UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

May 13, 2016

Brian D. Miller
Latham & Watkins LLP
brian.miller@lw.com

Re: Xerium Technologies, Inc.
Incoming letter dated April 15, 2016

Dear Mr. Miller:

This is in response to your letter dated April 15, 2016 concerning the shareholder proposal submitted to Xerium by Hillson Partners LP. We also have received a letter on the proponent's behalf dated April 22, 2016. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Jason Simon
Greenberg Traurig, LLP
simonj@gtlaw.com

May 13, 2016

**Response of the Office of Chief Counsel**
**Division of Corporation Finance**

Re: Xerium Technologies, Inc.
Incoming letter dated April 15, 2016

The proposal relates to the engagement of an investment banking firm.

We are unable to concur in your view that Xerium may exclude the proposal under rules 14a-8(b) and 14a-8(f). Staff Legal Bulletin No. 14G (October 16, 2012) ("SLB 14G") explains that the staff will grant no-action relief to a company on the basis that a proponent's proof of ownership does not cover the one-year period preceding and including the date the proposal is submitted only if the company provides a notice of defect that identifies the specific date on which the proposal was submitted and explains that the proponent must obtain a proof of ownership letter verifying continuous ownership of the requisite amount of securities for the one-year period preceding and including such date. Although Xerium's notice of defect indicated that Xerium received the proposal on March 21, 2016, it did not identify that date as the date the proposal was submitted in accordance with the guidance in SLB 14G. In addition, the proponent has now provided Xerium with a proof of ownership letter verifying continuous ownership for the requisite one-year period preceding and including March 21, 2016, the date the proposal was submitted. Accordingly, we do not believe that Xerium may omit the proposal from its proxy materials in reliance on rules 14a-8(b) and 14a-8(f).

We note that Xerium did not file its statement of objections to including the proposal in its proxy materials at least 80 calendar days before the date on which it will file definitive proxy materials as required by rule 14a-8(j)(1). Noting the circumstances of the delay, we waive the 80-day requirement.

Sincerely,

Adam F. Turk
Special Counsel

**DIVISION OF CORPORATION FINANCE**
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matter under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholders proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

GT GreenbergTraurig

April 22, 2016

**VIA ELECTRONIC MAIL**

Office of the Chief Counsel
Division of Corporate Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

**Re: Xerium Technologies, Inc.**
**Stockholder Proposal of Hillson Partners LP**
**Securities Exchange Act of 1934 – Rule 14a-8**
**Reply to No-Action Request Dated April 15, 2016**

Ladies and Gentlemen:

This letter is submitted on behalf of Hillson Partners LP (the "LP"), in reply to the letter, dated April 15, 2016 (the "No-Action Request"), submitted on behalf of Xerium Technologies, Inc. (the "Company"). The No-Action Request seeks no-action relief from the Securities and Exchange Commission (the "Commission") to exclude the stockholder proposal and supporting statement (the "Proposal") submitted by the LP for inclusion in the proxy materials for the Company's 2016 annual meeting of stockholders.

In the No-Action Request, counsel for the Company claims that the LP has not demonstrated continuous ownership of the Company's securities for at least one year by the date the LP submitted the Proposal. As noted in the No-Action Request, in response to a letter from the Company to the LP dated April 1, 2016, on April 8, 2016, the LP provided the Company with a letter from Jefferies LLC, the LP's DTC-participant broker, confirming the LP's continuous ownership of at least $2,000 in market value of the Company's stock for the period from March 2015 through April 2016. The Company seeks to exclude the Proposal because the letter from Jefferies did not expressly state that the LP owned the required shares for at least one year before March 21, 2016, the date on which the Proposal was submitted (that is, it purportedly leaves open the possibility that the LP began ownership of the shares on a date in March 2015 after March 21).

The Company did not notify the LP of the alleged deficiency in the letter from Jefferies that was provided to it on April 8, 2016; rather, it chose to file the No-Action Request with the Commission. If the Company had notified the LP of the alleged deficiency, the LP could and would have provided a revised letter from Jefferies to further clarify that the LP met the continuous ownership requirement under Rule 14a-8(b). Having now received a copy of the No-

Action Request, the LP has, in fact, provided the Company with such a revised letter (a copy of which is attached hereto).

