

Form 1023 (Rev. June 2006) Department of the Treasury Internal Revenue Service	Application for Recognition Exemption Under Section 501(c)(3) of the Internal Revenue Code OSDV Application Addenda Attachment	OMB No. 1545-0056 Note: <i>If exempt status is approved, this application will be open for public inspection.</i>
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The following are the answers, lists, and required statements and explanations per the request where indicated in the relevant sections of Form 1023.

Part IV | Narrative Description of Our Activities

The [Open Source Digital Voting \(OSDV\) Foundation](#) is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purpose for which this corporation is organized is to promote the development of, public access to, and adoption of open source, high assurance, transparent digital polling and voting technology, systems, and related services. In short, the OSDV Foundation is advancing standards for digital voting technology. Accordingly, this corporation is organized and operated exclusively for scientific, educational and charitable purposes within the meaning of § 501(c)(3) of the Internal Revenue Code. The mission of the OSDV is to specify, develop, and demonstrate “best practices” guidelines, tools, systems and services for high assurance digital voting using the principles of open source development and high assurance systems in a meritocratic environment.

The fastest growing problem with U.S. elections today is digital voting. Americans found a way past the “hanging chad,” but confidence in the way we vote is now at risk from computerized voting systems that were supposed to be the way forward. Whether its touch screens or electronically counted paper ballots, increasing numbers of precincts are using computers to run elections, and we’re seeing more, not fewer problems. Adopting digital voting machines is great for companies that make and sell them, but so far, it’s no better for voters. We’ve witnessed incidents ranging from wrongly recorded votes, to no way to recount, and even security lapses that can open the door to election fraud. But nearly all of these problems lie in basic technical aspects and procedures that can (*and must*) be successfully resolved first, before tackling any questions of optimal system design.

This is the core of OSDV activities: first, creating self-regulating standards and specifications, with accountability loops for digital voting that assure availability, correctness, integrity, and reliability, and second, making technology demonstrations that showcase the results. The work product will be guidelines everyone agrees are reasonable and necessary, and fully functional prototypical services for digital polling – so-called e-voting. The OSDV is an open source effort, and that means all work is accomplished through a volunteer community that is fully open and collaborative, to ensure complete transparency, with public review, comment, and participation resulting in royalty-free publicly available results. In short, the OSDV is a breakthrough organization that intends to bring together the best and brightest in technology and policy into a synergistic, meritocratic community focused on designing and building guidelines and specifications for high assurance digital polling/election services. The resulting guidelines and fully functional demonstration service will be publicly available and ultimately freely adoptable as an educational tool, test-bed, and even a production ready service.

Part V | **Compensation and Other Financial Arrangements With Our Officers, Directors, Trustees, Employees, and Independent Contractors**

1a. Continuation of list of names, contact information, and proposed compensation for all officers and directors.

Name	Title	Mailing Address	Compensation Amount
Peter F. Harter	Director	665 Lytton Ave, Palo Alto, CA 94301	NONE
Dr. Edgard Quiroz	Director	665 Lytton Ave, Palo Alto, CA 94301	NONE

3a. List of each of our officers and directors listed on lines 1a, 1b, or 1c, showing their name, qualifications, average hours worked, and duties.

Name: E. John Sebes

Title: Co-Executive Directory & Chief Technology Officer

Hours: ~45-50 Hours per week

Duties: Mr. Sebes is responsible for directing all aspects of the Foundation's strategy, tactics, and operations for the design and development of open source digital voting technology draft standards and example implementation(s) of the same. John will lead a core team of full time senior technical architects, who in turn, will rely on an all volunteer virtual community of technology developers working under an open source mandate. John is charged with setting overall strategic vision for the necessary high assurance technology required for trustworthy digital voting devices and services. Said technology – architecture, draft standards, and example implementations – will be designed and developed under John's guidance using open source methodologies resulting in work product that is completely transparent, publicly vetted, and held in the public trust. Mr. Sebes is charged with bringing the approach, mind-set, and zeal found in commensurate roles in the commercial sector while advocating, promoting, and sustaining the charter, mission, and activities of the Foundation as a tax exempt organization.

Qualifications: Mr. Sebes brings nearly three decades of experience and progressive levels of responsibility for the formulation of technology product strategy up to and including the role of Chief technology Officer (CTO). With experience in executive management and in technology innovation and development, he has performed a variety of roles including strategist, architect, designer, analyst, and advisor for a variety of organizations including established technology companies, start-ups, venture capital firms, major government agencies, and financial services firms. John's experience for the role of CTO draws on over 25 years in development and management of technology businesses that have been focused on distributed computing or information security. Breadth of technical expertise includes a variety of strategic and/or security-critical systems such as banking, payments, mobile computing, healthcare informatics, electronic medical records, digital rights management, digital control systems, and national critical infrastructure protection. Significant engagement highlights include CTO at Solidcore Systems (*enterprise software*); VP Strategy at Securify (*IT security professional services*); Technology Officer of Network Associates Labs (*McAfee, enterprise security*); and a variety of development and R&D management roles at commercial InfoSec pioneer Trusted Information Systems (TIS).

