

RNC Finance Leadership Meeting

February 18, 2010

Boca Grande, Florida

Republican National Committee Finance Leadership

FINANCE CHAIRMAN

Ambassador Peter J. Terpeluk, Jr.

Chevy Chase, MD

REPUBLICAN REGENTS CO-CHAIRMEN

Ambassador Sam Fox

St. Louis, MO



TEAM 100 CO-CHAIRMEN

William E. Bloomfield, Jr.

Manhattan Beach, CA

Elizabeth K. Christie

Chicago, IL

Joe Colonna

Dallas, TX

Michael K. Crossen

Boston, MA

Fred E. Karlinsky

Weston, FL

Charles E. Ryan

Wayne, PA

Bradley D. Wine

Bethesda, MD



RNC Staff

FINANCE DIRECTOR

Rob Bickhart

DEPUTY FINANCE DIRECTOR

Debbie LeHardy

REGENTS & TEAM 100

Lindsey Williams Drath, Director

Ally Schmeiser, Deputy Director

EAGLES

Betty Saylor, Director

Heather Jeffreys, Deputy Director

YOUNG EAGLES

Allison Meyers, Director

RNC LEGAL

John Phillippe, Chief Counsel



YOUNG EAGLES CO-CHAIRMEN

John P. Middleton

Bryn Mawr, PA

Ryan A. Morfin

Brooklyn, NY

Douglas P. Rosenberg

Miami, FL

Italo Zanzi

Miami, FL



EAGLES CO-CHAIRMEN

Raymond F. Caron, M.D.

Orlando, FL

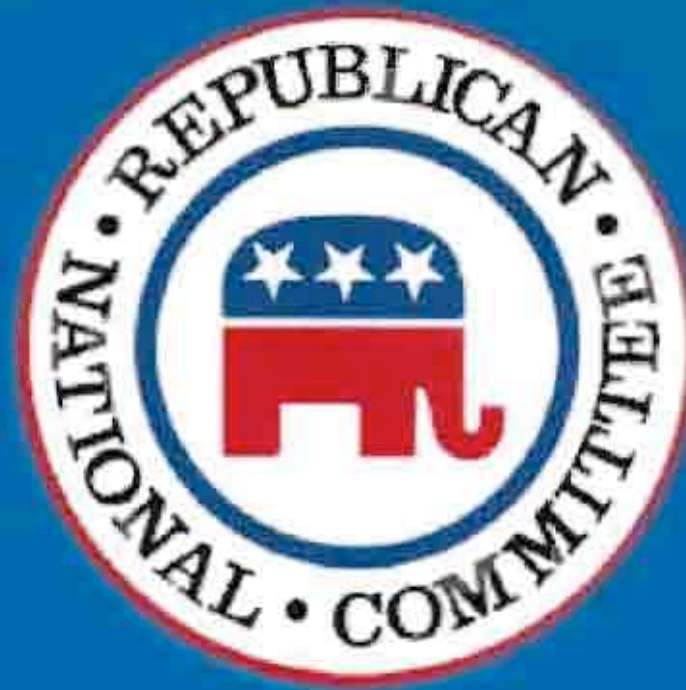
Mark Cowan

McLean, VA



Overview of the Political Landscape

(How We Spend Your Money)

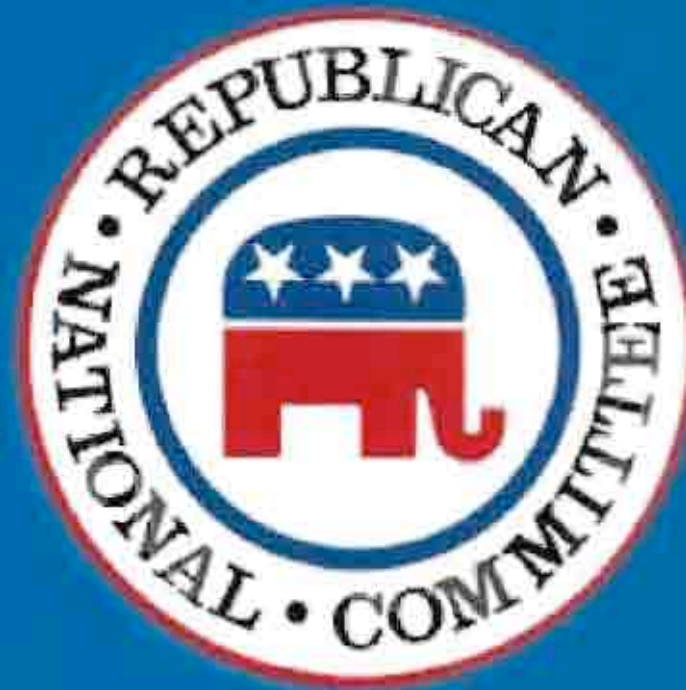


What We Raised

- In 2009, the RNC raised a total of \$81,255,000 million.
- The average RNC donor contribution in 2009 was less than \$40, signaling a resurgence in low dollar donors and a very positive sign for election year fundraising efforts.
- The RNC added over 370,000 new first time donors in 2009, an off-year record, that based on historic performance equates to over \$100 million over next 10 years.