The staff of the Division of Corporate Finance (the "Staff") has on other occasions provided stockholders with additional time in which to provide documentary support of ownership of stock under similar circumstances. *See, e.g., Sempra Energy* (available January 10, 2006). In light of the fact that the LP attempted in good faith to comply with the documentation requirement, and has now provided further documentation that addresses the alleged deficiency cited in the No-Action Request, the LP respectfully requests that the Staff not concur in the Company's request as set forth in the No-Action Request.

Please contact the undersigned at (703) 749-1386 if you have any questions regarding this matter.

Sincerely,

Jason Simon

Enclosure

cc: Daniel Abramowitz, Hillson Partners LP

# Jefferies

Jefferies LLC
101 Hudson Street
11th Floor
Jersey City, NJ 07302-3915
212-284-2300

April 19, 2016

Via Email

Hillson Partners LP
Attn: Daniel Abramowitz
110 North Washington Street
Suite 401
Rockville MD 20850-2219

Re: Xerium Technologies Inc. (XRM) – Proof of Ownership

Dear Mr. Abramowitz:

As a follow up to our earlier letter and at your request, this letter further confirms, in order to avoid any confusion, that the account of Hillson Partners LP has, in fact, maintained a position in XRM continuously since October 29, 2013 through March 21, 2016 having a value of at least $2,000.00, and that Hillson continues to hold a position in XRM with a value of at least $2,000.00 as of the date of this letter.

Should you have any questions, please feel free to contact your Prime Broker Representative Doug Cahn at 212-336-7008 or the undersigned at 201-761-7792.

Sincerely,

Richard M. Primavera
Managing Director
Head of U.S. Securities Operations

cc: Doug Cahn

**Brian D. Miller**
Direct Dial: 202-637-2332
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www.lw.com

LATHAM & WATKINS LLP



April 15, 2016

**VIA ELECTRONIC MAIL**

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: **Xerium Technologies, Inc.**
**Stockholder Proposal of Hillson Financial Management, Inc.**
**Securities Exchange Act of 1934 — Rule 14a-8**

Ladies and Gentlemen:

This letter is submitted on behalf of Xerium Technologies, Inc. (the "Company") pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company has received a stockholder proposal and supporting statement (the "Proposal") from Daniel H. Abramowitz (the "Representative") on behalf of Hillson Partners LP (the "LP") for inclusion in the proxy materials for the Company's 2016 annual meeting of stockholders (the "Proxy Materials").

The Company hereby advises the staff of the Division of Corporation Finance (the "Staff") that it intends to exclude the Proposal from its 2016 Proxy Materials. The Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") if the Company excludes the Proposal pursuant to Rule 14a-8(f), as the Representative has not demonstrated that the LP has continuously held at least $2,000 in market value, or 1%, of the Company's securities for at least one year by the date the Representative submitted the Proposal, as required by Rule 14a-8(b).

By copy of this letter, we are advising the Representative of the Company's intention to exclude the Proposal. In accordance with Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008), we are submitting by electronic mail (i) this letter, which sets forth our reasons for excluding the Proposal; and (ii) the Representative's letter submitting the Proposal.

The Company intends to file its definitive proxy statement with the Commission on or about May 17, 2016. This letter is being sent to the Staff fewer than 80 calendar days before such date and accordingly, as described below, the Company requests that the Staff waive the 80-day requirement with respect to this letter.

## I. Background.

On March 21, 2016, the Company received the Proposal, which is attached to this letter as **Exhibit A**. The cover letter accompanying the Proposal stated that "I am hereby confirming that Hillson Partners LP (i) has continuously held shares with a market value of at least $2,000 for longer than the previous years...", however verification of the LP's stock ownership was not submitted with the Proposal.

On April 1, 2016, after confirming that the LP was not a stockholder of record of the Company's common stock, the Company sent a letter to the Representative acknowledging receipt of the Proposal and notifying the Representative that he had failed to (i) include with the Proposal the required proof of beneficial ownership of the Company's common stock (the "Deficiency Letter") and (ii) comply with Rule 14a-8(d)'s 500-word limit on proposals and accompanying supporting statements. The Deficiency Letter (attached hereto as **Exhibit B**) requested that the Representative provide the Company with documentation regarding the LP's ownership of Company securities and specifically explained:

- the ownership requirements of Rule 14a-8(b);
- the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b); and
- that the Representative's response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Representative received the Deficiency Letter.

