

AMERICANS · ELECT 2012



Pick a
PRESIDENT
Not a
PARTY

MISSION REPORT

SUMMARY OF OPERATIONS

MARCH 2, 2010 - MAY 17, 2012

THE MISSION OF AMERICANS ELECT

In order for Americans to enjoy the governance they deserve, Americans Elect has organized an Internet-based convention to nominate a presidential ticket in 2012 that will bridge the vital center of American public opinion.

The winning presidential and vice presidential nominees will be on the ballot in all 50 states and will be a competitive alternative to candidates put forward by the Democratic and Republican parties.

Every registered voter can become a delegate and decide who will run for and who will win the Americans Elect nomination.

Our mission is not to create a permanent third party but instead to empower Americans with a new way to nominate future presidential tickets comprising the most qualified Democrats, Republicans, and independents. Beyond 2012, Americans Elect's innovations in technology will assist those seeking to reform how state and local leaders are held accountable to the vast majority of citizens while remaining independent of the partisan interests of either major party.

CORE BELIEFS OF AMERICANS ELECT

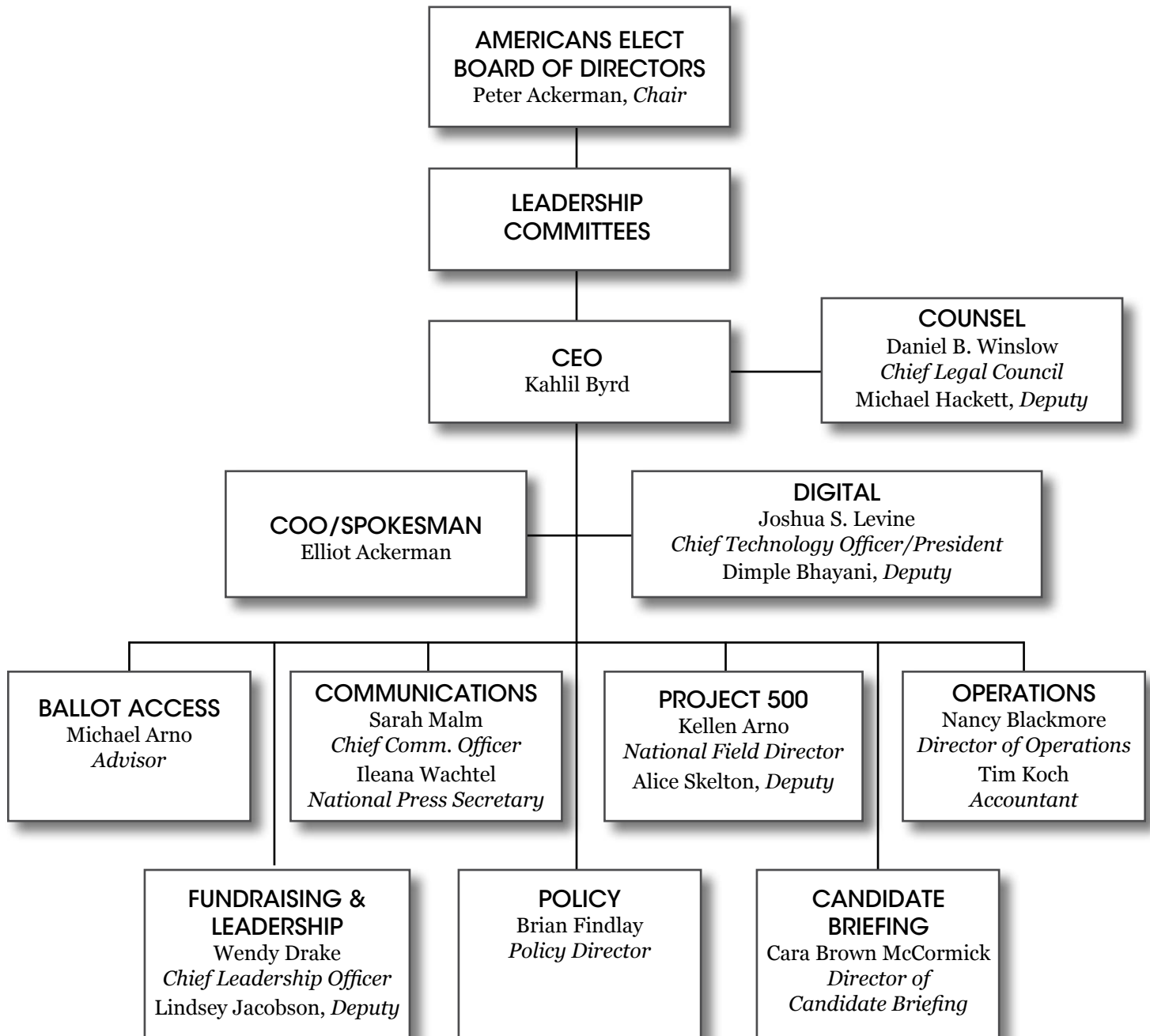
- The political system is broken, leaving large segments of the American people feeling disenfranchised regardless of who has political control in Washington.
- Rampant hyper-partisanship, expressed through bitter, divisive, and not entirely honest debate, is alienating the American people and creating widespread concern about our political leadership's ability to solve the nation's most pressing problems.
- The key obstacle to better governance is not a shortage of promising candidates; it's what they must become while fighting to attract voters in primary elections and to remain incumbents once elected.
- The accelerating decline in the number of voters willing to identify themselves either as Republicans or Democrats illustrates that most Americans are yearning for competently crafted policies regardless of where on the political spectrum they originate.
- Citizens want their leaders to stop making laws that are intentionally vague and therefore subject to manipulation at the regulatory level by party activists, campaign contributors, and vested interests.
- The fundamental aspiration of the Americans Elect initiative should be for the rules, issues, candidates, and nominees to be determined by the delegates.
- A nominating process consistent with that aspiration, which creates an alternative presidential ticket balanced around centrist principles and beholden to neither major party, will be supported by a wide majority of American voters.

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ORGANIZATIONAL STRUCTURE

THE TEAM



BOARD OF DIRECTORS

Operating Directors

Peter Ackerman (I)
Chairman

Kahlil Byrd (R)
Chief Executive Officer

Joshua S. Levine (D)
Chief Technology Officer

Independent Directors

Dennis Blair (I)
Former National Intelligence Director, Former
Commander in Chief, US Pacific Command

The Honorable Stephen W. Bosworth (I)
Dean, The Fletcher School, Tufts University

Eliot R. Cutler (I)
Chair, OneMaine

Irvine O. Hockaday Jr. (R)
Retired President and CEO, Hallmark Cards

The Honorable Christine Todd Whitman (R)
Former Governor, New Jersey

LEADERSHIP COMMITTEES

RULES

Chris Arterton,
Tom Sansonetti

PLATFORM OF QUESTIONS

Denis Cortese, Nate Fick,
Will Marshall, Nancy Roman

FINANCIAL AUDIT

Chair: Roderick Hills,
Irvine O. Hockaday Jr.,
W. Bowman Cutter

TECHNOLOGY INTEGRITY

Dennis Blair,
Morton Meyerson

CANDIDATE CERTIFICATION

Mary Boies, Larry Diamond,
Nancy Roman, Jim Thomson,
William Webster

August 20, 2012

Dear Friends,

Let's say you are in a shopping area, walking briskly from one store to another, and you are stopped by a petition gatherer unlike any you have encountered. He/She is not representing any specific candidate or issue but wants your signature in support of an unknown organization that hopes to place an alternative presidential ticket on the ballot in all 50 states for 2012.

Impatient to get to your next destination, yet willing to listen to the petition gatherer for no more than 30 seconds, would you sign?

Americans Elect (AE) needed three million signatures to achieve ballot access in all 50 states and the District of Columbia. If fewer than 30 percent of those stopped were willing to sign, then AE was out of business because it was not feasible to stop ten million Americans. To our amazement, however, 70 percent of those stopped signed, beating our projections of 50 percent and proving how ready the American people are to vote for candidates selected outside the Democratic and Republican parties.

Although AE did not field a qualified presidential ticket as defined by its rules, it achieved all of its other operational goals. For example, AE not only completed the largest signature drive in American history, it also constructed a technology platform to support an award-winning website and systems capable of handling 30 million delegate votes.

Under the skillful leadership of Kahlil Byrd, AE's CEO, nearly 8,000 workers succeeded in meeting very difficult deadlines while maintaining the highest standards of innovation and quality. In the pages that follow, Kahlil and his team will provide detailed summaries of what was accomplished. I think you will be as impressed and grateful as I am.

With the perspective of hindsight, I view AE's mission as even more profound than originally conceived: as a first draft of a road map to challenge the two-party monopoly that is inhibiting our nation's political life.

Monopolies survive when barriers to entry remain intact. It was shocking to all who worked on this project to discover the multiple ways hidden from public scrutiny that the two parties drive out competition. For example, in Maine, fewer than 6,000 voters selected the Republican nominee; however, to get on the ballot, AE had to gather 64,000 signatures and hold caucuses in 14 counties. In an ironic twist, Texas required AE to inform anyone willing to sign the petition in favor of more voter choice that he or she lose the right to vote in the Republican or Democratic primaries. In Kansas, AE submitted 30,000 signatures; however, when the secretary of state found 62 signatures with dates that had not been transcribed correctly, he tried (and failed) to claim that they polluted the other valid 29,938 signatures.

We have also learned that ballot access is not the only mechanism with which the two parties maintain their privileged position. Campaign finance laws designed to “level the playing field” between Democrats and Republicans create significant impediments for all other candidates. The obstacles add up. Highly qualified Americans who would like to serve are undoubtedly sitting on the sideline because they feel uncomfortable adopting a party identification as a condition for running a competitive campaign.

What is left are nominees all too often willing to do what the party asks of them: cultivate special interest donations, dole out patronage for loyalists, and publicly mimic party talking points on every issue.

“I never submitted the whole system of my opinions to the creed of any party of men ... in politics or in anything else, where I was capable of thinking for myself,” said Thomas Jefferson. “Such an addiction is the last degradation of a free and moral agent. If I could not go to heaven but with a party, I would not go there at all.”

Today, Jefferson would likely seek a different occupation outside of public life.

Over three decades, I have worked with exceptional business, academic, and charitable organizations. The common indicator of success has been a culture where the “best idea wins.” Sadly, the best ideas that will address our country’s deepest challenges cannot make it through our hyper-partisan political culture. Stable, long-term policy solutions—for the debt crisis, health care reform, immigration policy—are widely known. Yet, many of today’s politicians are so fearful of the career risks of compromise that they would rather fail the country and then bicker over who is to blame.

The American people are tired of pleading with their representatives from both sides of the aisle to act in the national interest. Earlier this year, two-thirds of the electorate believed it would be important to have a viable alternative to the Democratic and Republican presidential tickets, and 56 percent said they were favorably inclined to vote for such an alternative in 2012.

Over the last two years, my colleagues and I have traveled the country to build support for Americans Elect among politicians, business leaders, thought leaders, and involved citizens. The overwhelming majority of people we talked to were excited by the long-term potential for political innovation and were happy to help AE succeed.

The most partisan audiences had a very different reaction. Democratic operative David Axelrod and his Republican counterpart Karl Rove issued stern warnings publicly and privately. Their greatest common fear in this election cycle was that the emergence of a popular Americans Elect nonpartisan ticket (i.e., neither two Republicans nor two Democrats) would “spoil” their own candidate’s prospects for victory.

What these partisans know but would not say is that—with a record high 81 percent of the country unhappy with how they are governed—the most important thing the Americans Elect nominees would have “spoiled” is the illusion that Democrats and Republicans offer the only policy options available to the American people.

With the economy being the critical issue, a recent poll had 63 percent of Americans unhappy with President Obama’s ideas and 65 percent displeased with Governor Romney’s ideas. In no other field of endeavor would Americans tolerate such an unsatisfying pair of choices: They would expect other alternatives to be available, and the American people deserve to have other alternatives. To argue that the two parties are serving the American people adequately is to reject the possibility of a political system with real competition. Larry Diamond, a professor of sociology and political science at Stanford University and renowned expert on democracy promotion, noted:

***“If competition is good for our economy,
why isn’t it good for our politics?”***

Show me a case of a monopoly being broken that is not a harbinger of great progress.

Imagine if our most accomplished leaders from the public and private sectors could win the presidency while remaining unaffiliated with any political party. Would American voters have a better selection of candidates to choose from? Could candidates free of partisan constraints credibly claim to govern differently than those tied solely to one party? Would the injection of a new breed of nominees ready to embrace the best available ideas regardless of their political origin reduce polarization between the two parties?

After my five years leading the development of Americans Elect, it is clear to me that the answer to all three questions is yes.

Americans Elect’s battle cry, “Pick a President, Not a Party”—which has attracted more than 3.8 million visitors to the website and nearly 500,000 Facebook “likes”—can be expanded for the 2013, 2014, and 2016 election cycles. Then Americans might also have the opportunity to “Pick a Governor, Senator, and Congressman and Not a Party.” If this were to happen, our political culture would be more fluid and resilient, and our representatives would be more capable of forming coalitions and agreeing on solutions for the critical issues facing the country.

Remember, it is always easier to embrace the status quo: pick the least objectionable major party candidate, and hope the current political culture will encourage the winner to act in the interest of all Americans. George Washington in his Farewell Address warned that this approach is a bad bet.

***“The alternate domination of one faction over another,
sharpened by the spirit of revenge natural to party dissension
... is itself a fearful despotism.”***

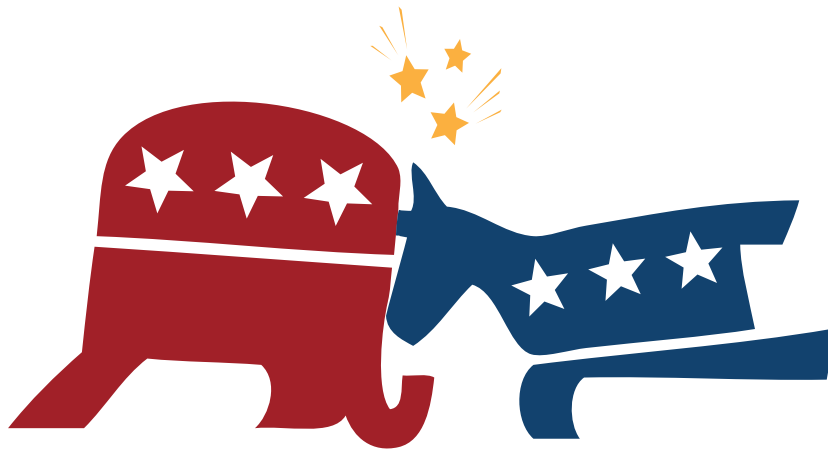
Those benefiting from a monopoly never give up their power willingly. An external force must precipitate change. Angus King, the former two-term independent governor of Maine, who is now running for the Senate to succeed Olympia Snowe, offers some hope. As of this writing, he refuses to say which party he will caucus with and recently declared: “Ten of me would be a really bad nightmare. I am unaligned and unencumbered.”

Americans need the opportunity to vote for a new kind of candidate who eschews the party trappings while running for office and while governing. If we are to restore faith in our political system, then someday soon Americans, not parties, must elect.

To all of our colleagues—including donors, advisors, committee heads, employees, contractors, board members, and well wishers—who joined in this adventure, thank you. My gratitude is beyond measure.