Where We Spent It

GOP Victories in Review



2009 Virginia Gubernatorial Race

- In this election, Bob McDonnell received a record breaking number of votes. (1,163,529 votes or 59%)
 - McDonnell's 17 point victory margin tied George Allen's 1993 victory margin for the widest margin of victory in a Virginia gubernatorial election since 1961.
 - McDonnell received the most votes of any candidate ever seeking a state office.
- McDonnell won 28 counties that President Obama won in 2008 and exceeded President Obama's share of the vote in 19.
- McDonnell won 35 counties that Democratic Governor Tim Kaine won in 2005 and exceed Kaine's share of the vote in 27 of them.
- There are 11 congressional districts in Virginia, 6 of them are held by Democrats. McDonnell carried 4 Democratically held Congressional Districts.
 - CD 2 – Glen Nye
 - CD 5 – Tom Perriello
 - CD 9 – Rick Boucher
 - CD 11 – Gerry Connolly
- McDonnell won every media market in Virginia.
- Republican challengers defeated 8 incumbent Democrat member of the Virginia House of Delegates. 6 of the losses were in districts carried by President Obama. Republicans had a net gain of 6 seats in the House of Delegates.



2009 New Jersey Gubernatorial Race

- In 2009, the RNC committed substantial resources to New Jersey in order to build a ground game infrastructure that had been lacking in years past.
 - Ex. Field Offices were opened in Newark and Trenton
- Republicans were outspent by nearly 4 to 1 in the gubernatorial race.
- Chris Christie won by a 5 point margin (49%-44%) in a state that Democrats enjoy a 1.4 million voter registration advantage.
- Christie carried 6 counties that President Obama carried in 2008 and exceeded President Obama's share of the vote in 1 of them.
- Christie carried 5 counties that Governor Corzine carried in 2005.
- Republicans had a net gain of 1 seat in the state legislature.



2010 Massachusetts Senatorial Race

- In 2010, the RNC committed new, innovative technological resources to Massachusetts in order to build a ground game infrastructure that had been lacking in years past.
- Scott Brown won by a 5 point margin (52%-47%) in a state that Democrats enjoy a substantial voter registration advantage.
- Brown carried 7 out 10 Congressional Districts.
- In two months, the RNC's Victory operation made 1.9 million phone calls and knocked on 39k doors.



Top Lessons Learned in 2009

- Republicans are motivated and turning out to vote
- Independents are leaning Republican
- The grassroots was extremely motivated
- Online fundraising can catch fire
- Republican successes in the past year have produced the best candidate recruitment environment in over a decade



Where We'll Be Investing in 2010



2010 GOP Seats in Play

- 41 Republican Senators
- 178 Republicans House Members
- 24 Republican Governors
- 36 State Legislative Chambers
- 23% of Self-Identified Voters are Republican



Gubernatorial Breakdown

There are **37 Governors** seats in play in 2010

- 12 Republican Open Seat Elections
- 11 Democrat Open Seat Elections in 2010
- 6 Republican Incumbents Face Reelection
- 7 Democrat Incumbents Face Reelection in 2010



Top Gubernatorial Targets

Offensive Targets (16)

- Strickland (OH)
- Patrick (MA)
- Colorado Open Seat
- Quinn (IL)
- Culver (IA)
- Wisconsin Open Seat
- Kansas Open Seat
- Oklahoma Open Seat
- Michigan Open Seat
- Wyoming Open Seat
- Paterson (NY)
- Pennsylvania Open Seat
- Tennessee Open Seat
- Oregon Open Seat
- New Mexico Open Seat
- Maine Open Seat



U.S. Senate Breakdown

- 12 Republican Incumbents Face Reelection
- 10 Democrat Incumbents Face Reelection
- 6 Republican Open Seat Elections
- 8 Democrat Open Seat Elections



Top Senatorial Targets

Offensive Targets (9)

- Reid (NV)
- Lincoln (AR)
- Bennet (CO)
- Specter (PA)
- Illinois Open
- North Dakota Open
- Delaware Open
- Connecticut Open
- Indiana Open

Wild Cards (5)

- Gillibrand (NY)
- Boxer (CA)
- Inouye (HI)
- Feingold (WI)
- Schumer (NY)



U.S. House Breakdown

- Republicans need 40 seats to elect the next Speaker of the House
- We currently have 82 House Democrat targets and expect close to 100
- We currently have 7 House Republican targets and there could be as many as 10
- There are currently 86 Democrats sitting in districts won by President George W. Bush
- There are currently 49 Democrats sitting in districts won by Senator John McCain
- There are only 34 Republicans sitting in districts won by President Obama

