

Thank you for taking the time to read my note. While my interests may be perceived as selfish in light of the fact that I represent a printing company, my firm was once part of the ADP family and is very familiar with the overall process as it relates to processing, shareholder suppression and mailing that ADP Brokerage Services (now Broadridge) engages.

The Notice & Access model, while a viable option for many Issuers, is not economically efficient, nor practical, for most due to the standard processing fees PLUS the ancillary N&A fee schedule. Despite what Broadridge posts on their website, printing and mailing does NOT average out to be \$5.20 per package. That is a total fabrication and Broadridge has been challenged on that since 2007. Issuers must be cognizant of the production methods employed by Broadridge when their materials are being mailed. In many cases, Broadridge has mailed material in a much more expensive fashion than they should. This increase in postage actually makes the financial case for Broadridge when their 24 Field Representatives begin selling the N&A model to Issuers around the country. Each new N&A client is a commissioned sale for the Broadridge Rep. They are NOT now, nor ever have looked out for the Issuers budgets. (In my humble opinion).

Some facts:

- More than 85% of publicly traded companies are producing a plain Form 10-K, or 10-K Wrap and NOT a full blown Annual Report (this has brought print costs down significantly)
- If you are mailing 30 days or more before the Annual Meeting, there is no reason NOT to mail Standard A, or Bulk Mail (this will minimize postage expense)
- Average printing costs for Issuers with 5,000 positions and 100,000 positions range from \$1.85 - \$0.59 per package.....a FAR CRY from the \$4.00 plus that Broadridge has been peddling for the past 2 years. This is predicated upon a 48 page Proxy and a 96 page 10-K with a 4 page cover in full color. The Proxy is estimated on a 35# offset sheet and the 10-K a 27# sheet.
- The average package weight is 8-1/2 ounces which should cost Issuers approximately \$0.79 per package to mail Standard A.....NOT \$ 1.20 as has been reported by Broadridge.
- Standard processing, suppression and other service fees associated with the traditional model will still apply for the N&A model.
- Every position is charged a Notice fee whether they are mailed a Notice or not.
- Ancillary N&A fees more often than not, outweigh the cost of printing and mailing. This is primarily due to the fact that the majority of costs associated with any print project are included in the original make-ready fees, so the vast majority of costs is directly attributed to the first book of press.
- Registered shareholders are not included in the overall shareholder count when tabulating the fees. They are treated independently and increase the overall cost of services.

I have prepared hundreds of costs analyses and can assure you that I have witnessed companies with several hundred thousand shareholder who would NOT benefit from this model. This is nothing but a new product for Broadridge to sell and they are making money at the Issuers expense. The traditional method of shareholder communications in most cases is still the most cost effective way to communicate to shareholders. The key to cost savings is controlled by the Issuer who historically produce and mail their materials in an inefficient and costly manner. Education is the key and publicly traded companies need to know the best practices to employ when planning their communications, producing the material and relying on Broadridge to get them to their shareholders in the most inexpensive and timely manner.

Regards,

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