Peter Ackerman
Chairman

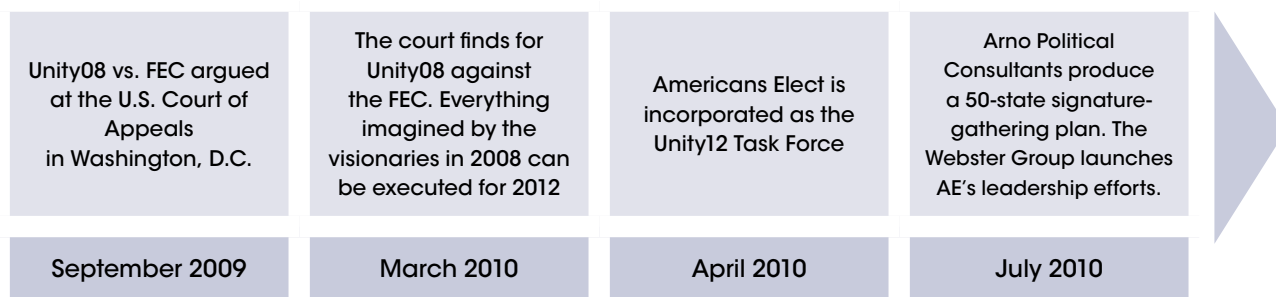


P.S. This graphic illustration of hyperpartisanship is part of a 90 second animated video depicting the Americans Elect mission. Please go to www.AmericansElect.org and press “Click to Play.”

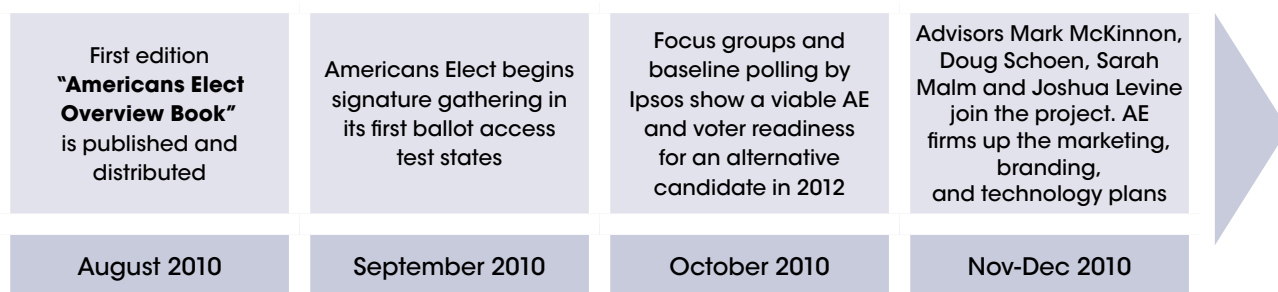
August 20, 2012

Friends,

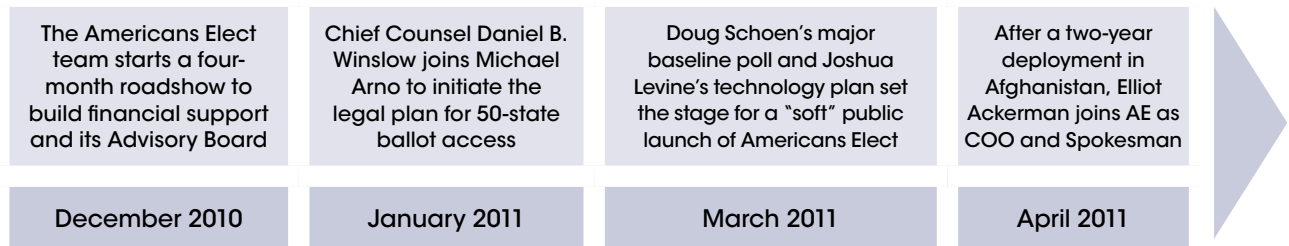
From the fateful U.S. Court of Appeals decision in early 2010 that launched this effort, to the Mission Report in your hands now, Americans Elect has completed every operational goal within its control. Many, if not most, agree that this year's presidential race is poorer for the absence of an Americans Elect nominee.



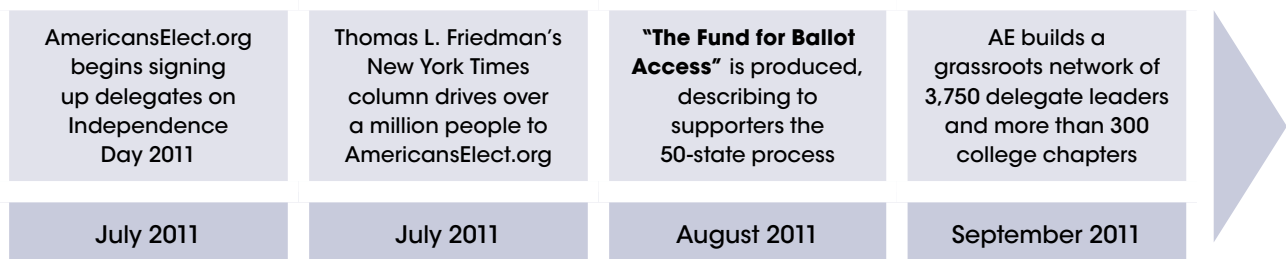
Our chairman, Peter Ackerman, has laid out the case for Americans Elect and summarized powerfully our operating success. It comes down to this: Americans have lived long enough under a broken two-party monopoly. We are ready for, and indeed are ushering in, an era of profound change and reform to our national politics and governance. Americans Elect is the first draft of something much bigger. We who worked day and night to make this organization real know this is a special, transformative time in our public life. Along with those dedicated to this space (people and organizations), we remain committed to wherever this work takes us.



The story of Americans Elect can be viewed through its anatomy. After the Court of Appeals in Washington ruled on *Unity08 v. FEC*, we were charged with executing three fundamental activities: 1) We had to set a path to achieve ballot access for the Americans Elect nominee in all 50 states. 2) We needed to create a secure and intuitive technology to "reimagine" the way Americans nominated their president in 2012. And 3) We had to field, through a nominating process driven by our Americans Elect delegates, a candidate who could at the very least make it into the 2012 presidential debates and perhaps even win the entire contest.



The physiology of Americans Elect is made up of the spirit, the work, and the dreams of the people who deployed themselves completely into this mission. Americans Elect required significant sacrifices from people of all stripes. We brought together the brightest minds in technology, in business, and in politics to make this organization real. For most of us it was "all in"—and forget the personal consequences. With that spirit, we grew from a few people in 2010 to thousands by 2011 and 2012. By the time we finished this past spring, more than 3.8 million people had visited AmericansElect.org and 2.6 million people had signed our petitions to put an alternative presidential candidate on the ballot. Everyone who joined this cause was dedicated to a simple idea: This year, the American people should be able to "Pick a President, Not a Party."



One of the most astounding parts of the Americans Elect story is the ability of this mission to gather the highest quality leadership to the cause. We had a best-in-class Board of Directors and Board of Advisors who helped shape every major decision and strategic initiative of this effort. This community of 115 leaders built the AE message, policy, ballot access process, and fiscal structure. More than 100 large donors, and thousands of small givers, provided fuel to the effort. Working hand in hand with management, our leadership community set an amazing standard worthy of any major organization.

"[Americans Elect] will forever change the landscape of American politics because it will define a way using the Internet ... by which the people can change their government and change their politics."

- Doug Bailey, Co-Founder, Unity08

Independent Directors, Audit, Rules, Platform of Questions, and Candidate Certification Committees are established	The first financial audit is completed by Deloitte & Touche LLP	Americans Elect certifies to the California ballot with 1.6 million signatures	Online "primary" opens to candidates. More than 450 contenders are drafted	"The Briefing Book for Candidates and Draft Committees" is published for candidate recruitment
October 2011	October 2011	December 2011	January 2012	January 2012

This book is made up of discussions of what was achieved and how we achieved it by those who ran Americans Elect. The team has written reports on Ballot Access, Technology, Communications, Polling, Policy, Delegate Recruitment, Candidate Briefing, Fundraising and Leadership, and Operations. These leaders are indeed "delegates" themselves, representing the millions who followed them fully into this fight. To this team we owe great thanks for all they did to make Americans Elect a reality.

450,000 delegates answer 19 million "True Colors" questions. Almost four million unique visitors come to the AE website	The white paper "An Online Presidential Nominating Process" is published and shared with online voting advocates	Americans Elect wins the top honor, the "People's Choice Award," at the South by Southwest interactive conference	After gathering 2.6 million signatures and securing ballot access in 29 states representing 275 Electoral College votes, Americans Elect suspends the convention	The second financial audit by Deloitte & Touche LLP is completed
March 2012	April 2012	April 2012	May 2012	August 2012

As you examine their work, please reflect on this: We would not be here at all without the vision, leadership, drive of our chairman, Peter Ackerman. Within every movement there is always a heart and soul. Peter, with his tireless dedication to this cause, is our inspiration.

With this first phase, Americans Elect did not get all that we wanted. We have made a good start—thinking through and acting on the activity of bringing the nominating process and elected leaders closer to the people, and opening up the doors to the change necessary to win this battle overall.

The AE community will in no way turn back now. More to do.



Kahlil Byrd
CEO

BALLOT ACCESS

Presented by: Michael Arno and Daniel Winslow

**DESIGNED A GROUNDBREAKING LEGAL AND OPERATIONAL PATHWAY
FOR AMERICANS ELECT TO REACH 50-STATE BALLOT ACCESS**

**COLLECTED MORE THAN 2.6 MILLION SIGNATURES OF THE
THREE MILLION NEEDED**

**PLACED AMERICANS ELECT ON STATE BALLOTS REPRESENTING
275 ELECTORAL COLLEGE VOTES**

Purpose

From 2010 to 2012, Americans Elect managed a \$15 million effort to gather the three million signatures needed to put the AE presidential ticket on all 50 state ballots. AE built a focused ballot access plan and team that achieved all operational goals while leveraging the entirety of AE's national strategic assets in the press, marketing, grassroots, leadership, and fundraising. AE dissected complex, state-by-state regulations and then developed a legal mobilization strategy driven by a community of top-tier national and local attorneys. Until suspension of the nominating process by the Board of Directors, AE had gathered more than 2.6 million of the three million required and was highly confident in the ability to secure 50-state ballot access for the AE ticket.

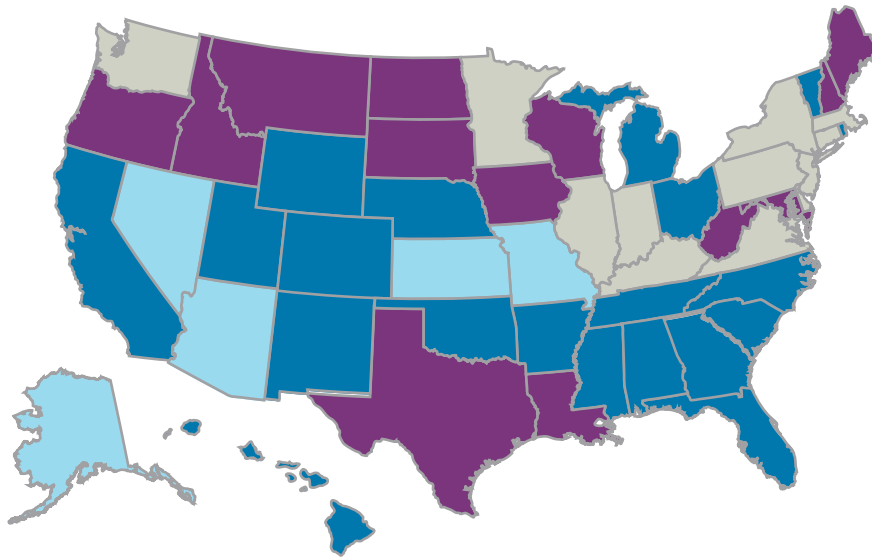
Summary

State ballot access laws represent the most significant impediment to candidates seeking to introduce political competition outside the two major parties. Each of the 50 states and the District of Columbia has constructed different laws that regulate how a group or candidate outside of the two major parties is able to secure ballot access. To put this into context, the United States and Switzerland are the only countries in which the states determine ballot access standards for federal elections, as opposed to having a national standard. For a presidential ticket, the combined ballot access laws across all states require collecting millions of petition signatures at a huge expense and meeting non-uniform filing deadlines, creating major impediments for those outside of the two major parties. This creates an anti-competitive system and opportunities for mischief.

***“[Americans Elect is] very serious about ballot access
... These barriers to me are an underappreciated
national scandal.”***

- Will Marshall, President, Progressive Policy Institute

PROGRESS BY YEAR



2010 States

Alaska
Arizona
Kansas
Missouri*
Nevada

Rhode Island
South Carolina
Tennessee
Utah
Vermont
Wyoming

States whose deadlines were after suspension of convention

Connecticut
Delaware
District of Columbia
Illinois
Indiana
Kentucky
Massachusetts
Minnesota
New Jersey
New York
Pennsylvania
Virginia
Washington

2011 States

Alabama
Arkansas
California
Colorado
Florida
Georgia*
Hawaii
Michigan
Mississippi
Nebraska
New Mexico
North Carolina
Ohio
Oklahoma

2012 States

Idaho
Iowa
Louisiana*
Maine**
Maryland
Montana
New Hampshire
Oregon
North Dakota
South Dakota
Texas
West Virginia
Wisconsin

* Signature/Process completed but never submitted pending internal review

** Signature collection in 2011, organization completed in 2012

BALLOT ACCESS

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The U.S. ballot access laws are as nonsensical as they are anti-competitive. In California, for example, it takes more petition signatures to place a new political party on the ballot than it does to effect an amendment to the state constitution. New Hampshire does not permit a group to begin circulating its petition until the beginning of that general election year. Illinois requires that all petition signatures be collected during a specific 90-day window in the spring, and New York has a circulation period of less than 45 days in the summer. A whole host of states, such as Connecticut, Virginia, Indiana, Illinois, and Pennsylvania, do not even permit a group to circulate a party petition—they require the circulation of separate candidate-specific petitions for each potential candidate. By far the worst is Texas, which revokes citizens' ability to vote in the primary once they have signed an outside group's ballot petition.

One of Americans Elect's principal objectives was to provide the convention-nominated ticket, directly nominated by the American people, with 50-state ballot access. At the outset of the project, AE developed an approach that our ballot access team referred to as the "Nike" strategy. We intended to "just do it," by complying with the patchwork of unconstitutional laws rather than engaging in the expense, delay, and uncertainty of litigation. AE has done just that. We tested the waters by entering five states (Alaska, Arizona, Kansas, Missouri, Nevada) to make sure this massive undertaking was operationally feasible. When we converted more than 70 percent of the people we stopped into signatures, we knew we would be successful. Americans Elect obtained ballot certification in 29 states representing 275 electoral votes, and, until the Board of Directors suspended the nominating process, was on track to achieve ballot access in all 50 states and the District of Columbia. Navigating the myriad ballot access laws in each state gives us great confidence in being able to execute again in subsequent election cycles.

"When bureaucracy, tradition, or entrenched leadership exclude people—whether candidates or voters—America loses."

- The Honorable Christine Todd Whitman,
Former Governor, New Jersey; President, The Whitman Strategy Group

Ballot access created for Americans Elect the credibility needed to establish this brand-new initiative as a force in the American political conversation. When the 1.6 million signatures collected in California were certified in December 2011, Americans Elect became "real" to outsiders. Achieving this milestone, which was the largest signature-gathering effort in the country, required putting more than 1,000 signature gatherers on the ground for more than 17 weeks. The political establishment understood then that a pathway to 50 states was inevitable and that there could be a third ticket in the 2012 presidential race.

The size and scale of the ballot access efforts by Americans Elect was unprecedented. In order to attain national ballot access for its convention-nominated presidential ticket, AE collected 2,604,714 signatures across the country and established state-based networks to serve as committees and presidential electors. The work of the ballot access initiative has proved that the number one barrier constructed to suppress competition in our political system can be overcome. This accomplishment, in the first year of AE's existence, marks an historic victory for the organization.