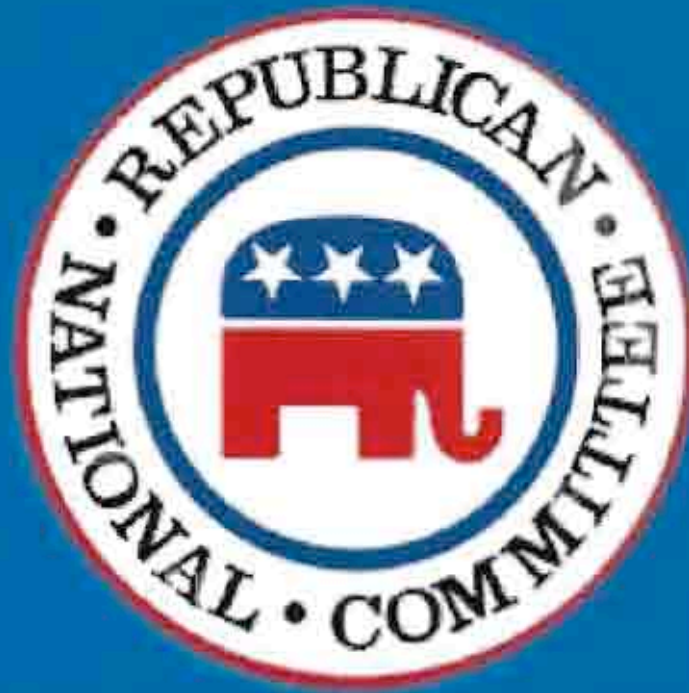


State Legislatures

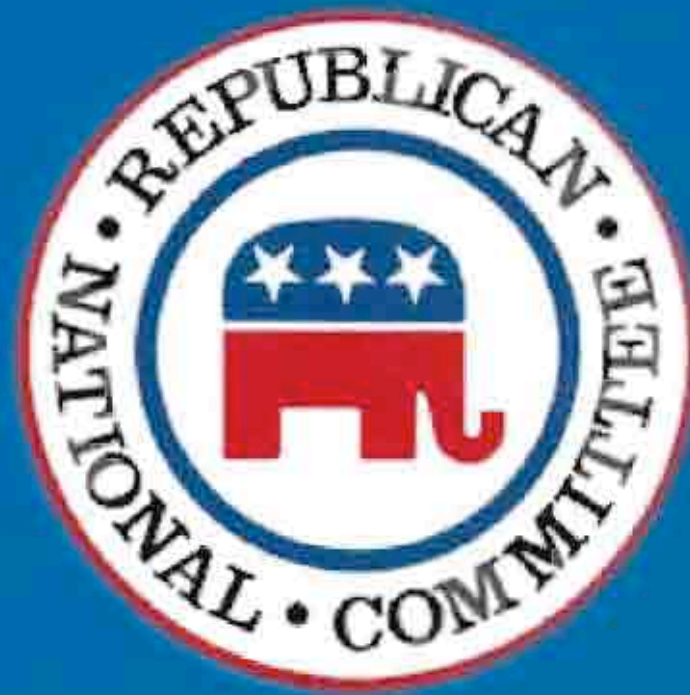
- ✓ 91 chambers in 48 states on ballot in 2009-2010.
 - 54 held by Democrats
 - 33 held by Republicans, 3 evenly split, and 1 non partisan.
- ✓ 18 chambers with margins of 5 seats or less.
 - 8 are held by Democrats
 - 10 are held by Republicans
- ✓ 6300+ State Legislative seats on ballot.



Co-Chairman's Report



Tools for Success



The Who, What, When, Where, How and Why of RNC Finance



Putting the Fun Back in
FUNdraising
a.k.a. RNC Marketing 101



Direct Marketing vs. Major Donors

- *Macro fundraising: Direct Marketing-**OBJECTIVE***

- Tools:

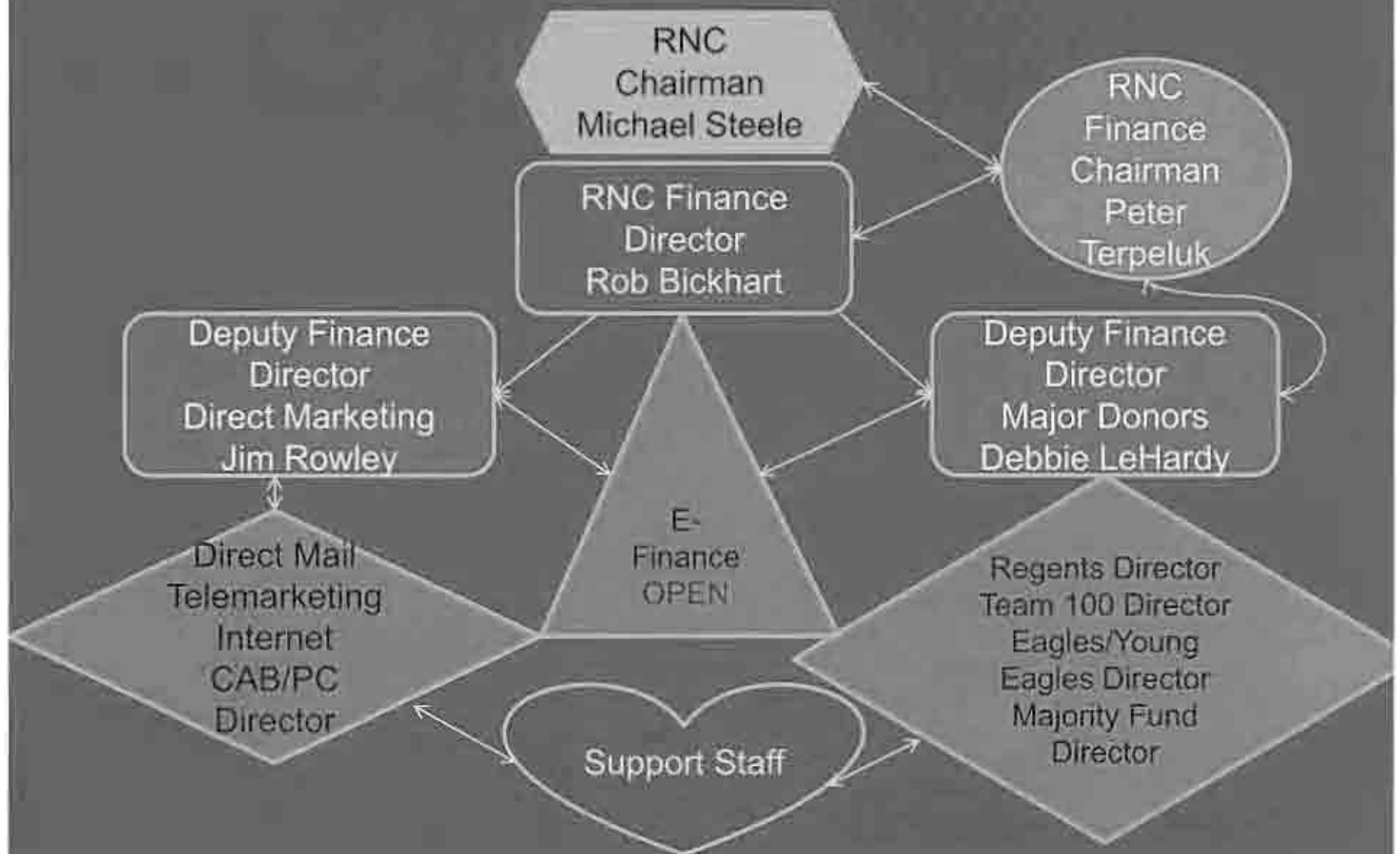
- Mail
- Phones
- Internet
- **LISTS, LISTS AND MORE LISTS!**
- **Tchochkes!!!!!!!!!!**

