last visited January 27, 2015.

<sup>5</sup> For the purpose of this analysis, the Board assumes that these activities actually took place. Because the Board concludes that they are not within the scope of activities that constitute communicating with a Minnesota official, it is not necessary to determine the exact scope of an ALEC task force director's duties.

virtually all of a task force director's work is done in the abstract, without any specific Minnesota connection.

While some part of a task force director's work may eventually support a communication with a Minnesota legislator (if a legislator happens to attend a task force meeting or otherwise interacts with the task force director), most of the work of a task force director will never be used to support any communication with a Minnesota legislator. The nexus between the task force director's work and some future hypothetical communication with a Minnesota legislator therefore is insufficient to justify its inclusion in the scope of activities that would make a task force director a lobbyist.<sup>6</sup>

For the reasons discussed above, the Board does not adopt such a broad scope of activities to be included when determining if an individual meets the threshold of compensation to become a lobbyist. As a result, the Board concludes that Amy Kjose does not meet the compensation threshold to be a lobbyist in Minnesota.<sup>7</sup>

**The criteria for determining whether an association is a principal**

An association that pays a lobbyist more than \$500 in a calendar year or that spends more than \$50,000 in a year on specified activities is a principal. Minn. Stat. § 10A.01, subd. 33. The Board concluded above that ALEC task force directors are not lobbyists. As a result, ALEC is a principal only if it spends more than \$50,000 in a year on the statutorily specified activities

The types of activities that are included to determine if the \$50,000 threshold is met are specified in Minnesota Statutes section 10A.04, subdivision 6, as follows:

all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state

and

all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

In addition to listing the types of activities that can make an association a principal, the statute includes another important requirement. The activities must be "related to legislative action . . . in this state" or "to influence legislative action . . . in this state." *Ibid.*

To clarify the statute and to ensure that its application does not extend to communications in which the state may not have a substantially significant disclosure interest, the Board interprets the phrases "related to legislative action" and "to influence legislative action" to mean "for the purpose of influencing legislative action." This narrowing construction ensures that

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<sup>6</sup> Because the relationship between bill drafting or similar activities and communication with Minnesota legislators is so tentative in the immediate matter, the Board need not determine here exactly how close the nexus must be before an individual's actions are a part of the individual's communication with officials.

<sup>7</sup> The Board recognizes that Complainant has provided evidence that three Minnesota legislators attended ALEC events in 2010 and that this investigation has disclosed other instances of Minnesota legislators attending ALEC events. However, neither the information provided by Complainant nor the evidence disclosed by this investigation suggests that any single task force director had sufficient contact with Minnesota legislators to support a conclusion that the task force director was paid more than \$3,000 in a calendar year for that Minnesota communication.

communication that is merely *about* legislation or legislative action, but does not try to influence official action will not make an association a principal.

Equally important is the limiting clause "in this state," which the Board interprets as modifying the legislative action under examination. In other words, the association's activities need not occur "in this state," but those activities must be for the purpose of influencing Minnesota legislative action.

### **Is ALEC a principal?**

ALEC's mission is to work "to advance limited government, free markets, and federalism at the state level. . . ." In advancing that mission, ALEC task forces have "considered, written and approved hundreds of model bills on a wide range of issues;" bills that ALEC considers to be "model legislation that will frame the debate today and far into the future."<sup>8</sup>

Beyond drafting legislation, "ALEC staff provides research, policy analysis, scholarly articles, reference materials, and expert testimony on a wide spectrum of issues."<sup>9</sup> ALEC's website and its publications make it clear that ALEC's mission is national rather than uniquely targeted to any particular state. As a result, ALEC bears many similarities to any number of associations operating as so-called "think tanks" whose overall mission is to change public opinion and to support those who want to advance the principles espoused by the association. Likewise, ALEC bears similarities to other associations that create and urge the adoption of model legislation.

If a distinction is to be made between ALEC and other national "think tanks" or model-law-writing organizations, that distinction must be based on the association's purpose with respect to influencing Minnesota legislative action, not on the question of *who* develops the policies advanced by the association.

Clearly, ALEC spends more than \$50,000 per calendar year to advance its mission. The types of activities that ALEC undertakes to advance this mission include the same activities that can make an association a principal. However, to decide that ALEC is a principal, it is also necessary to conclude that ALEC's activities are for the purpose of influencing legislative action *in this state*.

ALEC itself acknowledges that part of its goal is "to ensure that each of its legislative members is fully armed with the information, research, and ideas they need to be an ally of the free-market system."<sup>10</sup> Ultimately, the only way for legislators to be such an ally is by passing legislation that advances ALEC's principles. In fact, ALEC's bylaws *require* it to work to influence legislative action. One of ALEC's stated purposes is "to disseminate model legislation and promote the introduction of companion bills in Congress and state legislatures."<sup>11</sup>

Although the evidence supports a conclusion that ALEC's primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose, such a conclusion is not sufficient to further conclude that ALEC's activities are for the purpose of influencing legislative action *in this state* as the definition of principal requires.

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<sup>8</sup> The quotes in this paragraph are from the ALEC website at <http://www.alec.org/about-alec/history/> and <http://www.alec.org/about-alec/history/> last visited January 27, 2015.

<sup>9</sup> ALEC Private Sector Membership brochure, Exhibit 2 to the complaint.

<sup>10</sup> *ibid.*

<sup>11</sup> ALEC Bylaws, Exhibit 3 to the complaint.



The Board concludes that an activity directed at all 50 states in the abstract does not constitute an activity conducted for the purpose of influencing legislation *in this state* even though it may in some instances have that effect. Before an association's activity will be included in the activities that may make the association a principal, there must be some specific connection to Minnesota. With ALEC, that nexus is insufficient.

The Board reaches this conclusion based on its construction of Chapter 10A and the requirement that it give meaning to all of the words of each statute. In this case, the phrase "in this state" will be meaningless if all the activities of every national advocacy association are included when deciding if that association is a principal. Under such an approach, national associations whose activities never actually influence specific Minnesota legislative action might still be found to be principals in Minnesota.

The Board recognizes that over the years a small number of Minnesota legislators have attended ALEC conferences. As noted, it is possible that the communication by individual ALEC employees with Minnesota legislators at such conferences would be included when deciding if an ALEC employee is a lobbyist. However, the fact that ALEC offers conferences which Minnesota legislators may attend does not result in the cost of each conference being an expenditure "to influence legislation in this state."

Based on the same analysis, the Board concludes that the creation by an association of a public website and of content published on that website does not make the association a principal when the site has no specific Minnesota nexus. To conclude otherwise would result in principal status being determined based on who visits the site, rather than on a determination of whether the site and its content were produced for the purpose of influencing legislative action in Minnesota.

For these reasons, the Board concludes that ALEC has not reached the \$50,000 threshold necessary to be a principal in Minnesota.

**Based on the investigation and the record in this matter, the Board makes the following:**

#### **Findings of Fact**

1. ALEC is an association organized as a nonprofit corporation.
2. ALEC's primary purpose is to promote its "free market" principles throughout the United States. It does this in various ways, including by producing model state legislation that, if adopted, would incorporate its principles into state law.
3. ALEC's activities are conducted on a national platform. Although ALEC attempts to be active in every state, its programs and activities have no specific Minnesota connection.
4. Much of ALEC's efforts are directed toward advancing its principles through changing public perceptions and through advocacy of legislative action in the various states.
5. ALEC spends more than \$50,000 in each calendar year on communications in the form of publications, model legislation, conferences, and other activities to advance its principles.

6. ALEC's efforts have no particular nexus with Minnesota. Rather, they are directed at all of the states generally.
7. In at least some cases, Minnesota legislators have attended ALEC conferences and introduced legislation that is based on ALEC model legislation.
8. Amy KJose had minimal communication with Minnesota legislators in 2009 and 2011 in the form of issue alerts she sent by email.
9. It is possible that Amy KJose may have had additional minimal communications with Minnesota legislators at one or more ALEC events.
10. Amy KJose did not spend any of her own money to influence Minnesota legislative action.
11. The total compensation paid to Amy KJose in any calendar year for communications with Minnesota legislators did not exceed \$3,000.

### **Conclusions of Law**

1. To become a lobbyist based on spending \$250 or more under Minnesota Statutes section 10A.01, subdivision 21(a)(2), only the spending of the individual's own money is considered.
2. Amy KJose is not a lobbyist under section 10A.02, subdivision 21(a)(2) because she did not spend any of her own money for communications to influence legislative action in Minnesota.
3. Amy KJose is not a lobbyist under section 10A.01, subdivision 21(a)(1) because she was not paid more than \$3,000 in a calendar year for communications to influence legislative action in Minnesota.
4. Because Amy KJose is not a lobbyist, ALEC is not a principal based on spending more than \$500 in a calendar year to compensate a lobbyist.
5. Although ALEC spends more than \$50,000 per year to advance its principles through activities that include promotion of model legislation in the various states, ALEC does not specifically target Minnesota in such a way that its general spending constitutes spending for activities conducted for the purpose of influencing legislation in this state.
6. ALEC is not a principal based on its spending to advance its principles or to influence legislation in the fifty states generally.

### **Order**

The investigation of this matter is concluded and the complaint is dismissed.

/s/ George A. Beck  
George A. Beck, Chair

February 3, 2015  
Date

**Documents incorporated into these Findings by reference:**

Complaint of Common Cause Minnesota Regarding the American Legislative Exchange

Council Exhibits to the complaint

May 22, 2012, letter advising ALEC of the complaint

March 13, 2013, letter requesting information from ALEC

Response from ALEC, April 12, 2013

July 11, 2013, letter requesting information from ALEC

Response from ALEC, July 26, 2013

Letter to ALEC February 13, 2014

Response from ALEC March 10, 2014

## Referenced statutes

### 10A.01 Definitions

. . .

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials;

. . .

Subd. 33. **Principal.** "Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

### 10A.04 Lobbyist reports.

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Except as provided in paragraph (d), the principal must report the total amount, rounded to the nearest \$20,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units.

(c) Except as provided in paragraph (d), the principal must report under this subdivision a total amount that includes:

(1) all direct payments by the principal to lobbyists in this state;

(2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).

# EXHIBIT 52

**From:** Christie Herrera [christie@floridafga.org]  
**Sent:** Friday, April 19, 2013 5:35 PM  
**To:** sue.allen@house.mo.gov; david@oksenate.gov; Nancy Barto; Leah Vukmir  
**Cc:** sean.grove@house.mo.gov; dave@ocpathink.org; Jonathan Small; Christina Corlier; Jonathan Ingram; Kathleen O'Hearn  
**Subject:** IMPORTANT: Talking Points: ALEC Resolution Opposing PPACA Medicaid Expansion  
**Attachments:** Talking Points - ALEC Resolution Opposing PPACA Medicaid Expansion.docx; ALEC Medicaid Resolution.docx

**Importance:** High

**Flag Status:** Flagged

Representative Allen, Senator David, Senator Barto, and Senator Vukmir:

Thank you for agreeing to sponsor the Resolution Opposing PPACA Medicaid Expansion at ALEC's 2013 Spring Task Force Summit. I have attached the resolution to this e-mail.

As a reminder, the HHS Task Force Meeting will take place on Friday, May 3, from 2:00-5:00 p.m. I believe that the resolution will be the second of three model bills slated for consideration. There also may be a discussion of Medicaid expansion, generally, at the Task Force Luncheon that immediately precedes the meeting.

Each of you will need to introduce the bill. As such, I have written opening remarks that are also attached to this e-mail. ALEC had a (ridiculous) concern that the task force debate would be "one-sided," so I have focused each of your remarks on addressing at least one pro-expansion talking point. Once the three of you are done with your opening remarks, then you will stand for questions. After questions, the public sector will vote on the resolution, then the private sector will vote on the resolution. The resolution will need to pass both the public and private sectors before going to the ALEC Board for final approval.

Please remember to print both of these documents, and take them with you to Oklahoma City (or, in Senator David's case, to the Renaissance Downtown [2]). Should you have any questions, please feel free to call me (202-725-7127) or e-mail me ([christie@floridafga.org](mailto:christie@floridafga.org)) at any time. I will arrive in OKC on Thursday morning.

Looking forward to seeing you very soon!

Best Regards,  
Christie

\* \* \* \* \*

Christie Herrera  
Vice President of Policy  
Foundation for Government Accountability  
(202) 725-7127  
[christie@floridafga.org](mailto:christie@floridafga.org)

Discover how to bring pro-patient, pro-taxpayer Medicaid reform to your state at [MedicaidCure.org](http://MedicaidCure.org)!

## Talking Points: ALEC Resolution Opposing PPACA Medicaid Expansion

### Sponsors

Missouri Representative Sue Allen

Oklahoma Senator Kim David

Arizona Senator Nancy Barto

Wisconsin Senator Leah Vukmir (note: Leah will not be in attendance at the task force meeting)

### Suggested Introductory Remarks

Missouri Representative Sue Allen

- I am Representative Sue Allen, and I am cosponsoring the model language before you today—the *Resolution Opposing PPACA Medicaid Expansion*. My fellow cosponsors are Oklahoma Senator Kim David, Arizona Senator Nancy Barto, and Wisconsin Senator Leah Vukmir, who had to fly back to Wisconsin and could not be here this afternoon.
- This resolution urges states to reject the Medicaid expansion that is permitted, but not required, in the federal *Patient Protection and Affordable Care Act*, and it encourages states to instead strengthen the existing Medicaid safety net and ensure that all citizens have access to high-quality, affordable private health coverage.
- Some of you may be asking, “Why is this resolution necessary for ALEC to consider?” The answer is that just 22 states have governors and legislatures in agreement to expand Medicaid. This means that, today, more than half of the states have rejected the PPACA Medicaid expansion or are formally undecided.
- Just as we’re doing in Missouri, states will continue to grapple with these Medicaid expansion questions. My cosponsors and I hope that this resolution can serve as a template for other lawmakers who choose to oppose Medicaid expansion with a formal resolution. In the 2013 session, 14 states filed formal resolutions either supporting or opposing aspects of the Medicaid expansion.<sup>1</sup>
- In closing, let me tell you about why I care about this issue. In my state, I serve as Chairman of the House Health Appropriations Subcommittee. And I can tell you that, as our Medicaid budget grows, it becomes harder to fund other critical health programs. As the resolution says, in Missouri and nationwide, Medicaid has now eclipsed K-12 education as the largest single share of state spending, and the PPACA Medicaid expansion will only make our budget problems worse. I am also a licensed physical therapist, and as a healthcare provider I worry about the negative effect that Medicaid expansion has on our already-strained provider community.
- With that, I’d like to turn it over to Oklahoma Senator Kim David for her comments.

---

<sup>1</sup> State resolutions supporting Medicaid expansion (9): Alaska HCR 8; Alabama HJR 176; Georgia HR 280; Hawaii HCR 147; Louisiana HCR 4; Michigan HR 17; Montana LC 779; New Jersey ACR 170; Pennsylvania HR 115. State resolutions opposing Medicaid expansion (5): Arkansas SR 12; Kansas HCR 5011; Missouri HCR 5011; Montana SI 18; Utah HCR 10.