Presented by: Joshua S. Levine and Dimple Bhayani

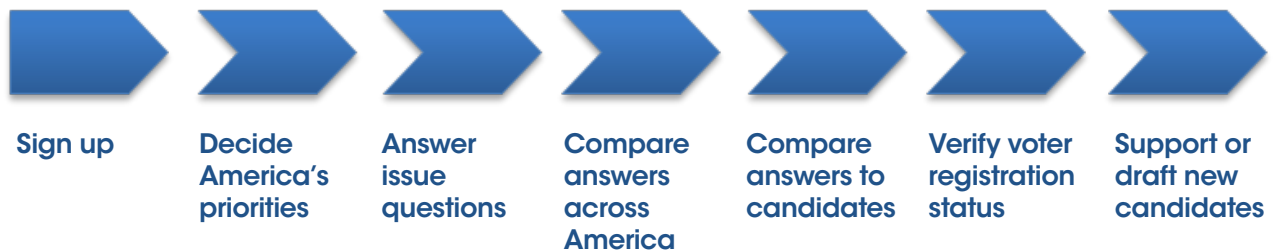
THE AMERICANS ELECT WEBSITE REDEFINED THE INTERSECTION BETWEEN TECHNOLOGY AND POLITICS

BUILT A SECURE SYSTEM FOR THE FIRST-EVER NATIONAL ONLINE PRIMARY

DREW MORE THAN 3.8 MILLION PARTICIPANTS TO AMERICANS ELECT'S USER-FRIENDLY, AWARD-WINNING WEBSITE

Purpose

Americans Elect conceived and developed AmericansElect.org, an advanced, Web-based technology platform designed to recruit voters, draft potential presidential candidates, and create a crowd-sourced community of Americans. In less than a year, this scalable technology platform reached more than 3.8 million visitors and more than 420,000 users (delegates), 460,000 Facebook fans, and 11,000 Twitter followers.



Summary

After months of due diligence, we decided to co-locate with our digital partner, Lost Boys International (LBI). The team started in early May 2011 from a clean slate to attempt something that had never been done before. This digital strategy focused on creating a website where people could come to discover their true views on the issues, find candidates who match those views, develop questions as a community to ask the candidates, and finally to choose a candidate. This “journey” allowed us to develop the website in biweekly stages so that we could meet the deadline for the June 2012 convention.

The strategy focused on navigating a number of challenges to building a site that would allow for the first-ever national, online primary:

1. The website needed to be a destination where people felt compelled to come, stay, and return.
2. It had to be not only informational, functional, and engaging, but also had to require membership.

3. Membership ultimately had to be by real name and had to include voter registration.
4. The website needed constantly changing content to help retention and to raise Google reputation to be at the top of popular searches.
5. A social media reputation also needed to be established since no website could survive without a large amount of social equity in Facebook and Twitter.
6. The website had to be secure to at least the level of a financial institution as it could be the target of cyberattacks.
7. It had to be developed quickly and be changeable on two- to three-week cycles.
8. The website needed elastic capacity so it could grow and shrink to withstand huge rushes of traffic.



The website had a soft release over the 2011 Fourth of July weekend. Traffic really started to flow to the website after a New York Times article by Thomas L. Friedman on July 24, 2011. Since the initial release, AE had 18 production releases and 4 patch releases, 22 in total. That comes to one release every 2.5 weeks. Some 225 man-months (18.75 man-years) went into the website plus 65 man-months (5.41 man-years) into digital media and management for a total of 24.16 man-years.

Americans Elect was a compelling destination website. In just five months, the website was attracting more than 500,000 unique visitors per month. To put this into context, it took Twitter 20 months to reach that threshold. More than 3.8 million visitors have come to the website overall. Of these visitors, approximately 14 percent became delegates. The website also had no security breaches, a major success for this prominent enterprise.

“We need new models of political association for the 21st century—new means for people to come together, define common interests, identify candidates and advocate for them”

- Rob Richie, Executive Director, FairVote

Average time on the website was six minutes per visit, making AE competitive with LinkedIn (17 minutes), Twitter (21 minutes), and Google+ (6 minutes). This exceeded AE’s expectations and was in line with the strategy to make the website a place to stay when you are there. More proof of

this engagement was the number of questions answered, which totaled close to 20 million and the number of questions posed to candidates at nearly 26,000. In our social networking, we gathered more than 466,000 Facebook fans and 11,000 Twitter followers—impressive numbers for any start-up technology.

“If the point is to replace our current governments with more accountable models, we need to use new online tools not only to throw out the old, but also to bring in the new.”

- Esther Dyson, EDventure

In the spring of 2012, Americans Elect published “An Online Presidential Nominating Process,” a white paper describing in detail this reimagination of the presidential primary process. The paper outlined AE’s caucus process; Matching and True Colors; voter verification; drafting; auditing the vote; and AE’s privacy policy. This paper, and AE’s process patent pending, ensured that the community of Internet voting experts and computer scientists had a full and transparent understanding of how AE works and what the aspirations are for the organization moving forward.

Americans Elect additionally won many major awards, including the South by Southwest People’s Choice award, a prestigious award from this prominent conference; two CLIO awards, the world’s most recognized global awards competition for advertising, design, interactive and public relations; and the 2012 Innovator Award at the Campaign Tech conference.



COMMUNICATIONS

19

Presented by: Sarah Malm and Ileana Wachtel

MADE THE 2012 PRESIDENTIAL CAMPAIGN A “THREE-HORSE RACE”

AVERAGED OVER 200 MEDIA HITS REGIONALLY AND NATIONALLY PER WEEK

BUILT AN ENDURING NATIONAL BRAND FOR POLITICAL INNOVATION

Purpose

The Americans Elect communications team focused on establishing credibility through brand awareness, generating momentum, and marginalizing potential critics. The communication strategy was supported by a detailed press plan, which outlined a basic approach: look for high-level national media hits while maintaining ongoing engagement with regional and local media.

Summary

In late 2010 and early 2011, the Americans Elect leadership and advisors debated about when and how to “launch” the organization with the media, opinion leaders, and the public. With strong arguments for an early grand launch to a rolling “quiet” launch, AE approved a low-key launch that was anchored in “proof points.” This stated “do and tell” strategy became a guiding principle for working with the media. AE would not set out in the public domain stating what it planned to do; instead, we stated our mission and based news around our real progress. Furthermore, without a functional website, an early launch would likely fall flat. Studying launches of organizations working in a similar space showed a singular big hit in the media immediately followed by a sharp decline in relevance to the national debate, daily news generation, and the ability to make the organization grow at a steady pace. The lesson was that a loud launch with no follow-up does not provide sustainable coverage and may in fact open an organization to the criticism of “all style, no substance.”

The briefing of Thomas Friedman and publication of his op-ed about AE provided a strong framework to finally push our “progress points strategy.” By then, Americans Elect had produced enough traction in ballot access, secured sufficient signatures, and launched the website. The message shifted to “this is happening now,” and the Friedman column gave AE the credibility and momentum to enter into the national conversation about politics. That was closely followed by one of the single largest drivers of traffic to the site, an appearance by COO Elliot Ackerman on “The Colbert Report.”

In order to capture national media hits and keep a sustained presence in regional and local media, Americans Elect honed its media strategy in the late summer of 2011, with a tactical plan for a regional media rollout and an aggressive national media plan. As the national conversation began to trend toward the possibility of a third-party candidate entering the race, AE became a larger part of that national political conversation, increasing its presence on the national broadcast stage.

“Write it down: Americans Elect. What Amazon.com did to books, what the blogosphere did to newspapers, what the iPod did to music, what drugstore.com did to pharmacies, Americans Elect plans to do to the two-party duopoly that has dominated American political life—remove the barriers to real competition, flatten the incumbents and let the people in. Watch out.”

- Thomas Friedman, Columnist, New York Times

Americans Elect’s participation on university panels also contributed to a regional media presence and amplification in the national media. The panels provided a good venue for debate, third-party validation, and public engagement. AE launched a national bus tour in February 2012, conceptualized primarily by Joshua Levine’s digital team at LBi. The tour generated significant regional media interest and provided a great opportunity to hold multiple events with local media and build brand awareness through a physical presence. The awareness of AE drove millions of citizens to the website. Between October 2011 and the end of March 2012, AE averaged an impressive 200 earned media hits per week with a majority of coverage trending positive.

With ballot access creating steady coverage, the message of Americans Elect as an innovator gained traction. The message was reinforced with the recognition of AE’s award-winning website. That story is important in placing AE in a larger and arguably historical context as an innovator in the use of technology in the political space.



POLLING TO SUPPORT OUR MISSION

21

Presented by: Douglas E. Schoen

Polling conducted by my firm, Douglas E. Schoen LLC, has successfully validated the central premises behind Americans Elect.

The findings from our exercises in public opinion research clearly points to the conclusion that at a time of extraordinary national concern, a balanced ticket of the type that Americans Elect is contemplating can and will be very competitive in a presidential election.

The survey research found that voters across the board were angry and unsatisfied with the current political system. They were frustrated with the partisanship in Washington and with the influence of special interests. They believed fundamentally that both state and federal governments are largely ineffective at solving the country's problems, and that the two parties are out of touch and unresponsive, and unable to get things done.

Voters are seeking alternatives to the two major parties, and there is broad-based support for an independent presidential candidacy.

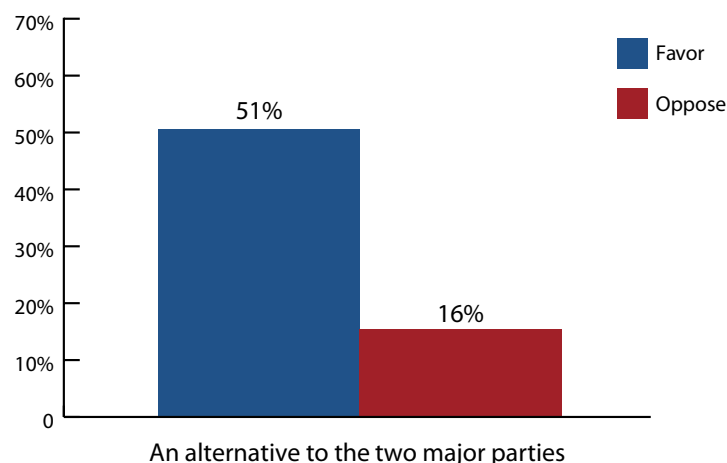
Moreover, there is a broad appeal among voters across the political spectrum for Americans Elect and for the online nominating process and convention.

Support for an Alternative to Two-Party System

Our polling found that there is a great deal of support for an alternative to the current two-party system and that voters are receptive to voting for alternatives to the Democratic and Republican presidential tickets in 2012.

Voters said they were dissatisfied with the two-party system in America, 55% to 42%. Two-thirds said the political process in America has gotten worse rather than improved in the last few years. Two-thirds (68%) said the political partisanship in Washington is too extreme, while 63% said they are very concerned about the influence of special interests.

Alternative to the Two Major Parties



Most would welcome an alternative to the two major parties—providing it had a different platform than the two major parties, was not beholden to corporate interests, offered real solutions to our nation's problems, shared their ideas, values, and goals, and had candidates who had a real chance at being elected.

Our survey research showed that about two-thirds (66%) believed it was important for an independent to run for president in 2012.

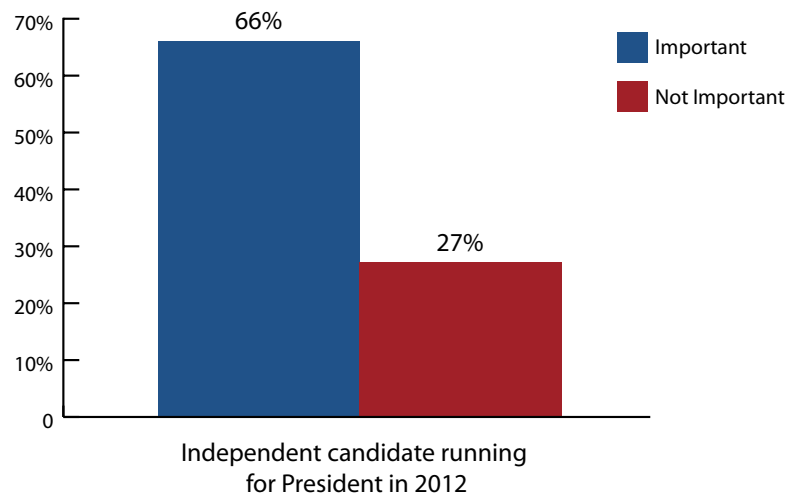
Support for Unity Ticket

On January 3-4, 2012, my firm conducted a national poll of 1,000 likely voters. The purpose of this survey was to assess voters' support for an independent candidacy in the 2012 presidential election. The survey also measured support for a unity ticket with a Democrat and Republican president and vice president.

Voters were split almost evenly when presented with a choice of a generic Democratic ticket, a generic Republican ticket, and a unity ticket with a Democrat and Republican as President and Vice President.

About one-quarter (24%) said they would vote for an independent, bipartisan unity ticket, while an almost identical number (26%) said they would vote for either a generic Democratic or a generic Republican ticket.

Support for an Independent Candidate in 2012



Support for Americans Elect Concept

The survey research conducted by my firm also showed broad support among voters across the political spectrum for the Americans Elect concept.

Indeed, 64% of voters said they were interested in an independent, online convention to nominate a balanced ticket.

These findings demonstrated with specificity and precision that an increasing number of Americans were searching beyond the two parties for bold and effective leadership and that there was a great deal of support for the concept of a balanced, independent ticket in 2012 to break the stranglehold of the two-party duopoly.

Support for AE Messages

Moreover, we analyzed the core messages of Americans Elect and found a number of clear messages that work for an Americans Elect candidate.

These messages emphasize:

- The dysfunctionality in Washington
- An independent candidate as the solution to addressing the gridlock in Washington
- The need to bring together the best ideas from both sides of the aisle
- The need for leaders from outside the political system to produce change
- That our fiscal condition requires leaders who can produce compromise to balance the budget, reduce the debt and deficit, and promote economic growth
- The political class places its own interests ahead of working for the common good
- Empowerment and choice. Voters want to be heard.

Put simply, voters wanted conciliation and centrism but were motivated by empowerment to fix a broken system and the ability to take action. The results from recent public polling validated the core arguments and conclusions from the Americans Elect poll.

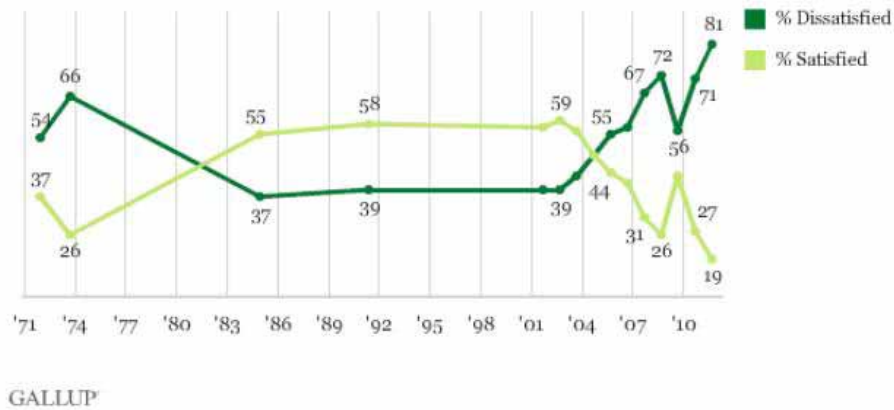
Voters across the board were unsatisfied with the current political system. Most people thought that neither party was effective at solving the country's problems. And a solid majority of the American people were looking for alternatives to the two-party system

Voter dissatisfaction was at an all-time high, while support for both the Democratic and Republican parties was on the decline.