The Deficiency Letter further requested that the Representative revise the Proposal so that it does not exceed 500 words. Enclosed with the Deficiency Letter was a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

On April 8, 2016, the Company received an email from the Representative attaching (i) a revised Proposal containing fewer than 500 words (attached hereto as **Exhibit C**) and (ii) correspondence from Jefferies LLC (the "Jefferies Letter"), purportedly verifying the LP's eligibility to submit the Proposal. The Jefferies Letter (attached hereto as **Exhibit D**) states that the LP "has maintained a position in XRM continuously for at least 1 year, from March 2015 through April 2016, having a value of at least $2,000."

The Representative's deadline for responding to the Deficiency Letter was April 15, 2016, which is 14 calendar days from April 1, 2016, the date the Representative received the Deficiency Letter. As of the date of this letter, the Company has not received any additional correspondence from the Representative.

## II. Basis for Exclusion.

Rule 14a-8(f) provides that a company may exclude a stockholder proposal if the proponent fails to provide evidence of eligibility under Rule 14a-8, including the beneficial ownership requirements of Rule 14a-8(b), provided that the company timely notifies the

proponent of the problem and the proponent fails to correct the deficiency within the required time. Specifically, Rule 14a-8(f) provides that (i) within 14 days of receiving the proposal, the company must notify the proponent in writing of any procedural or eligibility deficiencies and provide the proponent with the timeframe for the proponent's response and (ii) the proponent must respond to the company and correct such deficiency within 14 days from the date the proponent received the company's notification.

The Company satisfied its obligation under Rule 14a-8(f) by sending the Deficiency Letter to the Representative eleven days after receipt of the Proposal, stating that the LP had not met the eligibility requirements of Rule 14a-8(b) and requesting verification of the LP's sufficient stock ownership for at least one year by the date the Representative submitted the Proposal. The Deficiency Letter clearly informed the Representative of the eligibility requirements of Rule 14a-8(b), how to cure the eligibility deficiency and the need to respond to the Company to cure the deficiency within 14 days from the receipt of the Deficiency Letter.

As discussed below, the Representative failed to provide timely documentary evidence of his eligibility to submit a stockholder proposal in response to the Company's proper and timely Deficiency Letter. The Jefferies Letter indicated that the LP had held at least $2,000 in market value of the Company's securities "*from March 2015 through April 2016.*" (Emphasis added). Thus, the Jefferies Letter failed to establish that the LP satisfied the minimum ownership requirements for the requisite one-year period. The Company has received no further correspondence from the Representative regarding the LP's proof of stock ownership. Accordingly, the Company intends to exclude the Proposal under Rule 14a-8(f) because the Representative failed to supply, within 14 days of receipt of the Deficiency Letter, documentary support sufficiently evidencing that the LP satisfied the minimum ownership requirement for the one-year period as required by Rule 14a-8(b).

**A.** ***The Representative has not demonstrated the LP's continuous ownership of the Company's securities for at least one year by the date the Representative submitted the Proposal.***

Rule 14a-8(b) provides that, in order to be eligible to submit a proposal, a stockholder must have "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the [company's meeting of stockholders] *for at least one year by the date [the stockholder] submit[ted] the proposal*." (Emphasis added). Staff Legal Bulletin No. 14G clarifies that the Staff will not concur in the exclusion of a proposal under Rules 14a-8(b) and 14-8(f) unless the company (i) provides a notice of defect that "identifies the specific date on which the proposal was submitted" and (ii) explains that the proof of ownership letter must verify "continuous ownership of the requisite amount of securities for the one-year period preceding and including such date to cure the defect."

The Deficiency Letter specifically identified March 21, 2016 as the date on which the Proposal was submitted and further explained that the stock ownership "documentation must establish the LP's ownership of the required share value for at least one year by the date you submit the Proposal. This period covers the entire one-year period preceding and including the date the Proposal was submitted."

The Jefferies Letter provided by the Representative indicates that the "account of Hillson Partners LP has maintained a position in XRM continuously for at least 1 year, *from March 2015 through April 2016*, having a value of at least $2,000." (Emphasis added.) Because the Jefferies Letter states only a month and a year, without a specific date, it does not establish that the LP owned the required shares for at least one year by March 21, 2016, the date on which the Proposal was submitted. Owning the shares "since March 2015" does not necessarily mean that the LP owned its shares as of March 21, 2015, as it leaves open the possibility that the LP began ownership of the shares on a date in March 2015 after March 21, 2015. Without more specificity, the Representative has not demonstrated the LP's continuous ownership of the Company's securities for at least one year by the date the Representative submitted the Proposal.