**Oklahoma Senator Kim David**

- Thank you, Representative Allen. I am Oklahoma Senator Kim David, and I am also cosponsoring the resolution before you today. I would like to share with you some of the reasons I support this resolution.
- I share all of the same budget concerns that Representative Allen just discussed. In my state, I serve as Chairman of the Senate Health Appropriations Subcommittee. Since the year 2000, Oklahoma's Medicaid costs have nearly doubled, and enrollment in our Medicaid program has nearly tripled. Oklahoma's taxpayers are having trouble sustaining the current program—let alone adding more than 200,000 Oklahomans to our Medicaid rolls.
- I also worry about the effect that the Medicaid expansion has on our provider community. The Oklahoma State Medical Association worries that the Medicaid expansion would crater any ability to care for patients, poor or otherwise, in an unsustainable way. And here in Oklahoma, our physician-to-patient ratio ranks near the bottom compared with other states.
- I've spoken to many constituents about whether our state should expand Medicaid. Some of them worry that, if we don't expand Medicaid, then we'll be sending all of our tax dollars to other states that will expand Medicaid. I don't believe that's the case.
- If only two states expand Medicaid, those two states do not get to spend the tax dollars from the other 48 states. The fewer states that expand Medicaid, the less the federal government spends. As the resolution points out, the CBO estimates that federal funding for Medicaid represents 1 in 4 federal deficit dollars this year, and will grow to 1 in 2 federal deficit dollars by 2015.
- Others have said that our hospitals will suffer if we don't expand Medicaid. The argument is that hospitals need Medicaid expansion dollars to make up for scheduled OSH cuts in the federal health law. No one wants to see our hospitals close their doors. That's why I was heartened to see that, in his most recent budget, President Obama delayed the hospital OSH cuts for one year.
- I would also add that these OSH cuts will happen at the sole discretion of HHS Secretary Kathleen Sebelius, who has already issued more than 1,000 PPACA waivers to businesses and other entities. We urge her to issue those same waivers to our hospitals by delaying or eliminating the OSH cuts altogether. I think I speak for many of my legislative colleagues when I say that, in the states, we want to help our healthcare providers—but we shouldn't have to expand Medicaid to do it.
- I'd now like to turn things over to Arizona Senator Nancy Barto before we open it up for questions.



*Arizona Senator Nancy Barto*

- Thank you, Senator David. Before we have questions, I wanted to add a few final points on why I support this resolution. In Arizona, I serve as Chairman of the Senate Health Committee. And I can tell you that we've already experimented with Medicaid expansion, to disastrous results.
- In the year 2000, Arizona expanded Medicaid to everyone below 100% of the federal poverty level. Advocates promised that it would reduce the number of uninsured; reduce uncompensated care and its "hidden tax" on private insurance, and save Arizona taxpayers \$30 million a year. These are the same promises that we're hearing in our state capitols right now.
- None of these promises came true. In fact, the opposite happened. Enrollment of parents was more than triple what we predicted, while enrollment of childless adults was more than double. As a result, costs skyrocketed. By 2008, we spent \$8.4 billion on Medicaid expansion—more than four times what we had anticipated. And the uninsured rate has actually increased in Arizona, with more people on Medicaid and less people with private insurance.
- I want to make it clear that this resolution opposes PPACA Medicaid expansion, but it does not oppose other ways that we can help the poor gain access to high-quality, private health coverage. Medicaid is a broken system for both patients and taxpayers. And the PPACA Medicaid expansion doesn't give states any flexibility except to expand that broken system.
- If states expand Medicaid, they must adhere to all of the requirements contained within PPACA and other federal laws. Medicaid coverage must be extended up to 138% of the federal poverty level. The benefits and cost-sharing must look exactly like Old Medicaid. And states cannot impose TANF work requirements to childless adults in the expansion population.
- Legislators can and should explore ways to offer limited, targeted premium assistance to our most vulnerable citizens. This healthcare commitment from taxpayers should be matched with a commitment from beneficiaries to pay premiums, copays, and have a job (or look for work). None of this is possible within the PPACA Medicaid expansion.
- Thank you for your time. At this time, Representative Allen, Senator David, and I would be happy to take your questions.

## Resolution Opposing PPACA Medicaid Expansion

### **SUMMARY**

This resolution urges states to reject the Medicaid expansion that is permitted, but not required, in the federal *Patient Protection and Affordable Care Act*, and instead strengthen the existing Medicaid safety net and ensure that all citizens have access to high-quality, affordable private health coverage.

**WHEREAS**, Only twenty-one states have governors and legislatures in agreement to optionally expand Medicaid up to all persons earning up to 138% of the federal poverty level beginning January 1, 2014, as outlined in the *Patient Protection and Affordable Care Act* (PPACA); and

**WHEREAS**, The PPACA Medicaid expansion is largely funded with federal tax dollars, estimated by the Kaiser Commission on Medicaid and the Uninsured to total \$654 billion over the next ten years; and

**WHEREAS**, The Congressional Budget Office estimates that federal funding for Medicaid represents ¼ of the federal budget deficit this year, and will grow to ½ of the federal budget deficit by 2015; and

**WHEREAS**, The federal debt currently totals \$16 trillion, and is rising by more than \$1 trillion per year; and

**WHEREAS**, The PPACA Medicaid expansion will place enormous pressure on state budgets, and according to the National Association of State Budget Officers, Medicaid has eclipsed K-12 education as the largest single share of state spending; and

**WHEREAS**, Adding new enrollees to the Medicaid program will crowd out other state funding priorities like building schools, hiring teachers, fixing roads, supporting law enforcement, and relieving struggling businesses and families of high tax burdens; and

**WHEREAS**, Despite federal funding promises to cover at least 90% of Medicaid expansion costs in future years, President Obama's FY 2012 and FY 2013 federal budgets proposed a "blended rate" that would dramatically increase states' share of Medicaid expansion costs over time; and

**WHEREAS**, House Budget Chairman Paul Ryan's FY 2014 budget eliminates most spending outlined within PPACA, including the enhanced federal match to states that expand Medicaid under PPACA; and

**WHEREAS**, Experiences from states that have already expanded Medicaid, such as Maine and Arizona, demonstrate that projected per-person costs and participation rates for the Medicaid expansion population are often dramatically underestimated, forcing policymakers to make up for these unexpected cost increases by capping Medicaid enrollment, eliminating Medicaid services, or reducing Medicaid provider rates; and

**WHEREAS**, the PPACA Medicaid expansion does little to address the chronic access and health outcomes associated with Medicaid, with *Health Affairs* reporting that 1/3 of doctors refuse to accept new Medicaid patients, and studies published in numerous peer-reviewed journals, including *Pediatrics*, the *Journal of the American Medical Association*, the *Annals of Emergency Medicine*, the *Annals of Surgery*, and others suggesting that Medicaid patients have worse access and health outcomes than the privately-insured, and in some cases, fare worse than the uninsured; and

**WHEREAS**, Experiences from other states illustrate that expanding coverage will increase demand for medical services without substantially increasing supply, which in turn will exacerbate provider shortages, lengthen wait times, and increase use of emergency rooms for preventable conditions; and

**WHEREAS**, Provider shortages will disproportionately affect seniors, the group most likely to have one or more chronic conditions in need of more frequent care and the group the Centers for Medicare and Medicaid Services' actuaries predict will "almost certainly face increasingly severe problems with access to care" as a result of PPACA,

**THEREFORE BE IT RESOLVED THAT** (Insert state legislative body) rejects the PPACA Medicaid expansion in order to protect patients and taxpayers, and instead supports patient-centered reforms to strengthen the existing Medicaid safety net and to increase access to affordable, high-quality private health insurance.

# EXHIBIT 53

## Lundregan, Scott

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:50 PM  
**To:** Lundregan, Scott  
**Subject:** re: Resolution on Binding Arbitration

Scott: More

Andrew M. Thompson  
> Publisher  
> Bird Watcher's Digest  
> PO Box 110  
> Marietta, OH 45750  
> 800-879-2473 phone  
> 740-373-8443 fax  
> <http://www.birdwatchersdigest.com>

---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Monday, April 07, 2014 6:06 PM  
**To:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Subject:** re: Resolution on Binding Arbitration

Paul: Nice to hear from you. I like that idea. Like the Krauthammer quote too. His book was excellent.

Andrew M. Thompson  
> Publisher  
> Bird Watcher's Digest  
> PO Box 110  
> Marietta, OH 45750  
> 800-879-2473 phone  
> 740-373-8443 fax  
> <http://www.birdwatchersdigest.com>

---

**From:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Sent:** Monday, April 07, 2014 5:21 PM  
**To:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Subject:** Resolution on Binding Arbitration

Attached is a copy of a resolution that I would like to have introduced at the ALEC policy summit in May. It has to do with the practice of having arbitrators resolve impasses in collective bargaining between local governments and unions.

Binding arbitration simply does not work well in labor relations -- arbitrators can force bad contract terms on local taxpayers, but do not have to live with the consequences. They drive up costs and take control over local finances away from elected officials. One can actually make a case that a particularly bad police arbitration ruling played a pivotal role in Detroit's collapse.

I would like to have ALEC take a stand against this practice, and propose that be abolished or at least placed under strict limits (a proposal for that is in the works) but need a sponsor for the proposals.

If you have any questions, I'd be happy to discuss this with you further.

—  
Paul Kersey  
Director of Labor Policy  
Illinois Policy Institute

190 S. LaSalle St., Suite 1630  
Chicago IL 60603  
312-346-5700  
[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)

I don't believe in teachable moments. I don't think anyone in the end really learns. — Charles Krauthammer

**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:50 PM  
**To:** Lundregan, Scott  
**Subject:** fw: Resolution  
**Attachments:** Draft\_Resolution on Binding Arbitration for Public Employees (1).docx

More

Andrew M. Thompson  
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> Bird Watcher's Digest  
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> Marietta, OH 45750  
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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Tuesday, April 15, 2014 4:05 PM  
**To:** "Khadine L. Ritter" <ritter@heisenbrock.com>  
**Subject:** fw: Resolution

Any reason why I shouldn't be the sponsor of this resolution at ALEC? I like it.

Andrew M. Thompson  
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**From:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Sent:** Tuesday, April 15, 2014 3:35 PM  
**To:** andy.atfo@gmail.com  
**Subject:** Resolution

Thanks for calling back. Here's the resolution -- I'll call you in a few minutes.

--

Paul Kersey  
Director of Labor Policy  
Illinois Policy Institute

190 S. LaSalle St., Suite 1630  
Chicago IL 60603  
312-346-5700  
[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)

I don't believe in teachable moments. I don't think anyone in the end really learns. — Charles Krauthammer



## **DRAFT Resolution on Binding Arbitration for Public Employees**

### ***Summary***

Binding arbitration of labor disputes hampers the ability of local officials to make their own personnel decisions by allowing a third party, accountable to neither local officials nor taxpayers, to unilaterally decide the terms of a union contract. [Insert state] believes that this practice should no longer be used as a means of resolving impasses in collective bargaining.

### ***Model Resolution***

**WHEREAS**, binding arbitration is commonly used to resolve impasses in collective bargaining between local governments and unions, especially those representing police and fire personnel;

**WHEREAS**, binding arbitration commonly allows a third party to impose contract terms on local governments that local officials might not otherwise agree to;

**WHEREAS**, arbitrators are neither accountable to the public, nor subject to the consequences of their decisions;

**WHEREAS**, binding arbitration is rarely used to resolve collective bargaining impasses outside of government;

**WHEREAS**, the arbitration process has been shown to be slow and cumbersome, frequently resulting in back-pay awards that must be borne by local taxpayers;

**WHEREAS**, the criteria that arbitrators are called upon to use to resolve contract disputes are prone to be vague and contradictory;

**WHEREAS**, arbitrators cannot be relied upon to give due consideration to the cost of government, or to the burdens that imposed terms can pose for taxpayers;

**WHEREAS**, an arbitrator's decision, even if poorly reasoned, typically cannot be rejected or reviewed by any elected authority or court;

**WHEREAS**, the management and compensation of government employees is central to the operation of government, and makes up a large portion of its costs; and

**WHEREAS**, binding arbitration commonly removes the management and compensation of government employees from the authority of officials elected by the people of the community, and leaves communities subject to a process that has been rejected by nearly all labor relations practitioners;

**NOW THEREFORE BE IT RESOLVED**, that the [insert state here] opposes the use of binding arbitration to resolve impasses in collective bargaining; and

**BE IT FURTHER RESOLVED**, that [insert state here] supports the repeal of laws that impose the binding arbitration of impasses in collective bargaining; and

35 **BE IT FURTHER RESOLVED**, that if arbitration is used, strict limits should be placed on the  
36 authority and discretion of arbitrators, and measures taken to ensure that the interests of residents  
37 and taxpayers be given due weight.

DRAFT

## Lundregan, Scott

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:52 PM  
**To:** Lundregan, Scott  
**Subject:** fw: Re: Notes on the Resolution

More

Andrew M. Thompson  
>Publisher  
> Bird Watcher's Digest  
> PO Box 110  
> Marietta, OH 45750  
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> <http://www.birdwatchersdigest.com>

---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Tuesday, April 29, 2014 7:36 PM  
**To:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Subject:** Re: Notes on the Resolution

Do I need a speech to go with this or just some scattered remarks?

Andrew M. Thompson  
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---

**From:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Sent:** Tuesday, April 29, 2014 6:11 PM  
**To:** amt@birdwatchersdigest.com  
**Subject:** Re: Notes on the Resolution

You should probably discuss that with Cara -- she'd be the expert on ALEC's rules.

On Tue, Apr 29, 2014 at 5:07 PM, amt@birdwatchersdigest.com <amt@birdwatchersdigest.com> wrote:  
Paul: I don't arrive until 2:30 into KC. I'm sorry--I didn't have that earlier committee on my itinerary. Do I need to change my flight?

Andrew M. Thompson  
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> <http://www.birdwatchersdigest.com>

---

**From:** "Paul Kersey" <[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)>  
**Sent:** Tuesday, April 29, 2014 5:21 PM  
**To:** [andy.affo@gmail.com](mailto:andy.affo@gmail.com)  
**Subject:** Notes on the Resolution

Andy,

Someone suggested an amendment to the binding arbitration resolution -- nothing dramatic, just a matter of clarifying that we don't want arbitrators writing contracts. We don't mind alternative dispute resolution for existing contracts. I'll send it over in a little bit.

Also, Cara asked me to remind you to be at the labor subcommittee meeting on thursday morning.

--  
Paul Kersey  
Director of Labor Policy  
Illinois Policy Institute

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Chicago IL 60603  
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I don't believe in teachable moments. I don't think anyone in the end really learns. -- Charles Krauthammer

--  
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I don't believe in teachable moments. I don't think anyone in the end really learns. -- Charles Krauthammer

**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:52 PM  
**To:** Lundregan, Scott  
**Subject:** fw: Re: Possible Revisions to Binding Arb Resolution

Andrew M. Thompson  
> Publisher  
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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Wednesday, April 30, 2014 1:26 PM  
**To:** "Cara Sullivan" <csullivan@alec.org>  
**Subject:** Re: Possible Revisions to Binding Arb Resolution

Cara: I can modify my ticket if I need to scramble. When is the labor meeting?

Andrew M. Thompson  
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---

**From:** "Cara Sullivan" <csullivan@alec.org>  
**Sent:** Wednesday, April 30, 2014 8:47 AM  
**To:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Cc:** "andy.atfo@gmail.com" <andy.atfo@gmail.com>  
**Subject:** Re: Possible Revisions to Binding Arb Resolution

Paul—

Thank you for sending these along. To clarify, do you and Rep. Thompson want to make these changes now, or do you want me to keep these in our back pocket if someone brings the concern up?

Thanks,  
Cara

Cara Sullivan  
American Legislative Exchange Council  
202-302-3428

On Apr 29, 2014, at 6:03 PM, "Paul Kersey" <[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)> wrote:

Attached are revisions to the binding arbitration resolution. The point of these changes is to make it clear that our concern is the practice of having arbitrators writing contracts when collective bargaining reaches an impasse.

We have no major beef with arbitrators in their traditional alternative dispute resolution role of resolving disputes over existing agreements.