- *Micro fundraising: Major Donors-**SUBJECTIVE***

- Tools:

- National Finance Structure: Peer to peer **PRESSURE!**
- Finance Staff: Long term relationship-building
- Events
- **LISTS, LISTS AND MORE LISTS!**
- **Tchochkes!!!!!!!!!!**

A Traditional RNC Finance Org Chart



MOTIVATION TO GIVE

Direct Marketing

Major Donors



Visceral Giving

- Fear
- Extreme negative feelings toward existing Administration Issue/circumstantially oriented
- Reactionary

Calculated Giving

- Peer to Peer Pressure
- Networking Opportunities
- Access
- Wall of Fame
- Ego-Driven
- Personal

What can you sell when you do not have
the White House, the House or the
Senate...?

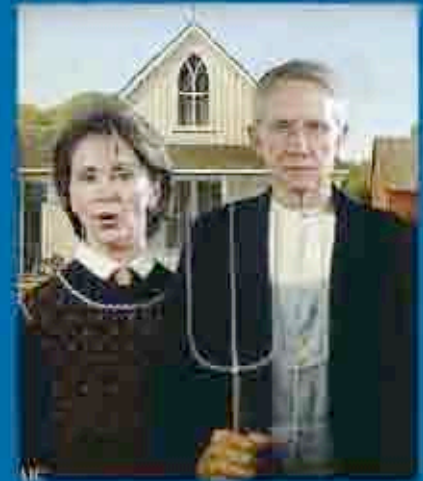
Save the country from trending
toward Socialism!



The Evil Empire



socialism



*Cruella
DeVille
and
Scooby
Doo*



webmail.rnchq.org/exchange

Microsoft



 Microsoft Office
Outlook Web Access
Provided by Microsoft Exchange Server 2003

Domain/user name:

Password:

Security

Public or shared computer
Select this option if you use Outlook Web Access on a public computer.

Private computer
Select this option if you are the only person who uses this computer.
Warning: By selecting this option you acknowledge that the computer complies with your organization's security policy.

To protect your account from unauthorized access, Outlook Web Access automatically closes its connection to your mailbox after a period of inactivity. If your session ends, refresh your browser, and then log on again.



Call Days Past...

2009 Successes

- Ambassador Terpeluk has made hundreds of calls since assuming his Chairmanship – including a call to every Regent in New Jersey and Virginia the day after the election.
- Bill Bloomfield called every Regent and Team 100 member in the state of California.
- Fred Karlinsky hosted a prospecting event in Ft. Lauderdale as well as sending emails to Team 100 and Regents members in Florida to boost attendance at the Winter Retreat. He also secured Governor Charlie Crist as a VIP at the event.
- Charlie Ryan identified over 50 Team 100 and Regents members with whom he had relationships, making his call time quick, efficient and successful.
- Brad Wine called over 40 Team 100 members on the East Coast – opening a line of communication to the RNC.
- Ray Caron called every active Eagles member in the country and devoted a full day to driving attendance to the Winter Retreat.



Call Days ...Present...

2010 Plan of Attack

- Bill Bloomfield – January 25
- Ray Caron – February 2
- Beth Christie – March 10-11
- Michael Crossen – January 28, March 3, April 7
- Charlie Ryan – January 7



Call Days ...and Beyond!

As a result of the calls made by the leadership team, major donors, both current and lapsed, have an established a point of contact at the Republican National Committee.

The leadership team facilitates a personal relationship between investors and the RNC Finance Team.

By serving as hosts and boosting attendance at events all over the country, the leadership team has assisted in acquainting hundreds of prospects with the RNC's Major Donor Program.



Tracking Numbers

Ambassador Sam Fox – 7800

Bill Bloomfield – 2207

Beth Christie – 5705

Joe Colonna – 1429

Michael Crossen – 6715

Fred Karlinsky – 3179

Charlie Ryan – 5430

Brad Wine – 7148

Ray Caron – 3200

Mark Cowan – 9321

Ali Jahangiri – 2208

Bryan Pickens – 1262

John Middleton – 5445

Ryan Morfin – 4339

Doug Rosenberg – 3163

Italo Zanzi – 4199



Budget Review



2009 Low Dollar Donor Counts

- 1,192,267 Active Donors*
- 372,966 First Time Donors*

*Off year record



2009 Fully Paid High Dollar Donor Counts*

18 Fully Paid Regents (18 x \$60,800 = \$1,094,400)

18 Partially Paid Regents (18 x \$30,400 = \$547,200)

24 Fully Paid Team 100 (24 x \$30,400 = \$729,600)

28 Fully Paid Eagles (28 x \$15,000 = \$420,000)

4 Fully Paid Young Eagles (4 x \$7,500 = \$30,000)

32 Fully Paid Majority Fund (32 x \$15,000 = \$480,000)

2 Partially Paid Majority Fund (2 x \$5,000 = \$10,000)

*There were a number of donors who came back as a result of a half price “stimulus package” that was offered in June of 2009.