Congressional ratings were at an all-time low. Just 13% approved of the way Congress was doing its job, while 84% disapproved, according to the Washington Post/ABC poll released last month. Three-quarters disapproved of the performance of Republicans in Congress, and 62% disapproved of Democrats' performance in Congress. And Rasmussen Reports found that just 5% of voters felt that Congress was doing an excellent or good job, while 70% said their job performance was poor.

Reaction to How the Nation Is Being Governed

On the whole, would you say you are satisfied or dissatisfied with the way the nation is being governed?



A recent USA Today analysis showed that both the Democratic and Republican parties have been losing registrants since the 2008 election, while the number of independents has grown rapidly. The number of registered Democrats has declined in 25 of the 28 states that register voters by party, and the number of registered Republicans has declined in 21 of the 28 states that register voters by party.

Meanwhile, independent voters are on the rise, as the number of independent voters has increased in 18 of the 28 states that register voters by party. More than 4 in 10 voters now identify as independents—with between 41% and 46% of voters identifying themselves as not being aligned with either of the two major parties.

Gallup polling released in September 2011 showed that 81% of Americans were dissatisfied with how the nation was being governed, while only 19% were satisfied.

To contrast, in 1992, when Ross Perot ran for President in 1992—the last centrist candidate to seriously run as an independent—58% were satisfied, while 39% were dissatisfied. Despite the relatively high satisfaction among voters compared with today, Perot still received 19% of the vote, given a campaign that was at best quirky.

Conclusion

Right now, the mood of this country is sufficiently toxic that a fresh face emerging would find a degree of responsiveness in a political environment that is as hostile as I have ever seen.

If the two parties continue to move to the extreme left and right, and if our economic situation continues to remain bleak, voters may see the Americans Elect ticket as the best chance for hope and change.

Given the broad dissatisfaction with the political parties, the increasing number of independents, and the widespread support for an independent, alternative candidacy to be on the presidential ballot, there is a clear opportunity for the Americans Elect ticket to succeed.

POLICY

Presented by: Elliot Ackerman and Brian Findlay

**DEVELOPED A RULES-BASED CONVENTION IN COORDINATION
WITH MORE THAN 400,000 DELEGATES**

**CREATED INDEPENDENT COMMITTEES TO OVERSEE THE PRIMARY
PROCESS AND CONVENTION**

**PROVIDED A TRANSPARENT VIEW OF CANDIDATES THROUGH THE
PLATFORM OF QUESTIONS**

Purpose

The Americans Elect policy team was charged with developing a rules-based primary and convention process, creating a platform of questions to allow candidates to communicate their positions, and ensuring that the resulting ticket was qualified and balanced. These three functions were imagined and driven by three independent committees: the Rules Committee, the Platform of Questions Committee, and the Candidate Certification Committee.

Summary

All three committees were established with the goal of creating a balanced ticket, unaffiliated with the primary process of the two-party system. The rules governing the convention, the platform of questions, and the candidate certification are critical facets of the Americans Elect process. Ensuring that these committees are accountable to the delegates has been a primary goal for the policy team. Additionally, the team developed a process with adequate flexibility to ensure that a rigid structure did not harm the ability of AE to have an impact on our political system.

***“That’s one of the challenges we’re trying to overcome
in politics, people with different perspectives, taking
different positions on issues, working together, not only
civilly but making progress working together.”***

- Brian Findlay, Policy Director, Americans Elect

Developing a Rules-based Convention

The rules governing the Americans Elect nominating process were crafted to promote accessibility to interested delegates and candidates, adherence to the AE purpose, and security against those who might desire to hijack or corrupt the process. The rules were born of the collaborative efforts among the Rules Committee, the AE leadership, and the delegates, leveraging the collective wisdom of all involved through deliberation and constructive dialogue.

The Rules Committee developed an initial draft of rules to start the process, which was then posted on AmericansElect.org for delegate review. Delegates were encouraged to provide feedback on the draft rules to improve the process. As a result of the feedback, the Pre-election Convention Rules were amended on three occasions. The Post-election Convention Rules were developed in a similar fashion.

Candidate Certification

The Candidate Certification Committee was established to verify that candidates were constitutionally eligible for the presidency, had qualifications commensurate to those of our previous presidents, and demonstrated an aptitude for working with people of different political persuasions. Americans Elect relied on the committee's experience and judgment to make two critical determinations to facilitate the nominating process: whether candidates were constitutionally and professionally qualified, and whether each of the top six presidential candidates from the primary round selected a vice presidential running mate who created a balanced ticket.

The nominating and certifying processes were designed to identify leaders who could take the country beyond its current state of political gridlock by committing to dialogue with other policy makers and developing practical solutions for the issues that matter most to the American people.

Creating a Platform of Questions

A central idea of Americans Elect was that there would be no proscribed platform of issues, allowing the delegates to shape the debate. By submitting more than 26,000 questions online, delegates participated in the development of 15 key questions that all candidates were required to answer in order to seek the AE nomination. The Platform of Questions did not define how candidates must stand on the issues, but it did define what issues the candidates must address to compete for the nomination.

The intent of the Platform of Questions was to have candidates address the delegates' most urgent concerns and to move the nation closer to a discussion about solutions and substance. Thus, the Platform of Questions centered on the crucial issues facing our nation, not the politically expedient wedge issues.

Developing the Platform of Questions began with delegates defining their policy positions on the website. By rank ordering the importance of nine distinct policy categories, the delegates prioritized the nation's challenges and informed the content of the debate. The Platform of Questions Committee used this information to decide which issues were to be addressed on the Platform of Questions and how to allocate questions to each of the major categories. To keep the debate focused, they chose questions representing the five most important issues that the delegates selected.

PLATFORM OF QUESTIONS

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As developed by the delegates of Americans Elect

CATEGORY	ISSUE	QUESTION
Economy	Job creation	What do you think are the most important steps government can take to promote job creation?
	Tax reform	How would you reform federal taxes?
	Corporate regulation	Do you believe corporations should be more heavily regulated, even if it means higher compliance costs?
	National debt reduction	How do you propose we reduce the national debt, and how much should the national debt be considered in economic recovery plans?
Education	Quality of K-12 public education	Why aren't our K-12 schools preparing graduates to compete in the global economy, and what would you do as president to lift their performance?
	Cost of higher education	Why do you think college costs keep rising? Are students getting their money's worth, and what would you do to slow down cost growth?
	Federal government's role in education	What would you do to improve workforce development and job training opportunities for U.S. workers?
Energy	Energy independence	Is U.S. energy independence a feasible goal and, if so, how would you achieve it? How would you reduce our reliance on foreign oil?
	Energy sustainability	What steps will you take to make this nation's growing energy demand more sustainable?
	Renewable energy	How important is reducing carbon emissions, and how would you go about it? In addition to renewable fuels, do you believe natural gas and nuclear energy should play a larger role in America's energy mix?
Foreign Policy	U.S. power	What circumstances justify U.S. military intervention? Do you think America should continue to play a leading role in world affairs, or lay down some of those responsibilities?
	Trade	Is America's enormous trade deficit with China a problem? How would you boost U.S. exports and encourage China and other countries to buy more from us?
Health care	Role of government vs. private market	What role should the federal government play in the health care industry? Is health care a right?
	Cost of care	What do you think is driving the rapid growth of health care costs, and how would you slow it down? Would you support putting some kind of cap on what the government spends on Medicare?
	Mandated health care	Should the government require that all citizens have health care insurance? If so, what is your thought about a premium support model similar to the Federal Employees Health Benefits Program?

DELEGATE RECRUITMENT

Presented by: Elliot Ackerman and Kellen Arno

RECRUITED NEARLY 3,750 DELEGATE LEADERS AND ESTABLISHED 300 CAMPUS CHAPTERS

SIGNED UP DELEGATE LEADERS FROM 96% OF STATE SENATE DISTRICTS IN THE COUNTRY

PROVIDED CRITICAL GRASSROOTS SUPPORT FOR BALLOT ACCESS AND COMMUNICATIONS INITIATIVES

Purpose

The purpose of the Americans Elect delegate engagement team was to build a community of volunteers who assist the organization by recruiting new delegates, supporting ballot access and communications initiatives, and helping to create a face and voice for the movement. The engagement team was overseen by the chief operating officer and composed of a national field director, a national campus director, a national engagement director, and eight regional directors, each responsible for volunteer activity in five to eight states.

Summary

The engagement team had success in building a community of core leaders who helped build awareness for Americans Elect in a variety of ways and were critical in establishing a community of leadership.

From September 2011 to May 2012, there were 3,750 people who identified themselves as delegate leaders, each with varying levels of participation, activity, and commitment. These volunteer leaders represented 96 percent of the state Senate districts in the country and displayed a large variation in political ideology. The AE campus program was also very successful. Some 300 campus chapters were established, and leaders on these campuses proved to be the most active in terms of recruitment and outreach. This group eventually found a home on the AE Delegate Leader Facebook page as well as multiple listservs that support broad volunteer initiatives.

The engagement team helped build and support numerous volunteer teams ranging from the rapid response team, which was assigned to support AE by leaving favorable comments on online articles, to creatively minded groups of graphic designers and more. Most important, this group of leaders is committed to the process of AE. In this capacity they represent an excellent foundation of supporters for the AE movement.

The ability of the delegate leaders to contribute to the ballot access and communications efforts proved to be the most valuable contribution from the delegate engagement team. There is no

way that the core function of ballot access could have been obtained without the efforts of the engagement team. Ballot access rules across the country require statewide support in the form of state committees, local representation, caucusing, elector requirements, and general guidance about state norms and culture.

“The question to me is does this become a nominating process that attracts an increasing number of people into it and into the democracy over the course of the next 20 years.”

- Eliot Cutler, Chair, OneMaine

Of the 3,747 delegate and campus leaders, there was a strong core leadership team of about 400 individuals who were instrumental in supporting Americans Elect. Delegate leaders helped us submit our ballot access petitions, gave local perspective to the media, wrote letters to the editor and op-eds, and helped create numerous graphics, videos, and ideas that raised awareness about AE. This kind of passionate engagement assisted in recruiting new delegates and further helped to put faces on the movement.



CANDIDATE BRIEFING

Presented by: Cara Brown McCormick and Darry Sragow

BRIEFED MORE THAN 150 POTENTIAL CANDIDATES FOR THE AE NOMINATION

**INCREASED AWARENESS ABOUT AE'S MISSION AND GATHERED
SIGNIFICANT SUPPORT FROM STAKEHOLDERS**

**RECEIVED POSITIVE FEEDBACK FOR THE CONCEPT OF BRINGING FORWARD
UNALIGNED AND UNENCUMBERED CANDIDATES IN FUTURE ELECTIONS**

Purpose

Beginning in the late summer of 2011, through the end of April 2012, Americans Elect conducted confidential briefings with more than 150 individuals to lay out in detail the groundbreaking opportunity for a great American to run for the presidency independent of the nominating process of the two major parties. This stellar group of individuals included present and former members of Congress, U.S. senators, high-ranking members of the military, and CEOs of major corporations. The briefings helped pave the way for high-level engagement with the Americans Elect platform.

Summary

The candidate briefings enabled leaders across the country to seriously consider the opportunity to make a presidential bid that would forever change our political landscape. Briefings were held across the country and were attended by multiple members of the Americans Elect senior leadership. AE's Board of Directors and Board of Advisors participated heavily in finding and briefing potential candidates. Virtually everyone contacted accepted the opportunity to be briefed. As the process unfolded, it became easier and easier to tell the AE story to prospective candidates. The clear success of AE's ballot access efforts, the evolution of the award-winning website, and our presence in the national media convinced potential candidates of AE's seriousness in the 2012 election.

The Americans Elect Candidate Briefing Program

In late 2011, Americans Elect created and posted to the website the "Briefing Book for Candidates and Draft Committees." The organization distributed almost 1,000 copies, and an equal number was downloaded from AmericansElect.org. This 40-page document outlined:

- The Americans Elect mission
- The process for drafting a candidate and/or declaring a candidacy at AmericansElect.org
- The organization's procedure for becoming a certified candidate
- The online convention to be held in June of 2012
- Current polling and an assessment of the political environment
- Federal regulations governing the potential winner's presidential campaign post-convention

AE held confidential meetings with more than 150 current and former governors, senators, members of Congress, and mayors of major cities. In addition, briefings were provided to individuals with significant experience in business, at senior levels of government and the military, as well as with representatives of interest groups that could run a candidate of their own on the AE ticket. Some of these individuals and groups sought out meetings with AE; others responded to AE's offer to give a briefing.

A Candidate's Decision-making Profile

In nearly all cases, potential candidates of stature enthusiastically accepted briefings from Americans Elect and understood the opportunity placed before them as a real and credible one. The most serious potential candidates conducted due diligence of ballot access, technology, and of the Americans Elect team and strategic plan. While fielding hundreds of questions from potential candidates, we found that most fell into three categories: **political** (Is the political environment ripe for a third presidential ticket and for my run specifically?); **operational** (Can I put together an A-list team of supporters, advisors, operatives, and funders to operate a national presidential campaign?); and **personal** (Am I willing to put myself and my family through the difficulties of running what could become a brutal campaign against two well-financed competitors?).

***“This nation has faced great challenges in the past,
and it’s always risen to successfully address those
challenges. It’s time to do so again.”***

- David Walker, Former Comptroller General of the United States

Through its ballot access efforts, Americans Elect removed the most prominent barrier to running for the presidency outside of the two-party system. Still, candidates had additional barriers to entry. For most candidates it came down to a personal decision not to want to involve their families in a national campaign. Several candidates were convinced they would end up being “spoilers.” Many were very concerned about having the money or organizations to compete in the general election against the Democratic and Republican billion-dollar machines.

At the end of the day, every briefing was helpful in increasing awareness and understanding of the Americans Elect process. Many produced surprising and sometimes poignant moments. One sitting U.S. senator said that if he were running for reelection he would vote against himself in an effort to end the gridlock in Washington. One statewide elected official volunteered that he had already signed up as an AE delegate. Though none of the briefings resulted in a candidate emerging from the process, the level of support from prominent stakeholders across the country reinforces the core mission of AE and signals the beginning of a larger movement.

Presented by: Wendy Drake and Lindsey Jacobson

FORMED A WORLD-CLASS BOARD OF DIRECTORS TO SUPPORT THE AMERICANS ELECT MISSION

RECRUITED 115 PROMINENT THOUGHT LEADERS TO THE BOARD OF ADVISORS

RAISED \$38 MILLION TO FUND THE ORGANIZATION'S MISSION

Purpose

In May 2010, the Americans Elect leadership team was formed with three goals in mind:

1. Raise the funds necessary to achieve ballot access in all 50 states to build the technology for the online convention and to recruit delegates.
2. Build a stellar Board of Advisors whose members represent a cross-section of Americans with a variety of backgrounds, political persuasions, and expertise.
3. Recruit world-class, independent directors to govern and guide the organization.

Summary

Board of Directors

Americans Elect had to build a world-class leadership community to move this organization into national prominence. The Board of Directors was at the core of this philosophy as the governing body for Americans Elect. The board provided leadership and guidance, and it steered the organization toward the successful execution of its mission.

In the early phase, Americans Elect was governed by a board composed of three internal directors—Chairman Peter Ackerman, CEO Kahlil Byrd, and CTO Joshua Levine. In October 2011, the board decided to add a majority of independent directors to lend insight and expertise and to help guide the organization through its operational development and execution of its mission. AE senior management made a conscious effort to recruit directors of the highest caliber who could provide a variety of perspectives based on their political and intellectual backgrounds. After careful consideration, five independent directors were installed on October 28, 2011, bringing the total number of directors to eight.