The Staff has permitted the exclusion of stockholder proposals under Rule 14a-8(f) where language in the proof of ownership letter did not sufficiently pinpoint the dates for which the proponent had ownership of the stock. *See, e.g., Johnson & Johnson* (avail. Jan. 8, 2013) (concurring with the exclusion of a proposal where broker letter stating stock ownership since November of 2011 was insufficient to prove continuous ownership for one year as of November 13, 2012, the date the proposal was submitted, because "owning shares 'since November 2011' does not necessarily mean that the Proponent owned its shares as of November 13, 2011"); *International Business Machines Corp.* (avail. Dec. 26, 2002) (concurring with the exclusion of a proposal where broker letter stating stock ownership for more than one year as of September 2002 was insufficient to prove continuous ownership for one year as of September 5, 2002, because the language left open the possibility that the proponent had sold the shares on a date in September 2002 that was prior to September 5, 2002).

The Staff has also consistently concurred in the exclusion of stockholder proposals under Rule 14a-8(f) where the proponent has failed, following a timely and proper request by a company, to furnish full and proper evidence of continuous stock ownership for the full one-year period preceding and including the submission date of the proposal. *See, e.g., Mondelez Int'l Inc.* (avail. Jan. 15, 2013) (concurring with the exclusion of a proposal where broker letter stating ownership for one year as of November 12, 2012 was insufficient to prove continuous ownership for one year as of November 28, 2012, the date the proposal was submitted); *H&R Block, Inc.* (avail. May 18, 2012) (concurring with the exclusion of a proposal where broker letter stating stock ownership for one year as of November 1, 2011 was insufficient to prove continuous ownership for one year as of April 4, 2012, the date the proposal was submitted); *Comcast Corp.* (avail. Mar. 26, 2012) (letter from broker stating ownership for one year as of November 23, 2011 was insufficient to prove continuous ownership for one year as of November 30, 2011, the date the proposal was submitted); *Time Warner Inc.* (avail. Feb. 19, 2009) (concurring with the exclusion of a proposal where broker letter dated November 7, 2008, which stated continuous stock ownership since May 2005, was insufficient to prove continuous ownership for one year as of November 27, 2008, the date the proposal was submitted).

Accordingly, consistent with the precedent cited above, the Jefferies Letter provided by the Representative does not demonstrate that the LP has continuously owned Company securities for at least one year by the date the Proposal was submitted, March 21, 2016. Accordingly, the Company intends to exclude the Proposal under Rule 14a-8(f), because the Representative has not demonstrated that the LP is eligible to submit the Proposal under Rule 14a-8(b).

## III. Request for Waiver under Rule 14a-8(j)(1).

The Company further requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j) for good cause. Rule 14a-8(j)(1) requires that, if a company "intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission." However, Rule 14a-8(j)(1) allows the Staff, in its discretion, to permit a company to make its submission later than 80 days before the filing of its definitive proxy statement if the company demonstrates good cause for missing the deadline.

The Company was unable to comply with the 80-day filing requirement set forth in Rule 14a-8(j) because it recently changed its annual meeting date so that the 2016 annual meeting of stockholders will occur nearly three months earlier than it did in 2015. The Company's 2015 annual meeting of stockholders was held on September 11, 2015. On March 8, 2016, the board of directors of the Company set June 16, 2016 as the date for the Company's 2016 annual meeting of stockholders, which is 87 days earlier than the prior year's meeting date. This change was announced in the Company's Annual Report on Form 10-K, which was filed with the Commission on March 14, 2016 (the "Form 10-K").

In order to balance the rights of stockholders to submit proposals pursuant to Rule 14a-8 and the needs of the Company to compile the Proxy Materials for the 2016 annual meeting of stockholders, the Form 10-K announced that proposals submitted pursuant to Rule 14a-8 must be received no later than March 24, 2016, which was the tenth day following public announcement of the date of the 2016 annual meeting of stockholders. The Company's proxy materials for the 2015 annual meeting of stockholders had previously announced March 29, 2016 as the deadline for submission of proposals pursuant to Rule 14a-8.