I think the original resolution was okay, but the issue of ADR has been raised and it's a fair one, so I put this together just in case.

—  
Paul Kersey  
Director of Labor Policy  
Illinois Policy Institute

190 S. LaSalle St., Suite 1630  
Chicago IL 60603  
312-346-5700  
[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)

I don't believe in teachable moments. I don't think anyone in the end really learns. — Charles Krauthammer

<Arb Resolution (amended).docx>

## Lundregan, Scott

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:53 PM  
**To:** Lundregan, Scott  
**Subject:** fw: re: Revisions to Binding Arbitration Resolution

Scott: Here's more.

Andrew M. Thompson  
>Publisher  
> Bird Watcher's Digest  
> PO Box 110  
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> 740-373-8443 fax  
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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Monday, May 05, 2014 1:09 PM  
**To:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Subject:** re: Revisions to Binding Arbitration Resolution

Paul: It was my pleasure working with you on the interest arbitration resolution.

Andrew M. Thompson  
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---

**From:** "Paul Kersey" <pkersey@illinoispolicy.org>  
**Sent:** Friday, May 02, 2014 1:24 PM  
**To:** andy.atfo@gmail.com, "Cara Sullivan" <csullivan@elec.org>  
**Subject:** Revisions to Binding Arbitration Resolution

Cara, please check these to make sure I have the revisions right -- here's how your notes read:

1. add public to whereas clauses (this is probably a mixup -- meant to refer to therefore clauses)
2. line 38 "and interests" (probably "and rights")
3. strike 32-33 (done)
4. 25 and 38 "binding" before arbitration (done)

PK2 is just the amendments that were agreed to in the subcommittee. PK3 includes additional amendments meant to clarify that our concern is arbitrators being used to settle impasses.

I'll be down in a few minutes.

—

Paul Kersey  
Director of Labor Policy  
Illinois Policy Institute

190 S. LaSalle St., Suite 1630  
Chicago IL 60603  
312-346-5700  
[pkersey@illinoispolicy.org](mailto:pkersey@illinoispolicy.org)

I don't believe in teachable moments. I don't think anyone in the end really learns. -- Charles Krauthammer



# EXHIBIT 54

**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:46 PM  
**To:** Lundregan, Scott  
**Subject:** fw: RE: ALEC resolution

Scott: Another one.

Andrew M. Thompson  
>Publisher  
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> 740-373-8443 fax  
> <http://www.birdwatchersdigest.com>

---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Monday, December 02, 2013 1:13 PM  
**To:** "Marc Scribner" <MScribner@cel.org>  
**Subject:** RE: ALEC resolution

My apologies. I must have overlooked the slides and cannot locate them. Can you resend them before we talk?

Andrew M. Thompson  
>Publisher  
> Bird Watcher's Digest  
> PO Box 110  
> Marietta, OH 45750  
> 800-879-2473 phone  
> 740-373-8443 fax  
> <http://www.birdwatchersdigest.com>

---

**From:** "Marc Scribner" <MScribner@cel.org>  
**Sent:** Monday, December 02, 2013 9:56 AM  
**To:** amt@birdwatchersdigest.com  
**Subject:** RE: ALEC resolution

Hope you had a great Thanksgiving, Andy. I'm available most of this afternoon for a call. Basically, I just wanted to get your thoughts on the slides I sent (whether things should be added or subtracted) and discuss briefly how you want to deliver the presentation.

—Marc

---

**From:** amt@birdwatchersdigest.com [mailto:amt@birdwatchersdigest.com]  
**Sent:** Monday, November 25, 2013 7:18 PM  
**To:** Marc Scribner  
**Subject:** Re: ALEC resolution

Call me at your convenience.

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**From:** "Marc Scribner" <[MScribner@aol.org](mailto:MScribner@aol.org)>  
**Sent:** Monday, November 25, 2013 6:48 PM  
**To:** [amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)  
**Subject:** Re: ALEC resolution

Yes, I'll be here Wednesday and am available most of the day.

Marc Scribner  
Research Fellow  
Competitive Enterprise Institute  
1899 L Street, N.W., Floor 12  
Washington, D.C. 20036  
Main: (202) 331-1010  
Direct: (202) 331-2761  
Mobile: (202) 256-9288

On Nov 25, 2013, at 6:09 PM, "amt@birdwatchersdigest.com" <[amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)> wrote:

Are you in on Wednesday? I'll be in my BWD office then, so that could work.

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**From:** "Marc Scribner" <[MScribner@aol.org](mailto:MScribner@aol.org)>  
**Sent:** Monday, November 25, 2013 5:45 PM  
**To:** [amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)  
**Subject:** ALEC resolution

Hi Andy,

I know it's busy with Thanksgiving this week, but do you have any time before the ALEC meeting next week to discuss the presentation of the resolution? I've attached a PowerPoint presentation with a few slides that breaks down and explains the clauses. Not sure if this is necessary, but it might help some task force members connect the dots.

--Marc

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**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:47 PM  
**To:** Lundregan, Scott  
**Subject:** fw: RE: ALEC resolution

Next,

Andrew M. Thompson  
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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Monday, December 02, 2013 2:01 PM  
**To:** "Marc Scribner" <MScribner@coi.org>  
**Subject:** RE: ALEC resolution

Mark: It looks good. Will the committee run the PowerPoint, or do I need to bring equipment?  
Is there something else you want me to know before we present? Is there likely to be any strong opposition, or merely some technical tweaks that will be suggested?

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---

**From:** "Marc Scribner" <MScribner@coi.org>  
**Sent:** Monday, December 02, 2013 1:16 PM  
**To:** amt@birdwatchersdigest.com  
**Subject:** RE: ALEC resolution

Sure. Here's the PowerPoint file. Nothing fancy. Just slides meant to go along with the line-by-line reading at the subcommittee and full task force.

**From:** amt@birdwatchersdigest.com [mailto:amt@birdwatchersdigest.com]  
**Sent:** Monday, December 2, 2013 1:14 PM  
**To:** Marc Scribner  
**Subject:** RE: ALEC resolution

My apologies. I must have overlooked the slides and cannot locate them. Can you resend them before we talk?

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**Sent:** Monday, December 02, 2013 9:56 AM  
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**Subject:** RE: ALEC resolution

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-Marc

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**Subject:** Re: ALEC resolution

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**Sent:** Monday, November 25, 2013 6:48 PM  
**To:** [amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)  
**Subject:** Re: ALEC resolution

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**From:** "Marc Scribner" <MScribner@cei.org>  
**Sent:** Monday, November 25, 2013 5:45 PM  
**To:** amt@birdwatchersdigest.com  
**Subject:** ALEC resolution

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—Marc

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**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:47 PM  
**To:** Lundregan, Scott  
**Subject:** fw: RE: Fred meeting

Another

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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Sunday, December 08, 2013 8:27 PM  
**To:** "Marc Scribner" <MScribner@cei.org>  
**Subject:** RE: Fred meeting

Marc: Yes, I plan to be at the spring meeting. Will know more about Obamacare and a bunch of other issues by then.

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---

**From:** "Marc Scribner" <MScribner@cei.org>  
**Sent:** Sunday, December 08, 2013 11:21 AM  
**To:** amt@birdwatchersdigest.com  
**Subject:** RE: Fred meeting

It was great working with you too, Andy. Thank you for introducing the resolution, which I think is a great way to begin ALEC's involvement in autonomous vehicle public policy. Are you planning to attend the spring meeting?

Hope you, Jade, and the kids had a good time in DC. The next time you're in DC, hopefully there's a bit more time to talk with CEI folks on ways we can help in Ohio. I know energy and natural resources is big. Will Yeatman at CEI does a lot of good work at the intersection of state and federal energy and environmental policy.

Thanks again and hope to see you soon.

-Marc



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Research Fellow  
Competitive Enterprise Institute  
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Washington, D.C. 20036  
Main: (202) 331-1010  
Direct: (202) 331-2761  
Mobile: (202) 256-9288

**From:** [amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com) [mailto:[amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)]  
**Sent:** Saturday, December 07, 2013 9:32 PM  
**To:** Marc Scribner  
**Subject:** re: Fred meeting

Marc: Sorry I missed this earlier. Working with you was great. I could have been more help, I'm sure, but it was a pleasure to see the good work CEI continues to do, and to spend time with you, Fred and Michelle. Very proud of my old employer. ALEC was especially enjoyable this session.

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---

**From:** "Marc Scribner" <[MScribner@cei.org](mailto:MScribner@cei.org)>  
**Sent:** Wednesday, December 04, 2013 4:15 PM  
**To:** [amt@birdwatchersdigest.com](mailto:amt@birdwatchersdigest.com)  
**Subject:** Fred meeting

Spoke with Fred. He says Friday morning or Friday at lunch following his panel (and before the task force meeting) both work. Which works best for you?

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**Lundregan, Scott**

---

**From:** amt@birdwatchersdigest.com  
**Sent:** Tuesday, July 22, 2014 1:48 PM  
**To:** Lundregan, Scott  
**Subject:** fw: RE: AV resolution

More

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---

**From:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Sent:** Friday, January 17, 2014 10:42 AM  
**To:** "Cara Sullivan" <csullivan@alec.org>, "Marc Scribner" <MScribner@cel.org>  
**Subject:** RE: AV resolution

Pleased to hear that. Thank you for your help, Cara & Mark!

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---

**From:** "Cara Sullivan" <csullivan@alec.org>  
**Sent:** Thursday, January 16, 2014 4:32 PM  
**To:** "Marc Scribner" <MScribner@cel.org>  
**Cc:** "amt@birdwatchersdigest.com" <amt@birdwatchersdigest.com>  
**Subject:** RE: AV resolution

Rep. Thompson and Marc,

The Resolution on Autonomous Vehicles is now official model policy. Congratulations! A copy is attached. An email will go out to the Task Force tomorrow and it will go on ALEC's website, but I wanted to give you a heads up. Thanks for your work on this issue and I look forward to working together on it in the future.

All the best,  
Cara

-----Original Message-----

From: Marc Scribner [mailto:MScribner@cel.org]  
Sent: Friday, January 03, 2014 7:37 PM

To: Cara Sullivan  
Subject: AV resolution

Hi Cara,

Happy new year! Just wondering when the board is likely to approve the AV resolution and for it to be publicly available. The Transportation Research Board meeting is coming up in two weeks and would like to distribute it there if possible.

-Marc

Marc Scribner  
Research Fellow  
Competitive Enterprise Institute  
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# EXHIBIT 55

**Form 990**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**A** For the 2012 calendar year, or tax year beginning

and ending

<b>B</b> Check the appropriate box: <input checked="" type="checkbox"/> <b>X</b> Voluntary workers <input type="checkbox"/> Service organization <input type="checkbox"/> Other	<b>C</b> Name of organization <b>American Legislative Exchange Council</b>		<b>D</b> Employer identification number <b>52-0140979</b>
	Doing Business As		<b>E</b> Telephone number <b>703-373-0933</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>2900 Crystal Drive, 6th Floor</b>		<b>G</b> Gross receipts <b>8,425,051.</b>
	City, town, or post office, state, and ZIP code <b>Arlington, VA 22202</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
	<b>F</b> Name and address of principal officer: <b>Mr. Ron Scheberle</b> <b>same as C above</b>		<b>L</b> Year of formation: <b>1975</b> <b>M</b> Date of legal domicile: <b>IL</b>
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) <input type="checkbox"/> 527 <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 <b>J</b> Website: <b>www.alec.org</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			

<b>Part I Summary</b>			
<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>Assist State Legislators, Congress &amp; the public by sharing research and educational info.</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	23
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	23
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	43
	6 Total number of volunteers (estimate if necessary)	6	29
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	4,128.
7b Net unrelated business taxable income from Form 990-E, line 34	7b	<1,700.>	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	7,759,834.	7,216,208.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,451,501.	3,200,481.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 6e, 9c, 10c, and 11e)	6,541.	4,264.
	12 Total revenue: add lines 8 through 11 (must equal Part VIII, column (A), line 12)	193.	4,098.
	13 Grants and similar amounts paid (Part IX, column (A), line 1-3)	9,218,069.	8,425,051.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	10,000.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	2,594,108.	2,757,422.
	16b Total fundraising expenses (Part IX, column (A), line 2B) ▶ <b>776,947.</b>	109,258.	110,923.
<b>Expenses</b>	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-14e)	4,402,167.	5,764,302.
	18 Total expenses: Add lines 13-17 (must equal Part IX, column (A), line 2B)	7,105,525.	8,642,647.
	19 Revenue less expenses. Subtract line 18 from line 12	2,112,544.	<217,596.>
	20 Total assets (Part X, line 10)	Beginning of Current Year	End of Year
<b>Assets or Fund Balances</b>	21 Total liabilities (Part X, line 20)	6,638,621.	4,855,087.
	22 Net assets or fund balances. Subtract line 21 from line 20	3,033,837.	1,467,899.
<b>Part II Signature Block</b> Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
<b>Sign Here</b>	Signature of officer: <i>[Signature]</i> Date: <b>10/31/13</b>		
	Mr. Ron Scheberle, Executive Director Type or print name and title		
<b>Preparer</b>	Print/Type preparer's name: <b>Thomas J. Raffa</b> Signature: <i>[Signature]</i> Date: <b>10/30/2013</b>		
<b>Use Only</b>	Firm's name: <b>Raffa, P.C.</b> Firm's EIN: <b>52-1511275</b>		
	Firm's address: <b>1899 L Street, NW, Suite 900 Washington, DC 20036</b> Phone no.: <b>202-822-5000</b>		

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Form 990 (2012)

**COPY**



**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ [X]**1** Briefly describe the organization's mission:

The American Legislative Exchange Council is a think-tank for state-based public policy issues and potential solutions. The Organization's mission is to assist State Legislators, Members of Congress, and the general and business public by sharing research and

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☒ Yes ☐ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (From \_\_\_\_\_) (Expense) 3,450,803. (including grants to) \_\_\_\_\_ (Revenue) 154,388.

**Task Forces** - ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model bills and resolutions which serves as a public policy resource. The Task Forces include the following: Civil Justice; Commerce, Insurance and Economic Development; Education; Energy, Environment and Agriculture; Health and Human Services; International Relations; Tax and Fiscal Policy and Communications and Technology.

**4b** (From \_\_\_\_\_) (Expense) 1,578,189. (including grants to) \_\_\_\_\_ (Revenue) 955,737.

**Conferences** - ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The three national conferences held during 2012 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit.

**4c** (From \_\_\_\_\_) (Expense) 1,028,562. (including grants to) 10,000. (Revenue) 86,236.

**Membership** - Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs and Private Sector State Chairs. In addition, Membership provides assistance to ALEC State Chairs in ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

**4d** Other program services (Describe in Schedule O)

(Expense) 852,005. (including grants to) \_\_\_\_\_ (Revenue) 4,098.