Independent Directors

Dennis Blair (I) Former National Intelligence Director, Former Commander in Chief, US Pacific Command

Stephen W. Bosworth (I) Dean, The Fletcher School, Tufts University

Eliot R. Cutler (I) Chair, OneMaine

Irving O. Hockaday Jr. (R) Retired President and CEO, Hallmark Cards

The Honorable Christine Todd Whitman (R) Former Governor, New Jersey

Recruiting a world-class Board of Directors gave Americans Elect a solid foundation from which to grow. The directors provided thoughtful guidance to manage the overall fiscal health of the organization, drove our mission with their thought leadership, and bolstered AE's reputation with their credibility. Our achievements to date would not have been possible without their leadership.

Fundraising

Americans Elect leadership worked closely with the organization to develop prospects and to schedule and attend meetings with potential investors. At the same time, the leadership and communication teams developed and created the branding and marketing materials to use in recruiting investors (i.e., "Americans Elect Overview Book," "The Americans Elect Timeline," "Fund for Ballot Access," and the "Briefing Book for Candidates and Draft Committees"). Originally, AE was established as an IRS tax-exempt political organization (Section 527), but during the course of several meetings with potential investors it became apparent that investing was not an option unless donors could remain anonymous. As a result, the AE Board of Directors made the difficult decision to change the IRS status to a 501(c)(4) in view of the social welfare focus of the organization. With this status change, investors' privacy would be protected in accordance with applicable law.

"Democracy is far too important to be left up to political parties"

- David King, Lecturer in public policy,
John F. Kennedy School of Government

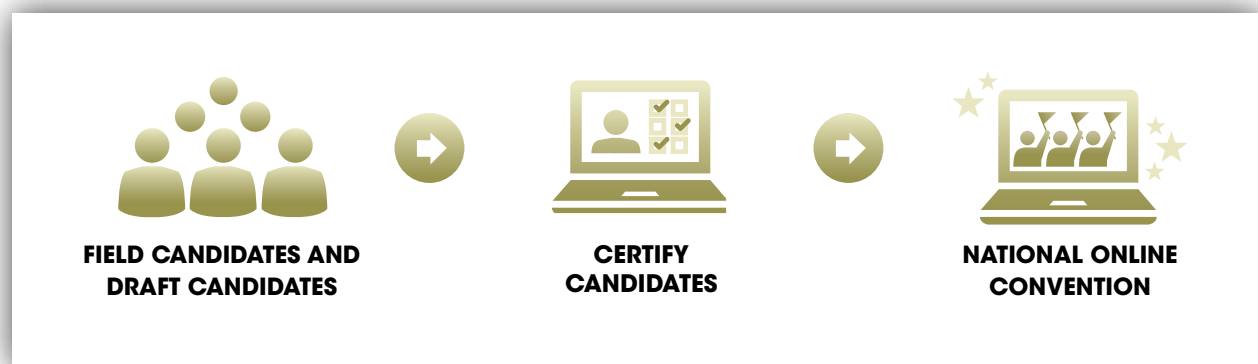
From the beginning, there were numerous challenges and difficulties, but this was to be expected since Americans Elect was a start-up with a concrete end date by which to hold the convention. However, the fundraising was jump-started in December 2010 when Joshua Levine joined as the chief technology officer. Early in 2011, AE gained momentum as the website continued to develop and the ballot access team completed circulation in five states. These victories benefited the leadership team by enabling us to show significant progress to potential investors. At the close of the second quarter in 2012, AE had raised \$38 million.

Board of Advisors

The Americans Elect Board of Advisors served as public advocates recruited to advise the organization and help establish AE's credibility. In addition to lending their names to AE print materials and on the website, the advisors were used by the leadership team as a sounding board whose expertise was solicited on a variety of issues, from audits to communication strategy. The advisors were assembled to produce a diverse group of public supporters with a variety of backgrounds, political persuasions, and expertise.

This group was critical not only in establishing Americans Elect's credibility, but also in helping AE "expand the megaphone" and increase awareness of the organization. While some advisors hosted events to help us raise awareness and funds, others served on committees where their expertise helped our operations. Many helped us establish a presence in the media by writing op-eds and lending their support through a series of Board of Advisors press releases.

The leadership team designed the Board of Advisors program in a way that made it a unique experience for each member—some members wanted to be intimately involved with Americans Elect, while others were happy to merely lend their name in support of the project. Regardless of the advisors' level of involvement, the leadership team engaged all of them with a comprehensive communications strategy. In addition to weekly emails, which maintained an "open rate" that was 175 percent of the industry average, the team hosted monthly conference calls with a variety of speakers to inform advisors and give them an opportunity to connect with the senior leadership in an open forum. At the end of 2010, AE had six people on its Board of Advisors. By May 1, 2012, there were 115. Please see Appendix A for a full list.



OPERATIONS AND FINANCIAL REPORTING

35

Presented by: Nancy Blackmore and Tim Koch

MANAGED AN ORGANIZATION WITH A \$38 MILLION BUDGET

DEVELOPED COMPLIANCE PROCEDURES TO PROTECT THE ORGANIZATION

MATCHED REAL-TIME ANALYSIS OF CASH BURN RATES WITH A DETAILED CASH-FLOW AND SPENDING MODEL

Purpose

The operations team managed all of the supporting functions that allowed Americans Elect to fulfill its core mission. Specifically, operations included all aspects of administration, compliance, accounting, and finance for the organization.

The primary goals of operations were:

- Ensure employees and vendors have the appropriate guidance, resources, and tools to perform their duties and responsibilities
- Provide security of all assets, financial data, and transactions
- Encourage the efficient use of Americans Elect's resources
- Ensure compliance of all contracts and transactions to organization policies and procedures

Summary

At the pinnacle of Americans Elect's operations, the organization managed more than 150 employees, approximately 400 vendors, more than 3,500 signature gatherers, and almost 4,000 volunteers; opened and managed three primary offices; and accounted for more than \$38 million of receipts and expenditures.

“If we don’t reform our political process to end the gridlock in Washington it will be difficult to solve the serious problems our country faces today.”

- Lawrence Lessig, Roy L. Furman Professor of Law and Leadership,
Harvard Law School

Administration

The operations area of Americans Elect began in April 2010 with the hiring of a chief operating officer and was followed by engaging the accounting firm of Koch and Hoos LLC to develop and manage all aspects of accounting and finance and hiring an office administrator, who would be responsible for all aspects of facility, staffing, and business compliance. Together the team quickly took AE from “start-up” status to a fully functional organization. This included establishing procedures for employee and vendor management and setting up an infrastructure for employees and vendors to perform their duties. As the needs of the organization expanded, a second office was opened in September 2011 to accommodate expanding press, volunteer, and accounting organizations.

Compliance

Given the scope and novelty of Americans Elect’s activities, the organization invested significantly in the establishment of a robust compliance function. Working with top-tier legal counsel, AE registered in all 50 states and worked diligently to comply with all charitable solicitation requirements in each of the states.

AE retained the services of Deloitte & Touche LLP to perform an independent financial audit and to assist with the preparation of Form 990 for tax-exempt organizations. In October 2011, Deloitte & Touche completed an audit of the 2010 financial statements and returned an unqualified opinion. An audit for 2011 was completed in August 2012 and returned an unqualified opinion with an emphasis of matter paragraph addressing going concern issues. Additionally, AE ensured that adequate insurance policies were in place to protect the organization and its management. Policies covered general liability, property, errors and omissions for media, and workers’ compensation.

Accounting and Finance

From the outset, AE established strict internal controls and procedures to ensure the proper management and safeguarding of AE’s assets. The entire process was overseen by an Audit Committee consisting of a former Fortune 500 CEO, a former chair of the Securities and Exchange Commission, and a former director of a President’s National Economic Council. In October 2011, a controller was added and given the responsibility to further improve and consolidate accounting and fiscal activities into one cohesive department.

Audit Committee

Roderick Hills, Chair
Irvine O. Hockaday Jr.
W. Bowman Cutter

Accountant

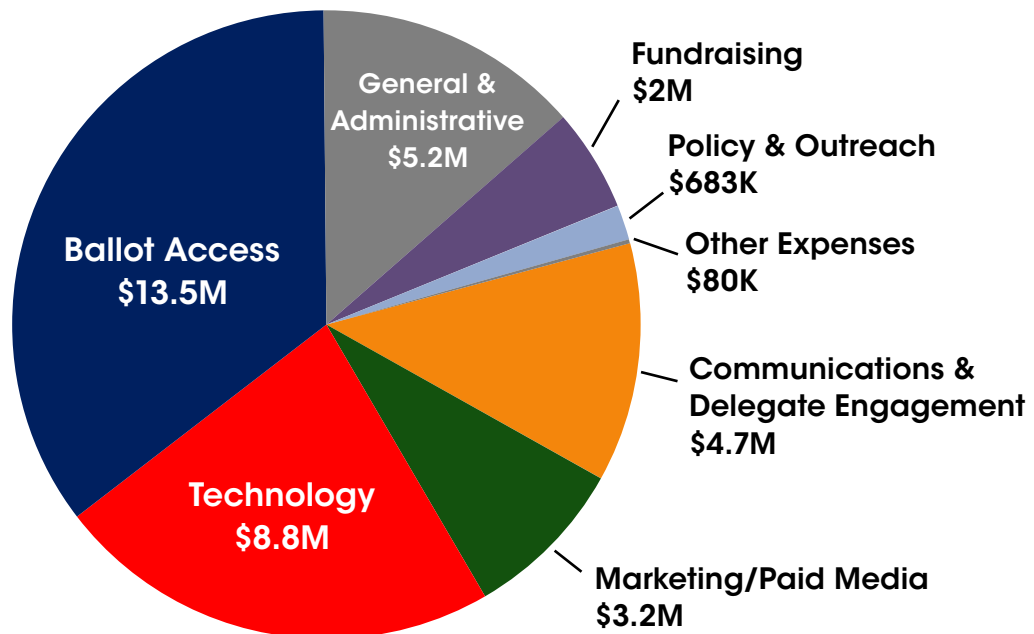
Tim Koch

Following the realignment of administrative and accounting functions and the refinement of the vendor contracting process, the team formulated and established an internal audit process satisfying the requirements of the Audit Committee. Additional improvements included:

- Implementation of a cash-flow and spending model that provided near real-time analysis of cash burn rates and inflow trends
- Creation of a flexible and straightforward travel and expense policy designed to meet organizational needs while striving to keep travel and expense costs in check
- Implementation of a project-based budget process for all efforts in excess of \$1,000 in order to improve and standardize the prioritization, planning, and execution of projects critical to AE's success

Each of these aspects represents a robust infrastructure that provides a solid basis for moving forward with Americans Elect.

Disbursements by Use: 4/8/2010-6/30/2012 (\$38.2M)





APPENDIX A: BOARD OF ADVISORS

AMERICANS • **ELECT**²⁰¹²

BOARD OF ADVISORS

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As of May 17, 2012. Corporations and organizations listed are for identification purposes only and do not indicate or imply any endorsement or support for Americans Elect.

* Board of Directors

Peter Ackerman*

Chairman, Americans Elect

Elliot L. Ackerman

Chief Operations Officer, Americans Elect; former Marine Corps Officer and veteran of Iraq and Afghanistan

Jackie Adams

Chief External Relations Officer and Executive Editor of Africa.com; former Emmy Award®-winning correspondent for CBS News

David Albertson

President, Albertson International, Inc.

Judy Albertson

President, Judy Albertson Art Consultants, LLC

Neil A. Allen

Allen Global Holdings LLC

Melvin T. Andrews

President and Co-Founder, Lakeside Capital Partners

Kellen Arno

National Field Director, Americans Elect

Michael Arno

Ballot Access Advisor, Americans Elect; President, Arno Political Consultants

Dr. F. Christopher Arterton

Director, Institute for Politics, Democracy and the Internet, George Washington University

David Aufhauser

Partner, Williams & Connolly; former General Counsel, United States Department of Treasury

Daren Bascome

Managing Director, Proverb Ltd.

C. Fred Bergsten

Director, Peterson Institute for International Economics

Arthur H. Bilger

David Binetti

Co-Founder, USA.gov; Co-Founder, Votizen

Dennis Blair*

Former Director of National Intelligence

Gerald W. Blakeley Jr.

President, Blakeley Investment Company

Stephen W. Bosworth*

Dean, The Fletcher School, Tufts University

Arturo Brillembourg

President, Farmington Asset Management

Hilda Ochoa Brillembourg

President and CEO, Strategic Investment Group

John H. Burbank III

Managing Member and Chief Investment Officer, Passport Capital, LLC

Mark Burnett

Television Producer

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Bertil Lundqvist

General Counsel and Executive Vice President, Starr Companies

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Julia Malone

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President, Progressive Policy Institute

Dale P. Mathias**Rafael Mayer**

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Chair, 2M Companies

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Jill Savage Scharff

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Lynn Thoman

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President Emeritus, RAND Corporation

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Former Comptroller General of the United States

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Chairman and CEO, The Webster Group

The Honorable William H. Webster

Former director, Federal Bureau of Investigation and Central Intelligence Agency; Chairman, Homeland Security Advisory Council; Retired Partner, Milbank, Tweed, Hadley & McCloy

Edward L. Weidenfeld

The Weidenfeld Law Firm, PC; former counsel to the Reagan-Bush Campaign

Sheila Rabb Weidenfeld

President, DC Productions Ltd.; Press Secretary to former First Lady Betty Ford

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Former Governor, New Jersey; President, The Whitman Strategy Group

William Wrigley Jr.

Former Chairman and CEO, Wm. Wrigley Jr. Company





APPENDIX B: PARTNERS AND STAFF

AMERICANS • ELECT²⁰¹²

PARTNERS AND STAFF

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Americans Elect

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 Peter Arno
 Dimple Bhayani
 Nancy Blackmore
 Cynthia Burnette
 Grover Bynum
 Kahlil Byrd
 Kate Cantwell
 Jenna Cochran
 Lori Corder
 Sam Edelen
 Brian Findlay
 Jackie Freeman
 David Goldin
 Allison Grant
 Sam Haas
 Drew Hazouri
 Kevin Heller
 Zach Hubbard
 Jeff Knighton
 Dagny Leonard
 Tanya Lervik
 Joshua Levine
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 Jess Overby

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 Ryan Ross
 Doug Schoen
 Jeremy Shore
 Alice Skelton
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 Alisha Thomas
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 Ileana Wachtel
 Cheryl Wheeler
 Blake Wright
 Michael Zuckerman

Arno Political Consultants

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 Kellen Arno
 Annaleise Azevedo
 Skip Slade
 Linda Petrillo
 Guy Muckler
 Ann Marie-Beam
 Raymond Smith

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Thomas W. Richardson
 Andras Kosaras

Proverb, Ltd.