As a result of the changed timing of the Company's annual meeting of stockholders in 2016 and the corresponding change in the deadline for Rule 14a-8 proposals, it would have been impossible for the Company to seek no-action relief from the Staff in accordance with the 80-day deadline under rule 14a-8(j)(1), as the deadline for Rule 14a-8 proposals was only 54 days prior to May 17, 2016, the day on which the Company intends to file its definitive Proxy Materials.

Upon receipt of the Proposal, the Company acted expeditiously in evaluating the Proposal and sent the Deficiency Letter to the Representative just eleven days after receipt of the Proposal. The Company is sending this no-action request on April 15, 2016, which is the last day of the fourteen-day period in which the Representative could properly respond to the Deficiency Letter pursuant to Rule 14a-8(f).

Based on the changed timing of the Company's annual meeting of stockholders in 2016, the timing of the receipt of the Proposal and the anticipated date for the Company's 2016 annual meeting of stockholders, the Company believes that it has good cause for its inability to meet the 80-day requirement. Accordingly, the Company respectfully requests that the Staff waive the 80-day requirement with respect to this letter.

## IV. Conclusion.

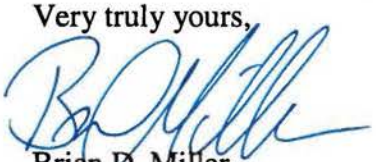
Based upon the foregoing analysis, the Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Commission if the Proposal is excluded from the Company's Proxy Materials pursuant to Rule 14a-8(f), as the Representative has not demonstrated that the LP has continuously held at least $2,000 in market value, or 1%, of the Company's securities for at least one year by the date the Representative submitted the Proposal, as required by Rule 14a-8(b).

* * * *

If the Staff does not concur with the Company's position, we would appreciate an opportunity to confer with the Staff concerning this matter prior to the determination of the Staff's final position. In addition, the Company requests that the Representative copy the undersigned on any response it may choose to make to the Staff, pursuant to Rule 14a-8(k).

Please contact the undersigned at (202) 637-2332 to discuss any questions you may have regarding this matter.

Very truly yours,



Brian D. Miller
of LATHAM & WATKINS LLP

Enclosures

cc: James F. Wilson, Chairman of the Board of Xerium Technologies, Inc.
William P. O'Neill, Latham & Watkins LLP

# Exhibit A

## Proposal

**HILLSON FINANCIAL MANAGEMENT, INC.**
110 NORTH WASHINGTON STREET, SUITE 401
ROCKVILLE, MD 20850
dabramowitz@hillsonfinancial.com

(301) 340-0003 FAX (301) 340-0004

DANIEL H. ABRAMOWITZ
PRESIDENT

March 21, 2016

**Via Email and Federal Express**
Mr. James F. Wilson, Chairman of the Board
Mr. Kevin McDougal, Executive Vice President, General Counsel and Secretary
Xerium Technologies, Inc.
14101 Capital Boulevard
Youngsville, NC 27596

Dear Mr. Wilson and Mr McDougal:

Hillson Partners LP is the beneficial owner of approximately 340,000 shares of Xerium Technologies, Inc. stock. As required by Rule 14a-8 promulgated under the Securities Act of 1934, I am hereby confirming that Hillson Partners LP (i) has continuously held shares with a market value of at least $2,000 for longer than the previous year, and (ii) intends to hold these shares through the date of the Company's annual shareholders' meeting.

We hereby submit the following proposal and supporting statement pursuant to rule 14a-8 of the Securities and Exchange Act of 1934 for inclusion in the proxy statement for the next meeting of stockholders for which this proposal is timely submitted. If you would like to discuss this proposal, please contact me at (301) 340-0003 or dabramowitz@hillsonfinancial.com.

Please know it is our intention to present the attached shareholder proposal at the Company's annual shareholders' meeting. However, should the company take action to implement the proposal in advance of the Shareholder's meeting and announce so publicly, we would be willing to withdraw the proposal.

**PROPOSAL: The stockholders recommend that an investment banking firm be hired to pursue a liquidity event to maximize shareholder value including a sale of the company.**

**Supporting Statement**

On May 4, 2015, according to an amended schedule13D filed by American Securities LLC (AS), AS submitted a letter to Xerium indicating an interest in acquiring Xerium at an undisclosed price. As further disclosed in the AS filing, Xerium responded to the

letter indicating that it was not willing to proceed negotiating a transaction based on the terms set forth in the letter. As a result, AS determined not to pursue a transaction at that time.