**4e** Total program service expenses 6,909,553.

COPY

## Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(2) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete Schedule B, Schedule of Contributions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(25), or 501(c)(29) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 88-197? If "Yes," complete Schedule C, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for assets or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 30? If "Yes," complete Schedule D, Part VI	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments - other securities in Part X, line 32 that is 5% or more of its total assets reported in Part X, line 30? If "Yes," complete Schedule D, Part VII	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 33 that is 5% or more of its total assets reported in Part X, line 30? If "Yes," complete Schedule D, Part VIII	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 34 that is 5% or more of its total assets reported in Part X, line 30? If "Yes," complete Schedule D, Part IX	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 35? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ABC 143)? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" in line 12a, then completing Schedule D, Parts XI and XII is optional	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (g), line 5, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts I and II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (g), line 5, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts I and II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (g), lines 6 and 11a? If "Yes," complete Schedule G, Part I	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VII, lines 1c and 3a? If "Yes," complete Schedule G, Part II	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VII, line 3a? If "Yes," complete Schedule G, Part III	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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**Part IV** Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 17? If "Yes," complete Schedule I, Parts I and II	<input checked="" type="checkbox"/>	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 27? If "Yes," complete Schedule I, Parts I and II		<input checked="" type="checkbox"/>
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input checked="" type="checkbox"/>	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		<input checked="" type="checkbox"/>
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(6) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		<input checked="" type="checkbox"/>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		<input checked="" type="checkbox"/>
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		<input checked="" type="checkbox"/>
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		<input checked="" type="checkbox"/>
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		<input checked="" type="checkbox"/>
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part A, B, or C, and Part V, line 1		<input checked="" type="checkbox"/>
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<input checked="" type="checkbox"/>
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(2) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		<input checked="" type="checkbox"/>
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part W		<input checked="" type="checkbox"/>
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 12? Note. All Form 990 filers are required to complete Schedule O.	<input checked="" type="checkbox"/>	

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**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 2 of Form 1099. Enter 0 if not applicable	21	
<b>1b</b> Enter the number of Forms W-2G included in line 1a. Enter 0 if not applicable	0	
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to winners and reportable gaming (gambling) winnings to prize winners?	<input checked="" type="checkbox"/>	
<b>2a</b> Enter the number of employees reported on Form W-2, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	43	
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note.</i> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<input checked="" type="checkbox"/>	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<input checked="" type="checkbox"/>	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," enter the name of the foreign country: _____ <i>See instructions for filing requirements for Form TD F 9022.1, Report of Foreign Bank and Financial Accounts.</i>		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		<input checked="" type="checkbox"/>
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8866-T?		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods or services provided to the payor?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8882?		<input checked="" type="checkbox"/>
<b>d</b> If "Yes," indicate the number of Forms 8882 filed during the year	7d	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input checked="" type="checkbox"/>
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<input checked="" type="checkbox"/>
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the sponsoring organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the organization make any taxable distributions under section 4989?		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10 Section 501(c)(7) organizations. Enter:</b>		
<b>a</b> Initiation fees and capital contributions included on Part VII, line 12	10a	
<b>b</b> Gross receipts, included on Form 990, Part VII, line 12, for public use of club facilities	10b	
<b>11 Section 501(c)(12) organizations. Enter:</b>		
<b>a</b> Gross income from members or shareholders	11a	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
<b>12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <i>Note.</i> See the instructions for additional information the organization must report on Schedule O.		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b> Enter the amount of reserves on hand	13c	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response to any question in this Part VI ☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	23	
b Enter the number of voting members included in line 1a, above, who are independent.	23	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?	X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8 Did the organization contemporaneously document its meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?		X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13.	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done.		X
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

17 List the states with which a copy of this Form 990 is required to be filed: **AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☒ On website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶**

**Lisa Bowen, Sr. Dir. of Finance - 703-373-0933**  
**2900 Crystal Drive, 6th Floor, Arlington, VA 22202**

See Schedule O for full list of states



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule C contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a. Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 3 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (for any years for related organizations below line)	(C) Position <small>(do not check more than one box, unless person is both an officer and a director/trustee)</small>						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Representative David Primmall, MD, Chair	1.00	X		X				0.	0.	0.
(2) Representative John Piasopo, CT, First Vice Chair	1.00	X		X				0.	0.	0.
(3) Representative Linda Spewyer, IA, Second Vice Chair	1.00	X		X				0.	0.	0.
(4) Senator Chip Rogers, GA, Treasurer	1.00	X		X				0.	0.	0.
(5) Representative Linton Berfield, MI, Secretary	1.00	X		X				0.	0.	0.
(6) Senator Curtis Brosbie, UT, Director	1.00	X						0.	0.	0.
(7) Representative Jon D. Wiles, RI, Director	1.00	X						0.	0.	0.
(8) Representative Harold Brodaker, ME, Director	1.00	X						0.	0.	0.
(9) Senator James Baik, IN, Director	1.00	X						0.	0.	0.
(10) Senator Bill L. Dedmon, OR, Director	1.00	X						0.	0.	0.
(11) Representative Philip A. Gunn, ME, Director	1.00	X						0.	0.	0.
(12) Representative Joe Harrison, LA, Director	1.00	X						0.	0.	0.
(13) Delegate William Howell, VA, Director	1.00	X						0.	0.	0.
(14) Representative Phil King, VA, Director	1.00	X						0.	0.	0.
(15) Senator Michael Lonsdale, AR, Director	1.00	X						0.	0.	0.
(16) Representative Steve McDaniel, TN, Director	1.00	X						0.	0.	0.
(17) Senator Ray Herrick, NE, Director	1.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (but any hours for related organizations below line)	(C) Position <small>(do not check more than one box, unless person holds an office and is also compensated for it)</small>						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Officer	Director	Trustee	Key employee	Highest compensated employee	Former officer or director			
(18) Senator Dean Rhoads, MT Director	1.00	X						0.	0.	0.
(19) Senator William Delbe, OR Director	1.00	X						0.	0.	0.
(20) Representative Fred Stuenkel, NC Director	1.00	X						0.	0.	0.
(21) Representative Darryl Todd, TN Director	1.00	X						0.	0.	0.
(22) Senator Leah Vukair, WI Director	1.00	X						0.	0.	0.
(23) Senator Susan Wagle, KS Director	1.00	X						0.	0.	0.
(24) Representative Robla Ellington LA, Immediate Past Chair	1.00	X	X					0.	0.	0.
(25) Ben Schaeferle Executive Director	37.50		X					389,307.	0.	132.
(26) Lisa Gomez Sr. Dir. - Finance/Admin.	37.50		X					125,100.	0.	20,994.
<b>1a Sub-total</b>								514,407.	0.	21,126.
<b>c Total from continuation sheets to Part VII, Section A</b>								384,374.	0.	85,250.
<b>d Total (add lines 1a and 1c)</b>								898,781.	0.	107,386.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for each individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$100,000? If "Yes," complete Schedule J for each individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for each person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Edelman 21992 Network Place, Chicago, IL 60673	Public relations	430,000.
Doner Fundraising 815 Brazos, Suite 701, Austin, TX 78701	Event planning & P/R	263,999.
Blue Wave 3008 North 161st Terrace, Omaha, NE 68116	Strategic initiatives	120,000.
Vox P.O. Box 598, St. Louis, MO 63188	Public relations	112,500.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **4**

See Part VII, Section A Continuation sheets





**Part VII** Statement of RevenueCheck if Schedule O contains a response to any question in this Part VII ☐

			(A) Total revenue	(B) Related or exempt-function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under section 170, 213, or 254	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	7,216,208.				
	g	Subtotal: All amounts included in lines 1a-f					
	h	<b>Total. Add lines 1a-f</b>	7,216,208.				
<b>Program Service Revenue</b>	2a	Conferences/seminars	900099 1,106,837.	1,106,837.			
	b	Membership dues	900099 86,236.	86,236.			
	c	Advertising	541800 4,128.		4,128.		
	d	Publications	900099 3,280.	3,280.			
	e						
	f	All other program service revenue					
	g	<b>Total. Add lines 2a-f</b>	1,200,481.				
<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts)		4,264.		4,264.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross rents	<input type="checkbox"/> Real <input type="checkbox"/> Personal				
		b	Less: rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	<input type="checkbox"/> Securities <input type="checkbox"/> Other				
		b	Less: cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)				
	8a	Gross income from fundraising events (not including 8 of contributions reported on line 1c). See Part IV, line 18	a				
		b	Less: direct expenses	b			
		c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities. See Part IV, line 19	a				
		b	Less: direct expenses	b			
		c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a				
		b	Less: cost of goods sold	b			
		c	Net income or (loss) from sales of inventory				
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
11a	Miscellaneous	900099 4,098.	4,098.				
b							
c							
d	All other revenue						
e	<b>Total. Add lines 11a-11d</b>	4,098.					
12	<b>Total revenue. See instructions.</b>	8,425,051.	1,200,451.	4,128.	4,264.		

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**Part IX Statement of Functional Expenses**

Section 501(c)(28) and 501(c)(29) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule C contains a response to any question in this Part IX ☒

Do not include amounts reported on lines 45, 78, 88, 98, and 106 of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	10,000.	10,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 32				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	535,533.	276,990.	219,599.	38,944.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(F)				
7 Other salaries and wages	1,814,678.	1,533,243.	137,149.	144,286.
8 Pension plan accruals and contributions (include section 401(k) and 408(a) employer contributions)	53,051.	41,217.	7,661.	4,173.
9 Other employee benefits	195,909.	167,896.	10,953.	17,060.
10 Payroll taxes	158,251.	122,948.	22,854.	12,449.
11 Fees for services (non-employees):				
a Management				
b Legal	674,412.	524,358.	97,121.	52,933.
c Accounting	56,116.	43,596.	8,104.	4,416.
d Lobbying				
e Professional fundraising services. See Part IV, line 17	110,923.			110,923.
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,188,716.	970,662.	74,048.	144,006.
12 Advertising and promotion				
13 Office expenses	582,924.	370,108.	41,384.	171,432.
14 Information technology	109,280.	84,900.	15,780.	8,600.
15 Royalties				
16 Occupancy	651,242.	505,950.	94,039.	51,253.
17 Travel	240,568.	220,001.	20,567.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	120,293.	44,670.	75,623.	
19 Conferences, conventions, and meetings	1,508,458.	1,407,129.	101,085.	244.
20 Interest	4,902.	3,808.	708.	386.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	112,739.	87,586.	16,280.	8,873.
23 Insurance	31,115.	25,380.	3,712.	2,023.
24 Other expenses. Items not covered above. List miscellaneous expenses in line 24a. If line 24a amount exceeds 10% of line 25, column (A) amount, list line 24a expenses on Schedule O.				
a Bad debt	240,000.	240,000.		
b Artwork/graphics	68,796.	65,146.	3,650.	
c Dues/membership	66,356.	64,588.	1,712.	56.
d Honoraria & writers fee	48,000.	48,000.		
e All other expenses	60,385.	51,383.	4,112.	4,890.
25 Total functional expenses. Add lines 1 through 24e	8,642,647.	6,909,559.	956,141.	776,947.
26 Joint costs. Complete this line only if the organization reported in column (D) joint costs from a combined educational campaign and fundraising activities.				

Check box ☐ providing prior 2012 Form 990



**Part X Balance Sheet**Check if Schedule O contains a response to any question in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - noninvestor-owned	3,497,168.	1	1,780,906.
	2 Savings and temporary cash investments	1,566,782.	2	1,576,250.
	3 Pledges and grants receivable, net	990,521.	3	1,024,329.
	4 Accounts receivable, net	19,442.	4	3,916.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4960(f)(1)), persons described in section 4960(c)(2)(B), and contributing employers and sponsoring organizations of section 501(c)(29) voluntary employees' beneficiary organizations (see instructions). Complete Part III of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	141,039.	9	157,628.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,057,381.		
	b Less: accumulated depreciation	10b 745,323.	10c 423,669.	10d 312,058.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15		
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 26)	6,638,621.	16	4,855,087.	
Liabilities	17 Accounts payable and accrued expenses	722,035.	17	531,336.
	18 Grants payable		18	
	19 Deferred revenue	327,029.	19	268,767.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	1,243,846.	21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	740,927.	25	667,796.
	26 <b>Total liabilities.</b> Add lines 17 through 25	3,033,837.	26	1,467,899.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 34, and lines 30 and 34.			
	27 Unrestricted net assets	1,610,818.	27	528,614.
	28 Temporarily restricted net assets	1,993,966.	28	2,858,574.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 <b>Total net assets or fund balances</b>	3,604,784.	33	3,387,188.
	34 <b>Total liabilities and net assets/fund balances</b>	6,638,621.	34	4,855,087.

Form 990 (2012)

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**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,425,051.
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,642,647.
3	Revenue less expenses. Subtract line 2 from line 1	3	<217,596.>
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,604,784.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (A))	10	3,387,188.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
1. Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a. Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b. Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
3. If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
3a. As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b. If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2012)

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**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(v) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 6, 7, or 8 of Part I or if the organization failed to qualify under Part I. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1. Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5626129.	5187554.	5997347.	7759834.	7344297.	31915161.
2. Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3. The value of services or facilities furnished by a governmental unit to the organization without charge						
4. <b>Total.</b> Add lines 1 through 3	5626129.	5187554.	5997347.	7759834.	7344297.	31915161.
5. The portion of total contributions from each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1956229.
6. <b>Public support.</b> Subtract line 5 from line 4						29958932.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7. Amounts from line 4	5626129.	5187554.	5997347.	7759834.	7344297.	31915161.
8. Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	39,325.	7,750.	6,889.	6,541.	4,264.	64,769.
9. Net income from unrelated business activities, whether or not the business is regularly carried on						
10. Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)			317.	193.	4,098.	4,608.
11. <b>Total support.</b> Add lines 7 through 10						31984538.
12. Gross receipts from related activities, etc. (see instructions)					12	6,180,163.
13. First five years, if the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14. Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	93.67 %
15. Public support percentage from 2011 Schedule A, Part II, line 14	15	91.46 %
16a. 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
16b. 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a. 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17b. 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18. Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2012



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 2 of Part I or if the organization failed to qualify under Part I. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1. Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2. Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3. Gross receipts from activities that are not an unrelated trade or business under section 513						
4. Tax revenue levied for the organization's benefit and either paid to or expended on its behalf						
5. The value of services or facilities furnished by a governmental unit to the organization without charge						
6. Total. Add lines 1 through 5						
7a. Amounts included on lines 1, 2, and 3 received from disqualified persons						
7b. Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 6 for the year						
8. Add lines 7a and 7b						
9. Public support percentage for 2012						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9. Amounts from line 8						
10a. Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
10b. Unrelated business taxable income (see section 511(b)) from businesses acquired after June 30, 1975						
11. Add lines 10a and 10b						
12. Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
13. Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
14. Total support. Add lines 9, 10a, 11, and 12						

14. First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(2) organization, check this box and stop here. ☐

**Section C. Computation of Public Support Percentage**

15. Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16. Public support percentage from 2011 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17. Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18. Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a. 33 1/3% support tests - 2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

19b. 33 1/3% support tests - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

20. Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

**Schedule B**

(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2012**

Name of the organization

Employer identification number

American Legislative Exchange Council

52-0140979

Organization type (check one):

Files of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(7)(A)(v) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year: ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rule does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**UVA.** For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)
2		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)
3		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)
4		\$ 175,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part III if there is a noncash contribution.)

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

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Name of organization

Employer identification number

American Legislative Exchange Council

52-0140379

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (d) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (See instructions.) **▶** \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

## (e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

## (e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

## (e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

## (e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee

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**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part V, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5758 (election under section 501(h)): Complete Part I-A. Do not complete Part I-B.
- Section 501(c)(3) organizations that have NOT filed Form 5758 (election under section 501(h)): Complete Part I-B. Do not complete Part I-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part II.