Name: Gregory A. Miller

Title: *Co-Executive Directory & Chief Development Officer*

Hours: ~45-50 Hours per week

Duties: Mr. Miller is charged with leading all “development” efforts of the Foundation, which includes, but is not limited to all fund raising and philanthropic activities, donor relationship building, and formulation of corporate contribution and support relationships including donations of goods and services, particularly information technology. In addition, Gregory is charged with marketing strategy and all public and government relations activities. This is the consummate “business development” and “partnership alliance management” type role. Mr. Miller is charged with bringing the approach, mind-set, and zeal found in commensurate roles in the commercial sector while advocating, promoting, and sustaining the charter, mission, and activities of the Foundation as a tax exempt organization.

Qualifications: Mr. Miller is a senior technology business development executive, most recently serving as a venture advisor to digital technology start-ups. His expertise includes brand and product strategy, alliances, online and viral marketing, PR strategy, and M&A analysis. Greg also provides counsel on public policy, legislation, and government affairs related to Internet governance, data security/privacy and IP. Greg has served as interim Chief Internet Strategist and/or VP of Marketing & Business Development to upstarts in digital commerce and digital asset security/privacy. Gregory’s past significant experiences include serving as MedicaLogic’s (now GE Medical Systems) Chief Internet Strategist & Director of Global Policy & Technology Standards. His focus was in the areas of strategic business planning and relationship development, strategic marketing, M&A activity, and public policy/standards. Prior to that, Greg was a Director of Strategic Marketing for Netscape Communications working in the worldwide property & casualty insurance industry and associated law firms, primarily in Europe. Before Netscape, Greg co-founded and spent five years running a VC-funded Internet startup, Inherent.Com, pioneering the use of the World Wide Web in the practice of law, and catering to the Internet infrastructure needs of legal and insurance markets. And before that, Greg spent two years with the law firm of Marger-Johnson et al, a technology and intellectual property law practice focusing on matters in software patents, licensing, and litigation. Mr. Miller has over 25 years of experience in technical and business development of the Internet dating back to ARPANET and CSNET. He is a trained computer scientist and experienced software engineer, with graduate business education in marketing, and a law degree with emphasis on intellectual property, antitrust, securities, tax, and public policy. Mr. Miller has also been active in the American Bar Association since 1988 including the Law Practice Management and Science & Technology sections, particularly the Information Security Committee and Internet governance. In early 2000, the U.S. Federal Trade Commission appointed Mr. Miller to a special advisory council on consumer online privacy. Greg was also appointed to (then) President Clinton’s Critical Infrastructure Assurance Partnership Council, and served on their public policy subcommittee through 2001. Mr. Miller also periodically advises members of the Senate Commerce Committee and FTC on matters and initiatives regarding Internet privacy, security, and critical infrastructure. Greg is also a contributor to the Congressional Internet Caucus, as well as a sustaining member of the Internet Society, and a member of the International Association of Privacy Professionals.

5a. Copy and explanation of the OSDV Conflict of Interest Policy. The following policy has been adopted by resolution of the Board of Directors and is incorporated into the OSDV By-laws. It reads in relevant part, as follows:

ARTICLE 10

CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 10.1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or any "disqualified person" as defined in § 4958(f)(1) of the Internal Revenue Code and as amplified by § 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in § 4958(c)(1)(A) of the Internal Revenue Code and as amplified by § 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 10.2. DEFINITIONS

A. Interested Person

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in § 4958(f)(1) of the Internal Revenue Code and as amplified by § 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,
2. a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under § 3 ¶ B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 10.3. CONFLICT OF INTEREST AVOIDANCE PROCEDURES

A. Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 10.4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- A.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- B.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 10.5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

1. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
2. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation [§ 53.4958-6\(c\)\(iii\)](#), which generally requires that each board member or committee member approving a compensation arrangement between this Foundation and a "disqualified person" (as defined in [§ 4958\(f\)\(1\)](#) of the Internal Revenue Code and as amplified by [§ 53.4958-3](#) of the IRS Regulations):
 - 2.1. is not the person who is the subject of compensation arrangement, or a family member of such person;
 - 2.2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
 - 2.3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
 - 2.4. has no material financial interest affected by the compensation arrangement; and does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
3. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - 3.1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
 - 3.2. the availability of similar services in the geographic area of this organization

- 3.3. current compensation surveys compiled by independent firms
- 3.4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation [4958-6](#), if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

4. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 - 4.1. the terms of the compensation arrangement and the date it was approved
 - 4.2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
 - 4.3. the comparability data obtained and relied upon and how the data was obtained.
 - 4.4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
 - 4.5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
 - 4.6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
 - 4.7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 10.6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- A. has received a copy of the conflicts of interest policy,
- B. has read and understands the policy,

- C. has agreed to comply with the policy, and
- D. understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 10.7. PERIODIC REVIEWS

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

SECTION 10.8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in [Section 7](#), the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

6b. How the OSDV will compensate certain employees through non-fixed payments. The Foundation anticipates compensating one or more Senior Director of Development positions with a non-fixed payment in the form of a bonus, measured as a small percentage of total funds raised per annum. The total amount of compensation may be capped at the discretion of the Compensation Committee of the Board of Directors, however, in any event, the Board shall look to commensurate "business development" positions in the technology business sector to ensure that compensation is commensurate and competitive to like-kind positions in the commercial sector. Said "look" shall include but not be limited to salary surveys and/or HR consultants.

Part VI | Our Members and Other Individuals and Organizations That Receive Benefits From Us

1b. Description of goods to organizations. It is the intent of the OSDV Foundation to provide to any commercial or non-commercial or governmental developer of digital voting products and services (*at their request*), at no charge, an open source technology license for any and all digital voting technology hardware, software, or systems architecture, designs, code, reference implementations or other intellectual property developed by the OSDV Foundation through charitable donations and held in the public trust by the OSDV Foundation for the benefit of all.

Part VIII | Our Specific Activities

2b. Attempts to influence legislation. The OSDV will not attempt to influence legislation in any direct or funded manner and no such activity shall comprise any measurable amount of OSDV activities or expenditures. At most, Directors or Officers of the OSDV Foundation may, in their individual capacity, write letters to their Congressional representatives from their district of domicile to voice their concerns on legislative matters that may affect the process of voting and elections.

4a. Specific Fund Raising Activities. The OSDV Foundation contemplates the following fund raising activities with a description of each fund raising program.

Fund Raising Activity	Contemplated Program
Mail Solicitations	Individual campaigns, at least one per quarter, to identified Philanthropists who are generally known to support the efforts to improve how America votes using digital technology.
e-Mail Solicitations	Designed and produced according to industry best practices and consistent with the OSDV Foundation's Privacy Policy and federal and state regulations (e.g., Can-Spam Act), the OSDV Foundation will distribute e-Mail solicitations based on an opt-out recipient strategy. Said campaigns will be produced and distributed at least once per calendar quarter.
Personal Solicitations	The OSDV Foundation, through its Directors, Executives, and Staff will directly and personally contact qualified individual philanthropists who are generally known to support the efforts to improve how America votes using digital technology.
Web Site Donations	The OSDV web site, generally at www.osdv.org , will accept individual donations vis-à-vis at least PayPal® and Google Checkout™.
Foundation Grant Solicitations	The OSDV contemplates applying and competing for Grants from other Foundations and Philanthropic Organizations to fund specific projects to develop and advance breakthrough digital technology advances in voting technology and services, as well as specific projects designed to gather input, information, and research for the same.
Government Grant Solicitations	The OSDV contemplates applying and competing for Grants from Government Organizations (e.g., <i>the Federal Elections Assistance Commission</i>) to fund specific projects to develop and advance breakthrough digital technology advances in voting technology and services, as well as specific projects designed to gather input, information, and research for the same.

4d. State and local jurisdictions. The OSDV Foundation will raise funds in all states and all local jurisdictions (e.g., through our Internet activities) for our own purposes and exclusive use for only the public benefits projects of the Open Source Digital Voting Foundation.

10. Ownership of Intellectual Property. The OSDV Foundation will develop new and novel intellectual property, including copyrights, patents, and trademarks, which will be owned by the Foundation and freely available for anyone to utilize for commercial or non-commercial purposes. Any and all intellectual property will be available through a royalty-free open source public license to be developed by the Foundation.

Part IX | Financial Data

23. Expenses not otherwise classified. There are the following projected expenses not otherwise categorized:

Year 2008 (Projected)		Year 2009 (Projected)	
Item	Amount	Item	Amount
Travel, Conferences & Events	75,000.00	Travel, Conferences & Events	175,000.00
Budget contingency (5%) potential over-runs in operating expenses	150,000.00	Budget contingency (5%) potential over-runs in operating expenses	240,000.00
Totals	\$225,000.00		\$415,000.00

Part X | Public Charity Status

1b. § 508(e) status requirement met. The OSDV Foundation, formed in the State of California as a public benefit corporation has fulfilled the requirements of § 508(e) in its organizing documents by operation of state law.