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 Christine Needham
 Jose Cintron
 Linda Cordner

Proskauer Rose LLP

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 Scott Harshbarger
 Jennifer Scullion
 Gourdin Sirles
 Sarah Kroll-Rosenbaum
 Daniel Berger
 Virginia Bosse
 Mary Roetzer

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 Brittanie Clement
 Lindsey Jacobson
 Patricia Kramer
 Katie Nunn

LBI - Digital Partner

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 Aleta Aponte
 Richard Bloom
 Jenifer Cameli
 Judith Carr
 Keith Conway
 Patrick Craig
 Christian Dearmond
 Cedric Devitt
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 Frantz Dornevil
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 John Garofalo
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Jonathan Isaac

Paul Kalapala

Sarah Kapoor

Anbreen Khan

Karen Kranack

Matthew Lein

Jeff Lipson

Dexter Liu

Sasha Lunyov

James Macfarlan

Melissa Paxton

Frank Pedersen

Greg Ratner

Kriston Rucker

Aaron Schachter

Anil Shenoy

Nikki Stevens

Katie Stricker

Artem Taranyuk

Pipa Unsworth

Victor Ursu

Dasha Vashchilenko

Andrew Wong

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Aristotle International

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SNR Denton US LLP

Steptoe & Johnson LLP

Whitman Insight Strategies



APPENDIX C: FROM UNITY08 TO AMERICANS ELECT: A LEGAL HISTORY

AMERICANS • ELECT²⁰¹²

FROM UNITY08 TO AMERICANS ELECT: A LEGAL HISTORY

*Prepared by Alexandra Shapiro, Partner, Macht, Shapiro, Arato & Isserles
Ms. Shapiro represented Unity08 before the D.C. Circuit Court of Appeals*

In 2006, the founders of Unity08 surveyed the political landscape and were dismayed by what they saw. The two major parties seemed more interested in appealing to the political fringes and scoring political points against one another than addressing the central issues affecting most voters. The founders of Unity08 wished to refocus the country on issues that truly affect the majority of Americans rather than “wedge issues” that merely divide the country. They sought to put together a Unity ticket for president and vice president. The group did not have particular candidates in mind but instead hoped to obtain ballot access in a majority of states and hold an online convention that would allow voters to select candidates who share a centrist approach to solving the country’s most significant problems, without regard to party affiliation. Unity08 hoped to break the major parties’ monopoly on the democratic process, making the 2008 election about issues rather than ideology and lay the basic groundwork for a presidential campaign that would not be captive to tired, partisan rhetoric.

Unfortunately, Unity08 was never able to achieve its goals, because its efforts were cut off at the outset. In October 2006, the Federal Election Commission (FEC) issued an advisory opinion stating that Unity08 was a “political committee” subject to strict limits on individual contributions that severely impeded its efforts to raise money to obtain ballot access and host an online convention. Unity08 filed a lawsuit challenging that determination, on the grounds that the FEC’s interpretation of the Federal Election Campaign Act was wrong as a matter of statutory interpretation and violated the First Amendment. In late 2008—long after Unity08 had been deprived of any real opportunity to achieve its goals for the 2008 elections—the district court ruled for the FEC.

The founders of Unity08 strongly believed that the court’s decision was wrong and should be appealed in order to ensure that the group’s goals, which remain as important today as they were before the 2008 elections, could be achieved in the future. I served as lead counsel for Unity08’s appeal to the D.C. Circuit. My partner Marc Isserles and colleagues at my former firm, Latham & Watkins LLP, worked on the appeal with me.

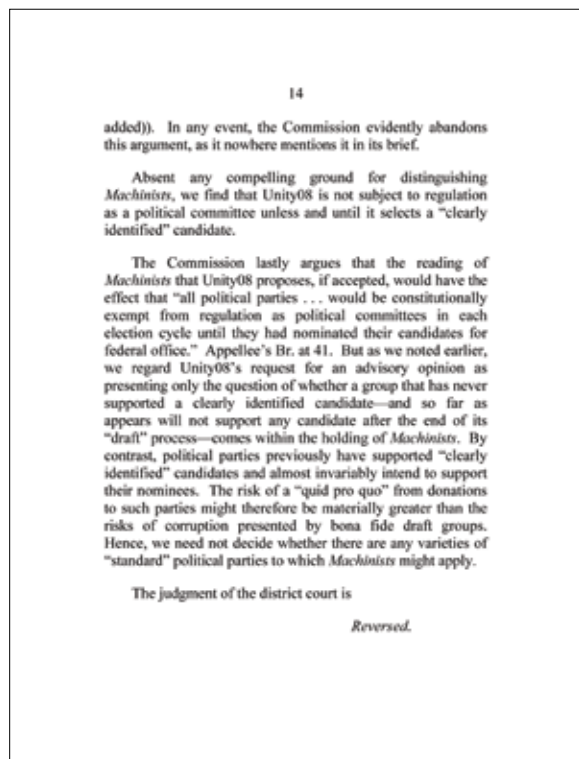
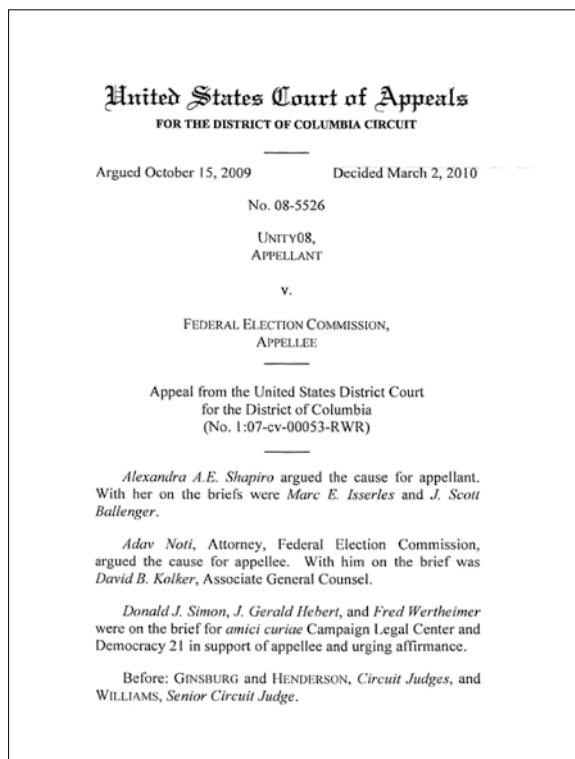
The key issues on appeal were whether Unity08 was a “political committee” under the federal election statute, and, if so, whether classifying the group as a political committee would violate the First Amendment. One factor that courts consider in analyzing such issues is whether regulation would be justified to mitigate the potential for corruption. Therefore, it was critical to our strategy to persuade the D.C. Circuit that Unity08 was a unique political group, and that its nominees could not be “bought” by big donors. Accordingly, in our appellate briefs and at oral argument, we focused principally on the fact that the group was not supporting any particular candidates and was instead working to develop a vehicle that appropriate candidates sharing the group’s values could use to launch their own campaigns (which would be regulated under federal election laws). In other words, we emphasized that Unity08 was seeking to obtain ballot access without any candidates and to

develop the tools to create an online convention that would enable voters to choose candidates sharing their values.

We stressed that the D.C. Circuit had previously concluded that several groups seeking to draft Senator Edward Kennedy to run for president in the 1980 election were not subject to regulation as “political committees” under the federal statute. In that case, the court held that only groups whose activities are under the control of a candidate or have as their major purpose promoting or defeating a “clearly identified candidate” are “political committees.” We argued that Unity08’s ballot access activities were not on behalf of any particular candidate. And if draft groups—which have already identified a particular potential candidate—do not pose the potential for corruption, then clearly Unity08, which had no connection to any particular identified candidate, should not be subject to the statute’s strict contribution limits.

The D.C. Circuit agreed with these arguments. The court held that, so long as the Unity group’s activities are not in support of a clearly identified candidate, it is not governed by the contribution limits that apply to “political committees.” The ruling is narrowly tailored to the unique features of the group; if the group succeeds and candidates are nominated to run on the Unity ticket, those candidates would have to register and comply with the FEC’s requirements.

By not declaring intent to appeal the Circuit Court’s decision by the court-mandated date of March 30, 2010, the FEC made clear that it will not try to challenge the decision.





APPENDIX D: WHITE PAPER ON THE ONLINE NOMINATING PROCESS

AMERICANS • ELECT²⁰¹²

WHITE PAPER ON THE ONLINE NOMINATING PROCESS

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Presented by: Joshua S. Levine and Dimple Bhayani

An Online Presidential Nominating Process

Version 1.0

Americans Elect is holding a series of national online caucuses followed by a national online convention to nominate a 2012 presidential ticket. The selected ticket will be on the ballot for the November general election nationwide. All registered voters are welcome to participate as delegates to the caucus and convention. This paper explains the overall process.

Note: The online caucus and convention process detailed in this paper is very different from a general election process. Americans Elect does not endorse or advocate for online voting in the general election.

Summary

Americans Elect is a modern reimagining of the presidential nominating process. The concept encompasses traditional party processes and gives all registered voters the opportunity to participate directly in nominating a presidential ticket for the general election on November 6, 2012.

Registered voters go to AmericansElect.org to sign up to be delegates. Delegates choose a presidential ticket in a series of national online caucuses. These caucuses are similar in concept to the caucus process¹ that has existed in 14 states² for many years. The winning presidential ticket then takes part in the general election, subjected to the same rigors as any other ticket.

¹ A caucus is “a closed meeting of a group of persons belonging to the same faction to select candidates,” from <http://www.merriam-webster.com/dictionary/caucus>.

² Alaska, Colorado, Idaho, Kansas, Minnesota, North Dakota, Iowa (<http://www.whyiowa.org/Why%20Iowa%20Chapter%203.pdf>), Nevada, Nebraska, Washington, Maine, Wyoming, Utah, Texas (has a different variation that includes a caucus and a primary).

The online caucuses have the following characteristics:

- They take place nationwide simultaneously, not by individual state
- They are completely online
- They are not affiliated with any party or ideology; however, each state has different rules for getting a candidate on the ballot and some may require Americans Elect to form a local “party” strictly for the purposes of getting on the ballot in that state
- Delegates who participate are not disqualified from participating in their party primary
- Only delegates who are confirmed registered voters can participate in every caucus
- Delegates can select a candidate only once, and once their choice is confirmed, it cannot be changed
- Delegates immediately receive a printable confirmation of their selection
- Caucus tallies can be manually recounted, independently audited, and reaffirmed
- Interim caucus results are available immediately to the general public

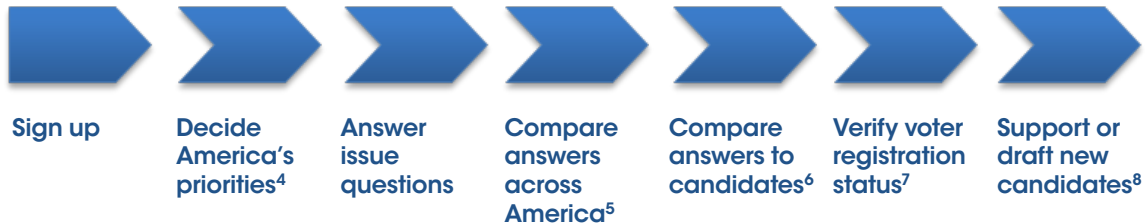
Americans Elect is merely an infrastructure for the nominating process and for gathering signatures to get each state’s permission to be on the ballot. It is a private, 501(c)(4) nonprofit and nonpartisan organization. Americans Elect started following a successful appeal ruling against the Federal Election Commission in the U.S. Court of Appeals. Because of that ruling, Americans Elect may not support or advocate for any candidate, candidate committee, ideology, or issue.³ Americans Elect also does not give money to nor accept money from any candidate or candidate committee.

The Americans Elect nominating process begins with a series of three online caucuses to narrow the field of presidential candidates to six. At that point, each candidate selects a running mate in the spirit of bipartisanship and then continues on to the convention. The convention consists of up to three online caucuses to narrow the field to one presidential ticket from the six that entered. With the final ticket selected, the process is complete.

³ http://www.fec.gov/law/litigation/uo8_ac_opinion.pdf.

Before the Caucuses

To get started, anyone can go to AmericansElect.org and sign up as a delegate. Delegates take a journey along a path leading up to the caucuses:



Sign up

Becoming a delegate is easy and uses security everyone is familiar with at banking websites. Just go to AmericansElect.org and put in your email address. Then, using the mouse, select a six- to ten-digit numeric pin. After entering the first two digits of the pin, a unique security image appears (in this example, a blue box with the word “Hi”) that is specific to the delegate’s account. On future logins to the website, if the security image does not appear or appears different from the usual image, the website is not AmericansElect.org and delegates should close their Internet browser.



That is all it takes to get started. However, any delegates who want to participate in the caucus or the convention have to take further steps to authenticate themselves and verify their voter registration.

Security Note

1. After signing up and logging in to AmericansElect.org, all activity supports 256-bit TLS encryption. Delegates should see a green symbol and/or green website name and/or https in the URL, depending on their browser, to indicate a verified secure connection. This is proof that AmericansElect.org uses an Extended Validation Certificate. If this verification is not present, delegates should stop using the website and close their browser.
2. The reason we use mouse-clicks for passcode entry is to make it harder for spyware or keystroke-recording programs to access the passcode from a delegate’s possibly infected desktop.
3. The colored box with a security word is an anti-phishing device we use to help delegates ensure the authenticity of the AmericansElect.org website. Upon logging in, delegates should see the same box each time, with the same colors and security word they saw when they signed up.
4. We use a security vendor product to assess the risk of a delegate’s activity, desktop, and network in real time. More than 100 indicators go into detecting fraudulent activity. The higher the risk score, the greater the likelihood a challenge occurs, with security questions to verify delegate identity during a session.
5. If there is no activity after 20 minutes, for security purposes, the delegate must log in again to AmericansElect.org.

⁴Categories and questions developed by Ipsos Public Affairs (ipsos.com).

⁵National poll performed by Ipsos Public Affairs (ipsos.com).

⁶Public figure views on issues developed by OnTheIssues.org.

⁷Via API access to vendors supplying authentication and voter registration status services.

⁸Draft committees are governed under the rules of the Federal Election Commission.

Decide Priorities

The next step in the journey for delegates is to help them understand their views on issues, independent of labels such as left or right, blue or red, Democrat or Republican. This permits delegates to match their views with those of the candidates based strictly on the issues, and not by party affiliation.



Delegates rank their priorities for the issues with an intuitive graphic interface of sliders in nine major categories of issues. The sliders correspond to the graph segments on the left side of the page that make up the delegate's overall priorities. As the delegate adjusts the sliders, the graph segments show their priorities in perspective.

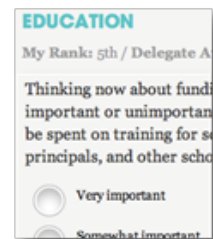
Answer Questions

After setting priorities, delegates answer a series of nine questions, one for each of the previously ranked issues. These questions, developed by Ipsos Public Affairs,⁹ are nonpartisan and unbiased.



Compare Answers

After submitting an answer to a question, delegates can see a summary of answers from other delegates in their state, as well as a summary of delegates nationwide—just mouse-over any of the answers to see the results on the displayed map.

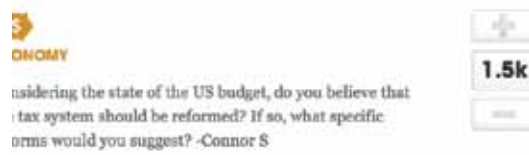


Security Note

1. Delegate answers are confidential. Americans Elect will not share individual delegate answers with anyone.
2. Delegate answers are private. No other delegate can see how another delegate answered.

Platform of Questions

The Platform of Questions is based on the most popular questions posed by delegates on the website at AmericansElect.org/debates. All delegates can participate by articulating a question for all candidates and supporting or opposing questions that others have posed. This is done by selecting plus or minus for any question and commenting on why a delegate believes it is important to do so.



All candidates must have answered the Platform of Questions within ten days of the final primary and complied with the other candidate rules prior to being listed on the convention ballot.

⁹ <http://www.ipsos-na.com/research/public-affairs/>.

Compare to Candidates

Once delegates have ranked their priorities and answered the first nine questions, they can review which declared and draft candidates with whom they best match. They can also review how these candidates' views compare with those of other public figures.

Delegates can also see other candidates' and public figures' priorities and answers, either as those figures have entered them or as answered by OnTheIssues.org, an unaffiliated organization whose mission is to provide nonpartisan information.