Name of organization

American Legislative Exchange Council

Employer identification number

52-0140979

**Part I-A** Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ▶ \$

3 Volunteer hours ▶

**Part I-B** Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4956 ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

**Part I-C** Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527

exempt function activities ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$

4 Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter 0.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter 0.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2012

LHA

201211-01-13

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 9708  
(election under section 501(h)).**A. Check** ☐ If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).**B. Check** ☐ If the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization totals	(b) Affiliated group totals
1a. Total lobbying expenditures to influence public opinion (grass roots lobbying)		0.	
b. Total lobbying expenditures to influence a legislative body (direct lobbying)		0.	
c. Total lobbying expenditures (add lines 1a and 1b)		0.	
d. Other exempt purpose expenditures		8,525,896.	
e. Total exempt purpose expenditures (add lines 1c and 1d)		8,525,896.	
f. Lobbying nontaxable amount. Enter the amount from the following table in both columns.		576,295.	
File amount in line 1b, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1c.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 10% of the excess over \$500,000.		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.		
Over \$17,000,000	\$1,000,000.		
g. Grassroots nontaxable amount (enter 35% of line 1c)		144,074.	
h. Subtract line 1g from line 1a. If zero or less, enter -0-		0.	
i. Subtract line 1i from line 1b. If zero or less, enter -0-		0.	
j. If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a. Lobbying nontaxable amount	479,921.	441,740.	501,582.	576,295.	1,999,538.
b. Lobbying ceiling amount (150% of line 2a, column (a))					2,999,307.
c. Total lobbying expenditures	0.	0.	0.	0.	
d. Grassroots nontaxable amount	119,980.	110,435.	125,396.	144,074.	499,885.
e. Grassroots ceiling amount (150% of line 2d, column (a))					749,828.
f. Grassroots lobbying expenditures	0.	0.	0.	0.	

Schedule C (Form 990 or 990-EZ) 2012

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**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5758 (election under section 501(h)).

For each "Yes," response to lines 1a through 1j below, provide in Part IV a detailed description of the lobbying activity.

	(b)		(c)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1j)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues-received nondeductible by members?		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?		

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 507(f) tax was paid):		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 5033(a)(7)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group IRS); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

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**SCHEDULE D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 8, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990 ▶ See separate instructions.

OMB No. 1545-0047

**2012**Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private inurement? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply):

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Field at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (a) acquired after 8/17/00, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year: none

4 Number of states where property subject to conservation easement is located: 1

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year: 0

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year: \$ 0

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(e)(4)(B)(i) and section 170(e)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 9.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VII, line 1 \$ 0

(ii) Assets included in Form 990, Part X \$ 0

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VII, line 1 \$ 0

b Assets included in Form 990, Part X \$ 0

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3. Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items. (Check all that apply):
- a ☐ Public exhibition d ☐ Loan or exchange programs
- b ☐ Scholarly research e ☐ Other \_\_\_\_\_
- c ☐ Preservation for future generations
4. Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
5. During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be added to its collection rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a. Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No
- b. If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                  | Amount |
|----------------------------------|--------|
| c. Beginning balance             | 0      |
| d. Additions during the year     | 0      |
| e. Distributions during the year | 0      |
| f. Ending balance                | 0      |
- 2a. Did the organization include an amount on Form 990, Part X, line 21? ☒ Yes ☐ No
- b. If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☒

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 13.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a. Beginning of year balance					
b. Contributions					
c. Net investment earnings, gains, and losses					
d. Grants or scholarships					
e. Other expenditures for facilities and programs					
f. Administrative expenses					
g. End of year balance					

2. Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a. Board designated or quasi-endowment ☐ %
- b. Permanent endowment ☐ %
- c. Temporarily restricted endowment ☐ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

3a. Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations ☐ Yes ☒ No
- (ii) related organizations ☐ Yes ☒ No
- b. If "Yes" to 3a(i), are the related organizations listed as required on Schedule R? ☐ Yes ☒ No

4. Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a. Land				
b. Buildings				
c. Leasehold improvements		380,254.	178,187.	202,067.
d. Equipment		541,165.	448,526.	92,639.
e. Other		135,962.	118,610.	17,352.
Total. Add lines 1a through 1e. Column (d) must equal Form 990, Part X, column (d), line 10(b).				312,058.

Schedule D (Form 990) 2012

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**Part VIII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Stock value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
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**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	8,553,140.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	128,089.
e	Add lines 2a through 2d	2e	128,089.
3	Subtract line 2e from line 1	3	8,425,051.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	8,425,051.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	8,770,736.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	128,089.
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	128,089.
3	Subtract line 2e from line 1	3	8,642,647.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 28.)	5	8,642,647.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part III, lines 3, 5, and 9; Part VIII, lines 1a and 4; Part IX, lines 1b and 2b; Part X, line 4; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part IV, line 2b: ALBC was the recipient of funds from various outside

organizations and individuals which were to be used exclusively for

scholarships on behalf of State Legislators. Scholarships were payable,

upon approval by the relevant State Chair, to State Legislators to

reimburse them for travel expenses incurred attending meetings of ALBC.

The amounts received and disbursed by ALBC for such purposes were not

considered revenue and expenses of ALBC as ALBC did not select the

individuals and the State Chair retained the exclusive right to determine

Schedule D Form 990 2012

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the expenditures. The cash held and related liability were reported in the financial statements of ALEC as of December 31, 2011 and in 2012 until year-end when a change in the structure of the program was made effective by ALEC's Board of Directors and the various State Chairs as outlined in Part III, Question #3 of the Form 990. As of year-end, the program was restructured and brought under the full control and responsibility of ALEC and the net funds for this program were transferred to ALEC and recognized as revenue.

Part I, Line 2: Management reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. For the year ended December 31, 2012, management did not identify any uncertain tax positions requiring recognition or disclosure in the financial statements.

Part XI, Line 2d - Other Adjustments:

Return of unused grant funds

Part XII,

Line 2 c. Other Losses, represents a return of restricted grant funds received in a prior year.

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 8b. List events with gross receipts greater than \$5,000.

	(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
	(event type)	(event type)	(total number)	
<b>Revenue</b>				
1 Gross receipts				
2 Less: Contributions				
3 Gross income (line 1 minus line 2)				
<b>Direct Expenses</b>				
4 Cash prizes				
5 Noncash prizes				
6 Rent/facility costs				
7 Food and beverages				
8 Entertainment				
9 Other direct expenses				
10 Direct expense summary. Add lines 4 through 9 in column (d)				
11 Net income summary. Combine line 3, column (d), and line 10				

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 8a.

	(a) Bingo	(b) Pull-tab/stat legs/progressive slots	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
<b>Revenue</b>				
1 Gross revenue				
<b>Direct Expenses</b>				
2 Cash prizes				
3 Noncash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d)				
8 Net gaming income summary. Combine line 1, column (d), and line 7				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_

11. Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
12. Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
13. Indicate the percentage of gaming activity operated in:
- |                                |     |   |
|--------------------------------|-----|---|
| a. The organization's facility | 13a | % |
| b. An outside facility         | 13b | % |
14. Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15a. Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b. If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_.
- c. If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

## 16. Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer
 ☐ Employee
 ☐ Independent contractor

## 17. Mandatory distributions:

- a. Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b. Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental information. Complete this part to provide the explanations required by Part I, line 2b, columns (d) and (e), and Part III, line 2, 3a, 10a, 10b, 15a, 15, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

## Schedule G, Part I, Line 2b, List of Ten Highest Paid Fundraisers:

(i) Name of Fundraiser: Doner Fundraising

(i) Address of Fundraiser: 815 Brazos, Suite 701, Austin, TX 78701

(i) Name of Fundraiser: Clearword Communications

(i) Address of Fundraiser:

12841 Bracmar Village Plaza, #51, Bristow, VA 20136

COPY

Matrix of the circulation

Employer identification number  
52-0140979

American Legislative Exchange Council

Part I	General Information on Grants and Awarards
--------	--

9. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

g. Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

[illegible]

2. Enter total number of section 501(c)(3) and government organizations listed in the first table

9. Enter total number of other organizations you belong to that list 1 below

Ud. For Database Products and Motion, see the Instructions for Form 990.

Schedule 1 (Form 990) 2014



**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraised, other)	(f) Description of non-cash assistance

**Part IV** Supplemental information. Complete this part to provide the information required in Part I, line 3, Part II, column (b), and any other relevant information.

Schedule I, Part I, Line 2: Sponsorship contributions are made to established organizations known for successfully accomplishing projects/goals that are aligned with the interests of ALRC.

COPY

**SCHEDULE J  
(Form 990)**

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

**Part I Questions Regarding Compensation**

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3) and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" to line 5a or 5b, describe in Part III.		
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" to line 6a or 6b, describe in Part III.		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 52.4958-4(c)(2)? If "Yes," describe in Part III	8	X
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 52.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

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Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (j). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)-(G) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (B) and (E) amounts for that individual.

(A) Name and title	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Retirement and other deferred compensation	(D) Nonexcludable benefits	(E) Total of columns (B)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(iv) Other reportable compensation				
(1) Mr. Nicholas R. ...	338,682.	50,625.	0.	0.	0.	132.	389,439.	0.
(2) Mr. ...	148,240.	0.	0.	0.	5,930.	25,990.	170,160.	0.
(3) Mr. ...	127,596.	0.	0.	0.	46,130.	5,976.	179,702.	0.
(4) Mr. ...	0.	0.	0.	0.	0.	0.	0.	0.
(5) ...								
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## Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 7b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 4a: Chaz Cirame, Senior Director of Membership and Meetings, received a severance package in 2012 which provided for \$52,083 to be paid over 5 months.



**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

Form 990, Part III, Line 1, Description of Organization Mission:

educational information.

Form 990, Part III, Line 3, Changes in Program Services:

In 2012 and in prior years, ALEC was the recipient of funds from various outside organizations and individuals which were to be used exclusively for scholarships on behalf of State Legislators. The scholarships were payable, upon approval by the relevant State Chair, to State Legislators to reimburse them for travel expenses incurred attending meetings of ALEC. Under generally accepted accounting principles, the amounts received and disbursed by ALEC for such purposes were not considered revenue and expenses of ALEC as ALEC did not select the individuals and the State Chair retained the exclusive right to determine the expenditures.

As of December 31, 2012, ALEC's Board of Directors and the various State Chairs restructured this program to bring full control and responsibility for the solicitation of funds to support this program and the determination and final approval of all expenditures related to this program under ALEC's control. The program was renamed the State Legislative Reimbursement Program. At the time of the approved restructuring, the various State Chairs approved the transfer of the net funds for this program to ALEC and ALEC recognized this gift as revenue. In future years, ALEC will recognize funds raised for this program as revenue and disbursements approved by ALEC as expenses.

Form 990, Part III, Line 4d, Other Program Services:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2012)

2012  
514-15

**COPY**

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0148979

## Public Affairs

Expenses \$ 852,005. including grants of \$ 0. Revenue \$ 4,098.

Form 990, Part VI, Section A, line 4: ALEC adopted amended bylaws in July 2012. The immediate past national chair was added as an officer of ALEC. Various other administrative changes were also made which, pursuant to IRS guidelines, do not meet the threshold for reporting disclosure in the Form 990.

Form 990, Part VI, Section A, line 6: In accordance with the bylaws of ALEC, full membership shall be open to persons dedicated to the preservation of individual liberty, basic American values and institutions, productive free enterprise, and limited representative government, who support the purposes of ALEC, and who serve, or formerly served, as members of a state or territorial legislature, the United States Congress or similar bodies outside the United States.

Form 990, Part VI, Section A, line 7a: Directors are elected at each annual meeting. The Board shall consist of 23 members of which 18 directors are nominated and elected by the Board of Directors. Three Directors shall be nominated by the Board of Directors from a list of six nominees supplied by the State Chair, one of whom shall be the Chair of the State Chairs. Two Directors shall be elected by the Board of Directors from a list of four nominees supplied by the Task Force chairs, all four of whom shall be Task Force public sector chairs.

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Form 990, Part VI, Section A, line 8b: Separate, formal written minutes for conference calls and informal discussions of the finance committee were

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

not maintained in 2012. This committee did not hold any formalized meetings in 2012 but rather informal discussions at various times during the year.

Form 990, Part VI, Section B, line 11: The Senior Director of Finance reviews ALEC's Form 990. Such review takes place upon receipt of the draft Form 990 received from the independent public accounting firm who conducts the financial statement audit of ALEC. The review involves comparison of financial data in the Form 990 with the audited financial statements and review of all narrative information for accuracy and completeness. The Executive Director of ALEC then reviews the Form 990. Prior to filing, the public disclosure copy of the Form 990 is provided to the full Board of ALEC.

Form 990, Part VI, Section B, line 12: ALEC has a written conflict of interest policy and existing procedures require all Board members to annually disclose all conflicts and sign this policy statement. While all Board members did not sign the policy statement in 2012, ALEC's management and Board are working on ways to best address conflicts of interest. Actual or perceived conflicts are addressed by the Board on a case by case basis.

Form 990, Part VI, Section B, Line 15: ALEC compares current salary rates with other non-profits by reviewing various Federal Form 990's to ensure the rates are competitive. Once compensation is determined for top management officials, officers, and key employees, the board of directors reviews and approves the rates prior to any change in compensation taking effect.



Name of the organization

American Legislative Exchange Council

Employer identification number

52-0148979

Form 990, Part VI, Line 17. List of States receiving copy of Form 990:

AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, IN, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY,  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WVForm 990, Part VI, Section C, Line 19: ALEC makes these documents  
available upon request.

Form 990, Part IX, Line 11g. Other Fees:

Other consultants:

Program service expenses 970,652.

Management and general expenses 74,048.

Fundraising expenses 144,006.

Total expenses 1,188,716.

Total Other Fees on Form 990, Part IX, line 11g, Col A 1,188,716.

COPY



# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1723

File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ **X**
- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (5 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 990-B, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

## Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 3-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	<u>American Legislative Exchange Council</u>	<u>52-0140979</u>
Party the due date for filing your return. See instructions.	Number, street, and room or suite no. if a P.O. box, see instructions. <u>1101 Vermont Ave., NW, 11th Floor</u>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <u>Washington, DC 20005-3515</u>	

Enter the Return code for the return that this application is for (file a separate application for each return) 011

Application is For	Return Code	Application is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 5000	11
Form 990-T (trust other than above)	06	Form 5010	12

Lisa Bowen, Sr. Dir. of Finance & Admin.

- The books are in the care of 1101 Vermont Ave., NW, 11th FL - Washington, DC 20005  
 Telephone No. 202-466-3800 FAX No.

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GON) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- I request an automatic 3-month (5 months for a corporation required to file Form 990-T) extension of time until August 15, 2013 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
  - ☒ calendar year 2012 or
  - ☐ tax year beginning  and ending

- If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 5000, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	<u>0.</u>
3b If this application is for Form 990-PF, 990-T, 4720, or 5000, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	<u>0.</u>
3c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	<u>0.</u>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8879-EO and Form 8879-EO for payment instructions.

Under For Privacy Act and Paperwork Reduction Act Notices, see instructions.

Form 8868 (Rev. 1-01-13)

COPY





For assistance, call:  
1-877-829-5500  
FAX 801-620-5670  
Notice Number: CP211A  
Date: June 24, 2013

011185.L98510.0140.101 1 AT 0.384 373  
[Barcode]

Taxpayer Identification Number:  
52-0140979  
Tax Form: 990  
Tax Period: December 31, 2012

AMERICAN LEGISLATIVE EXCHANGE  
COUNCIL  
1101 VERMONT AVE NW FL 11  
WASHINGTON DC 20005-5515

## APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **August 15, 2013**.

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at [www.irs.gov/eo](http://www.irs.gov/eo). This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

COPY

If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box ☒ **X**

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 990.