Rather than negotiate with AS or hire an investment bank to run an auction in order to achieve the best possible price for shareholders, Xerium decided to reject the offer without even disclosing the offer to shareholders (we are only aware of the offer because of the filing by AS).

By failing to disclose the offer to shareholders and choosing not to pursue a transaction at that time, management and the Board squandered a golden opportunity to maximize shareholder value and have, instead, significantly damaged both their own credibility and shareholder value.

Management's repeated promises of growth in sales, EBITDA, and free cash flow have failed to materialize. Instead, shareholders were stunned when the company reported 4th quarter 2015 numbers far below expectations and, even worse, an outlook that implies that EBITDA will remain at current depressed levels for the next three years!

On May 4, 2015, the date of the AS acquisition proposal letter, Xerium's stock closed at $17.63 per share. Since management rejected the proposal, Xerium's stock has crashed. As of March 21, 2016, the price had collapsed to $5.41, down a staggering 69% since the date of the AS acquisition proposal.

Management has invested nearly $190 million of shareholder capital over the past three years in the form of capital expenditures and restructuring charges in an effort to turn this business around and generate returns for shareholders. It is now clear that this has been an effort in futility. Enough is enough! In order for an independent public company, particularly a micro-cap, to be reasonably expected to produce decent returns for shareholders, it must possess the ability to generate steady and/or above average growth, and/or have the ability to return meaningful amounts of capital to the shareholders via dividends and/or stock repurchases. Xerium does not have any of these characteristics and there is no reasonable basis to expect that it will within a reasonable period of time.

There is simply no legitimate reason to allow management to continue with the failed strategy of the past three years. If you believe, as we do, that the best way to restore value and create liquidity at the highest possible price is through a sale of the company, then you should vote FOR this proposal recommending that an investment banking firm be hired to pursue a liquidity event including a sale of the company

Very truly yours,

Daniel H. Abramowitz
President of the General Partner
Hillson Partners LP

# Exhibit B

## Deficiency Letter

14101 Capital Boulevard
Youngsville, NC 27596
919-526-1400


April 1, 2016

**BY FEDEX AND ELECTRONIC MAIL**

Daniel H. Abramowitz
Hillson Financial Management, Inc.
110 North Washington Street, Suite 401
Rockville, MD 20850
dabramowitz@hillsonfinancial.com

Re: Stockholder Proposal

Dear Mr. Abramowitz,

On March 21, 2016, Xerium Technologies, Inc. (the "Company") received correspondence from you submitting a stockholder proposal and accompanying supporting statement (the "Proposal") on behalf of Hillson Partners LP (the "LP") for inclusion in the Company's proxy statement for its next annual meeting of stockholders. The correspondence indicates that you intended for the Proposal to meet the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended ("Rule 14a-8"), including the continuous ownership of the required share value for at least one year by the date you submitted the Proposal and the 500-word limit placed on proposals and accompanying supporting statements. This notice is to inform you that we have not received verification of the LP's stock ownership, and thus you have not demonstrated that the LP is eligible to submit the Proposal under Rule 14a-8. Further, the Proposal, including the supporting statement, exceeds 500 words, in violation of Rule 14a-8(d). In order for the Proposal to be properly submitted, you must remedy these two procedural deficiencies.

## I. PROOF OF SHARE OWNERSHIP UNDER RULE 14A-8(B).

In order to establish the LP's eligibility to submit the Proposal under Rule 14a-8, the LP is required to provide the Company with documentation regarding its ownership of Company securities, or the LP must direct its broker to send such documentation to the Company. The documentation must demonstrate that the LP has continuously held at least $2,000 in market value, or 1%, of the Company's securities entitled to be voted at the meeting for at least one year by the date you submitted the Proposal. Rule 14a-8(b) provides that the LP may prove its eligibility to the Company in two ways. It may either submit:

- a written statement from the "record" holder of its securities (usually a broker or bank) verifying that, at the time you submitted the Proposal, the LP continuously held the Company's securities for at least one year; or

- a copy of a Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting the LP's ownership of the shares as of or before the date on which the one-year eligibility period begins.

To help stockholders comply with the requirement to prove ownership by providing a written statement from the "record" holder of the shares, the staff of the SEC's Division of Corporation Finance (the "SEC Staff") published Staff Legal Bulletin No. 14F ("SLB 14F"). In SLB 14F, the SEC Staff stated that only brokers or banks that are Depository Trust Company ("DTC") participants will be viewed as "record" holders for the purposes of Rule 14a-8. Thus, stockholders must obtain the required written statement from the DTC participant through which their shares are held.