Candidate	Highest Priority	Best Match
Neil Abercrombie Governor	ENVIRONMENT	38.37%
Spencer Abraham Secretary of Energy, 2003-2005	IMMIGRATION	35.10%
Gary Ackerman Representative	REFORM	27.45%

Verify Identity

Americans Elect uses external vendor products to authenticate delegates. The process walks a delegate through a series of questions to establish the individual's identity and verify voter registration.¹⁰

The external service provides strong consumer authentication and fraud prevention to validate identities in real time, reducing the risk associated with identity impersonation. Using dynamic knowledge-based authentication, the service challenges delegates with a series of top-of-mind questions generated from information within databases containing billions of public and commercially available records.

Delegates have several chances to go through the question process. Delegates in states where voter registration is not public or required in advance or who are exempt from listing in those databases can fax personal documents directly to the vendor to process manually.

Security Note

1. Once authenticated, that identity will be associated with only that account such that no other delegate, or delegate account, can authenticate or participate in the Americans Elect caucuses and conventions using that identity.
2. The external service provider generates the authentication questions.

Support or Draft Candidates

The last step in the journey to the caucuses is to support and draft candidates. Candidates seeking the Americans Elect nomination need to garner support clicks to be included on the ballot. This is the electronic simulation of gathering signatures in order to show broad support for someone to run. The public support requirements for declared and draft candidates are the same.¹¹



¹⁰ <http://www.aristotle.com>.

¹¹ See Rule 2.2.1.1, Automatic Qualification and 2.2.1.2 Contingent Qualification.

Any delegates researching the Americans Elect list of candidates who do not see one who matches their views or preferences can draft new candidates themselves. To do so, a delegate clicks on “Candidate,” then “Draft Your Own” to form a draft committee.

Only authenticated delegates may draft a candidate and become the head of a draft committee at AmericansElect.org. To form a committee, a delegate chooses a name (which must contain the candidate’s name as well as the words “Draft” and “Committee”) and provides a committee description and an email address to be contacted.

The goal of the draft committee is to generate interest and support to persuade the candidate to accept the nomination. The Federal Election Commission (FEC) administers and enforces the law regarding the financing of federal elections, including the rules for candidate committees and draft committees.¹²

Declare Your Candidacy

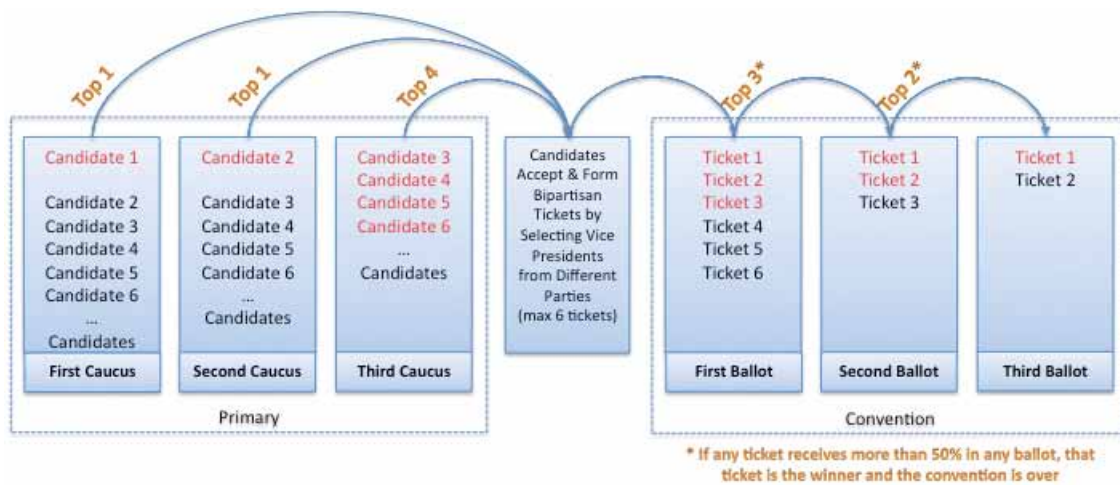
In addition to supporting existing candidates and drafting others, delegates also have the ability to declare their intention to run. Similar to drafted candidates, declared candidates seeking the Americans Elect nomination need to garner support clicks to be included on the ballot.

However, declared candidates also have the ability to add details to their profiles, including a biography and responses to the core questions.

¹² <http://www.fec.gov/pdf/nongui.pdf>.

National Online Primary

The next steps in the Americans Elect nominating process are the caucuses, divided into two groups: the National Primary caucuses and the National Convention ballots.



If there are fewer than six certified candidates, all will move on directly to the Nominating Convention. With 10 or more certified candidates, three scheduled caucuses take place, beginning on Tuesday, May 8, 2012. Two scheduled caucuses occur for seven to nine candidates, which would begin on Tuesday, May 15, 2012. All caucuses are 24 hours in length, beginning at 12:00:00 a.m. EDT and ending at 11:59:59 p.m. EDT.

After selecting a candidate, delegates have an opportunity to print a confirmation for proof of their selection. Delegates can also return to their account information to display this confirmation at any time. Americans Elect stores a printed copy of this selection for an audit committee to review and recount.

Throughout the primary day, delegates and the public at large see near real-time tallies. The sorted tally is by percentage of the overall delegate selections.

In the event of a tie for the qualifying position:

First Caucus

The candidate list formation begins at 12:00:00 a.m. EDT on May 1, 2012. All committee-certified candidates receiving the appropriate number of support clicks enter the caucus.



The First Caucus begins at 12:00:00 a.m. EDT on Tuesday, May 8, 2012, if there are three caucuses, or May 15, 2012 if there are two caucuses. The caucus lists candidate alphabetically. A delegate can also click on a candidate's profile to learn more about that candidate's views on issues.

Once delegates decide, they select the candidate of their choice. Delegates can select only one candidate in any caucus. Once submitted, selections are final and unchangeable. To submit their selection, delegates must confirm and attest eligibility to vote in the United States.



The candidate who has the largest plurality in this First Caucus advances automatically to the Nominating Convention.

Second Caucus

The candidate list formation, if needed, begins at 12:00:00 a.m. EDT time on Tuesday, May 8, 2012. All committee-certified candidates receiving the appropriate number of support clicks—except the one who won the First Caucus—enter the Second Caucus.

The second caucus begins at 12:00:00 a.m. EDT on Tuesday, May 15, 2012. The candidate with the largest plurality advances automatically to the Nominating Convention. If the Second Caucus is the last (due to only seven to nine certified candidates to begin with), the five tickets with the largest pluralities advance automatically to the Nominating Convention.

Third Caucus

The candidate list formation, if needed, begins at 12:00:00 a.m. EDT on Tuesday, May 15, 2012. All committee-certified candidates receiving the appropriate number of support clicks enter the caucus.

The third and final caucus begins at 12:00:00 a.m. EDT on Tuesday, May 22, 2012. The four tickets with the largest pluralities in the Third Caucus advance automatically to the Nominating Convention.

The Third Caucus ends the Americans Elect National Primary.

Security Note

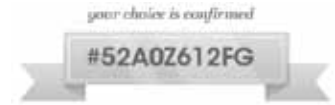
1. Only authenticated and verified delegates can participate in the caucuses.
2. On caucus day, delegates who log in to AmericansElect.org will see an additional security page prompting them to select a random image from a random group of images before any further access is given. The delegate has multiple attempts to select the right image. Failure to correctly identify the image blocks the delegate from participating in the caucus. This procedure adds an extra layer of anti-robot protection to the caucuses.



Audit Review

The audit committee reviews of the caucuses are focused on the following key areas:

1. Delegates receive a confirmation of their selections, with a unique serial number, and can print that confirmation to save as a reminder of whom they selected in each caucus.
2. Once securely logged in at AmericansElect.org, delegates are encouraged to review their own confirmations, which include the serial number, selection time stamp, and the candidate selected, against both their own results review page and their selections within the overall caucus detail.



3. Non-delegates can also review the results of any caucus at AmericansElect.org/results. These results are totaled and also detail each participating delegate selection, without personally identifiable information, but including serial number, state, birth year, and candidate selected. All caucus results are downloadable in CSV¹³ format.

Serial	State	Born	Candidate
#52A0Z612FG	NY	1982	John Doe
#67D5A616AJ	NJ	1959	Jane Smith
#41K9D123ZZ	CA	1990	Tom Jones

4. A copy of the delegate confirmation is kept in WORM¹⁴ storage for an audit committee to review in printed format. The audit copy contains only a serial number and the selection made. The audit committee can review these printed copies with the overall caucus details at AmericansElect.org/results.
5. The audit committee can select a statistical sample of the delegates to contact to verify their selections. The contact consists of a letter sent via email or via postal mail to the address where the delegate authenticated.
 - a. The content of the verification notice is simply a request to go to AmericansElect.org/result without logging in and searching for the serial number from their previously printed confirmation.
 - b. Delegates can then verify their caucus selection against their printed copy. If the results do not match, the delegate should notify audit@AmericansElect.org immediately, stating that there is a discrepancy but without indicating any other details. The email should be sent from the email address the audit notification was sent to. If the delegate received the audit notification via postal mail, the discrepancy box should be marked and the audit notification returned via postal mail to the audit committee addressed on the envelope.

¹³ http://en.wikipedia.org/wiki/Comma-separated_values.

¹⁴ http://en.wikipedia.org/wiki/Write_once_read_many.

6. Any delegates who had not printed their caucus selection confirmation can log into AmericansElect.org and print a confirmation for any individual caucus. They should then log out and review AmericansElect.org/results.

Security Note

Vote buying is always a concern in any caucus process. A number of key points to minimizing vote buying are:

1. The delegate selection confirmation does not display a delegate's name. A vote buyer would have to believe the confirmation is actual and legitimate.
2. A vote buyer could ask delegates for their login credentials in order to make selections for them. However, not many delegates would be willing to give out their login credentials out of concern over revealing their personally identifiable information (PII) found on their account profile page.
3. Login network and computer risk assessment detects login from a location that's vastly different from the delegate's usual one.
4. Counter-robotic measures are placed on the caucus selection pages.

Privacy

The entire process of Americans Elect is private and confidential, as detailed in the Americans Elect Privacy Policy.¹⁵ Individual delegate information in the caucuses is also kept strictly private, confidential, and exposed publicly (without attribution to a specific delegate) only after each caucus concludes.

A key difference between voting in the general election and participating in an Americans Elect caucus is that, like many caucuses in general, it is not a secret ballot.¹⁶ With an electronic secret ballot, once selections are submitted, there is no way to review a delegate's own selections, either by the delegate or by anyone recounting the results. Our process is not a secret ballot because selections can be reviewed and checked afterwards by an independent auditor. At Americans Elect, this transparency in balloting is a key aspect of the process.

To be clear, many leading voting experts believe that a secret ballot over the Internet, as it exists today, is ill-advised. That is why Americans Elect is holding a caucus process similar to that held in many states today, with a confidential, not secret, ballot.

The caucus period is 24 hours, and using the Internet for selecting candidates allows for a more thoughtful, research-based approach. Of course, individuals can make their selections in complete privacy or can discuss their choices together with family members. This is, after all, a nominating process for a presidential ticket for the general election, not the general election itself.

¹⁵ <http://www.americansselect.org/privacy>.

¹⁶ Sometime called an "Australian Ballot," <http://www.britannica.com/EBchecked/topic/43932/Australian-ballot>.

National Online Nominating Convention

The primary caucuses select up to six candidates. Before the convention begins, those candidates have up to ten days to complete all their obligations under the rules. The candidates then must choose a vice president for their ticket. The vice president must meet the requirements set forth in the rules, including the “balanced ticket” obligation, which states that a candidate must pick a vice presidential nominee from a party other than his/her own. A Democrat and Republican are automatically considered balanced. A ticket made up of a Democrat or Republican paired with someone from any other party (or an independent) must demonstrate ideological balance based on the two individuals’ responses to the Platform of Questions.

Candidates who fail to complete all their obligations ten days prior to the convention will be disqualified, and the next most popular candidate from the final caucus will have the opportunity to enter the convention.

The convention ballots are similar to the primary caucuses. All are 24 hours in length, beginning at 12:00:00 a.m. EDT and ending at 11:59:59 p.m. EDT. However, after each convention ballot, if a ticket receives more than 50 percent of the delegate selections, that ticket shall be the Americans Elect nominee and no further ballots will take place.

After selecting a ticket, delegates have an opportunity to print a confirmation for proof of their selection. Delegates can also return to their account information to display this confirmation at any time. Americans Elect stores a printed copy of this selection for an audit committee to review and recount.

Throughout the convention day, delegates and the public at large see near real-time running tallies. The sorted tally is by percentage of the overall delegate selections.

In the event of a tie for the top positions:

First Ballot

The first convention ballot begins at 12:00:00 a.m. EDT on Tuesday, June 12, 2012, and ends at 11:59:59 p.m. EDT. The ballot lists up to six candidates alphabetically.

Once delegates decide, they select the ticket of their choice. Delegates can select only one ticket in any ballot. Once submitted, selections are final and unchangeable. To submit their selection, delegates must confirm and attest eligibility to vote in the United States.

Unless one ticket receives more than 50 percent of the delegate selections at the end of the convention ballot, up to three tickets receiving the most selections continue to the second ballot. If exactly three tickets were on the convention ballot, up to two tickets receiving the most selections continue to the second ballot.

Second Ballot

The second convention ballot, if needed, begins at 12:00:00 a.m. EDT on Tuesday, June 19, 2012, and ends at 11:59:59 p.m. EDT. The ballot lists up to three tickets alphabetically.

Once delegates decide, they select the ticket of their choice. Delegates can select only one ticket in any ballot. Once submitted, selections are final and unchangeable. To submit their selection, delegates must confirm and attest eligibility to vote in the United States.

Unless one ticket receives more than 50 percent of the delegate selections, the two top tickets continue to the third ballot.

Third Ballot

The third and final convention ballot, if needed, begins at 12:00:00 a.m. EDT on Tuesday, June 26, 2012, and ends at 11:59:59 p.m. EDT. The ballot lists two tickets alphabetically.

Once delegates decide, they select the ticket of their choice. Delegates can select only one ticket in any ballot. Once submitted, selections are final and unchangeable. To submit their selection, delegates must confirm and attest eligibility to vote in the United States.

The winning ticket is the Americans Elect nominee for president and vice president. This ticket will be on the general election ballot nationwide on November 6, 2012.

Closing

Once the winning ticket has been nominated and ballot access has been achieved, the process of Americans Elect concludes. The responsibility for the election and campaign rests solely on the nominated ticket.

Any unused donations and any future donations are used to repay the start-up money borrowed to create Americans Elect or for extending the concept into other elections.

System Architecture

It is not customary for any organization with a secure website to release its architecture. The danger, of course, is that additional knowledge gained through an understanding of the architecture might help someone tempted to attack and disrupt that organization, illegal as that is.

In the interest of reassuring delegates of the secure nature of the process, in addition to the security notes throughout this white paper, here are some additional points:

1. Americans Elect is using two data centers for its servers and databases for redundancy and performance. A load balancer handles the traffic between data centers. Databases are synched through real-time replication. A Content Distribution Network (CDN)¹⁷ improves front-end performance for end users and enhances overall security. Several Intrusion Detection and Prevention¹⁸ systems are also employed.
2. All delegate traffic is via minimum 128-bit TLS but supports 256-bit TLS. Americans Elect encrypts all data, including filenames, and servers are accessible only via the CDN.
3. Many cyberattacks use a concept called Advanced Persistent Threats (APT),¹⁹ a long-term pattern of sophisticated hacking attacks. Americans Elect has an advantage, because the website has not been available long enough for APT and functionality for an individual caucus is available for only 24 hours.
4. Another means of attack takes advantage of social engineering²⁰ by manipulating people into performing actions or divulging confidential information. Americans Elect is not susceptible to social engineering because there are no people, customer service or otherwise, to manipulate into divulging information.
5. Americans Elect employs several mechanisms to enhance security. All selections are via mouse-click to avoid keylogging²¹ issues. An anti-phishing²² mechanism helps confirm that delegates are actually on the AmericansElect.org website. In addition, no email is ever sent to a delegate asking for any personal information.