If you are filing for an Automatic 3-Month Extension, complete only Part I (no page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions	Enter filer's identifying number, see instructions
File by the due date for filing your return, see instructions	<b>American Legislative Exchange Council</b>	Employer identification number (EIN) or
	Number, street, and room or suite no. If a P.O. box, see instructions.	<b>52-0140979</b>
	<b>2900 Crystal Drive, 6th Floor</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>Arlington, VA 22202</b>	

Enter the feature code for the return that this application is for (file a separate application for each return) **013**

Application is for	Return Code	Application is for	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 990-A	03
Form 990 (individual)	03	Form 990	04
Form 990-T	04	Form 990-T	05
Form 990-T (sec. 401(a) or 408(a) trust)	06	Form 990-T	07
Form 990-T (trust other than above)	08	Form 990-T	09

**STOP. Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 990.**

**Lisa Bowen, Sr. Dir. of Finance & Admin.**

The books are in the care of **2900 Crystal Drive, 6th Floor - Arlington, VA 22202**

Telephone No. **202-466-3800** FAX No.

If the organization does not have an office or place of business in the United States, check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and GENs of all members the extension is for.

I request an additional 3-month extension of time until **November 15, 2013**.

For calendar year **2012**, or other tax year beginning , and ending .

If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

State in detail why you need the extension:

**The Organization's financial statement audit has not yet been completed and additional time is needed to gather the information necessary to file a complete and accurate return.**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 990-E, enter the tentative tax, less any nonrefundable credits. See instructions.	Ru	\$	0.
8b	If this application is for Form 990-PF, 990-T, 4720, or 990-E, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 990.	Ru	\$	0.
8c	Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	Ru	\$	0.

**Signature and Verification must be completed for Part II only.**

Under penalty of perjury, I declare that I have examined this form, including accompanying schedules and attachments, and to the best of my knowledge and belief, this form, schedule, and attachments are true and correct.

Signature **[Signature]** Title **Partner** Date **8/14/2013**

Form 990 (Rev. 1-03-12)

COPY



# EXHIBIT 56



**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III.

☒ [X]

- 1 Briefly describe the organization's mission:

The American Legislative Exchange Council is a think-tank for state-based public policy issues and potential solutions. The Organization's mission is to assist State Legislators, Members of Congress, and the general and business public by sharing research and

- 2 Did the organization undertake any significant program services during the year which were not listed on

the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

- 4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

- 4a (Code: ) Expenses: 3,125,482, including grants of: Revenue: 133,197, )

Task Forces - ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model bills and resolutions which serves as a public policy resource. The Task Forces include the following: Civil Justice; Commerce, Insurance and Economic Development; Communications and Technology; Education; Energy, Environment and Agriculture; Health and Human Services; International Relations; Justice Performance Project and Tax and Fiscal Policy.

- 4b (Code: ) Expenses: 1,560,720, including grants of: Revenue: 1,279,044, )

Conferences - ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The three national conferences held during 2013 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit Meeting.

- 4c (Code: ) Expenses: 882,295, including grants of: Revenue: )

Public Affairs - Through this program, ALEC conducts an on-going communications program that integrates all departments of ALEC to promote policies based on free-market, limited government and federalism among elected officials and the private sector members and seeks to educate the general public on ALEC's institutional goals and objectives.

- 4d Other program services (Describe in Schedule O)

(Expenses: 1,448,906, including grants of: 17,500, Revenue: 81,632,)

- 4e Total program service expenses: 5,937,403.



## Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations: Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	<input checked="" type="checkbox"/>	
5 Is the organization a section 501(c)(6), 501(c)(29), or 501(c)(30) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 2012-18? If "Yes," complete Schedule C, Part III		<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	<input checked="" type="checkbox"/>	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 10? If "Yes," complete Schedule D, Part VII		<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 10? If "Yes," complete Schedule D, Part VIII		<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 10? If "Yes," complete Schedule D, Part IX	<input checked="" type="checkbox"/>	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	<input checked="" type="checkbox"/>	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part XI	<input checked="" type="checkbox"/>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XII and XIII		<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then complete Schedule D, Parts XII and XIII as optional	<input checked="" type="checkbox"/>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts I and IV		<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts I and IV		<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 5 and 11a? If "Yes," complete Schedule G, Part I	<input checked="" type="checkbox"/>	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 9a? If "Yes," complete Schedule G, Part II		<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9d? If "Yes," complete Schedule G, Part III		<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

## Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 17? If "Yes," complete Schedule L, Parts I and II	<input checked="" type="checkbox"/>	
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 27? If "Yes," complete Schedule L, Parts I and II		<input checked="" type="checkbox"/>
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input checked="" type="checkbox"/>	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		<input checked="" type="checkbox"/>
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
26 Did the organization report any amount on Part X, line 3, 5, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II		<input checked="" type="checkbox"/>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		<input checked="" type="checkbox"/>
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		<input checked="" type="checkbox"/>
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		<input checked="" type="checkbox"/>
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations?		<input checked="" type="checkbox"/>
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule M, Part I		<input checked="" type="checkbox"/>
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		<input checked="" type="checkbox"/>
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, IV, or V, and Part V, line 1	<input checked="" type="checkbox"/>	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<input checked="" type="checkbox"/>
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		<input checked="" type="checkbox"/>
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		<input checked="" type="checkbox"/>
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 12? None. All Form 990 filers are required to complete Schedule O	<input checked="" type="checkbox"/>	

Form 990 (2012)



**Part V** Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1099. Enter -0- if not applicable	31	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	45	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-E for this year? If "No," to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8868-T?		
6a	Does the organization have annual gross receipts that are repeatedly greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c):		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payer?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8879 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(c)(3) supporting organizations. Did the sponsoring organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds:		
a	Did the organization make any taxable distributions under section 4088?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VII, line 12	10a	
b	Gross receipts, included on Form 990, Part VII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 1041 in lieu of Form 1041-T?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers:		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI ☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year <u>21</u>		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated trust authority to an advisory committee or similar committee, explain in Schedule O.		
1b Enter the number of voting members included in line 1a, above, who are independent <u>21</u>		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? <u>2</u>		<input checked="" type="checkbox"/>
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? <u>3</u>		<input checked="" type="checkbox"/>
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? <u>4</u>		<input checked="" type="checkbox"/>
5 Did the organization become aware during the year of a significant diversion of the organization's assets? <u>5</u>		<input checked="" type="checkbox"/>
6 Did the organization have members or stockholders? <u>6</u>	<input checked="" type="checkbox"/>	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? <u>7a</u>	<input checked="" type="checkbox"/>	
7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? <u>7b</u>		<input checked="" type="checkbox"/>
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body? <u>8a</u>	<input checked="" type="checkbox"/>	
b Each committee with authority to act on behalf of the governing body? <u>8b</u>		<input checked="" type="checkbox"/>
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O <u>9</u>		<input checked="" type="checkbox"/>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates? <u>10a</u>		<input checked="" type="checkbox"/>
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? <u>10b</u>		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? <u>11a</u>		<input checked="" type="checkbox"/>
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 12 <u>12a</u>	<input checked="" type="checkbox"/>	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? <u>12b</u>	<input checked="" type="checkbox"/>	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done <u>12c</u>		<input checked="" type="checkbox"/>
13 Did the organization have a written whistleblower policy? <u>13</u>	<input checked="" type="checkbox"/>	
14 Did the organization have a written document retention and destruction policy? <u>14</u>	<input checked="" type="checkbox"/>	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, compensation data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official <u>15a</u>	<input checked="" type="checkbox"/>	
b Other officers or key employees of the organization <u>15b</u>	<input checked="" type="checkbox"/>	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? <u>16a</u>		<input checked="" type="checkbox"/>
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? <u>16b</u>		

**Section C. Disclosure**

17 List the states with which a copy of this Form 990 is required to be filed: AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Liba Bowen, Sr. Dir. of Finance - 703-373-0933  
2900 Crystal Drive, 6th Floor, Arlington, VA 22202



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a. Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (for any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Representative John Piscopo, CT Chair	1.00	X		X				0.	0.	0.
(2) Representative Linda Spawyer, IA, First Vice Chair	1.00	X		X				0.	0.	0.
(3) Representative Phil King, TX Second Vice Chair	1.00	X		X				0.	0.	0.
(4) Senator Leah Vukmir, WI Treasurer	1.00	X		X				0.	0.	0.
(5) Representative Liston Barfield, SC, Secretary	1.00	X		X				0.	0.	0.
(6) Representative David Friswell, IN, Immediate Past Chair	1.00	X		X				0.	0.	0.
(7) Representative Gary Barr, OH Director	1.00	X						0.	0.	0.
(8) Senator James Buck, IN Director	1.00	X						0.	0.	0.
(9) Senator Bill Cadman, CO Director	1.00	X						0.	0.	0.
(10) Senator Barbara Copperske, NY, Director	1.00	X						0.	0.	0.
(11) Representative Philip A. Gunn, ME, Director	1.00	X						0.	0.	0.
(12) Representative Joe Harrison, LA, Director	1.00	X						0.	0.	0.
(13) Delegate William Howell, VA Director	1.00	X						0.	0.	0.
(14) Senator Michael Lemmons, AR Director	1.00	X						0.	0.	0.
(15) Representative Steve McDaniel, TN, Director	1.00	X						0.	0.	0.
(16) Representative Ray Merrick, MI Director	1.00	X						0.	0.	0.
(17) Senator Wayne Niederhanser, NY, Director	1.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Continued)

(A) Name and title	(B) Average hours (per week) (Set any hours for related organizations below line)	(C) Position (Do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Officer	Director/Trustee	Officer	Key Employee	Officer	Director/Trustee			
(18) Senator William Belts, OH Director	1.00	X						0.	0.	0.
(19) Representative Thom Tillis, NC, Director	1.00	X						0.	0.	0.
(20) Representative Curry Todd, TN Director	1.00	X						0.	0.	0.
(21) Senator Susan Wagle, KS Director	1.00	X						0.	0.	0.
(22) Ron Scheberle Executive Director	37.50		X					337,698.	0.	840.
(23) Lisa Brown Sr. Dir. - Finance/Adm.	37.50		X					127,506.	0.	21,618.
(24) Michael Bowman Sr. Dir. - Policy/Strategy	37.50				X			149,256.	0.	25,714.
(25) Wilhelm Meisterling Dir. - Public Affairs	37.50				X			126,242.	0.	7,175.
(26) Jonathan Williams Task Force Director	37.50				X			110,215.	0.	22,586.
1b Sub-total								850,917.	0.	77,933.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								850,917.	0.	77,933.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$100,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Doner Fundraising 815 Brazos, Suite 701, Austin, TX 78701	Event planning & P/R	226,434.
Edelman 21992 Network Place, Chicago, IL 60673	Public relations	208,000.
CMI Communications, 400 Mile Crossing Blvd., Rochester, NY 14624	Audio Visual	176,548.
Webster Chamberlain & Bean, LLP 1747 Penn. Ave., NW, Washington, DC 20006	Legal & Consulting	172,521.
MGA, Inc. 1230 17th Street, NW, Washington, DC 20036	Realtor fees	168,747.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **5**

**Part VIII** Statement of RevenueCheck if Schedule D contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants, and Other Similar Amounts	1 a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	5,825,882.				
	g	For each contributor included in lines 1a-f, \$					
	h	<b>Total.</b> Add lines 1a-f	5,825,882.				
Program Service Revenue	2 a	Conferences/seminars	900099 1,110,321.	1,110,321.			
	b	Membership dues	900099 64,063.	64,063.			
	c	Publications	900099 1,953.	1,403.	550.		
	d						
	e						
	f	All other program service revenue					
	g	<b>Total.</b> Add lines 2a-f	1,176,337.				
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,226.		2,226.
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6 a		Gross rents	(i) Real (ii) Personal				
		b	Less: rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
7 a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		b	Less: cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)				
8 a		Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 10	a				
		b	Less: direct expenses	b			
		c	Net income or (loss) from fundraising events				
9 a		Gross income from gaming activities. See Part IV, line 10	a				
		b	Less: direct expenses	b			
		c	Net income or (loss) from gaming activities				
10 a		Gross sales of inventory, less returns and allowances	a				
		b	Less: cost of goods sold	b			
		c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue			Business Code				
11 a	Sublease income **	900099 317,834.	317,834.				
b	Other	900099 252.	252.				
c							
d	All other revenue						
e	<b>Total.</b> Add lines 11a-11d		318,086.				
12	<b>Total revenue.</b> See instructions.		7,322,531.	1,493,873.	550.	2,226.	

12-02-13 \*\* Sublease income - from non-investment property; non-debt financed

**Part IX Statement of Functional Expenses**

Section 501(c)(2) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	17,500.	17,500.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	487,662.	244,433.	209,375.	33,854.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,968,639.	1,758,462.	135,581.	74,596.
8 Pension plan accruals and contributions (include section 401(k) and 408(k) employer contributions)	56,198.	46,209.	7,487.	2,502.
9 Other employee benefits	236,824.	211,525.	13,838.	11,461.
10 Payroll taxes	171,646.	141,136.	22,868.	7,642.
11 Fees for services (non-employees):				
a Management				
b Legal	202,919.	166,983.	26,937.	8,999.
c Accounting	58,271.	47,916.	7,762.	2,593.
d Lobbying				
e Professional fundraising services. See Part IV, line 17	155,758.			155,758.
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	508,463.	425,223.	33,036.	50,204.
12 Advertising and promotion	2,318.	2,318.		
13 Office expenses	635,835.	438,934.	70,260.	126,641.
14 Information technology	226,864.	186,550.	30,218.	10,096.
15 Royalties				
16 Occupancy	868,145.	713,876.	115,637.	38,632.
17 Travel	251,054.	247,075.	1,007.	972.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	242,265.	206,790.	35,475.	
19 Conferences, conventions, and meetings	1,614,231.	1,557,778.	55,135.	1,318.
20 Interest	5,533.	4,550.	737.	246.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	143,445.	117,955.	19,107.	6,383.
23 Insurance	35,987.	30,615.	4,027.	1,345.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Bad debt	241,227.		241,227.	
b Dues and membership	137,307.	131,925.	1,795.	3,587.
c Artwork/graphics	112,064.	111,856.	165.	43.
d Subscriptions/research	62,933.	62,794.	104.	35.
e All other expenses	67,864.	65,000.	2,347.	517.
25 Total functional expenses. Add lines 1 through 24e	8,510,952.	6,937,403.	1,036,125.	537,424.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if reporting TCP 99-0 (990) 999-0000



**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest bearing	1,780,906.	1	361,014.
	2 Savings and temporary cash investments	1,576,250.	2	1,623,844.
	3 Pledges and grants receivable, net	1,024,329.	3	1,229,546.
	4 Accounts receivable, net	3,916.	4	8,335.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1), persons described in section 4958(c)(3)(B), and contributing employees and sponsoring organizations of section 501(c)(3) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Sch. L.		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	157,628.	9	133,760.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a 1,625,129.		
	b Less: accumulated depreciation	10b 505,085.		
		312,058.	10c	1,040,044.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11.		12	
	13 Investments - program-related. See Part IV, line 11.		13	
14 Intangible assets		14		
15 Other assets. See Part IV, line 11.	0.	15	441,595.	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34).	4,855,087.	16	4,838,138.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	531,336.	17	716,174.
	18 Grants payable		18	
	19 Deferred revenue	268,767.	19	235,496.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D.		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payable to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.	667,796.	25	1,687,701.
	26 <b>Total liabilities.</b> Add lines 17 through 25.	1,467,899.	26	2,639,371.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 30 and 34.			
	27 Unrestricted net assets	528,614.	27	4,245.
	28 Temporarily restricted net assets	2,858,574.	28	2,194,522.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances.</b>	3,387,188.	33	2,198,767.	
34 <b>Total liabilities and net assets/fund balances.</b>	4,855,087.	34	4,838,138.	

