

AGENDA DOCUMENT NO. 02-59
APPROVED AUGUST 22, 2002

MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION

THURSDAY, AUGUST 15, 2002

PRESENT: Karl J. Sandstrom, Vice Chairman, presiding
Danny L. McDonald, Commissioner
Bradley A. Smith, Commissioner
Scott E. Thomas, Commissioner
Michael E. Toner, Commissioner
James A. Pehrkon, Staff Director
Lawrence H. Norton, General Counsel
Mary W. Dove, Secretary

Vice Chairman Karl J. Sandstrom called the Federal Election Commission to order in an open meeting at 10:07 A.M. on Thursday, August 15, 2002, with a quorum present.

I. CORRECTION AND APPROVAL OF MINUTES

Thursday, August 1, 2002

Agenda Document No. 02-56

Vice Chairman Sandstrom recognized Commissioner Smith, who

MOVED to approve the Minutes for the open meeting of Thursday, August 1, 2002, as submitted in Agenda Document No. 02-56.

The motion carried on the vote of 5-0 with Commissioners McDonald, Sandstrom, Smith, Thomas, and Toner voting affirmatively.

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS

Agenda Documents No. 02-57, No. 02-57-A,
No. 02-57-B, and No. 02-57-C

Vice Chairman Sandstrom recognized Commissioner
Smith, who

MOVED to suspend the rules on
the timely submission of agenda
documents in order to consider
Agenda Documents No. 02-57,
No. 02-57-A, No. 02-57-B, and
No. 02-57-C.

The motion carried on the vote of 5-0 with
Commissioners McDonald, Sandstrom, Smith, Thomas, and
Toner voting affirmatively.

Vice Chairman Sandstrom recognized Ms. Mai Dinh
of the General Counsel's Office who presented an overview
of the subject document.

The Vice Chairman recognized Mr. Joseph Stoltz of
the Audit Division who participated in the discussion which
followed.

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS
(continued)

On behalf of Vice Chairman Sandstrom, Commissioner
Smith was recognized, who

MOVED to approve the amendments
submitted in Agenda Document
No. 02-57-A, Page 1 through
Page 5, Line 12, and Agenda
Document No. 02-57-C.

The motion carried on the vote of 5-0 with
Commissioners McDonald, Sandstrom, Smith, Thomas, and
Toner voting affirmatively.

Vice Chairman Sandstrom recognized Commissioner
Toner who reviewed his proposed amendments to Agenda
Document No. 02-57.

A discussion followed.

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS
(continued)

The Vice Chairman recognized Commissioner
Toner, who

MOVED to approve the amendments
set forth in Agenda Document
No. 02-57-B, as amended at the
table.

The motion carried on the vote of 5-0 with
Commissioners McDonald, Sandstrom, Smith, Thomas, and
Toner voting affirmatively.

Vice Chairman Sandstrom recognized Commissioner
Smith who presented an amendment to Agenda Document
No. 02-57. Following discussion, the Vice Chairman
recognized Commissioner Smith, who

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS
(continued)

MOVED to insert the following
in Agenda Document No. 02-57
at Page 29, at the beginning
of Line 2:

"This second standard would
be in effect a 'reason to
know' standard, and is
different from a 'should
have known' standard.
Restatement (Second) of
Agency § 9, cmts. d and e
(1958)."

The motion carried on the vote of 5-0 with
Commissioners McDonald, Sandstrom, Smith, Thomas, and
Toner voting affirmatively.

The Vice Chairman recognized Commissioner
Thomas who reviewed his proposed amendments, and it was
agreed without objection that these technical and
conforming amendments would be included in the revised
draft at the discretion of the Office of General Counsel.

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS
(continued)

It was agreed without objection to reserve
the date of Thursday, October 3, 2002, for a public
hearing on this rulemaking, if it is deemed necessary,
based on the comments received; and, further, to modify
the deadline for the submission of comments from
September 20 to September 13, 2002.

Vice Chairman Sandstrom recognized Commissioner
Smith, who

MOVED to approve the draft Notice of
Proposed Rulemaking on Contribution
Limitations and Prohibitions for
publication in the FEDERAL REGISTER,
as set forth in Agenda Document
No. 02-57, as amended by Agenda
Documents No. 02-57-A, No. 02-57-B,
No. 02-57-C, and, as further amended
at the table; and, to direct the
Office of General Counsel to
incorporate any technical and
conforming amendments as deemed
appropriate.

II. DRAFT NOTICE OF PROPOSED RULEMAKING ON
CONTRIBUTION LIMITATIONS AND PROHIBITIONS
(continued)

The motion carried on the vote of 5-0 with
Commissioners McDonald, Sandstrom, Smith, Thomas, and
Toner voting affirmatively.

III. ADMINISTRATIVE MATTERS

There were no administrative matters to come
before the Commission.

The meeting adjourned at 11:00 A.M.

Signed:



Karl J. Sandstrom
Vice Chairman of the
Commission

Attest:



Mary W. Dove
Secretary of the
Commission