Year End Summary

1/1/2009 – 12/31/2009

RNC

COH: \$8,421,947.96

Contributions 12/1/09 to 12/31/09:
\$6,662,639.67

Total Contributions Cycle:
\$81,341,088.66

Receipts 12/1/09 to 12/31/09:
\$6,844,860.65

Total Receipts Cycle: \$91,174,194.97

Spent 12/1/09 to 12/31/09:
\$7,172,004.62

Total Spent Cycle: \$97,911,034.08

Debt: \$0

DNC

COH: \$8,683,337.23

Contributions 12/1/09 to 12/31/09:
\$4,452,393.80

Total Contributions Cycle:
\$81,150,330.25

Receipts 12/1/09 to 12/31/09:
\$4,536,164.07

Total Receipts Cycle: \$83,808,093.36

Spent 12/1/09 to 12/31/09:
\$9,058,003.68

Total Spent Cycle: \$80,694,735.83

Debt: \$4,699,609.80



2010 Major Donor
Quarterly Club Revenue Goals
and
How We're Going to Get There



2010 Major Donor Goal

This is the major donor revenue line item set forth
by the RNC executive team and approved by
unanimous vote of the RNC Budget and
Executive Committees,

Wednesday, January 27, 2010

\$8,600,000

2010 Major Donor Goals by Club

• Regents	\$3,250,000	54 members
• Team 100	\$2,800,000	92 members
• Eagles	\$1,260,000	84 members
• Young Eagles	\$ 540,000	72 members
• Majority Fund	<u>\$ 750,000</u>	50 members
	<u><u>\$8,600,000</u></u>	

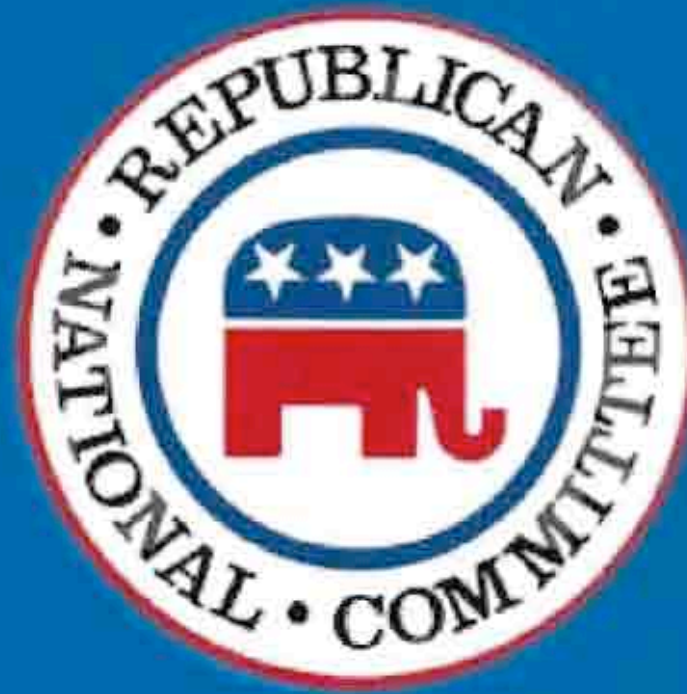
1st Quarter Projected Goals

January 1 – March 31, 2010

- Regents \$840,000 = 14 memberships
- Team 100 \$625,000 = 21 memberships
- Eagles \$400,000
 - Eagles \$280,000 = 19 memberships
 - Young Eagles \$120,000 = 16 memberships
- Majority Fund \$172,500 = 12 memberships

Total for Q1 \$2,037,500

Calendar of Events



Major Donor Confirmed Calendar of Events

FEBRUARY 2010

Thursday, February 18 –

Saturday, February 20

RNC Major Donor Winter Retreat

The Gasparilla Inn & Club – Boca Grande, FL

All Clubs Event (\$2,500 conference fee)

Saturday, February 20

Young Eagles Grassroots Cocktails

featuring **Senator David Vitter**

Union Pub - Washington, DC

Thursday, February 24

Young Eagles Private Reception

featuring **Bill Kristol**

Russian Tea Room - New York, NY

(\$350 general admission, \$1000 VIP)

MARCH 2010

Friday, March 5

Young Eagles - Chicago is Our Kind of Town

featuring **Senator Tom Coburn**

Drake Hotel - Chicago, IL

(\$250 general admission, \$1000 VIP)

Friday, March 26-

Sunday, March 28

Young Eagles in Las Vegas

The Palm - Las Vegas, NV



Confirmed Calendar of Events cont.

APRIL 2010

Thursday, April 1
Philadelphia, PA

Young Eagles Phillies Opening Day

*Thursday, April 8 –
Saturday, April 11*

Southern Republican Leadership Conference
New Orleans, LA
All Clubs Event (\$2,500 conference fee)

Tuesday, April 13

Private Dinner featuring Governor Mitt Romney
Home of Jenny and John Paulson – New York, NY
\$30,400

*Friday, April 16 –
Saturday, April 17*

Young Eagles at US Training Center
Moyock, NC

MAY 2010

May TBD

Reception featuring Steve Forbes
San Francisco, CA
All Clubs Event (\$500 ticket)

Sunday, May 30

Young Eagles at Indy 500
Indianapolis, IN

Confirmed Calendar of Events cont.