Form 990 (2013)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,322,531.
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,510,952.
3	Revenue less expenses. Subtract line 2 from line 1	3	<1,188,421.>
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,387,188.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (A))	10	2,198,767.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1. Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a. Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b. Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c. If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
2c. As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
d. If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2013)







**Part II** Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(v)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1. Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5187554.	5997347.	7759834.	7216208.	5825882.	31986825.
2. Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3. The value of services or facilities furnished by a governmental unit to the organization without charge						
4. Total. Add lines 1 through 3	5187554.	5997347.	7759834.	7216208.	5825882.	31986825.
5. The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1484752.
6. Public support. Subtract line 5 from line 4						30502073.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7. Amounts from line 4	5187554.	5997347.	7759834.	7216208.	5825882.	31986825.
8. Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,750.	6,889.	6,541.	4,264.	2,226.	27,670.
9. Net income from unrelated business activities, whether or not the business is regularly carried on						
10. Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)		317.	193.	4,098.	318,086.	322,694.
11. Total support. Add lines 7 through 10						32337189.
12. Gross receipts from related activities, etc. (see instructions)					12	6,058,952.
13. First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14. Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	94.33 %
15. Public support percentage from 2012 Schedule A, Part II, line 14	15	93.67 %
16a. 33-1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input checked="" type="checkbox"/>		
b. 33-1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
17a. 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b. 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18. Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2013

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part B. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1. Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2. Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3. Gross receipts from activities that are not an unrelated trade or business under section 513						
4. Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5. The value of services or facilities furnished by a governmental unit to the organization without charge						
6. Total. Add lines 1 through 5						
7a. Amounts included on lines 1, 2, and 3 received from disqualified persons						
b. Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$1,000 or 1% of the amount on line 13 for the year						
c. Add lines 7a and 7b						
8. Public support percentage for 2013						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9. Amounts from line 6						
10a. Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b. Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c. Add lines 10a and 10b						
11. Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12. Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part IV.)						
13. Total support. Add lines 9, 11, and 12						
14. First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15. Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16. Public support percentage from 2012 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17. Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18. Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a. 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

b. 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ☐

20. Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

**Part IV** **Supplemental information.** Provide the explanations required by Part III, line 10; Part III, line 17a or 17b; and Part III, line 12.

Also complete this part for any additional information. (See instructions.)

**Schedule A, Part II, Line 10, Explanation for Other Income:****Miscellaneous**

2010 Amount: \$ 317.

2011 Amount: \$ 193.

2012 Amount: \$ 4,098.

2013 Amount: \$ 252.

**Sublease income**

2013 Amount: \$ 317,834.

**Schedule B**  
Form 990, 990-EZ,  
or 990-PF  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Name of the organization

Employer identification number

American Legislative Exchange Council

52-0140979

Organization type (check one)

File as:

Section:

Form 990 or 990-EZ

☒ 501(c) 3 (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(2) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☒ For a section 501(c)(2) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 5083(a) and 170(b)(1)(A)(v) and received from any one contributor, during the year, a contribution of the greater of (i) \$5,000 or (ii) 2% of the amount on (i) Form 990, Part VII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

110A For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2013)



Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 174,800.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 170,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 165,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 157,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6		\$ 139,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 135,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8		\$ 124,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)





Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part III** Exclusively religious, charitable, etc., indirect contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry for organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (See instructions.) ▶ 5

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferor's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferor's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferor's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferor's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferor's name, address, and ZIP + 4		Relationship of transferor to transferee

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2013**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.  
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part V, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5708 (election under section 501(h)): Complete Part I-A. Do not complete Part I-B.
- Section 501(c)(3) organizations that have NOT filed Form 5708 (election under section 501(h)): Complete Part I-B. Do not complete Part I-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 50a (Proxy Tax), then

- Section 501(c)(6), (5), or (8) organizations: Complete Part II.

Name of organization

**American Legislative Exchange Council**

Employer identification number

**52-0140379**

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1. Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2. Political expenditures ..... ▶ \$
3. Volunteer hours .....

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1. Enter the amount of any excise tax incurred by the organization under section 4065 ..... ▶ \$
2. Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$
3. If the organization incurred a section 4065 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a. Was a correction made? ☐ Yes ☐ No
- ▶ If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1. Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$
2. Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$
3. Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$
4. Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
5. Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2013

LHA

10321  
10321-01



**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 9768 (election under section 501(h)).

**A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Filing organization's total	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)															
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)		0.													
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)		0.													
<b>d</b> Other exempt purpose expenditures		8,355,194.													
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)		8,355,194.													
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.		567,760.													
<table border="1"> <thead> <tr> <th>If the amount on line 1c, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1c.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1c, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1c.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1c, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1c.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1c)		141,940.													
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter 0.		0.													
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter 0.		0.													
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
<b>2a</b> Lobbying nontaxable amount	441,740.	501,582.	576,295.	567,760.	2,087,377.
<b>b</b> Lobbying ceiling amount (100% of line 2a, column (a))					3,131,066.
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount	110,435.	125,396.	144,074.	141,940.	521,845.
<b>e</b> Grassroots ceiling amount (100% of line 2d, column (a))					782,768.
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2013

COPY



**SCHEDULE D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990.▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2013**Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply):

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Field at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/98, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(e)(4)(B)(i) and section 170(e)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- ☐ a Public exhibition  
☐ b Scholarly research  
☐ c Preservation for future generations  
☐ d Loan or exchange programs  
☐ e Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part III.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 93.

1a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					
1g					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held on:

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Temporarily restricted endowment ☐ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(i), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 15.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
1b Buildings				
1c Leasehold improvements		1,087,052.	258,222.	828,830.
1d Equipment		384,202.	295,796.	88,406.
1e Other		153,875.	31,067.	122,808.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (d), line 15(c).)				1,040,044.

Schedule D (Form 990) 2013

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Deferred rent and broker commissions	441,595.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Capital lease obligations	38,916.
(3) Deferred rent and lease benefit	1,403,799.
(4) Subtenant security deposit	44,986.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FPA 45 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☒

**Part XI** Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	7,328,181.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	5,650.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	5,650.
3	Subtract line 2e from line 1	3	7,322,531.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	7,322,531.

**Part XII** Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	8,516,602.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	5,650.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	5,650.
3	Subtract line 2e from line 1	3	8,510,952.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	8,510,952.

**Part XIII** Supplemental Information.

Provide the descriptions required for Part XIII, lines 3, 5, and 6; Part IX, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4c; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part X, Line 2:**

Management reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. For the year ended December 31, 2013, management did not identify any uncertain tax positions requiring recognition or disclosure in the financial statements.

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Department of the Treasury  
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

• Attach to Form 990 or Form 990-EZ.

Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/charity/990](http://www.irs.gov/charity/990)

2013

Open To Public Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1. Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☒ Mail solicitations  
b ☒ Internet and email solicitations  
c ☒ Phone solicitations  
d ☒ In-person solicitations  
e ☐ Solicitation of non-government grants  
f ☐ Solicitation of government grants  
g ☐ Special fundraising events

2. a. Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ Yes ☐ No
- b. If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Dorner Fundraising - 815 Brason, Suite 703, Austin, TX	Solicit funds on behalf of AISC's annual conf.		X	244,164	116,555	728,106
Clearword Communications - 12841 Braemar Village Plaza,	Direct mail consultant		X	211,914	35,250	172,614
<b>Total</b>				1,356,678	155,758	980,926

2. List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensure.

AK, AL, AR, AS, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 1b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts				
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d)				
	11 Net income summary. Subtract line 10 from line 3, column (d)				

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or reported more than \$15,000 on Form 990-EZ, line 1a.

		(a) Bingo	(b) Pull tabs/lottery bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d)					
8 Net gaming income summary. Subtract line 7 from line 1, column (d)					

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of those states? ☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_

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- 11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity operated in:
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |

- 14 Enter the name and address of the person who prepares the organization's gaming/pool events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer

☐ Employee

☐ Independent contractor

- 17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental information. Provide the explanations required by Part I, line 2b, column (ii) and (iii), and Part III, lines 9, 10b, 11b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**Schedule G, Part I, Line 2b, List of Ten Highest Paid Fundraisers:**

(i) Name of Fundraiser: Doner Fundraising

(i) Address of Fundraiser: 815 Brazos, Suite 701, Austin, TX 78701

(i) Name of Fundraiser: Clearword Communications

(i) Address of Fundraiser:

12841 Braemar Village Plaza, #51, Bristow, VA 20136



**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

**American Legislative Exchange Council**

**Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantee's eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No

2 Complete in Part IV for organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part I-III for duplicate if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, fair, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Dorot's Trust-payment to Talent Market, disregarded entity of Dorot's Trust - 165 North Henry St., - Alexandria, VA 22314	52-2146327	501(c)(13)	12,546.	0.			General expenses
State Policy Network 1430 N. Post River Drive, Suite 140 Washington, VA 22202	57-0122021	501(c)(13)	9,018.	0.			Sponsorship of State Policy Network's annual meeting

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 2

3 Enter total number of other organizations listed in the line 1 table 0

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

**COPY**

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, fair, appraisal, other)	(f) Description of non-cash assistance

**Part IV** Supplemental Information. Provide the information required in Part I, line 2, Part II, column (b), and any other additional information.**Part I, Line 2:**

Sponsorship contributions are made to established organizations known for successfully accomplishing projects/goals that are aligned with the interests of ALEC.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public Inspection

Employer identification number

**American Legislative Exchange Council**

**52-0140979**

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                         | <input checked="" type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

- 4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

- 5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?

- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

- 6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?

- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

- 7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

- 8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(2)? If "Yes," describe in Part III

- 9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

LHA: For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013





**Part III** Supplemental Information

Provide the information, explanation, or description requested for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Employer identification number

American Legislative Exchange Council

52-0140979

Form 990, Part III, Line 1, Description of Organization Mission:

educational information.

Form 990, Part III, Line 4d, Other Program Services:

State Outreach

Expenses \$ 793,667. including grants of \$ 0. Revenue \$ 0.

Membership

Expenses \$ 655,239. including grants of \$ 17,500. Revenue \$ 81,632.

Form 990, Part VI, Section A, line 6:

In accordance with the bylaws of ALEC, full membership shall  
be open to persons dedicated to the preservation of individual liberty,  
basic American values and institutions, productive free enterprise, and  
limited representative government, who support the purposes of ALEC, and  
who serve, or formerly served, as members of a state or territorial  
legislature, the United States Congress or similar bodies outside the  
United States.

Form 990, Part VI, Section A, line 7a:

Directors are elected at each annual meeting. The Board shall  
consist of 23 members of which 18 directors are nominated and elected by  
the Board of Directors. Three Directors shall be nominated by the Board of  
Directors from a list of six nominees supplied by the State Chair, one of  
whom shall be the Chair of the State Chairs. Two Directors shall be  
elected by the Board of Directors from a list of four nominees supplied by

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) 2013

332071  
08-04-13



Name of the organization

American Legislative Exchange Council

Employer identification number

52-0148979

the Task Force chairs, all four of whom shall be Task Force public sector chairs.

Form 990, Part VI, Section A, line 8b:

ALEC has a finance committee and written minutes were prepared for all meetings of this committee though the minutes of each prior meeting were not formally approved.

Form 990, Part VI, Section B, line 11:

The Senior Director of Finance reviews ALEC's Form 990. Such review takes place upon receipt of the draft Form 990 received from the independent public accounting firm who conducts the financial statement audit of ALEC. The review involves comparison of financial data in the Form 990 with the audited financial statements and review of all narrative information for accuracy and completeness. The Executive Director of ALEC then reviews the Form 990. Prior to filing, the public disclosure copy of the Form 990 is provided to the full Board of ALEC.

Form 990, Part VI, Section B, line 12:

ALEC has a written conflict of interest policy and existing procedures require all Board members to annually disclose all conflicts and sign this policy statement. While all Board members did not sign the policy statement in 2013, ALEC's management and Board are working on ways to best address conflicts of interest. Actual or perceived conflicts are addressed by the Board on a case by case basis.

Form 990, Part VI, Section B, Line 15:

ALEC compares current salary rates with other non-profits by

COPY

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0148979

reviewing various Federal Form 990's to ensure the rates are competitive. Once compensation is determined for top management officials, officers, and key employees, the board of directors reviews and approves the rates prior to any change in compensation taking effect.

Form 990, Part VI, Line 17, List of States receiving copy of Form 990:

AK,AL,AR,AZ,CA,CO,CT,FL,GA,IL,IN,KS,KY,LA,MA,MD,ME,MI,MN,MS,NC,ND,NH,NJ,NM,NY,  
OH,OK,OR,PA,RI,SC,TN,UT,VA,WA,WI,WV

Form 990, Part VI, Section C, Line 19:

ALEC makes these documents available upon request.

COPY







**Part V** Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 24, 25b, or 35.

Note. Complete line 1 if any entity is listed in Parts I, II, or IV of this schedule.

1. During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts I-IV?

	Yes	No
a. Receipt of (b) interest (b) annuities (b) royalties or (b) rent from a (b) related entity		<input checked="" type="checkbox"/>
b. Gift, grant, or capital contribution to related organization(s)		<input checked="" type="checkbox"/>
c. Gift, grant, or capital contribution from related organization(s)		<input checked="" type="checkbox"/>
d. Loans or loan guarantees to or for related organization(s)		<input checked="" type="checkbox"/>
e. Loans or loan guarantees by related organization(s)		<input checked="" type="checkbox"/>
f. Dividends from related organization(s)		<input checked="" type="checkbox"/>
g. Sale of assets to related organization(s)		<input checked="" type="checkbox"/>
h. Purchase of assets from related organization(s)		<input checked="" type="checkbox"/>
i. Exchange of assets with related organization(s)		<input checked="" type="checkbox"/>
j. Lease of facilities, equipment, or other assets to related organization(s)		<input checked="" type="checkbox"/>
k. Lease of facilities, equipment, or other assets from related organization(s)		<input checked="" type="checkbox"/>
l. Performance of services or membership or fundraising solicitations for related organization(s)		<input checked="" type="checkbox"/>
m. Performance of services or membership or fundraising solicitations by related organization(s)		<input checked="" type="checkbox"/>
n. Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		<input checked="" type="checkbox"/>
o. Sharing of paid employees with related organization(s)		<input checked="" type="checkbox"/>
p. Reimbursement paid to related organization(s) for expenses		<input checked="" type="checkbox"/>
q. Reimbursement paid by related organization(s) for expenses		<input checked="" type="checkbox"/>
r. Other transfer of cash or property to related organization(s)		<input checked="" type="checkbox"/>
s. Other transfer of cash or property from related organization(s)		<input checked="" type="checkbox"/>

2. If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (see instructions)	(c) Amount involved	(d) Method of determining amount involved
10.				
20.				
30.				
40.				
50.				
60.				
70.				





**Part VII** Supplemental information

Provide additional information for responses to questions on Schedule R (see instructions).

COPY



# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1729

Department of the Treasury  
Internal Revenue Service

- **File a separate application for each return.**  
► **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ **X**  
• If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).  
**Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 990-T, Information Returns for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Churches & Nonprofits.

**Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 3-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number
	<u>American Legislative Exchange Council</u>	Employer identification number (EIN) of <u>52-0140979</u>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <u>2900 Crystal Drive, 6th Floor</u>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <u>Arlington, VA 22202</u>	

Enter the return code for the return that this application is for (file a separate application for each return) 01

Application to File	Return Code	Application to File	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 5000	11
Form 990-T (trust other than above)	06	Form 9920	12

Lisa Downen, Sr. Dir. of Finance

• The books are in the care of ► 2900 Crystal Drive, 6th Floor - Arlington, VA 22202

• Telephone No. ► 703-373-0933 Fax No. ► ☐

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until August 15, 2014 to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year 2013 or  
► tax year beginning                     , and ending                     

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 5000, enter the tentative tax, less any refundable credits. See instructions.	3a	\$	<u>0.</u>
b If this application is for Forms 990-PF, 990-T, 4720, or 5000, enter any refundable credits and estimated tax payments made. Include any prior year overpayment disposed as a credit.	3b	\$	<u>0.</u>
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	<u>0.</u>

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.



• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions.
File by the due date for filing your return, see instructions.	<b>American Legislative Exchange Council</b>	Employer identification number (EIN) or
	Number, street, and room or suite no. If a P.O. box, see instructions.	<b>52-0140979</b>
	<b>2900 Crystal Drive, 6th Floor</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>Arlington, VA 22202</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5327	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 9970	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**Lisa Bowen, Sr. Dir. of Finance**  
 The books are in the care of **2900 Crystal Drive, 6th Floor - Arlington, VA 22202**  
 Telephone No. **703-373-0933** Fax No. \_\_\_\_\_  
 • If the organization does not have an office or place of business in the United States, check this box ☐  
 • If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_, if this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **November 15, 2014.**  
 5 For calendar year **2013**, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_  
 6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period  
 7 State in detail why you need the extension  
**Additional time is needed to gather the information necessary to file a complete and accurate return.**

8a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	4a	\$	0.
8b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	4b	\$	0.
8c Balance due. Subtract line 8b from line 4a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	4c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title **Partner** Date **8/12/2014**

Form 8868 (Rev. 1-2014)

# EXHIBIT 57

**Short Form**

Form **990-EZ**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

<b>A</b> For the 2013 calendar year, or tax year beginning and ending		<b>D</b> Employer identification number
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Reinstatement <input type="checkbox"/> Amendment <input type="checkbox"/> Multiple entities	<b>C</b> Name of organization  <b>Jeffersonian Project</b> Number and street (or P.O. box, if mail is not delivered to street address) Room/suite <b>2900 Crystal Drive, 6th Floor</b> City or town, state or province, country, and ZIP or foreign postal code <b>Arlington, VA 22202</b>	<b>E</b> Telephone number <b>(703) 373-0333</b>
<b>6</b> Accounting Method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify): _____		<b>F</b> Group Exemption Number: _____
<b>7</b> Website: <b>N/A</b>		<b>H</b> Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-BF).
<b>8</b> Tax-exempt status (check only one): <input type="checkbox"/> 501(c)(2) <input checked="" type="checkbox"/> 501(c)(4) <input type="checkbox"/> 501(c)(6) or <input type="checkbox"/> 527		
<b>9</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other _____		
<b>1</b> Add lines 1A, 1B, and 1C to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part III, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ.		<b>\$ 60,000.</b>

<b>Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances</b> (see the instructions for Part I)			
Check if the organization used Schedule O to respond to any question in this Part I: <input checked="" type="checkbox"/>			
<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, and similar amounts received	<b>60,000.</b>	
	<b>2</b> Program service revenues including government fees and contracts		
	<b>3</b> Membership dues and assessments		
	<b>4</b> Investment income		
	<b>5a</b> Gross amount from sale of assets other than inventory	<b>5a</b>	
	<b>5b</b> Less: cost or other basis and sales expenses	<b>5b</b>	
	<b>5c</b> Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	<b>5c</b>	
	<b>6</b> Gaming and fundraising events		
	<b>6a</b> Gross income from gaming (attach Schedule G if greater than \$15,000)	<b>6a</b>	
	<b>6b</b> Gross income from fundraising events (not including \$ _____ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	<b>6b</b>	
<b>6c</b> Less: direct expenses from gaming and fundraising events	<b>6c</b>		
<b>6d</b> Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	<b>6d</b>		
<b>7a</b> Gross sales of inventory, less returns and allowances	<b>7a</b>		
	<b>7b</b> Less: cost of goods sold	<b>7b</b>	
	<b>7c</b> Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	<b>7c</b>	
	<b>8</b> Other revenue (Describe in Schedule O)	<b>8</b>	
<b>9</b> Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	<b>9</b>	<b>60,000.</b>	
<b>Expenses</b>	<b>10</b> Grants and similar amounts paid (file in Schedule O)	<b>10</b>	
	<b>11</b> Benefits paid to or for members	<b>11</b>	
	<b>12</b> Salaries, other compensation, and employee benefits	<b>12</b>	
	<b>13</b> Professional fees and other payments to independent contractors	<b>13</b>	
	<b>14</b> Occupancy, rent, utilities, and maintenance	<b>14</b>	
	<b>15</b> Printing, publications, postage, and shipping	<b>15</b>	
	<b>16</b> Other expenses (Describe in Schedule O)	<b>16</b>	
	<b>17</b> Total expenses. Add lines 10 through 16	<b>17</b>	<b>5,728.</b>
<b>Net Assets</b>	<b>18</b> Excess or (deficit) for the year (Subtract line 17 from line 9)	<b>18</b>	<b>54,272.</b>
	<b>19</b> Net assets or fund balances at beginning of year (from line 21, column (A)) (must agree with end-of-year figure reported on prior year's return)	<b>19</b>	<b>0.</b>
	<b>20</b> Other changes in net assets or fund balances (explain in Schedule O)	<b>20</b>	<b>0.</b>
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18 through 20	<b>21</b>	<b>54,272.</b>

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2013)

**COPY**



**Part II Balance Sheets** (see the instructions for Part II)Check if the organization used Schedule O to respond to any question in this Part II ☒

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	0.	49,916.
23 Land and buildings		
24 Other assets (describe in Schedule O) See Schedule O	0.	10,000.
25 Total assets	0.	59,916.
26 Total liabilities (describe in Schedule O) See Schedule O	0.	5,644.
27 Net assets or fund balances (Net 25 of column (B) must agree with line 21)	0.	54,272.

**Part III Statement of Program Service Accomplishments** (see the instructions for Part III)Check if the organization used Schedule O to respond to any question in this Part III ☒

What is the organization's primary exempt purpose? See Schedule O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program site.

Expenses  
(Allocated for parties  
501(c)(3) and 501(c)(4)  
organizations and section  
5047(c)(1) trusts, optional  
for others.)

28 See Schedule O		
Grants \$ 0. If this amount includes foreign grants, check here <input type="checkbox"/>	28a	0.
29		
Grants \$ If this amount includes foreign grants, check here <input type="checkbox"/>	29a	
30		
Grants \$ If this amount includes foreign grants, check here <input type="checkbox"/>	30a	
31 Other program services (describe in Schedule O)		
Grants \$ If this amount includes foreign grants, check here <input type="checkbox"/>	31a	
32 Total program service expenses (add lines 28a through 31a)	32	0.

**Part IV List of Officers, Directors, Trustees, and Key Employees** (see the instructions for Part IV)Check if the organization used Schedule O to respond to any question in this Part IV ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Executive compensation (Form 990-EZ line 10b) (if not paid, enter 0)	(d) Health benefits, cost sharing to employee (self, spouse, and dependent) (if not paid, enter 0)	(e) Estimated amount of other compensation
Representative Dave Prizzell				
Director	1.00	0.	0.	0.
Representative John Piscopo				
Director	1.00	0.	0.	0.
Representative Linda Upmeyer				
Director	1.00	0.	0.	0.
Representative Liston Barfield				
Director	1.00	0.	0.	0.
Representative Phil King				
Director	1.00	0.	0.	0.
Ron Scheberle				
Executive Director	1.00	0.	0.	0.
Lisa Bowen				
Senior Dir.- Finance & Admin.	1.00	0.	0.	0.

COPY

**Part V Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Sch. O to respond to any question in this Part V ☒ **X**

	Yes	No
22 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	22	X
24 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents. If they reflect a change to the organization's name, otherwise, explain the change on Schedule O (see instructions)	24	X
25a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 1, 6a, and 7a, among others)?	25a	X
b If "Yes" to line 25a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	25b	N/A
c Was the organization a section 501(c)(4), 501(c)(15), or 501(c)(29) organization subject to section 512(b)(13) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	25c	X
26 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule M	26	X
27a Enter amount of political expenditures, direct or indirect, as described in the instructions <span style="float:right">0.</span>	27a	
b Did the organization file Form 1120-POL for this year?	27b	X
31a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	31a	X
b If "Yes," complete Schedule L, Part II and enter the total amount involved	31b	N/A
32 Section 501(c)(7) organizations. Enter:		
a Total donations and capital contributions included on line 0	32a	N/A
b Gross receipts, included on line 8, for public use of club facilities	32b	N/A
41a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under:		
section 4911 <span style="float:right">N/A</span> ; section 4912 <span style="float:right">N/A</span> ; section 4955 <span style="float:right">N/A</span>		
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	41b	X
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">0.</span>		
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 41c reimbursed by the organization <span style="float:right">0.</span>		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8869-T	41e	X
42 List the states with which a copy of this return is filed <span style="float:right">None</span>		
43a The organization's books are in care of <span style="float:right">The Organization</span> Telephone no. <span style="float:right">(703) 373-0933</span>		
Located at <span style="float:right">2900 Crystal Drive, 6th Floor, Arlington, VA</span> ZIP + 4 <span style="float:right">22202</span>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	43b	X
If "Yes," enter the name of the foreign country: <span style="float:right"></span>		
See the instructions for exceptions and filing requirements for Form TD F 90-25.1, Report of Foreign Bank and Financial Accounts.		
c At any time during the calendar year, did the organization maintain an office outside of the U.S.?	43c	X
If "Yes," enter the name of the foreign country: <span style="float:right"></span>		
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here <span style="float:right"></span> and enter the amount of tax-exempt interest received or accrued during the tax year <span style="float:right">0.</span>	43	
44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	X
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	X
c Did the organization receive any payments for indoor tanning services during the year?	44c	X
d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	X
45b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	X

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- 46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? **Yes** ☐ **No** ☒
- If "Yes," complete Schedule C, Part I.

**Part VI Section 501(c)(3) organizations only**

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

- 47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Sch. C, Part II. **Yes** ☐ **No** ☐
- 48 Is the organization a school as described in section 1703(j)(3)(A)? If "Yes," complete Schedule E. **Yes** ☐ **No** ☐
- 49a Did the organization make any transfers to an exemption disallowance related organization? **Yes** ☐ **No** ☐
- b If "Yes," was the related organization a section 527 organization? **Yes** ☐ **No** ☐
- 50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Total compensation (Form 990-TSS-100)	(d) Health insurance contributions to employee benefit plans, and deferred compensation	(e) Unfunded amount of other compensation
N/A				

- f Total number of other employees paid over \$100,000 **0**
- 51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None." **N/A**

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation

- d Total number of other independent contractors each receiving over \$100,000 **0**

- 52 Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations and 4947(a)(2) nonprofits.

For table trust must attach a completed Schedule A. **Yes** ☐ **No** ☐

Under penalties of perjury, I declare that I prepared this return, including accompanying schedules or statements, to the best of my knowledge and belief, and that I am not a preparer. Declaration of preparer (other than officer) is based on information of which preparer has no knowledge.

Sign Here **Signature of officer** **CEO, Lisa B. Nelson**

**Paid Preparer Use Only**

Print/Type preparer's name: **Thomas J. Raffa** Preparer's signature: **[Signature]** Date: **8/19/2014** Check ☐ If **PTON** ☒ If **Self-employed** **P00916458**

Firm's name: **Raffa, P.C.** Firm's EIN: **52-1511275**

Firm's address: **1899 L Street NW, Suite 900** Phone no.: **(202) 822-5000**

**Washington, DC 20036**

Big Ex. IRS discuss this return with the preparer shown above? See instructions **Yes** ☒ **No** ☐

Form 990-EZ (2012)

**COPY**

**Schedule B**

(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Name of the organization

Jeffersonian Project

Employer identification number

46-2333126

Organization type (check one):

File as:

Section:

Form 990 or 990-EZ

☒ 501(c)(4) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 508(a)(1) and 170(b)(1)(A)(v) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year: ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**LHA.** For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. **Schedule B (Form 990, 990-EZ, or 990-PF) (2013)**

Name of organization

Employer identification number

Jeffersonian Project

46-2233126

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)





Name of organization

Employer identification number

Jeffersonian Project

46-2233126

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (d) and the following line only. For organizations completing Part III, enter the total exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (part IV only) **▶** 5.

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

COPY

SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Forms 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2013

Open to Public  
Inspection

Employer identification number

46-2233126

Form 990-EZ, Part I, Line 16, Other Expenses:

Description of Other Expenses:

Amount:

Office supplies

84.

Form 990-EZ, Part II, Line 24, Other Assets:

Description

Beg. of Year

End of Year

Contributions receivable

0.

10,000.

Form 990-EZ, Part II, Line 25, Other Liabilities:

Description

Beg. of Year

End of Year

Accounts payable

0.

5,644.

Form 990-EZ, Part III, Primary Exempt Purpose - The mission of the

Jeffersonian Project is to educate the public and government policy

makers by providing nonpartisan research on current events and other

issues of concern to the public and government policy makers.

Form 990-EZ, Part III, Line 28, Program Service Accomplishments:

The Jeffersonian Project will prepare information and

documents to educate the public as well as Congress on

various areas, including health care, religion and civil

society, welfare, education, the national budget, the environment, and

immigrations.

Costs incurred in 2013 were 100% general and administrative in nature

rather than program related as the organization was in its start up

phase.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) 2013

330211  
09-04-13

SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2013

Open to Public  
Inspection

Name of the organization

Jeffersonian Project

Employer identification number

45-2233126

Form 990-EZ, Part V, Information Regarding Personal Benefit Contracts:

The organization did not, during the year, receive any funds, directly,  
or indirectly, to pay premiums on a personal benefit contract.

The organization, did not, during the year, pay any premiums, directly,  
or indirectly, on a personal benefit contract.

COPY



# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1700

Department of the Treasury  
Internal Revenue Service

- **File a separate application for each return.**  
► **Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868).**

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ **X**  
• If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (if months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 990, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

## Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 3-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number
	Employer identification number (EIN) or	
	<b>Jeffersonian Project</b>	<b>46-2233126</b>
Do by the due date for filing your return, see instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	<b>2900 Crystal Drive, 6th Floor</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>Arlington, VA 22202</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 9000	11
Form 990-T (trust other than above)	06	Form 9970	12

**Lisa Bowen, Sr. Director of Finance**

- The books are in the care of ► **2900 Crystal Drive, 6th Floor - Arlington, VA 22202**

Telephone No. ► **(703) 373-0933**

Fax No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

1. I request an automatic 3-month (3 months for a corporation required to file Form 990-T) extension of time until **August 15, 2014** to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year **2013** or  
► tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2. If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

3a. If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 9000, enter the tentative tax, less any refundable credits. See instructions.	3a	\$	0.
3b. If this application is for Forms 990-PF, 990-T, 4720, or 9000, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
3c. Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).**

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions
File by the due date for filing your return, see instructions.	Jeffersonian Project	Employer identification number (EIN) or
	Number, street, and room or suite no. If a P.O. box, see instructions.	46-2233126
	2900 Crystal Drive, 6th Floor	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Arlington, VA 22202	

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-BL	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6060	11
Form 990-T (trust other than above)	06	Form 990	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

Lisa Bowen, Sr. Dir. of Finance

• The books are in the care of **2900 Crystal Drive, 6th Floor - Arlington, VA 22202**

Telephone No. **(703) 373-0933**

Fax No.

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **November 15, 2014.**

5 For calendar year **2013**, or other tax year beginning , and ending

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☒ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

**Additional time is needed to gather the information necessary to file a complete and accurate return.**

8a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6060, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
8b If this application is for Forms 990-PF, 990-T, 4720, or 6060, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
8c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

**Signature and Verification must be completed for Part II only.**

Under penalty of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete, and that I am authorized to prepare this form.

Signature  Title **Partner**

Date **8/12/2014**

Form 8868 (Rev. 1-2014)

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