¹⁷ <http://www.cs.huji.ac.il/labs/danss/p2p/resources.html>.

¹⁸ <http://csrc.nist.gov/publications/nistpubs/800-94/SP800-94.pdf>.

¹⁹ http://en.wikipedia.org/wiki/Advanced_Persistent_Threat.

²⁰ <http://www.symantec.com/connect/articles/social-engineering-fundamentals-part-i-hacker-tactics>.

²¹ http://en.wikipedia.org/wiki/Keystroke_logging.

²² <http://www.microsoft.com/security/online-privacy/phishing-symptoms.aspx>.



APPENDIX E: 2011 FINANCIAL AUDIT

AMERICANS·ELECT²⁰¹²

Americans Elect

Financial Statements as of December 31, 2011 and
2010 and for the Year Ended December 31, 2011
and the Period from April 6, 2010 (Date of
Incorporation) to December 31, 2010, and
Independent Auditors' Report

AMERICANS ELECT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Americans Elect
Washington, DC

We have audited the accompanying statements of financial position of Americans Elect (the "Organization") as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, and cash flows for the year ended December 31, 2011 and the period from April 6, 2010 (date of incorporation) to December 31, 2010. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the year ended December 31, 2011 and for the period from April 6, 2010 (date of incorporation) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements for the year ended December 31, 2011 have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 1 to the financial statements, the Organization's recurring losses from operations, lack of funding and its inability to repay its loans payable raise substantial doubt about its ability to continue as a going concern. Additionally, on June 26, 2012, the Organization's Board of Directors approved a plan of dissolution, which they expect to complete by December 31, 2012. Management's plans concerning these matters are also discussed in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



August 28, 2012

AMERICANS ELECT

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 2,077,511	\$1,957,321
ACCOUNTS RECEIVABLE	18,042	-
PREPAID EXPENSES	154,783	94,035
FURNITURE, FIXTURES AND EQUIPMENT (Net of accumulated depreciation of \$11,053 and \$1,163 for 2011 and 2010, respectively)	<u>77,965</u>	<u>10,591</u>
TOTAL ASSETS	<u>\$ 2,328,301</u>	<u>\$2,061,947</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 3,274,241	\$ 344,090
INTEREST PAYABLE	41,803	-
LOANS PAYABLE, RELATED PARTIES	13,375,000	-
LOANS PAYABLE, OTHER	<u>14,335,001</u>	<u>-</u>
Total liabilities	31,026,045	344,090
NET ASSETS — Unrestricted	<u>(28,697,744)</u>	<u>1,717,857</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,328,301</u>	<u>\$2,061,947</u>

See notes to the financial statements.

AMERICANS ELECT

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011 AND THE PERIOD
FROM APRIL 6, 2010 (DATE OF INCORPORATION) TO DECEMBER 31, 2010

	2011	2010
REVENUES:		
Contributions	\$ 248,480	\$ 5,112,000
Interest	2,769	1,010
Other	<u>1,222</u>	<u>-</u>
Total revenues	<u>252,471</u>	<u>5,113,010</u>
EXPENSES:		
Program: Ballot Access	10,158,324	1,157,723
Program: Technology Development	4,791,422	139,486
Program: Delegate Planning, Recruitment & Engagement	3,109,284	528,319
Program: Marketing and Paid Media	2,942,377	-
Program: Policy & Outreach	511,998	-
Management and General	2,654,612	1,178,360
Fundraising	1,450,055	391,265
Refund of 2010 Contributions	<u>5,050,000</u>	<u>-</u>
Total expenses	<u>30,668,072</u>	<u>3,395,153</u>
CHANGES IN NET ASSETS	(30,415,601)	1,717,857
NET ASSETS — Beginning of period	<u>1,717,857</u>	<u>-</u>
NET ASSETS — End of period	<u><u>\$ (28,697,744)</u></u>	<u><u>\$ 1,717,857</u></u>

See notes to financial statements.

AMERICANS ELECT

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011 AND THE PERIOD

FROM APRIL 6, 2010 (DATE OF INCORPORATION) TO DECEMBER 31, 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors	\$ 2,748,480	\$ 5,112,000
Cash refunded to 2010 contributors	(5,050,000)	-
Cash refunded to 2011 contributors	(2,500,000)	-
Cash received from other	141	-
Interest received	2,769	1,010
Cash paid to employees and vendors	(22,713,937)	(3,143,935)
Net cash (used in) provided by operating activities	(27,512,547)	1,969,075
CASH FLOWS FROM INVESTING ACTIVITIES — Purchase of furniture and equipment	(77,264)	(11,754)
Net cash used in investing activities	(77,264)	(11,754)
CASH FLOWS FROM FINANCING ACTIVITIES — Cash received from loans payable	27,710,001	-
Net cash provided by financing activities	27,710,001	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	120,190	1,957,321
CASH AND CASH EQUIVALENTS — Beginning of period	1,957,321	-
CASH AND CASH EQUIVALENTS — End of period	\$ 2,077,511	\$ 1,957,321
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES —		
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Changes in net assets	\$(30,415,601)	\$ 1,717,857
Depreciation	9,890	1,163
Increase in accounts receivable	(18,042)	-
Increase in prepaid expenses	(60,748)	(94,035)
Increase in accounts payable and accrued expenses	2,930,151	344,090
Increase in interest payable	41,803	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$(27,512,547)	\$ 1,969,075

See notes to the financial statements.

AMERICANS ELECT

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010 AND FOR THE YEAR ENDED DECEMBER 31, 2011 AND THE PERIOD FROM APRIL 6, 2010 (DATE OF INCORPORATION) TO DECEMBER 31, 2010

1. ORGANIZATION AND PURPOSE

Americans Elect is a non-profit social welfare organization organized under the laws of the District of Columbia. The organization was initially formed in April 2010 (initially as Unity12 Task Force prior to changing its name in July 2010) to provide an alternative process for nominating a presidential ticket in the 2012 election. The organization's primary activities include obtaining ballot access in 50 states and hosting an internet-based convention to be held in the middle of 2012. Americans Elect's mission is to empower Americans to choose a viable presidential ticket that is responsive to the vast majority of citizens while remaining independent of the partisan interests of either major party. Every registered voter is eligible to become a delegate and can decide on a nominee for President and Vice President. Additionally, Americans Elect will encourage civic engagement by all Americans and educate voters about their exercise of direct democracy.

Americans Elect is supported by contributions and loans from individuals. Americans Elect has experienced losses from operations and has an accumulated deficit of \$28,697,744. Additionally, Americans Elect has loans payable to its funders in the amount of \$27,710,001 and does not have significant funding sources that will enable it to repay its funders and reduce its deficit. As a result, as discussed in Note 8 to the financial statements, on June 26, 2012, the Board of Directors approved a plan of dissolution to be completed by the end of 2012. The financial statements do not include any adjustments relating to the recoverability of assets and classification of recorded asset amounts nor to the amounts and classification of recorded liabilities that may be necessary due to its plan of dissolution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — Americans Elect's financial statements are presented in conformity with the accounting principles generally accepted in the United States of America (GAAP).

Classes of Assets — To ensure observance of limitations and restrictions placed on the use of resources available to Americans Elect, Americans Elect has classified its resources for accounting purposes into classes established according to their nature and purpose:

Unrestricted Net Assets — Include net assets that are available for general operations.

Temporarily Restricted Net Assets — Include net assets which are restricted by donors for specific purposes or restricted as to the passage of time.

Permanently Restricted Net Assets — Include net assets which are permanently restricted by donors, but permits Americans Elect to use or expend part or all of the income.

In 2010 and 2011, Americans Elect did not receive any restricted or temporarily restricted assets.

Cash and Cash Equivalents — Money market funds and all highly liquid investments available for current use with maturities of three months or less at the time of acquisition are considered cash equivalents.

Furniture, Fixtures, and Equipment — Furniture, fixtures, and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. It is Americans Elect's policy to capitalize all furniture, fixtures and equipment.

Revenue Recognition — Contributions are recorded in the period received. Pledges receivable represent unconditional promises from donors to contribute monies to Americans Elect. Unconditional promises are recorded when received. Unconditional promises to give where payments are due in the next year are reflected as current pledges receivable and are recorded at their net realizable amounts. Unconditional promises to give where payments are due in subsequent years are reflected as long-term pledges receivable and are reflected at their net realizable amounts, using a present value technique. During 2011 and 2010, Americans Elect did not have any pledges receivable.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. CONCENTRATION OF RISK

As of December 31, 2011, Americans Elect maintained \$1.23 million in a money market account held at JP Morgan Chase Bank. The account is covered by federal deposit insurance up to \$250,000. Additionally, Americans Elect maintains non-interest bearing checking accounts at JP Morgan Chase Bank and Wells Fargo. Both accounts have unlimited FDIC insurance through 2012.

In 2011, ninety-one percent of the loans received were from five funders.

In 2010, two contributors represented approximately ninety-nine percent of all contributions received.

4. RELATED PARTY TRANSACTIONS

Consulting Contracts — During Americans Elect's start-up phase in 2010, Americans Elect had a six-month consulting agreement with Americans Elect's interim Executive Director. During the term of the agreement, the interim Executive Director served as a member of Americans Elect's Board of Directors. The interim Executive Director received \$141,125 in total compensation for his services in 2010.

In 2011, two Board members received compensation from Americans Elect for services provided in their capacity as Chief Executive Officer (CEO) and Chief Technology Officer (CTO). The Board of Directors renewed the interim Executive Director's contract through August 2011, at which time the consulting agreement was terminated and replaced with an employment agreement in which the interim Executive Director became Americans Elect's CEO. From January 2011 to August 2011, the interim Executive Director received \$142,975 for services provided. From September 2011 to December 2011, the CEO received compensation of \$86,000 as an employee of Americans Elect.

In April 2011, Americans Elect entered into a contract with the Chief Technology Officer (CTO). In 2011, a firm controlled by the CTO received \$185,000 for services provided.

Contributions and Contribution Refunds — In 2011, Americans Elect received a \$2.5M contribution from a member of the Board of Directors. During 2011, Americans Elect refunded that contribution as well as a \$2.5 million contribution received in 2010. That Director subsequently loaned that money back to Americans Elect under the loan program (Note 5).

5. LOAN PROGRAM

In 2011, the Board of Directors approved a program whereby supporters of Americans Elect are able to provide financial support in the form of loans. Each loan is evidenced by a written promissory note between the supporter and Americans Elect. The material terms of each loan made under the loan program are the same or substantially similar. The term of the loans begin on the date on which a supporter makes a loan and ends on January 15, 2013 (the “Maturity Date”). Americans Elect will repay the entire unpaid principal balance of each loan, together with all accrued but unpaid interest, no later than the Maturity Date, but Americans Elect may repay the loans prior to the Maturity Date. Interest accrues on the loans at a rate equal to the short-term applicable federal rate in effect for the month in which the loan is made, compounded semi-annually. Americans Elect pays interest on the loans on the yearly anniversary of each loan.

At December 31, 2011, there were loans outstanding of \$27.7 million. As discussed in Note 1 and Note 8 to the financial statements, on June 26, 2012, the Board of Directors approved a plan of dissolution to be completed by the end of 2012. Americans Elect does not have sufficient funding sources to repay the loans.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases — In 2010, Americans Elect entered into a lease obligation beginning July 2010 that obligates Americans Elect to make monthly lease payments for the periods in which the organization occupies space at 1775 Pennsylvania Ave, NW, Suite 1212 in Washington, DC. The monthly lease payment is \$5,921 and is subject to change based on occupancy percentage. The occupancy percentage did not change in 2011.

Additionally, in 2011, Americans Elect entered into a second lease obligation in September 2011 for a lease term of 16-months for office space located at 1901 Pennsylvania Ave, NW, Suite 1000 in Washington, DC. This lease required fixed monthly payments of \$15,353 and had a total lease obligation of \$245,653 at the time of the original lease. The original lease term was to expire in December 2012; however, Americans Elect entered into a settlement agreement with the lessor that terminates the lease effective August 2012. As of June 2012, Americans Elect has made all final payments under this agreement.

Ballot Access Services Contract — In 2012, Americans Elect amended their services agreement with the ballot access consulting firm for a fixed monthly fee of \$20,500 with the period of performance expiring in June, 2012. Costs associated with state-level signature gathering efforts in each state were billed on a state-by-state basis in accordance with pre-approved budgeted costs.

Fundraising Services Contract — In 2012, Americans Elect amended their services agreement with the fundraising consulting firm for a fixed monthly fee of \$10,000 on a month-to-month basis with the contract expiring in June 2012. The agreement provided bonuses for achieving certain fundraising milestones. As of June 2012, Americans Elect has made all final payments under this agreement.

Technology Contract — In 2011, Americans Elect entered into long-term contract with a technology services company that is providing services related to website development, customer relationship management and other digital creative services. The period of performance with the technology services company ended in June 2012 and Americans Elect has made all final payments under this agreement.

7. INCOME TAXES

Americans Elect is a not-for-profit organization exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. In 2011, Americans Elect engaged in limited taxable activities by authorizing merchandise sales through a third-party vendor.

GAAP requires management to evaluate tax positions taken by Americans Elect and recognize a tax liability (or asset) if Americans Elect has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by Americans Elect, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Americans Elect is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 28, 2012, the date the financial statements are available to be issued. During this period, there were no material subsequent events except as noted below:

Senior Secured Bridge Loan Program — In 2012, the independent members of Americans Elect’s Board of Directors approved a “senior secured bridge loan program” that is intended to allow Americans Elect to secure additional financial support for Americans Elect’s mission. Financial supporters who provide more than \$8,000,000 to Americans Elect may participate in the senior secured bridge loan program. The senior secured bridge loan program gives priority in repayment to the amount in excess of \$8,000,000 provided by a financial supporter. As of June 2012, only one financial supporter is participating in the senior secured bridge loan program and that person is also a Director of Americans Elect. The term of the loans begin on the date on which a loan is deposited with Americans Elect and ends on January 15, 2015 (the “Maturity Date”). The lenders will receive a first priority security interest in substantially all assets of Americans Elect. Americans Elect will repay the entire unpaid principal balance of each loan, together with all accrued but unpaid interest, no later than the Maturity Date, but Americans Elect may repay the loans prior to the Maturity Date. Once Americans Elect raises a total of \$40M in support, any funds raised above \$40M must be first used to repay loans in the senior secured bridge loan program. Interest accrues on the loans at a rate equal to the short-term applicable federal rate in effect for the month in which the loan is made, compounded semi-annually. Americans Elect pays interest on the loans on the yearly anniversary of each loan. As of July 31, 2012, Americans Elect had loans payable of \$37.7 million. Of the total loans payable, \$15 million were held as Senior Secured Notes by a Director of Americans Elect.

Patent Application — In 2012, Americans Elect began the process of applying for a patent to secure the rights to the voting process as developed by Americans Elect. No valuation has been performed to determine the potential value of such a patent, if approved. Americans Elect has until April 2013 to complete the application process.

Dissolution Plan Approval — On June 26, 2012, American Elect’s Board of Directors approved a plan of dissolution. Americans Elect expects to complete the dissolution of the organization by the end of 2012. Americans Elect’s assets, including its intellectual property and brand, will be sold, transferred and/or distributed as approved by the Board. Individuals or organizations who obtain such assets may use those assets to further and/or expand Americans Elect’s original mission.

* * * * *



AmericansElect.org