JUNE 2010

*Thursday, June 24 –
Sunday, June 27*

Exclusive RNC Maxed Donor Retreat
Meadowood – Napa Valley, CA
\$30,400

AUGUST 2010

*Thursday, August 12 –
Sunday, August 15*

RNC Major Donor Summer Meeting
Beverly Wilshire – Beverly Hills, CA
All Clubs Event (\$2,500 conference fee)

SEPTEMBER 2010

*Friday, September 10 –
Saturday, September 11*

Young Eagles Texas Bird Hunt

Major Donor Calendar of Events Pending Date Confirmation

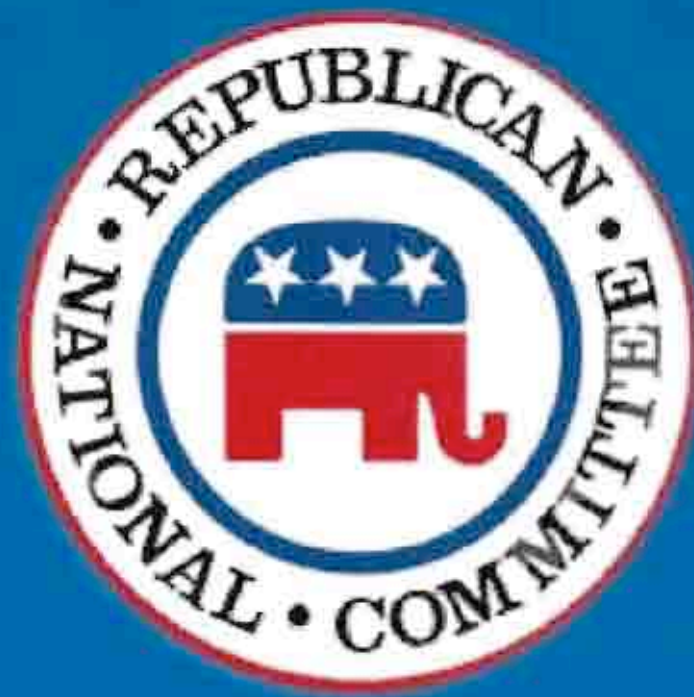
Date TBD

Greenwich, CT hosted by Steven Levy

Date TBD

Dallas, TX hosted by Jeanne Johnson Phillips
featuring Newt Gingrich
Hunt Oil Headquarters





1st Quarter Events

January

- 1/21 Majority Fund Luncheon - \$5,000

February

- 2/10 Majority Fund Luncheon - \$5,000
- 2/12 Young Eagles Southwestern Launch - \$14,000
- 2/14 Young Eagles NBA All-Star Game - \$18,000
- 2/18 Major Donor Winter Meeting – \$364,650
 - Regents \$60,400
 - Team 100 \$162,000
 - Eagles \$90,500
 - Majority Fund \$45,250
- 2/19 Young Eagles CPAC Grassroots Cocktails - \$1,500
- 2/24 Young Eagles NYC - \$60,000
- 02/26 Young Eagles Lakers Game - \$18,000

March

- Majority Fund Luncheon - \$5,000
- 3/05 Young Eagles Chicago is Our Kind of Town - \$90,000
- TBD Young Eagles Vegas - \$80,000

2nd Quarter Projected Goals

April 1 – June 30, 2010

- Regents \$1,090,000 = 18 memberships
- Team 100 \$ 775,000 = 26 memberships
- Eagles \$ 605,000
 - Eagles \$ 423,500 = 28 memberships
 - Young Eagles \$ 181,500 = 24 memberships
- Majority Fund \$ 255,000 = 17 memberships

Total for Q2 \$2,725,000

2nd Quarter Events

April

- 4/01 Young Eagles Phillies Opening Day - \$15,000
- TBD Majority Fund Event - \$5,000
- 4/8-4/11 Southern Republican Leadership Conference - \$317,800
 - Regents \$121,600
 - Team 100 \$91,200
 - Eagles \$30,000
 - Young Eagles \$60,000
 - Majority Fund \$15,000
- 4/13 Regents & Team 100 Reception at the Paulson home with Mitt Romney - \$760,000
 - Regents \$304,000
 - Team 100 \$456,000
- 4/16 Young Eagles US Training Facility - \$60,000

2nd Quarter Events Continued

May

- TBD Reception in San Francisco Featuring Steve Forbes - \$189,100
 - Regents \$60,800
 - Team 100 \$60,800
 - Eagles \$45,000
 - Young Eagles \$22,500
- TBD Majority Fund Event - \$5,000
- 5/14 Young Eagles Event in Atlantic City - \$30,000
- 5/20 Young Eagles Event at the Indy 500 - \$50,000

June

- 6/11 Young Eagles Event in Oxford, MD - \$20,000
- 6/24 – 6/27 Maxed Donor Retreat in Napa Valley \$456,000
 - Regents \$304,000
 - Team 100 \$152,000
- TBD Majority Fund Event - \$5,000

3rd Quarter Projected Goals

July 1 – September 30, 2010

- Regents \$630,000 = 10 memberships
- Team 100 \$825,000 = 27 memberships
- Eagles \$465,000
 - Eagles \$325,500 = 22 memberships
 - Young Eagles \$139,500 = 19 memberships
- Majority Fund \$ 75,000 = 5 memberships

Total for Q3 \$1,995,000

3rd Quarter Events

July

- 7/16 Young Eagles in Detroit – \$50,000
- 7/23 Young Eagles Event, Boise with Governor Otter – \$40,000
- TBD Majority Fund Event - \$5,000