If the LP is not certain whether its broker or bank is a DTC participant, it may check the DTC's participant list, which is currently available on the Internet at:

http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx

If the LP's broker or bank is not on DTC's participant list, it will need to obtain proof of ownership from the DTC participant through which its securities are held. The LP should be able to find out who the DTC participant is by asking its broker or bank. If the DTC participant knows of the holdings of its broker or bank, but does not know the LP's holdings, the LP may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, at the time the Proposal was submitted, the required amount of securities were continuously held by the LP for at least one year – with one statement from the LP's broker or bank confirming its ownership, and the other statement from the DTC participant confirming the broker or bank's ownership. Please see the enclosed copy of SLB 14F for further information.

Please note that the documentation must establish the LP's ownership of the required share value for at least one year by the date you submit the Proposal. This period covers the entire one-year period preceding and including the date the Proposal was submitted.

## II. 500-WORD LIMIT ON PROPOSALS UNDER RULE 14A-8(D).

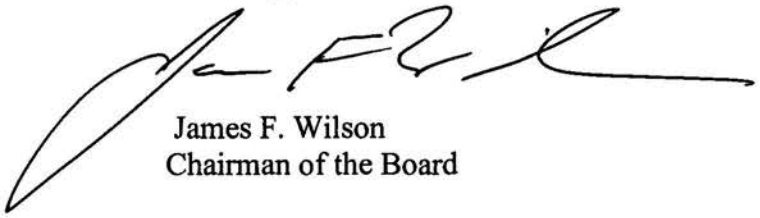
Rule 14a-8(d) provides that any stockholder proposal, including any accompanying supporting statement, may not exceed 500 words. Based on our review, the Proposal, including the supporting statement, totals 516 words. In reaching this conclusion and in accordance with guidance from the SEC Staff, we have counted dollar and percent symbols as individual words and counted acronyms as multiple words where such acronyms are not previously defined. In order to remedy this deficiency, you must revise the Proposal so that it does not exceed 500 words.

## III. CONCLUSION.

In order for the Proposal to be properly submitted, you must provide the Company with the proper verification of the LP's stock ownership, as described above, and you must revise the Proposal so that it does not exceed 500 words. Such verification of stock ownership and the submission of a revised Proposal, not to exceed 500 words, must be postmarked or transmitted no later than 14 calendar days from the date you receive this notice. For your information, we have attached a copy of Rule 14a-8 regarding stockholder proposals.

Please note that the Company has made no inquiry as to whether or not the Proposal, if properly submitted, may be excluded pursuant to Rule 14a-8(i) or for any other reason. The Company will make such a determination once the Proposal has been properly submitted.

Sincerely,



James F. Wilson
Chairman of the Board

Enclosures

Pages 20 through 24 redacted for the following reasons:
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U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

# Shareholder Proposals

## Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://tts.sec.gov/cgi-bin/corp_fin_interpretive.

### A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

### B. The types of brokers and banks that constitute "record" holders

under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In The Hain Celestial Group, Inc. (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer

accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, Hain Celestial has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow Hain Celestial.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx.

What if a shareholder's broker or bank is not on DTC's participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the

shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

### C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date before the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date after the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

> "As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

> 1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

> 2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

> 3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership

includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

### E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[16]

### F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our

staff no-action response.

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[1] See Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

[3] If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

[4] DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.

[5] See Exchange Act Rule 17Ad-8.

[6] See Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

[7] See KBR Inc. v. Chevedden, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); Apache Corp. v. Chevedden, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

[8] Techne Corp. (Sept. 20, 1988).

[9] In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

[10] For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

[11] This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

[12] As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

[13] This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, additional proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow Layne Christensen Co. (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

[14] See, e.g., Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

[15] Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

[16] Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

http://www.sec.gov/interps/legal/cfslb14f.htm

# Exhibit C

## Revised Proposal

**HILLSON FINANCIAL MANAGEMENT, INC.**

110 NORTH WASHINGTON STREET, SUITE 401
ROCKVILLE, MD 20850
dabramowitz@hillsonfinancial.com

(301) 340-0003 FAX (301) 340-0004

DANIEL H. ABRAMOWITZ
PRESIDENT

April 8, 2016

**Via Email and Federal Express**
Mr. James F. Wilson, Chairman of the Board
Xerium Technologies, Inc.
14101 Capital Boulevard
Youngsville, NC 27596

Dear Mr. Wilson:

In response to your letter, dated April 1, 2016, below is a revised shareholder proposal which is below the 500 word limit as defined in your correspondence to us. In addition, per your request, I am enclosing a copy of a letter from our DTC-participant broker, Jefferies LLC, which confirms our continuous ownership of at least $2,000 in market value of the company's stock for more than a year since the date of we first submitted our proposal.