August

- 8/12 Major Donor Summer Meeting - \$231,200
 - Regents - \$60,800
 - Team 100 - \$30,400
 - Eagles - \$75,000
 - Young Eagles \$50,000
 - Majority Fund \$15,000

September

- 9/10 Young Eagles Texas Bird Hunt - \$40,000
- 9/17 Young Eagles London Trip—Meeting with David Cameron - \$80,000
- TBD Majority Fund Event - \$5,000

4th Quarter Projected Goals

October 1 – December 31, 2010

- Regents \$690,000 = 11 memberships
- Team 100 \$575,000 = 19 memberships
- Eagles \$330,000
 - Eagles \$231,000 = 16 memberships
 - Young Eagles \$99,000 = 13 memberships
- Majority Fund \$247,500 = 17 memberships

Total for Q4 \$1,842,500

4th Quarter Events

October

- 10/8 Young Eagles Vegas UFC Fight - \$60,000
- 10/15 Young Eagles Professional Bull Riding – 50,000
- TBD Majority Fund Event - \$5,000

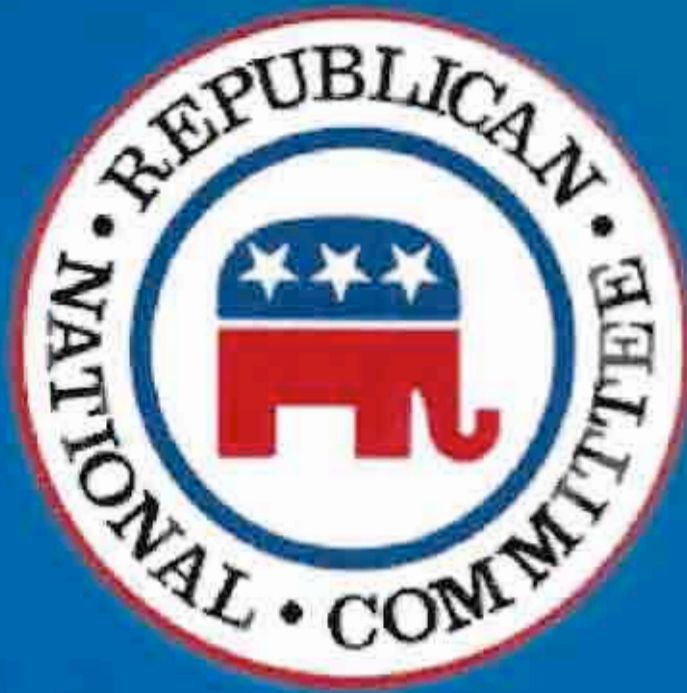
November

- 11/27 Young Eagles Ohio State vs. Michigan - \$30,000
- TBD Majority Fund Event - \$5,000

December

- TBD Majority Fund Event - \$5,000

2010 Finance Leadership Legal Briefing



- **Counsel's Office**
- **February 18, 2010**
- **Boca Grande, FL**

• Privileged & Confidential

The RNC Is a Heavily Regulated Business

- FEC
- IRS
- SEC
- FCC
- DOJ
- FAA
- DOD
- EEOC
- EAC
- U.S. Postal Service
- Merit Systems Protection Board
- U.S. Patent and Trademark Office
- Various state and local laws



FEC Regulation



Monies Raised / Contributions to State Parties

- Contribution
 - “Anything of Value”
- In-kind Goods and Services



Key Sources

- *Individuals*
- PACs
- Partnerships
- LLCs

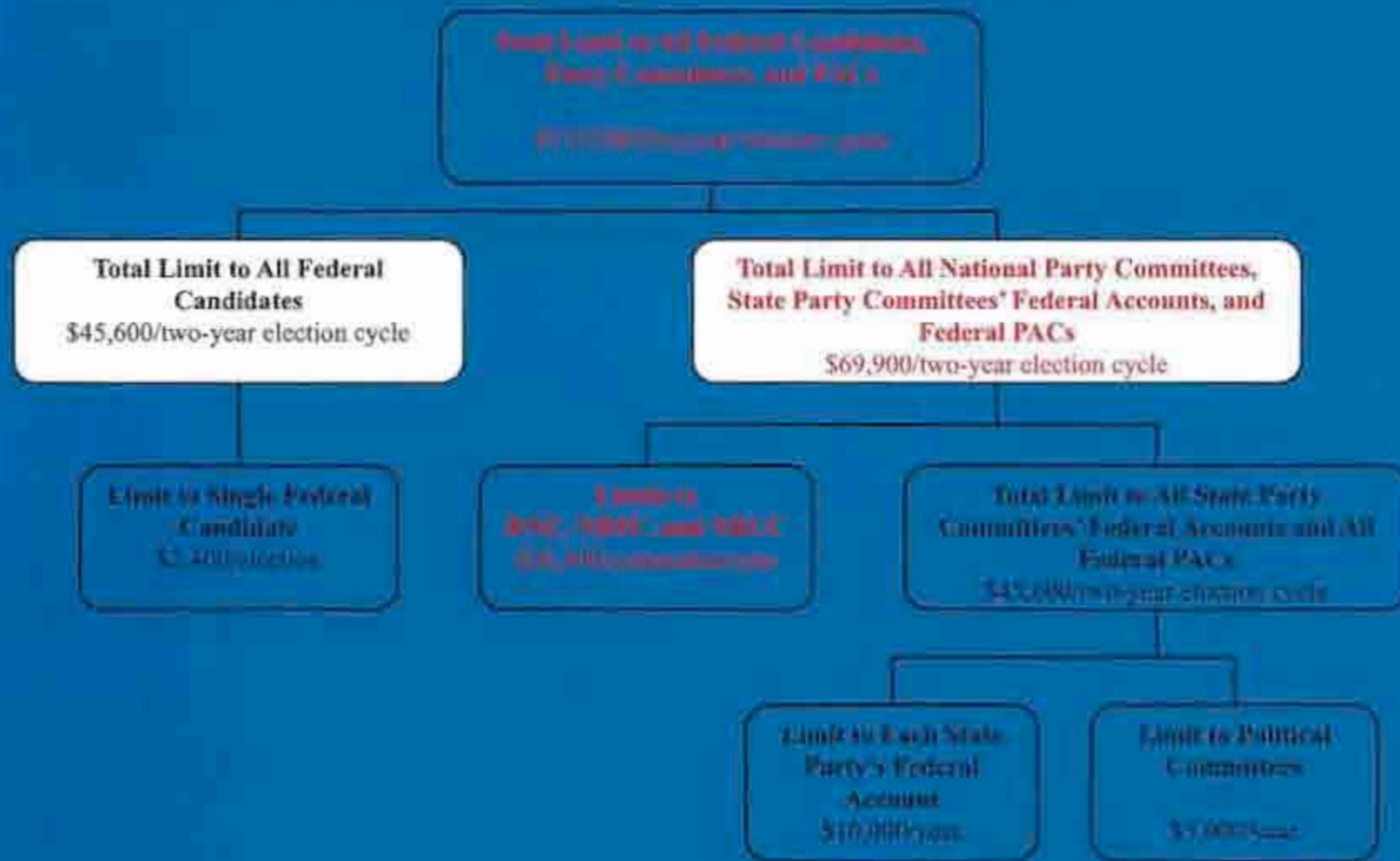


Prohibited Sources

- ***Corporations***
- Unions
- Foreign Nationals
- Federal Government Contractors



Individual Contribution Limits



Contribution Limits 2009 - 2010

	To each candidate or candidate committee per election	To national party committee per calendar year	To state, district & local party committee per calendar year	To any other political committee per calendar year ¹	Special Limits
Individual may give	\$2,400 ²	\$5,000³	\$10,000 (combined limit)	\$5,000	\$10,000⁴ - general political union \$5,000⁵ - state committee \$500,000⁶ - local party committee
National Party Committee may give	\$5,000	No limit	No limit	\$5,000	\$42,000⁷ - general political union per calendar year
State, District & Local Party Committee may give	\$5,000 (combined limit)	No limit	No limit	\$5,000	No limit
PAC (multicandidate)* may give	\$5,000	\$5,000	\$5,000 (combined limit)	\$5,000	No limit
PAC (not multicandidate) may give	\$2,400 ²	\$5,000³	\$10,000 (combined limit)	\$5,000	No limit
Authorized Campaign Committee may give	\$2,000 ⁸	No limit	No limit	\$5,000	No limit

Contribution Limits 2009 – 2010, cont.

These contribution limits are indexed for inflation.

1. A contribution earmarked for a candidate through a political committee counts against the original contributor's limit for that candidate. In certain circumstances, the contribution may also count against the contributor's limit to the PAC. 11 CFR 110.6. See also 11 CFR 110.1(h).
2. No more than \$45,600 of this amount may be contributed to state and local party committees and PACs.
3. This limit is shared by the national committee and the national Senate campaign committee.
4. A multicandidate committee is a political committee with more than 50 contributors which has been registered for at least 6 months and, with the exception of state party committees, has made contributions to 5 or more candidates for federal office. 11 CFR 100.5(e)(3).
5. A federal candidate's authorized committee(s) may contribute no more than \$2,000 per election to another federal candidate's authorized committee(s). 11 CFR 102.12(c)(2).

Special Compliance Issues

- Wearing RNC Hat, e.g. business cards, email accounts
 - Agency
 - No soft money solicitation
 - Liability
- Affiliation
- Contributions
 - Joint contributions
 - Contributions in the name of another
 - Aggregate limits



Special Compliance Issues, cont.

– Lobbyist Bundling

- HLOGA-imposed reporting obligations
- RNC must file disclosure reports detailing bundled contributions received from or credited to a federal lobbyist, registrant or lobbyist/registant PAC
- \$16K/2-donor reporting period threshold

– Recount Fund

- National parties may now establish
- Donations do NOT count toward aggregate fed limit
- BUT all other federal requirements, limits & prohibitions apply
- Open questions



Citizens United v. FEC

- SCOTUS decision Jan. 21, 2010
 - Overruled *Austin v. Michigan Chamber of Commerce* and part of *McConnell v. FEC*
 - Significant holding:
 - Access and Gratitude ≠ Corruption
- Corps & Unions can now spend on IE's
 - Unlimited, Directly from treasury, With disclosure
 - Trade associations



Citizens United v. FEC, cont.

- Impact & Realities (as opposed to Dem myths)
 - NO direct effect on RNC, parties or candidates
 - Does NOT overturn a century of precedent
 - Implications for state law
 - Rise of corporate and/or union spending?
- Possible Legislative Responses
 - Disclosure
 - Restrictions on government contractors, bailout fund recipients, etc.
 - Shareholder approval
- Implications for Other Litigation
 - Future campaign finance challenges
 - *RNC v. FEC*



RNC v. FEC

- As-applied challenge to BCRA prohibitions on national party committee's ability to raise/spend non-federal funds for purposes of non-federal activities
 - Ex: support for state/local candidates, redistricting, building maintenance, litigation, etc.
- Supplemental Briefing completed Feb. 12
 - Expedition = Decision possible within weeks
- Immediate appeal to U.S. Supreme Court
- Implications if successful?