If you would like to discuss this proposal, please contact me at (301) 340-0003 or dabramowitz@hillsonfinancial.com.

**PROPOSAL: The stockholders recommend that an investment banking firm be hired or directed to pursue a liquidity event to maximize shareholder value including a sale of the company.**

**Supporting Statement**

On May 4, 2015, according to an amended schedule13D filed by American Securities LLC (AS), AS submitted a letter to Xerium indicating an interest in acquiring Xerium at an undisclosed price. As further disclosed in the AS filing, Xerium responded to the letter indicating that it was not willing to proceed negotiating a transaction based on the terms set forth in the letter. As a result, AS determined not to pursue a transaction at that time. We now know that Xerium received several other preliminary expressions of interest but deemed all of them inadequate from a financial point of view. None of this was publicly disclosed by Xerium at the time.

By failing to disclose the offers to shareholders and not executing a transaction at that time, management and the Board squandered a golden opportunity to maximize

shareholder value and have, instead, significantly damaged both their own credibility and shareholder value.

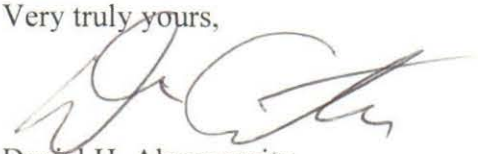
Management's repeated promises of growth in sales, EBITDA, and free cash flow have failed to materialize. Instead, shareholders were stunned when the company reported 4th quarter 2015 numbers far below expectations and, even worse, an outlook that implies that EBITDA will remain at or near current depressed levels for the next three years!

On May 4, 2015, the date of the AS acquisition proposal letter, Xerium's stock closed at $17.63 per share. Since management rejected the proposal, Xerium's stock has crashed. As of April 8, 2016, the price had collapsed to $4.45, down a staggering 75%!

Management has invested nearly $190 million of shareholder capital over the past three years in the form of capital expenditures and restructuring charges in an effort to turn this business around and generate returns for shareholders. It is now clear that this has been an effort in futility. Enough is enough! In order for an independent public company, particularly a micro-cap, to be reasonably expected to produce decent returns for shareholders, it must possess the ability to generate steady and/or above average growth, and/or have the ability to return meaningful amounts of capital to the shareholders via dividends and/or stock repurchases. Xerium does not have any of these characteristics and there is no reasonable basis to expect that it will within an appropriate time frame.

There is simply no legitimate reason to allow management to continue with the failed strategy of the past three years. If you believe, as we do, that the best way to restore value and create liquidity at the highest possible price is through a sale of the company, then you should vote FOR this proposal recommending that an investment banking firm be hired or directed to pursue a liquidity event including a sale of the company.

Very truly yours,



Daniel H. Abramowitz
President of the General Partner
Hillson Partners LP

Cc: Kevin McDougal

Enclosure

**Exhibit D**

**Jefferies Letter**

# Jefferies

Jefferies LLC
101 Hudson Street
11th Floor
Jersey City, NJ 07302-3915
212-284-2300

April 5, 2016

Via Email [dabramowitz@hillsonfinancial.com]

Hillson Partners LP
Attn: Daniel Abramowitz
110 North Washington Street
Suite 401
Rockville MD 20850-2219

Re: Xerium Technologies Inc. (XRM) – Proof of Ownership

Dear Mr. Abramowitz:

As you requested, this letter confirms the account of Hillson Partners LP has maintained a position in XRM continuously for at least 1 year, from March 2015 through April 2016, having a value of at least $2,000.

Should you have any questions, please feel free to contact your Prime Broker Representative Doug Cahn at 212-336-7008 or the undersigned at 201-761-7792.

Sincerely,

Richard M. Primavera
Managing Director
Head of U.S. Securities Operations

cc: Doug Cahn